



## Cambridge City Council

### Notice of Council

**Date:** Tuesday, 25 February 2020

**Time:** 6.00 pm

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

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This meeting is the continuation of the adjourned meeting of Thursday 13 February 2020. The meeting will start from agenda item 5.

- 5 To consider the recommendations of the Executive for adoption
- 5a Executive Councillor for Housing: HRA Budget-Setting Report (BSR) 2020/21 (Pages 5 - 116)
- 5b Executive Councillor for Finance and Resources: Capital Strategy 2020/2021 (Pages 117 - 152)
- 5c Executive Councillor for Finance and Resources: Treasury Management Strategy Statement Report 2020/21 to 2022/23 (Pages 153 - 178)
- 6 To consider Budget Recommendations of the Executive for Adoption
- 6a Budget Setting Report (General Fund) 2020/21 (Pages 179 - 324)
- 6b Liberal Democrat Group Amendment to the Executive Budget Recommendations (Pages 325 - 352)
- 7 To consider the recommendations of Committees for adoption
- 7a Civic Affairs: Pay Policy Statement 2020/21 (Pages 353 - 374)
- 7b Civic Affairs: Amendment to Council Procedure Rules (Pages 375 - 380)

8 To deal with oral questions

9 Written questions

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

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<p><b>RECOMMENDATION TO COUNCIL</b> <b>(Executive Councillor for Housing)</b></p>
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## **2020/21 Housing Revenue Account Budget Setting Report**

As part of the 2020/21 budget process, the range of assumptions upon which the Housing Revenue Account (HRA) Business Plan and Medium Term Financial Strategy were based, had been reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.

The HRA Budget-Setting Report provided an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2020/21 budgets.

The Housing Scrutiny Committee considered and approved the recommendations by 5 votes to 0 with 3 abstentions.

Accordingly, Council is recommended to:

### **Treasury Management**

- l) Approve the need to borrow over the 30-year life of the business plan, with the first instance of this anticipated to be in 2022/23, to sustain the current level of investment, which includes £10,000,000 per annum for the delivery of new homes.
- m) Recognise that any decision to borrow further will impact the authority's ability to set-aside resource to redeem 25% of the value of the housing debt by the point at which the loan portfolio matures, with the approach to this to be reviewed before further borrowing commences.

### **Housing Capital**

- n) Approval of capital bids and savings, shown in Appendix D (3) of the HRA Budget Setting Report, to include funding to begin to improve the energy efficiency of the existing housing stock.
- o) Approval of the latest Decent Homes Programme, to include an updated recharge of capitalised officer time and timing of decent

homes expenditure for new build dwellings, as detailed in Appendix E of the HRA Budget Setting Report.

- p) Approval of the latest budget sums, profiling and associated financing for all new build schemes, including revised scheme budgets for Akeman Street, Meadows and Buchan Street and Campkin Road, based upon the latest cost information from the Cambridge Investment Partnership (CIP) or direct procurements, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- q) Approval of re-phasing of budget for the Estate Improvement Scheme, to also include reallocation of the resource between capital and revenue based upon the projects identified to date, as detailed in Appendix E, and summarised in Appendix K, of the HRA Budget Setting Report.
- r) Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.

## **General**

- s) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2020/21 onwards, based upon 2019/20 grant levels, with approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- t) Approval of delegation to the Strategic Director to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any decisions made by the Shared Home Improvement Agency Board.
- u) Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserve for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build housing development, should

the need arise, in order to meet quarterly deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.

- v) Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary technical amendments to detailed budgets in respect of the outcome of the review of recharges between the General Fund and the HRA and the outcome of the review of the pension fund deficit contribution, with any net impact for the HRA to be incorporated as part of the HRA Medium Term Financial Strategy in September 2020.

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Version 3  
Council

# Housing Revenue Account Budget Setting Report 2020/21



February  
2020

# Version Control

Version	for:	Anticipated Content
1	Draft	Draft content for consultation
2	Housing Scrutiny Committee 15 January 2020	Member Scrutiny  Tenant and Leaseholder Representative Input  Amendments to Executive proposals  Opposition budget amendment proposals  Rents and Service Charges approved  Revenue budgets considered and approved
3	Council Meeting 13 February 2020	The Executive Councillor for Housing's recommended final budget proposals  Capital budgets considered and approved
4	FINAL	Final version for publication following Council

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# Section 1

## Introduction

### Foreword by the Executive Councillor

The City Council's Housing Revenue Account (HRA) Budget Setting Report allows the authority to review and update the key financial and policy assumptions that underpin the HRA's long-term business plan and to recommend a budget for the coming financial year that fulfills key housing objectives.

Since the approval of the HRA Medium Term Financial Strategy in September / October 2019, the authority still awaits the outcomes of both the Housing Green Paper of August 2018 and the Consultation on the Future Use of Right to Buy Receipts. Increasing the percentage of the receipts from a sale that can be spent on financing new social housing from 30% to 50% and being allowed to keep receipts for a longer period would both be helpful changes, although the view remains of the Labour administration that local authorities like Cambridge should have the power to pause Right to Buy sales if only to stem the annual loss of council homes available for rent.

From April 2020 rents will return to an annual increase of up to CPI plus 1% for a period of five years, with a resulting increase in the level of rental income.

The Council declared a climate change emergency in February 2019, calling on Government, industry and regulators to make changes to enable Cambridge to reach net zero carbon by 2030. The authority is fully committed to reducing its carbon footprint and improving sustainability across the entire asset portfolio.



An improved financial outlook, coupled with increasing information on the current condition of our housing stock, allows us to consider accelerated investment to improve the energy efficiency of council homes. A significant programme of initial investment has been incorporated into the 2020/21 budget proposals to allow the poorest performing homes, those rated D, E, F or G, to receive prioritised investment.

Government plans for a Future Homes Standard would end the use of fossil-fuel heating systems in all new houses from 2025, with the authority reviewing not only the approach to heating new homes, but also to replacement heat sources in existing homes as gas boilers become life expired.

The delivery of new council homes part-funded by the Devolution Grant is progressing well, with 343 homes either completed or on site and a total of 546 additional homes expected by the end of the programme in 2023/24. All homes being constructed go beyond national standards with respect to sustainability. This Budget Setting Report also proposes additional up-front resource to assist with the preparatory work required to meet this authority's ambition, restated here, to build an extra one thousand new council homes over the course of the decade following the end of the current housebuilding programme, to help tackle the affordable housing crisis in Cambridge.

*Councillor Richard Johnson.*

Executive Councillor for Housing

# Background

The Housing Revenue Account budget is set in the context of a 30-year business plan, which is reviewed twice each year, in September / October when the budget strategy is agreed and again in January / February, when the budget is approved.

The HRA Budget Setting Report covers both HRA revenue and all housing capital spending. As the landlord account for the authority, the HRA accounts for all services to tenants and leaseholders and is the account into which the proceeds of the rent and service charges are credited.

Resource available to invest in housing is dependent upon the income streams in the Housing Revenue Account, the most significant of these being the rental income for the housing stock. The authority is now required to comply with a national approach to rent setting, where rents will be increased annually by up to inflation (as measured by the Consumer Price Index) plus 1%, from April 2020 for 5 years.

The Housing Revenue Account continually reviews priorities for investment, considering:

- The level of investment required to maintain decency in the existing housing stock
- The need to spend on landlord services (management and maintenance)
- The need to support, and potentially set-aside for repayment of, housing debt
- The ability to identify resource for Investment in new affordable housing
- The ability to invest in new initiatives, such as improving the energy efficiency of the existing housing stock. The Council committed to reducing its carbon footprint and improving sustainability across its asset portfolio, declaring a climate change emergency in February 2019 and calling on government, industry and regulators to make changes to enable Cambridge to reach net zero carbon by 2030.
- The desire to invest in income generating activities and discretionary services (i.e.; support)
- The ability to respond quickly to changes in housing and building legislation

The HRA must be able to support a significant level of housing debt whilst also ensuring the ongoing delivery of housing services. As at April 2019, the authority was supporting a housing debt of £215,136,135.

# Purpose, Scope and Key Dates

## **Purpose and Scope**

The HRA Medium Term Financial Strategy for 2019/20, approved in September / October 2019 set the financial strategy for the HRA for 2020/21. As part of this, internal and external factors impacting the housing service were reviewed, taking account of any emerging changes in national housing policy and the impact of any anticipated change in the economic environment. The review determined the financial strategy for the HRA and the framework for the detailed budget work to develop proposals for the 2020/21 budget.

As part of this document, the assumptions on which the HRA Medium Term Financial Strategy was based, have been reviewed to determine whether any aspects of the strategy need to be revised. Business risks and any potential mitigation are considered as part of this review and sensitivity analysis of key factors is undertaken, to ensure that effective contingency plans are available to the Council and that an appropriate level of reserves can be maintained in light of changes in assumptions.

The outcome of the exercise, summarised in this document, provides the basis for setting the HRA budget and rents and charges for 2020/21, culminating in recommendations to both Housing Scrutiny Committee on 15 January 2020, and ultimately Council on 13 February 2020.

The work on the 2020/21 HRA Budget Setting Report adopts the following key parameters:

- A financial model that assumes revenue resource is set-aside to redeem 25% of the self-financing housing debt as it matures
- A financial model assuming borrowing in order to extend the financial viability of the business plan once rental income is insufficient to meet costs of both new build and maintaining / improving the housing stock.
- Rent increases in line with the Rent Standard, with rent of CPI plus 1% per annum for a period of 5 years.
- Housing stock that is maintained at a level that allows the authority to comply with the current decency standard.
- An efficiency savings target of £130,000 per annum included for 5 years, directly offset by a corresponding Strategic Investment Fund that will allow resource to be re-invested in priority areas for the service.
- An adjustment in responsive repairs expenditure in line with anticipated stock changes.
- A minimum working balance for reserves of £2m, with a target level of £3m.

## Key Dates

The key member decision-making dates were / are as follows:

Date	Task
<b>2019</b>	
26 September	The Executive Councillor for Housing considered HRA Medium Term Financial Strategy, incorporated Housing Scrutiny Committee, including Tenant and Leaseholder Representative views, and approved revenue aspects, making recommendations to Council in respect of the capital plan.
17 October	Council approved HRA Medium Term Financial Strategy 2019/20
<b>2020</b>	
15 January	Executive Councillor for Housing considers Housing Scrutiny Committee views, before approving HRA revenue budgets and rent levels, and making recommendations to Council in respect of the capital aspects of the HRA Budget Setting Report
13 February	Council approves HRA Budget Setting Report

# Section 2

## Review of National and Local Policy Context and External Factors

### Review of National Policy Context

#### **National Rent Setting Policy**

From April 2020 local authority rents will be regulated by the Regulator of Social Housing, alongside housing associations and other registered providers, with the Regulator's rent standard applicable to local authorities also.

Rent increases will be limited to an increase of up to CPI plus 1% from April 2020 for 5 years (based upon CPI at the preceding September), with properties below target rent levels still waiting until they are vacated to be moved directly to target rent.

Target rents will continue to be set with reference to January 1999 property values.

The 5% flexibility remains, but with the need to ensure that there is a clear rationale for using the flexibility which considers local circumstances and affordability.

Affordable rents increases are also limited to a maximum increase of CPI plus 1% from April 2020, but with the ability to re-set the rent at up to 80% of market rent upon re-let.

A local authority can request an exemption from the Rent Standard from the Secretary of State, where the government rent policy would otherwise cause unavoidable and serious financial difficulty.

The Regulator of Social Housing carried out a further consultation between May and July 2019, surrounding the detailed rules and expectations of the Rent Standard to be applicable from April 2020 in light of the Direction published by Government, with the detailed guidance still awaited at the time of writing this report.

## **Housing Green Paper**

Consultation on the Ministry of Housing, Communities and Local Government green paper 'A new deal for social housing' concluded on 6 November 2018.

The formal outcome of the consultation and any resulting change in legislation is still awaited at the time of writing this report.

The five key principles in the consultation document were:

- a safe and decent home with a sense of security and ability to get on in life;
- improving and speeding up how complaints are resolved;
- empowering residents, ensuring voices are heard and landlords held to account;
- tackling stigma and celebrating thriving communities, challenging stereotypes
- building much needed social homes ensuring a springboard to home ownership.

The consultation considered a vast number of points, including:

- introduce further safety measures in social housing and reviewing the decent homes standard and engaging residents in how to ensure homes are safe
- improve mediation for residents, ensuring access to advice and support, review process for the handling of complaints.
- review performance reporting, regulation and resident engagement
- Tackle stigma in social housing, provide good neighbourhood management, tackle anti-social behaviour.

# Welfare Reforms

## Universal Credit

Since 17<sup>th</sup> October 2018, working age tenants (including couples where one is a pensioner) needing to apply for one of the six legacy benefits have needed to apply for Universal Credit instead. Existing legacy benefit claimants are being 'naturally migrated' to Universal Credit when they have a prescribed change in their circumstance. To support these claimants with the transition to Universal Credit, an additional payment of two weeks Housing Benefit is made. Tenants in temporary or specified accommodation will continue to receive Housing Benefit for their housing costs.

From April 2019, the DWP has been funding Citizens Advice through a national partnership to assist people with applying for Universal Credit. This is supplemented by Cambridge City Council funding a post in the Jobcentre to provide Personal Budgeting Support (PBS), which facilitates support for a greater number of claimants.

The authority has sent out leaflets and printed articles in Open Door to increase awareness and engagement and offers 1-2-1 support when it is known that a tenant has moved to Universal Credit.

Many tenants will move to Universal Credit due to one of the specified changes in circumstances. However, following trials in Harrogate (due to end summer 2020), a process of managed migration will move remaining Housing Benefit claimants to Universal Credit nationally but no timeframe or guidance on this is available.

## Benefit Cap

Support is ongoing for those impacted by the reduced Benefit Cap, with referrals made to Cambridge Citizens Advice for budgeting support and to Cambridge Housing Society to look at ways to help those affected into work. Others still need short term Discretionary Housing Payments (DHPs) to support them until they're able to improve their

circumstances. DHPs are used extensively to support those affected by welfare reforms and are typically awarded with conditionality, the purpose of which is to assist the tenant in no longer being subject to the Benefit Cap. A big part of this is the work carried out by City Homes, who assist tenants to find solutions that work for them.

## **Removal of the Spare Room Subsidy**

Numbers of customers affected by the removal of the spare room subsidy has reduced with 262 HRA tenants currently affected by the reform (343 in 2018). 223 are impacted by a reduction of 14% and 39 by 25%. DHPs are used to support tenants affected by the Removal of the Spare Room Subsidy. DHPs are typically awarded with attached conditionality that seeks to assist the tenant in no longer being subject to the Spare Room Subsidy.

## **Limiting the Child Element to two children**

Since 1 April 2017, new benefit claims and current benefit claims which increase the family element above two children, do not have additional child elements included in the Housing Benefit calculation. There are exemptions for multiple births, result of abuse and adoption.

# **Right to Buy**

## **Right to Buy Sales**

During 2018/19, 60 right to buy applications were received and recorded, resulting in 27 completions. This compares to 65 applications in the previous year, which gave rise to 47 completions.

In the first 8 months of 2019/20, 45 right to buy applications were received and 19 sales completed. This seems to confirm that interest has again stabilised at the lower levels experience until a few years ago, when RTB received some re-invigoration at a national level.



Predicting future sales continues to be difficult, but the current level of initial interest in the scheme, coupled with continued uncertainty surrounding exit from the European Union, indicate that interest is likely to remain low, at least in the short term.

For the HRA Budget Setting Report 30 sales are assumed in 2020/21, reducing to 25 sales per annum from 2021/22 onwards.

The table below highlights the activity over the last 5 years, detailing the mix of houses, flats and bedsits sold through this process.

Status	Year	Right to Buy (RTB)			Total
		House	Flat	Bedsit	
Actual Sales	2014/15	26	24	1	51
	2015/16	24	17	1	42
	2016/17	36	22	0	58
	2017/18	26	20	1	47
	2018/19	13	14	0	27
Estimated Sales	2019/20	17	18	0	35
	2020/21	15	15	0	30
	2021/22	13	12	0	25
	2022/23	13	12	0	25
	2023/24	13	12	0	25

## Right to Buy Receipts

At 31 March 2019, the authority held £13,932,386.83 of right to buy receipts under the retention agreement with CLG, to be spent within 3 years of their original receipts date, with a maximum of 30% of any new dwelling being funded via this mechanism. The balance must be funded from Devolution Grant, the Council's own resources, or through borrowing and retained right to buy receipts can't be used to fund replacement dwellings or dwellings receiving any other form of public subsidy. With the Bank of England base rate still at 0.75%, any penalty interest payable on receipts not re-invested appropriately will be at the rate of 4.75%.

A government consultation, which closed on 9 October 2018, considered the following amendments to the regulations surrounding the use and application of retained right to buy receipts:

- Extending the spending deadline from 3 to 5 years for receipts currently held, whilst retaining the 3 year timeframe for any future receipts received.
- Increasing the level of right to buy receipts which can be used to finance a new home from the current cap of 30%, to 50% in respect of social rented homes, where authorities meet the eligibility criteria for the Affordable Homes Programme and can demonstrate a need for social housing over other affordable housing.
- Deter the use of receipts for acquisition of existing market homes by limiting the value of an acquisition to the cost of delivery of a new home as determined by Homes England and the Greater London Authority. This would mean a cap on the value of an acquisition for Cambridge City Council of £167,000.
- Allowing right to buy receipts to be used to fund shared ownership homes as well as rented.
- Allowing land held by the General Fund to be transferred to the HRA for the delivery of affordable homes at zero value, but with some suggestion a time limit may be imposed on how long the General Fund will have had to hold the land prior to transfer.
- Consideration of changes to allow transfer of receipts to a Housing Company or ALMO (Arm's Length Management Organisation), subject to some constraints.
- Allowing a 3 month 'interest free' window after each quarter to allow authorities to make decisions about whether to retain or pay over receipts.

The outcome of the consultation is still awaited at the time of writing this report.

**Appendix G** summarises the latest position in respect of receipts held and appropriately re-invested. The authority has avoided breach of any re-investment deadlines to date, but no longer has any protection from repayment of receipts, with sums now required to be spent on new build homes in each arising quarter to avoid payment of any penalty.

Newly arising receipts continue to be retained at the end of each quarter for the current year and following 2 years, as the authority requires the receipts to combine with Devolution Grant to deliver over 500 new homes. After this period, the decision to retain or pay over receipts each quarter will revert to the Head of Finance, in consultation with the Strategic Director, taking into consideration any need to borrow to appropriately re-invest the resource and the implications of this on the business plan. The Executive Councillor for Housing will be informed if the recommendation in the quarter were to be to pay receipts directly back to Central Government.

## Review of Local Policy Context

### Housing Stock

The Housing Revenue Account owns and manages the following properties:

Housing Category	Actual Stock Numbers as at 1/4/2019	Estimated Stock Numbers as at 1/4/2020
General Housing – Social	6,152	6,066
General Housing – Affordable	297	379
Sheltered Housing	510	510
Supported Housing	22	22
Temporary Housing (Individual Units)	61	61
Temporary Housing (HMO / EA's)	24	24
Miscellaneous Leased Dwellings	18	18
<b>Sub Total Rented Dwellings</b>	<b>7,084</b>	<b>7,080</b>
Shared Ownership Dwellings	109	97
<b>Total HRA Dwellings</b>	<b>7,193</b>	<b>7,177</b>

Note: General Housing - Affordable are new build homes, which are let as agreed in the HRA Rent Setting Policy, at Cambridge rent levels, which are capped at Local Housing Allowance levels, which is in the region of 55% of market rent.

The number of properties anticipated to be held by 1/4/2020 is less than that reported at 1/4/2019 as a result of assumed sales under the right to buy and vacation and subsequent demolition of properties in Ventress Close, Akeman Street, Colville Road and Campkin Road. Although handover of new homes in Nuns Way, Wiles Close and Cameron Road has taken place, and is anticipated at Anstey Way before year end, there will not be enough new units delivered during 2019/20 to outstrip those disposed of or demolished. A greater number of new homes are anticipated for handover during 2020/21 and 2021/22.

A breakdown of the housing stock by property type is demonstrated in the table below:

<b>Stock Category (Property Type)</b>	<b>Actual Stock Numbers as at 1/4/2019</b>	<b>Estimated Stock Numbers as at 1/4/2020</b>
Bedsits	97	97
1 Bed	1,703	1,691
2 Bed	2,529	2,534
3 Bed	2,243	2,234
4 Bed	102	102
5 Bed	7	7
6 Bed	2	2
Sheltered Housing	510	510
<b>Total HRA Rented Dwellings</b>	<b>7,193</b>	<b>7,177</b>

## Leasehold Stock

At 1<sup>st</sup> April 2019, the Council retained the freehold and managed the leases for 1,184 leasehold flats.

## **Housing Demand**

The mix of new housing delivered by the Housing Revenue Account continues to be influenced by a combination of the numbers on the housing register locally coupled with strategic forecasts of future housing need.

Cambridge City Council currently has 2,146 households on the housing register (1,452 'live' and 684 with applications 'pending'). 483 applicants were housed over the last year (to end of September 2019), with the majority (76%) of lettings being to applicants at band A or B.

The greatest demand for housing is still one and two bedroomed properties, with one-bed applicants accounting for 57% of the register, two-bed applicants 30%, three-bed applicants 11% and 2% of applicants waiting for properties with 4 or more bedrooms.

Applicants are banded according to housing need. Of those with a 'live' application, band A represents the highest housing need, making up approximately 9% of the register. Band B applicants represent approximately 26%, band C 38% and band D 27% at the end of September 2019.

## **Support for Vulnerable People**

The Housing Service has a Tenancy Support Team, with 3 staff employed to help and support tenants, with a focus on supporting the more vulnerable tenants in our homes, to help them sustain their tenancies. The HRA also employs 2 Financial Inclusion Officers who work with tenants to ensure that they are receiving all the financial support to which they are entitled.

Cambridge City Council remains in contract with the County Council for the delivery of tenure neutral support services to older people across the city, with a term of up to 4 years from April 2018. The contract sum is fixed at £180,000 per annum.

The authority has been contracted to deliver both care and support services in extra care housing at Ditchburn Place for many years. Following an inability to negotiate a way that the City Council could continue to deliver care services at Ditchburn Place, the County Council have formally decided to contract directly with another care provider.

The City Council are working closely with the County Council and the new care provider to ensure as smooth a transition as possible for both staff and residents.

## External Factors

Update of the financial forecasts for the HRA also takes into consideration factors outside of the direct control of the authority, but which could impact strategic decision making.

### **Inflation Rates**

The base rate of inflation used to drive expenditure assumptions in the HRA financial forecasts is the Consumer Price Index (CPI). Changes in this measure of inflation were reviewed as part of the Medium Term Financial Strategy, with the view that there will be a steady increase in the rate over the next three years (1.8%, 2.1%, 2.3%) until a level of 2.4% is arrived at by the end of 2022.

The rate has fluctuated over the past 12 months, but overall has fallen from a starting point of 2.4% in September 2018 to a rate of 1.7% in September 2019.

The Bank of England have revised their predictions following the November 2019 meeting, compared with those made in August 2019, but still with the long-term target of 2% in mind.

Taking a mid-year average of the CPI forecasts published in the Bank of England November 2019 Monetary Policy Report results in revised assumptions for CPI of 1.75% for 2021/22, 2.1% for 2022/23 and 2.2% ongoing, marginally lower than the assumptions made as part of the HRA Medium Term Financial Strategy in September 2019.

For 2020/21, an adjustment to the revised Bank of England forecasts would mean reducing the measure of CPI used in the construction of the budget from 1.8% to 1.45%. On the basis that the detailed budget work has already been undertaken, and the change in inflation assumption causes only a marginal financial impact, the previous assumption of 1.8% has been retained for 2020/21.

The assumptions surrounding building maintenance expenditure inflation are derived from a mix of forecast using the RICS (Royal Institution of Chartered Surveyors) Building Cost Information Service (BCIS) all in tender price index and CPI. This recognises that older planned maintenance contracts use the BCIS as an inflation driver, and those let more recently adopt CPI as the measure of inflation for contract price increases.

The latest projections for the BCIS Index over the next 4 years currently predict a maintained rate of growth of 2.7% for 2020/21, but are increased to 4.7%, 5.3% and 6.4% in the following 3 years. Taking an average of these rates of growth for the forecast three years gives rise to an annual increase of 5.5%.

On a similar average basis, the assumptions for CPI over the same period are 2%, a difference of 3.5%. As only 50% of the work programme is anticipated to be subject to the BCIS indices, half of the uplift has been applied and a rate of CPI plus 1.75% has been incorporated into the business plan forecasts for the next 4 years.

## **Interest Rates**

The Housing Revenue Account is entitled to a proportion of interest earned on revenue and capital cash balances invested by the authority, with a mix of investments adopted by the Council. In the 2019/20 HRA Medium Term Financial Strategy it was agreed that HRA resource would be invested only in lower risk investments, therefore generating a lower rate of return, with an ongoing interest rate of 0.8% assumed.

This assumption has been retained for the HRA Budget Setting report, as detailed in **Appendix A**, recognising that this is a prudent assumption and that some recovery in interest rates can be expected in future years. The interest rates projections will be reviewed as part of the 2020/21 HRA Medium Term Financial Strategy.

In respect of HRA borrowing, the self-financing loan portfolio with the Public Works Loans Board remains, with rates of between 3.46% and 3.53%.

With the HRA borrowing cap having been abolished, subject to financial viability, and the ability to support the borrowing, the authority can borrow to invest in the provision of affordable housing without external constraint.

Any transfer of land between the General Fund and the HRA to allow development, currently still impacts the HRA Capital Financing Requirement, effectively increasing borrowing. Although there is now no cap on borrowing, such decisions must still be made in the knowledge of the revenue impact of transferring the land. The outcome of a government consultation which sought to allow the transfer of land between funds at nil value is still awaited.

The assumption has previously been made that any additional borrowing is externalised, with borrowing from the Public Works Loan Board (PWLb) at preferential rates for local authorities. An announcement in October 2019 confirmed an increase in the base lending rate from the PWLB of 1% with immediate effect, having a huge impact upon the financial viability of HRA Business Plans where significant borrowing was assumed, to facilitate the delivery of new homes.

When the HRA Medium Term Financial Strategy was prepared in the summer of 2019, a borrowing rate of 2.44% was assumed. Subsequent to this the rate fell further, before the 1% increase was then applied from October 2019.



Based upon the rates available (30-year maturity loan) at the time of drafting this report, a revised rate of 3.24% has been incorporated into any borrowing assumptions from 2020/21 onwards. To ensure continued prudence, this rate does not take account of the potential 20 basis point reduction that may be available to the authority through the certainty rate currently in place if the authority shares its long-term borrowing strategy and capital investment plans with government.

However, a significant increase in the rates available from the PWLB re-opens the debate that the authority had when it financed the HRA Self-Financing Settlement in March 2012, when a number of alternative lending routes were explored, including internal borrowing, inter-authority borrowing, market borrowing and bond issuance. At the point at which the HRA Business Plan formally incorporates any significant borrowing for the delivery of new homes, all these borrowing routes will again need to be explored.

# Section 3

## Housing Revenue Account Resources

### Rent

#### Rent Arrears, Bad Debt Provision and Void Levels

Rent collection performance locally has dipped marginally, with over 98% of the value of rent due, collected in 2018/19, compared with 98.5% in 2017/18. This compares to the collection rates of over 99% achieved in prior years.

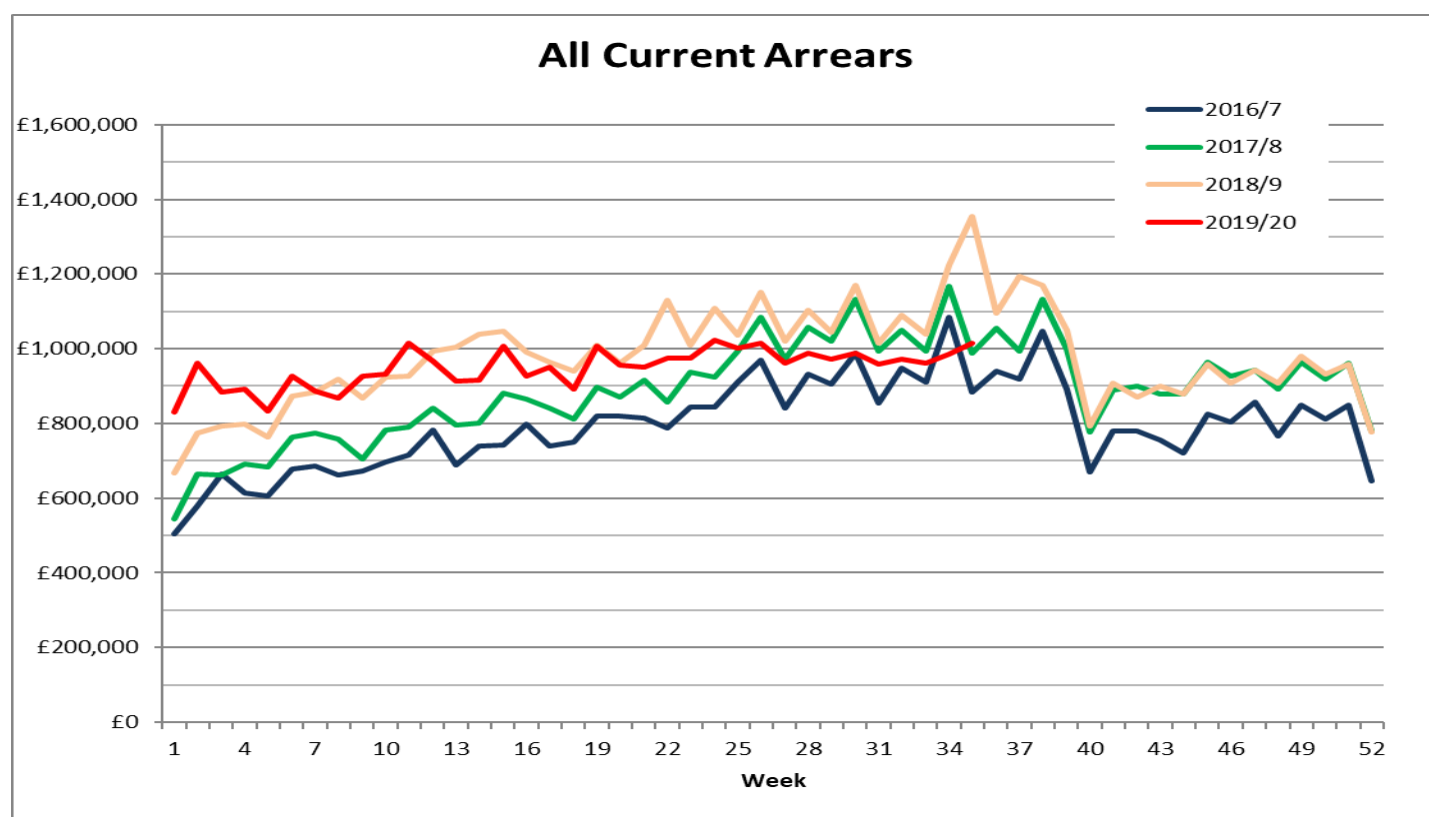
The year-end position in respect of rent debt is summarised in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2015	£637,735	1.67%	£763,491
31/3/2016	£598,820	1.51%	£735,539
31/3/2017	£645,398	1.63%	£728,050
31/3/2018	£779,904	1.96%	£871,620
31/3/2019	£776,961	1.93%	£932,156

Performance in the collection of current tenant debt was maintained during 2018/19, despite the gradual increase in the number of tenants moving from receiving support for their housing costs through Housing Benefit to Universal Credit.

By the end of November 2019, current tenant arrears stood at £1,015,241, with former tenant arrears at £913,843. This displays a significant in-year increase in current tenants arrears, which in previous years would have been partly mitigated by non-payment weeks in the latter part of the year, but now that the authority has moved to charging the rent equally across every week in the year, is more likely to represent a real increase in the arrears trajectory.

A particular focus on arrears recovery during the latter part of the year, is therefore required.



The Income Management Team continue to work proactively with all tenants, but particularly those already, or soon to be, affected by the benefit changes, to attempt to mitigate any negative financial impact on the Housing Revenue Account.

Specialist officers continue to work with tenants to support them through the transition from Housing benefit to Universal Credit, to help improve budgeting skills and to identify

ways in which debt can be managed more effectively. Support is also available to help tenants access on-line services and engage in making on-line applications.

From April 2019, the authority moved to collecting the annual rent due from tenants over 52 or 53 weeks in each year as opposed to the 48 weeks previously adopted. This change brought the City Council in line with many other local authorities and housing associations and is more consistent with the way in which Universal Credit is being calculated and paid. There is still an ongoing debate at national level about the 53<sup>rd</sup> rent week in 2019/20, with the DWP refusing to recognise the impact of the way that Universal Credit is calculated in this regard, and effectively not paying for this one week every 6 or 7 years.

Tackling former tenant arrears continues to prove challenging, with additional staffing resource being deployed in this area to compensate for the substantive staff being particularly focussed on current tenant arrears and welfare reform changes. Debt that is not realistically collectable is still recommended for write off, but the process through which this happens is currently being reviewed to avoid unnecessary delay.

Provision is made in the Housing Revenue Account to write off 90.5% of former tenant debt, but a decision to do this is not taken until all avenues for collection have been exhausted.

The annual contribution to the bad debt provision is 1.5% from 2019/20. This assumption has been retained as part of this review. The level of provision for the longer term will be reviewed once the authority has more experience of payment performance locally after the full rollout of Universal Credit.

At 31 March 2019, the total provision for bad debt stood at £1,351,662 representing 79% of the total debt outstanding.

The value of rent not collected as a direct result of void dwellings in 2018/19 was £723,924 representing a void loss of 1.91%, compared with £902,193 in 2017/18, representing a void loss of 2.39%.

Void levels have improved in 2019/20 to date, with the void loss between April and October 2019 (7 months) being £382,194, representing a 1.77% void loss. A snapshot of the proportion of stock vacant at the end of October 2019 confirms that 1.66% of homes are unoccupied, but with a number of these having been vacant for longer than desired, before being ready to be re-let.

Decisions to redevelop existing homes, requiring them to be vacated prior to demolition, causes a temporary increase in the void performance statistics, until the entire site is vacated, and the homes are formally removed from stock.

With the impact of irregular void transactions removed from the statistics, the void performance for 2018/19 would have been 0.9%, supporting the view that the longer-term business planning assumption of 1.0% is still realistic. Recognising that there will still be a continued higher incidence of void activity whilst current new build development sites are vacated, it is proposed to retain the marginally higher assumption of 1.75% for 2019/20.

## **Rent Restructuring and Rent Levels**

The authority still lets property on two differing rent levels, social rent and affordable rent, with the latter capped locally at the level of the Local Housing Allowance.

The average target 'rent restructured' rent at the start of 2019/20 across the general housing stock was £101.69, with the average actual rent charged being £97.97, both recorded on a 52-week basis. By April 2019, 25% of the social rented housing stock was being charged at target rent levels, compared with 21% in April of the previous year. The

loss of rental income that arises for the gap between actual and target rent levels in the general housing stock equates to an annual loss of income of approximately £1,325,200.

The authority has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, only when a property becomes void, and actively continues to do this.

There were 343 new build rented and shared ownership properties charged at the higher 'affordable rent' levels, equivalent to the Local Housing Allowance at the end of October 2019.

## **Rent Policy**

The local rent setting policy was last updated and approved in September 2017. It will be reviewed in September 2020, unless there is the need to recognise any impact on rents that may arise from changes in national housing legislation, following consultation.

## **Rent Setting**

Rent levels are set in January of each year, with the Executive Councillor for Housing having authority to make this decision, following pre-scrutiny by Housing Scrutiny Committee.

From April 2020, the authority is required to increase rents by up to CPI (at the rate in September 2019 of 1.7%) plus 1%, arriving at an overall increase of up to 2.7%.

The assumption of an increase of CPI plus 1% is retained for the following four year also, with an assumption of CPI (as measured at the preceding September), plus 0.5% after this

Affordable rented homes will be subject to the same inflationary increase, but with the requirement for local authorities to have regard for the Local Housing Allowance and to

ensure at re-let that the combined rent and service charges levied do not exceed 80% of the market rent for each dwelling. To demonstrate regard for the Local Housing Allowance, which in Cambridge is significantly lower than 80% of market rent, our local policy limits affordable rents to the Local Housing Allowance level (approximately 58% of market rent) at the point of introduction. As a result, affordable rents for 2020/21 will be reviewed in line with the underlying inflation rate but will be capped at the Local Housing Allowance levels if these are lower.

## Service Charges

Service charges are levied for discretionary services that are provided to some tenants and not others, depending upon the type, nature and location of a property. Some of these services are eligible for Housing Benefit or Universal Credit, depending upon the nature of the service.

In respect of social housing tenancies, service charges are separately identified on rent accounts, so that tenants can see what they are paying for alongside their core rent. For affordable rented homes, the tenant pays a total sum for rent and charges, which is capped at the Local Housing Allowance level, making the breakdown less meaningful.

On some new build affordable rented sites, where the total payable by the tenant, including all service charges is capped at the Local Housing Allowance level. The balance of income to the HRA after payment for services is not always sufficient to meet the basic landlord costs. This is particularly relevant in mixed tenure flatted accommodation where a third party management company is in operation.

Under the guidance anticipated to be used by the Regulator for Social Housing, registered providers are expected to endeavour to ensure that service charge increases do not exceed CPI plus 1%, and to consult tenants in respect of the introduction of new services or before any material change to existing services.

The approach to setting service charges for 2020/21 is detailed at **Appendix B**.

## Other Sources of Income

### Garages

The Housing Revenue Account currently owns 1,543 residential garages and 35 parking spaces and manages a further 16 garages and 6 parking spaces on behalf of the General Fund. Of the HRA garages and parking spaces, up to 20% are on sites that are currently being explored for potential demolition and re-development. Many of these sites are in the early stages of investigation.

Of the garages available for letting, approximately 12.2% are currently void (compared to 19.6% at this time last year), with a level of void loss in the year to date at the end of October 2019 of approximately 12% (compared to 19% at the same point last year).

The proposed charges for garage and parking spaces for 2020/21, increased by a rate of inflation of 1.8% as assumed in the HRA Medium Term Financial Strategy, are as follows, with any existing tenants who are being phased up to full rent levels following the charging review conducted in 2017/18 having their rents increased by inflation plus £2.00 per week until the levels below are achieved:

Category	Base Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week
Parking Spaces in standard area (tenants only)	7.41	0.00	7.41
Parking Spaces in standard area (non-tenants)	7.41	1.48	8.89
Garage in standard area (tenants only)	9.54	0.00	9.54
Garage in standard area (tenants storage use)	9.54	1.91	11.45



Garage in standard area (non-tenants)	9.54	1.91	11.45
Garage or Parking Space in high value / high demand area (tenants only)	18.20	0.00	18.20
Garage in high value / high demand area (tenants storage use)	18.20	3.64	21.84
Garage or Parking Space in high value / high demand area (non-tenants)	18.20	3.64	21.84
A £5.00 premium is added to all base rates above when rented for non-city resident, commuter, business or commercial use			
Parking Space - Non-City Resident / Commuter or Business / Commercial use	12.41	2.48	14.89
Garage in standard area - Non-City Resident / Commuter or Business / Commercial use in standard area	14.54	2.91	17.45
Garage in high value / high demand area - Non-City Resident / Commuter or Business / Commercial use in high value / high demand area	23.20	4.64	27.84

Parking spaces or garages in the curtilage of properties are charged at the prevailing base rate for the area. Internal council use to be charged at base garage rate excluding VAT.

## Commercial Property

The level of rental income from commercial property is dependent upon the timing of lease renewals for the small portfolio of shops and other business premises that are owned by the HRA. In 2020/21 the income generated by the commercial property portfolio is anticipated to be in the region of £418,000.

The general occupation of the HRA commercial property portfolio is good, with any vacant shop units usually re-let within reasonable timescales.

## Interest / Investment Income

The Housing Revenue Account receives interest on general or ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve and any unapplied capital balances.

Interest rates available to the Council remain low, although a small increase has been realised since the PWLB lending rates were increased by 1% in October 2019. The HRA benefits only from the lower risk, and therefore lower return areas of Council investment.

The rate that the HRA can earn on investments, recognising the low risk nature of their investments, has been retained at 0.8% as part of this iteration of the HRA Business Plan.

## Other External Funding

In addition to income received directly from service users, the Housing Revenue Account anticipates receiving external funding in the following forms:

- Devolution Grant – The authority is receiving grant as part of the Devolution Agreement with Government and the Combined Authority, totalling £70,000,000 over a 5 year period
- Support Funding – Funding of £180,000 per annum for tenure neutral support to be provided to older people across the city is contracted for up to a further 2 years from April 2020, subject to contract extension for the last year.
- Section 106 Funding – The HRA can benefit from the ability to invest sums received for affordable housing through Section 106 Agreements on development sites across the city, although these sums often come with both time and investment criteria constraints

# Earmarked & Specific Funds

## Earmarked Funds – Revenue Reserves

In addition to General Reserves, the Housing Revenue Account maintains earmarked or specific funds. **Appendix C** details the current level of funding in the reserves, including;

**Repairs & Renewals** – funds for major repairs of HRA-owned administrative premises and periodic replacement of assets such as vehicles, plant, equipment and furniture, particularly in sheltered and supported accommodation.

**Major Repairs Reserve** - a statutory reserve credited with depreciation in respect of the housing stock each year, with funding then in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt.

**Tenants Survey** - allows the spread of costs for any Tenant and Leaseholder Survey evenly across financial years, despite the survey only being undertaken periodically.

**HRA Set-Aside for Potential Debt Repayment or Future Re-Investment** - The business plan currently assumes the authority notionally sets aside 25% of the value of housing debt over the life of the plan, to retain flexibility in whether to redeem or re-finance some of the loan portfolio as loans mature. Using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), allows the HRA to retain flexibility over the use of any resource that is available for set aside in the future. This policy is to be reviewed when the authority is required to borrow further.

## Earmarked Funds – Capital Receipts

**Right to Buy Attributable Debt Ear-Marked Capital Receipt** - The HRA retains an element from all right to buy receipts over and above those assumed in the self-financing settlement, in recognition of the debt held in respect of the asset. These sums are held in

a separate ear-marked capital balance, allowing them to be utilised to repay debt should the authority so choose, or alternatively reinvest as deemed appropriate.

**Right to Buy Retained One-for-One (1-4-1) Ear-Marked Capital Receipt** – With the Right to Buy Receipt Retention Agreement still in force, this reserve ensures that resource is separately identified for re-investment, and if necessary, repayment purposes.

# Section 4

## Housing Revenue Account Budget

### Revised Budget 2019/20

The Housing Revenue Account (HRA) revenue budget for the current year (2019/20) was amended as part of the HRA Medium Term Financial Strategy in September 2019.

As part of this HRA Budget Setting Report, any major unavoidable pressure or material change in income for the year is recognised, alongside the impact in revenue terms of the need to revisit funding requirements for the Housing Capital Investment Plan in 2019/20 following re-phasing of new build schemes. Some funding for the Estate Investment Scheme has been moved from a capital budget to a revenue budget recognising the nature of the work identified, with this directly offset by an adjustment to the revenue financing of capital expenditure. Funding for the installation of heat detectors has been re-profiled across an additional year to facilitate delivery of the programme. These changes, coupled with some re-phasing of the capital programme, result in a small increase in the level of interest that the HRA expects to earn for 2019/20. A net change of £146,310 in the 2019/20 HRA budget is identified, as summarised in the table below.

<b>2019/20 Revised Budget</b>	<b>Original Budget January 2019 £</b>	<b>HRA MTFS September 2019 £</b>	<b>HRA BSR Proposed Changes £</b>	<b>HRA BSR January 2020 £</b>
Net HRA Use of / (Contribution to) Reserves	(1,403,700)	(132,520)		
Savings / Increased Income			(17,610)	
Unavoidable Revenue Bids / Reduced Income			0	
Re-phasing to future years			(128,700)	
Non-Cash Limit Adjustments (net)			0	
<b>Revised Net HRA Use of / (Contribution to) Reserves</b>				<b>(278,830)</b>
Variation on previously reported projection				(146,310)

The above figures include carry forward approvals from 2018/19 in the second column, in addition to changes approved as part of the Medium Term Financial Strategy in September 2019, with the net revenue cost identified in the current year, as part of the January 2020 committee cycle, incorporated in the right-hand column. The net increase in costs for 2019/20 will result in a reduced contribution to Housing Revenue Account reserves for the current year, when compared to that anticipated in the HRA Medium Term Financial Strategy. Details are provided in **Appendix D (1)**.

## Overall Budget Position - 2020/21 onwards

### Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below and at **Appendix J**, with detail for the period to 2024/25 provided in **Appendix D (2)**:

<b>Targets Set</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
Efficiency Savings	0	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
Strategic Investment Fund	0	130,000	130,000	130,000	130,000	130,000
<b>Net Change Required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Summary of Draft Proposals</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
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Unavoidable Revenue Bids	0	236,300	236,300	236,300	236,300	236,300
Reduced Income Proposals	0	16,000	16,000	16,000	16,000	16,000
<b>Unavoidable</b>	<b>0</b>	<b>252,300</b>	<b>252,300</b>	<b>252,300</b>	<b>252,300</b>	<b>252,300</b>

Savings Proposals	0	(145,020)	(145,020)	(145,020)	(145,020)	(145,020)
Increased Income Proposals	0	(114,040)	(114,040)	(114,040)	(114,040)	(114,040)
Bids	(128,700)	210,500	484,700	78,200	78,200	78,200
<b>Discretionary</b>	<b>(128,700)</b>	<b>(48,560)</b>	<b>225,640</b>	<b>(180,860)</b>	<b>(180,860)</b>	<b>(180,860)</b>
Non-Cash Limit Adjustments	(17,610)	(165,930)	(93,450)	(93,450)	(93,450)	(93,450)

<b>Total Revenue Proposals</b>	<b>(146,310)</b>	<b>37,810</b>	<b>384,490</b>	<b>(22,010)</b>	<b>(22,010)</b>	<b>(22,010)</b>
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<b>Under / (Over) Achievement against Target</b>	<b>(146,310)</b>	<b>37,810</b>	<b>384,490</b>	<b>(22,010)</b>	<b>(22,010)</b>	<b>(22,010)</b>
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<b>Cumulative Under / (Over) Achievement against Target</b>	<b>(146,310)</b>	<b>(108,500)</b>	<b>275,990</b>	<b>253,980</b>	<b>231,970</b>	<b>209,960</b>
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## Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example direct revenue funding of capital expenditure (DRF), interest and depreciation. These items are treated outside of the 2020/21 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and investment priorities. For 2020/21 there are non-cash limit adjustments in respect of both interest paid and received based upon the latest balances and rate assumptions, in respect of depreciation, based upon the latest stock estimates and in Direct Revenue Financing of capital expenditure.

## Performance against Net Savings Target

An efficiency savings target of £130,000 was retained in HRA forecasts for 2020/21 as part of the HRA Medium Term Financial Strategy approved in September 2019. The efficiency target was set in the context of a financial position which is improved by the removal of the assumption that a sale of higher value voids levy will ever be implemented.

The savings identified in the table above, included for decision as part of the HRA Budget Setting Report, are detailed in **Appendix D (2)**.

The savings and increased income that have been identified for 2020/21 are partially offset by the HRA reacting to unavoidable revenue pressures and reductions in income and considering strategic investment fund bids. The net position is an under-achievement against the targets set of £37,810 in 2020/21, rising to £384,490 in 2021/22, before arriving at a net over-achievement of £22,010 on an ongoing basis from 2022/23. Details of the net savings can be found in **Appendix D (2)**.

If approved on this basis, the budget proposals for 2020/21 onwards will cause an ongoing impact on HRA resources, with £275,990 of reserves utilised by 2021/22, but with an ongoing contribution back into reserves of £22,010 per annum from 2022/23.

Corporate costs and overheads still need to be reviewed following changes in both shared service recharges and as a result of standardising the basis for apportioning overheads alongside our two partner authorities. A review of the resulting costs, and the impact of these upon the recharges between the General Fund and HRA will be undertaken in the latter part of 2019/20, with any financial impact being addressed as part of the Medium Term Financial Strategy processes in 2020/21.

Further efficiency targets have been incorporated from 2021/22 for four years, also at the level of £130,000 per annum. This will allow continued strategic re-investment at the same



level each year, to be in a position to respond to challenges presented by changes in local and national housing and welfare policy and also in construction regulations.

The result of any corporate transformation activity may have a financial impact for the HRA. The detail, and impact in monetary terms, is not always available at the outset of each project. Any anticipated costs or savings for the HRA are only included once the activity is confirmed corporately as being far enough progressed that some certainty can be given to the incidence of impact between the General Fund and the HRA.

## **Strategic Investment Fund**

As part of the HRA Medium Term Financial Strategy, approved in September 2019, approval was given to retention of the Strategic Investment Fund of £130,000 per annum, to be directly offset by efficiency savings identified in the HRA each year, for the next 5 years.

Bids against this fund have been identified as part of the 2020/21 budget process, with the proposals detailed in **Appendix D(2)** and incorporated into the table above.

## **Transformation Fund**

An ongoing budget of £120,000 per annum is retained in the HRA to allow investment in service transformation projects, spend to save initiatives and to allow a quick response to in-year changes in legislation or major change in national housing policy. The fund can be allocated to one-off projects or to meet ongoing commitments, recognising that if committed on an ongoing basis, there will be less capacity in future years to respond to arising issues.

The responsibility for identification and approval of funding for suitable projects, whether one-off, or ongoing in nature, is delegated to the Strategic Director, who is responsible for ensuring that the authority continues to meet statutory obligations and has a housing offer which is fit for purpose.

# Section 5

## Housing Capital Budget

### Stock Condition and Decent Homes

The housing service reported achievement of decency in the housing stock as at 31 March 2019 at 89%, with 799 properties that were considered to be non-decent (in addition to 977 refusals). A further 307 properties were estimated to become non-decent during 2019/20.

Following a fundamental review of investment in the existing housing stock during 2019, and approval of an updated Asset Management Strategy in September / October 2019, changes were made to the level of investment in the housing stock as part of the HRA Medium Term Financial Strategy. These changes were made based upon extrapolated data taken from decent homes stock condition surveys in a proportion of the housing stock.

There is a considerable amount more work to be done in respect of assessing the benefits of additional investment at a property, or block specific level, with the need to complete more detailed specialist surveys in some cases before investment decision can be made.

One of the key areas of additional, or alternative, investment in the housing stock is in respect of energy efficiency measures. The Council committed to reducing its carbon footprint and improving sustainability across its asset portfolio. The Council declared a climate change emergency in February 2019, and has called on government, industry and regulators to make changes to enable Cambridge to reach net zero carbon by

2030. There is a clear commitment to improving energy efficiency, reducing the carbon impact of properties and ultimately reducing the cost of energy bills for tenants.

In early 2019 the government announced plans for a Future Homes Standard which would end the use of fossil-fuel heating systems in all new houses from 2025. Although gas heating would still be used in existing homes this does signal that over the life of the current 30 year plan the type of heating in our stock will need to change. These policy changes and initiatives are likely to have an impact on both initial investment in the housing stock and on future maintenance.

Additional investment is proposed over the next 3 years to allow pilot programmes of energy efficiency measures across the existing housing stock to be delivered, with a particular focus on improving the energy efficiency in our poorest performing homes. The authority needs to assess what investment will be required to improve the performance of all the existing housing stock, with investigation into the costs and ways of achieving improved energy efficiency in the lower-performing properties already underway, so that the least efficient properties are improved first. Currently we rely on the results of Energy Performance Certificate surveys to assess the energy performance of the housing stock. A review of D, E, F and G rated properties is in progress to identify what measures could be taken to improve energy ratings. The continued ability to assess certificates, establish what measures / work will be required and develop investment programmes is subject to funding being approved as part of this HRA Budget Setting Report.

A capital bid of £2,500,000 (£500,000 in 20120/21, £1,000,000 in 2021/22 and £1,000,000 in 2022/23) is incorporated into the 2020/21 budget to allow for pilot programme of energy efficiency measures to be developed.

The Council is committed to the 'fabric first' approach to improving energy efficiency which means maximising the performance of the components and materials that make up the building fabric itself, before considering the use of mechanical or electrical building services systems. Integrating the energy efficiency measures within the building

envelope means the occupants are required to do less to operate their building and do not have to adjust their habits or learn about new technologies.

Insulation is a fundamental part of the fabric first approach; this includes roof, wall and floor insulation that can significantly improve energy performance. In other homes there may be the need to undertake a complete retrofit to improve energy performance, particularly where there is an issue with air tightness of the property. Typical air leakage pathways include floors, walls and ceilings, ducting, doors, plumbing entries and fireplaces.

Work is also proposed to explore alternative heat sources across the existing housing stock, with a commitment to reviewing how existing gas boilers could be replaced with more sustainable heat sources in the future. There are a number of alternatives, but these options may not be suitable in every dwelling, and a programme that considers the viable options for each dwelling type across the housing stock will need to be carefully developed and costed before any decisions can be made.

Financial assumptions are currently constructed based on a partial investment standard, but with some lifecycles having recently been reduced to improve stock condition and funding having been re-included to tackle the decent homes backlog.

# New Build Affordable Housing

## **General Approach**

The Council's approach to building new homes is continually evolving, with consideration being given to the building and energy efficiency standards against which the authority will build going forward.

The Council's policy on electric vehicle charging continues to evolve and this may require additional sub stations, which will add cost. In addition, the government is

currently consulting on the next update for building regulations which may have an immediate impact on carbon reduction strategies. This update is currently factored into existing scheme budgets on an estimated basis, but it won't be known what the final impact will be until the government confirms. In addition, there is pending legislation on fire safety, where again, an allowance is included in the budgets, but until the government confirm the new standards this remains a risk.

## New Build Schemes Completed

Following the completion of 315 new homes (293 affordable rented and 22 shared ownership) between November 2013 and April 2018, funded using right to buy receipts and Homes England (Homes and Communities Agency as was) grant alongside HRA resources, the authority moved on to deliver a programme of 500 new homes using Devolution Grant as a new funding source.

The table below details the new build schemes completed as part of the 500 programme to date:

Scheme	Date Completed	Affordable Housing / SO Units	External Funding Source	Percentage Affordable Housing on Site
Uphall Road	February 2018	2	RTB Receipts & Devolution Grant	100%
Nuns Way / Cameron Road	September 2019	7	RTB Receipts & Devolution Grant	100%
Wiles Close	September 2019	3	RTB Receipts & Devolution Grant	100%
Ditchburn Place	September 2019	2	RTB Receipts & Devolution Grant	100%
<b>Total</b>		<b>14</b>		

## New Build Schemes On Site

Sites where work is in progress are summarised in the table below, with details of the anticipated costs and number of units that will be delivered on each site once complete:

<b>Scheme</b>	<b>Approved (Indicative) Affordable Housing Units</b>	<b>Gain in Affordable Housing Units</b>	<b>Latest Budget Approved</b>	<b>RTB Receipt / Sales Receipt Funding</b>	<b>Devolution Grant</b>	<b>Net Capital Cost to the HRA</b>
Mill Road	118	118	24,965,630	(7,489,690)	(17,475,940)	0
Anstey Way	56	29	11,489,640	(1,886,750)	(3,551,230)	6,051,660
Queensmeadow	2	2	621,040	(186,310)	(434,730)	0
Wulfstan Way	3	3	816,810	(245,040)	(571,770)	0
Colville Road Garages	3	3	847,300	(254,190)	(593,110)	0
Markham Close	5	5	1,186,650	(355,990)	(830,660)	0
Gunhild Way	2	2	664,140	(199,240)	(464,900)	0
Kingsway	4	4	410,000	(123,000)	(287,000)	0
Akeman Street	14	12	4,526,720	(910,680)	(2,124,920)	1,491,120
Ventress Close	15	13	3,689,920	(783,910)	(1,828,600)	1,077,410
Cromwell Road	118	118	24,865,800	(7,459,740)	(17,406,060)	0
<b>Total</b>	<b>340</b>	<b>309</b>				

## New Build Schemes in the Pipeline

There are a number of sites which have scheme specific approval, but at the time of writing this report, were not on site. These schemes can include HRA sites, land acquisition sites and Section 106 development sites, where the intention is for the HRA to deliver, or acquire, the affordable housing.

The table below details the latest budget requirements for approval as part of the HRA Budget Setting Report and the assumed number of new homes which can be delivered,

recognising that this is currently subject to both planning approval and procurement of a contractor or transfer to CIP for some of the sites. The latest budget approvals for sites identified for delivery by CIP are based upon the most recent cost estimates provided by CIP but will not be finalised until the Affordable Housing Agreement or build contract is entered into.

<b>Scheme</b>	<b>Approved Indicative Affordable Housing Units</b>	<b>Gain in Affordable Housing Units</b>	<b>Latest Budget for Approval</b>	<b>RTB Receipt and Sales Receipt Funding</b>	<b>Devolution Grant / S106 Funding</b>	<b>Net Capital Cost to the HRA</b>
Tedder Way	2	2	389,000	(116,700)	(272,300)	0
Kendal Way	2	2	374,000	(112,200)	(261,800)	0
Colville Road	69	49	15,690,580	(3,040,130)	(7,093,630)	5,556,820
Meadows and Buchan	106	106	27,318,760	(6,710,240)	(13,004,380)	7,604,140
Clerk Maxwell Road	14	14	2,746,760	(824,030)	(1,922,730)	0
Campkin Road	75	50	17,421,260	(3,114,990)	(1,750,000)	12,556,270
<b>Total Due</b>	<b>268</b>	<b>223</b>				

Where the budgets for specific schemes are being proposed for amendment as part of this Budget Setting Report the original approval level and number of units anticipated is compared to the revised budget and number of units included as part of this report is summarised in the table below. This incorporates the latest cost estimates provided by CIP for the current number of units being proposed on each site and the latest contract values.

The budget for the Akeman Street scheme has been revised based upon the latest costs provided by CIP as part of entering into the Affordable Housing Agreement, to include the final costs of the commercial and community provision. The budget for Campkin Road has been increased to take account of complications on the site, particularly in connection with drainage and the budget for Meadows and Buchan Street has been revised based upon the latest scheme design.

<b>Scheme</b>	<b>Latest Budget Approval</b>	<b>Original Estimated Units</b>	<b>Revised Budget Approval</b>	<b>Revised Estimated Units</b>
Akeman Street (includes community and commercial)	4,422,010	14	4,526,720	14
Meadows and Buchan	25,398,270	106	27,318,760	106
Campkin Road	15,965,000	75	17,421,260	75

The table below confirms the current status for each pipeline scheme:

<b>Scheme</b>	<b>Site Type</b>	<b>Status</b>	<b>Potential New Build Units</b>
Tedder Way	In-fill	Awaiting planning	2
Kendal Way	In-fill	Planning approved	2
Colville Road	Existing Housing	Planning approved	69
Meadows and Buchan	Community Facility	Pre-planning	106
Clerk Maxwell Road	Section 106 Site	Awaiting planning	14
Campkin Road	Existing Housing	Awaiting planning	75

The Housing Capital Investment Plan, an updated version of which is attached at **Appendix K**, incorporates the funding for new build schemes as identified in the tables above. It recognises the need for gross spend on the housing scheme, land values, devolution grant, other grant and right to buy receipts to be shown separately, arriving at the net cash cost to the Council as per the tables above. For these purposes the use of retained right to buy receipt is treated as an external funding source, recognising that failure to utilise it as statutorily required, would result in the need to pay the receipt over to Central Government.



## **Tedder Way**

This scheme is now subject to external tender to allow delivery, once planning is approved. An element of due diligence activity in respect of the site is currently underway, and this could impact the planning application.

## **Kendal Way**

This scheme is now subject to external tender to allow delivery and will be delivered alongside the scheme at Tedder Way to make any contract more commercially viable. There is an injunction required to determine a boundary dispute before the scheme can proceed on site.

## **Colville Road**

To secure vacant possession for the re-development of the site at Colville Road, it is necessary to re-locate a total of 20 tenants, with 17 of the secure households having moved at the time of writing this report, and to buy back 4 leasehold flats, with 2 of these purchases having completed to date.

The scheme was granted planning by the Planning Committee on 6 November 2019.

## **Meadows and Buchan Street**

This scheme sees the re-development of two General Fund sites at Buchan Street and the Meadows, where both are currently entirely community provision. The scheme proposes new homes on both sites, with the community provision combined and re-provided on the Meadows site, and some new retail space at Buchan Street. The cost of the retail units and community centre re-provision will be met by the General Fund (unless Secretary of State approval were obtained to allow the HRA to fund or contribute towards the costs of these community assets).

Following a second public consultation the revised scheme is expected to be submitted for planning approval in December 2019. The re-design will impact both

costs and timescales, and changes have been incorporated into this iteration of the business plan based upon the latest information available.

### **Clerk Maxwell**

This scheme has been held up in the planning process, and the developer is reviewing the design with planners.

### **Campkin Road**

To secure vacant possession for the re-development of the site at Campkin Road it is necessary to re-locate a total of 25 tenants, with 2 of the secure households having moved at the time of writing this report, and to buy back 7 leasehold flats, with 1 of these purchases having completed to date.

There are some concerns about the drainage scheme that will be required for this site, and the outcome of discussions may impact costs for this project.

The scheme was submitted for planning in November 2019.

### **General Fund Sites**

Where any General Fund sites are taken forward for development with the potential for the HRA to acquire the affordable homes, there is the need to consider the impact of the transfer of land between the General Fund and the HRA and any resulting impact of the HRA Capital Financing Requirement. Under current legislation, any increase in this results in increased interest costs to the HRA. The potential for land to be transferred from the General Fund to the HRA at nil value is still awaiting the outcome of a government consultation. If General Fund sites are built out by the Cambridge Investment Partnership, with the intention of the Council being to exercise the break clause in a lease in order to acquire the affordable homes, it is considered necessary for this land to be appropriated between the General Fund and the HRA at existing use value prior to lease to the Cambridge Investment Partnership.

## Future New Build

The devolution programme, which utilising the £70,000,000 grant awarded to the authority, alongside existing and anticipated right to buy receipts and other HRA resource, is expected to deliver a programme of 622 homes (546 new homes and 76 re-provided homes).

After completion of this programme, the authority anticipates continuing the delivery of new homes, with work underway to identify potential development sites, to review the design and build standards against which delivery will take place and to explore a number of delivery options.

There are potential opportunities to acquire land in the city, both development sites that could be bought by CIP, with the HRA acquiring the affordable housing and smaller adjacent to existing HRA housing, which could be acquired by the HRA directly, where 100% affordable housing could be delivered.

The new build budget yet to be allocated to specific schemes, has been reviewed as part of this report, and has been re-profiled to allow any up-front investment that may be required in respect of land acquisition. The inclusion of budget over the extended period from 2020/21 allows Housing Scrutiny Committee the ability to consider, and the Executive Councillor the ability to approve, specific schemes as they are brought forward.

Updated expenditure and funding sources, on a cashflow basis, for all new build schemes are detailed at **Appendix H**.

# Asset Acquisitions & Disposals

Consideration is given to the strategic acquisition or disposal of assets, in line with the HRA Acquisition and Disposal Policy. This policy is expected to be fully reviewed during 2020 and will be considered at a future Housing Scrutiny Committee.

The capital receipt generated by a strategic disposal can still be retained in full by the authority, subject to utilising it to invest in affordable housing or regeneration.

In respect of acquisitions, a delegation to the Strategic Director exists to allow draw down of resource, otherwise set aside for the repayment of debt, to acquire land or homes on the open market if new build housing is not coming forward quickly enough to avoid the loss of right to buy receipts. It is proposed to extend this delegation to allow the Strategic Director to draw down resource for the acquisition of homes that are on sites which have been identified for potential future redevelopment, but where the schemes haven't yet been formally approved.

At the time of writing this report, the authority had not completed any strategic acquisitions or disposals during 2019/20.

## Capital Bids, Savings and Re-Phasing

There are both capital bids and savings incorporated as part of the 2020/21 HRA Budget Setting Report, alongside a number of areas of updated costs, budget re-allocation and re-phasing.

Detailed changes are presented in **Appendix E**, with the overall financial and presentational impact of the following items being incorporated into the Housing Capital Investment Plan presented at **Appendix K**:

- Inclusion of a bid for £2,500,000 (£500,000 in 2020/21, £1,000,000 in 2021/22 and £1,000,000 in 2022/23) to allow a programme of energy improvement works to be identified and delivered across the existing housing stock. The investment will focus on the poorest performing properties and will seek to improve the energy ratings for these homes. A pilot programme of retrofit of a small number of homes will also be carried out.
- Re-profiling of the budget for future new build investment, to allow resource of £1,000,000 to be brought forward into 2019/20 and £1,500,000 into 2020/21 to allow for the acquisition of land, site assembly or property acquisition costs.
- Reduction of £78,000 per annum in the budget for disabled adaptations across the housing stock, recognising reduced demand over the last 2 to 3 years, which has resulted in underspending. The change will not impact eligibility, will be closely monitored, and the budget reviewed if demand increases again.
- Increase in the assumption of estimated resource and corresponding expenditure for Disabled Facilities Grants through the Better Care Fund for 2020/21 onwards at the 2019/20 level of £682,000. This assumption has been made in the absence of any formal announcements of funding continuing at the higher levels of the last 3 years, but in recognition of the commitment by central government to maintain investment in this area. Delegated authority is again sought to adjust this budget once final grant levels, and any clawback to fund revenue costs, have been confirmed by the County Council.
- Adjustments to budgets for new build schemes that have previous approvals, recognising the latest delivery proposals for the site and associated cost estimates available, to include employer's agent and clerk of works fees and scheme contingencies, as identified in **Appendix E**.
- Re-phasing of new build schemes as identified in **Appendix E**.

- Adjustment to the level of resources held for works to new build dwellings and to meet the cost of inflation, as a result of the changes above.

# Section 6

## HRA Treasury Management

### Background

Statutorily, the Housing Revenue Account is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions.

The Housing Capital Investment Plan provides an indication of any borrowing requirement, ensuring that this can be incorporated in the Council's overall borrowing assumptions and Treasury Management Strategy.

Following the abolition of the HRA Borrowing Cap, there is now no constraint on the level of borrowing that the HRA can take out, but the authority must ensure that it can demonstrate the resource is being utilised in the provision of social or affordable rented housing, it is able to identify the revenue resource to support the borrowing and must give due regard to the need to repay or re-finance the debt at the end of any initial borrowing term.

### HRA Borrowing

As at 1 April 2019, the Housing Revenue Account supported external borrowing of £213,572,000 in 20 maturity loans with the Public Works Loans Board (PWLb), with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28<sup>th</sup> March 2038, and the last on 28<sup>th</sup> March 2057.

In addition to the external loans attributable to the HRA, there was the sum of £1,564,135 of internal borrowing from the General Fund, where the HRA is required to pay the General Fund annual interest on the debt, at a reasonable rate, as part of the Item 8 Debit to the HRA. Under the current regulations, if the HRA were to acquire housing built on General Fund land, the land would have to be appropriated (transferred) to the HRA, increasing the HRA Capital Financing Requirement and the resulting interest due to the General Fund. This statutory requirement to charge the HRA for the cost of land transferred from the General Fund may be abolished as part of a government consultation, for which we still await the outcome.

This iteration of the business plan assumes that the authority will re-invest any revenue resource that has been set-aside for potential debt redemption or re-investment to date, prior to undertaking an element of additional borrowing to sustain the £10,000,000 per annum investment in new homes which is incorporated into the plan. Borrowing of approximately £34 million is required over the life of the plan, with the first borrowing requirement being in 2022/23. The recent announcement that the borrowing rates available from the Public Works Loan Board (PWLB) have been increased by 1% will however negatively impact the financial viability of schemes to deliver new homes.

Alternative borrowing routes will need to be explored before the authority borrows as a funding source for investment in affordable housing, with consideration given to internal borrowing, inter-authority borrowing, market borrowing and bond issuance. All of these borrowing routes have been explored previously, but the preferential rates available from the PWLB meant that they had previously been ruled out.

The 2020/21 HRA Budget Setting Report does not review the potential sources of lending, types of borrowing, lengths of loans or alternative rates available for taking out any additional borrowing at this stage, with the current rate of PWLB lending of 3.24% being adopted as a default. Further review will need to be undertaken at the point at which any borrowing is considered as part of the coming year's budget.



# Debt Repayment / Re-Investment

## **Set-Aside for Repayment of HRA Debt**

The debt repayment strategy has been to set-aside resource to redeem 25% of the HRA self-financing debt from the point at which the loan portfolio begins to mature, in 2037/38.

To retain flexibility, any surplus generated for future debt repayment, is not formally set-aside, but is instead held in an ear-marked reserve to allow for either repayment of debt or draw down for re-investment.

Based upon the assumptions in this iteration of the HRA Business Plan, any resource set-aside to date for debt redemption will instead be utilised over the next few years to fund the delivery of new homes, before the HRA begins to borrow further.

The assumption that the HRA will set-aside resource to redeem 25% of the HRA self-financing debt and any further borrowing taken out has been maintained, but set-aside does not now take place until the later years of the plan. Any decision to borrow further will require a fundamental review of the HRA's approach to debt set-aside and debt redemption.

# Section 7

## Summary and Overview

### Equality Impact Assessment, Uncertainties and Risk

#### **Equality Impact Assessment**

Local authorities have legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability, gender, including gender reassignment, age, sexual orientation, pregnancy / maternity, and religion or belief as well as to promote good race relations, and to demonstrate this in the decision making process. Assessing the potential equality impact of proposed changes in policies, procedures and practices is one of the ways public authorities can show 'due regard'.

As part of this Budget Setting Report, an Equality Impact Assessment has been undertaken in respect of all new 2020/21 HRA budget proposals, where any impact is anticipated. The assessment identifies the impact of a proposal, any mitigation available and includes an action plan detailing how negative impact can be addressed. The Equalities Impact Assessment for the overall HRA budget is included at **Appendix L**.

#### **Risk Assessment**

Consideration is given to any changes in the perceived level of internal or external risk that the housing service is subject to, ensuring that the authority can sustain a financially viable Housing Revenue Account.

Update of the key risks and associated mitigating actions is presented at **Appendix F**.

# HRA Reserves

## Housing Revenue Account General Reserves

General reserves are held to help manage risks inherent in financial forecasting. These risks include changes in legislative and statutory requirements, inflation and interest rates, unanticipated service needs and, rent and other income shortfalls and emergencies, such as uninsured damage to the housing stock. In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

For the Housing Revenue Account, the target level of reserves of £3m, with a minimum level of reserves of £2m, is proposed to be retained, recognising the need to safeguard the Council against the risk and uncertainty in the current financial and operational environment for housing.

# Financial Assumptions and Sensitivity

The current financial assumptions, reviewed and used as part of this BSR are detailed in **Appendix A**.

All financial assumptions are subject to change, with a number of alternative values that could have been assumed. To mitigate the risks associated with this, modelling of key sensitivities is undertaken to provide context to the financial impact that a change in an assumption will make.

**Appendix I** provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2020/21.

# Options and Conclusions

## Overview

The budget for 2020/21 seeks to achieve a balance in investment against current priorities:

- Investment to maintain decency in the existing housing stock
- Spend on landlord services (i.e. housing management, responsive and void repairs)
- The need to support, and potentially set-aside for repayment of, housing debt
- Investment in new affordable housing
- Investment in new initiatives, such as improving the energy efficiency of the existing housing stock
- Investment in income generating activities and discretionary services (i.e.; support)
- Support for, and potential repayment of a proportion, of housing debt

There is a strong focus on identifying resource to allow improvement to the energy efficiency of the existing housing stock, whilst ensuring that new build homes meet high energy efficiency standards also. Resource has been identified as part of this report to begin to address these issues, but a longer-term programme will need to be developed once the pilot programme has been identified and fully costed.

Continued uncertainty in respect of regulation for some proposed changes in national housing policy, still pose significant challenges in predicting the future for the housing service, with the outcome of multiple government consultations still awaited at the time of writing this report. These include the Housing Green Paper, a consultation on the use and application of right to buy receipts and final details around the regulation of social rents for local authorities.

The rollout of Universal Credit continues to contribute to uncertainty for the Housing Service, with the full impact of direct payment still anticipated to have a significant negative impact on rent collection levels and arrears, at least in the short-term.

## **Summary and Conclusions**

Work undertaken as part of the 2020/21 budget process has resulted in the development of proposals for setting the budget for the Housing Revenue Account.

In January 2020 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions in respect of the revenue aspects of the budget, making recommendation for the housing capital budget for 2019/20 to 2024/25 to Council for consideration and approval.

The HRA Budget Setting Report recommends, in summary:

- Approval of property rents, garage and parking space rents and service charges
- Approval of any revised budget proposals
- Approval of any unavoidable revenue pressure proposals
- Approval of any reduced income proposals
- Approval of any savings proposals
- Approval of any increased income proposals
- Approval of any non-cash limit items
- Approval of any capital bids, capital savings, revised scheme costs and timings
- Approval of capital resource re-allocation

The meeting of Council in February 2020 will consider the final proposed Housing Capital Budget as identified in this report for approval.

Savings identified in the HRA from 2020/21 include a reduction in the breakdowns and failures being experienced through the gas servicing, reductions in repairs and renewals

fund contributions being made recognising that there is now only one area office and that IT systems are currently being consolidated as part of the Housing Management IT System Project. Resource ear-marked to meet the costs of corporate change, holiday pay for overtime worked, national insurance changes and payment of the living wage can be reduced now that the actual incidence of the cost to the HRA is known and the impact has been built into base budgets.

Increased garage rent income is anticipated in 2020/21 due to a combination of improved void performance and the current variable charging structure in place and service charge income is higher than anticipated due to the number of properties in stock and the higher level of services being provided to some of them.

Savings and increased income are partially offset by unavoidable revenue pressures, predominantly due to an increase in the cost of void repairs, the need to carry out regular fire door inspections and an additional maintenance need in respect of lamp columns, where the authority has identified a greater number that fall within its ownership. A marginal reduction in rent income is also anticipated as the rate of CPI, upon which rent increases are based fell to 1.7% in September, compared with the 1.8% assumed when the HRA MTFS was constructed.

Any net saving delivered allows for the creation of a Strategic Investment Fund as approved in the HRA Medium Term Financial Strategy, with bids proposed for additional staffing in Housing Services, Estates and Facilities and Housing Development. Funding is also requested to support the feasibility work which will be required to develop the new build programme post Devolution and to support those with a disability to move home if this is the best option to meet their needs.

There are non-cash limit adjustments in respect of both interest paid and received, in respect of depreciation and direct revenue financing of capital expenditure incorporated as part of this HRA Budget Setting Report for 2020/21 and beyond.

The overall position for the HRA by 2020/21 (including non-cash limit adjustments) is a cumulative over-achievement of £108,500. This changes from 2021/22 however, with an under-achievement of £275,990 against the cash limit, which then reduces by £22,010 per annum on an ongoing basis.

There is currently an assumption that efficiency savings of £130,000 per annum will be sought for a further 4 years, allowing the creation of a corresponding Strategic Investment Fund for the same period. Effectively, any increase in costs or investment in new areas of priority will need to be funded through the identification of efficiency savings or increased income elsewhere across the service.

The HRA's approach to long-term financial planning still incorporates the assumption that surplus resource will be set-aside until 25% of the self-financing loan portfolio can be redeemed at maturity, but with the ability to set-aside the required resource now deferred until later years of the plan. Further borrowing of £34,000,000 will be required before the HRA can then begin to set-aside resource to redeem both this and 25% of the original portfolio.

If the authority is to consider further expansion of its new build programme, which will require significant additional borrowing, there will need to be a fundamental review of the overall approach to debt redemption.

The HRA is making significant progress in delivering over 500 homes using Devolution Grant, and a net increase in the housing stock over this period is therefore anticipated, with new homes outweighing those anticipated to be lost through the right to buy.

One of the key challenges for the HRA remains the ability to invest in new homes, using Devolution Grant and retained right to buy receipts, quickly enough to avoid the need to hand any right to buy receipts to central government, with interest penalties attached.

The delegation to the Strategic Director, to allow revenue resource previously transferred into the potential debt redemption / new build reserve to be drawn down to allow the strategic acquisition of land or market housing for use for affordable rented homes is retained and extended. This will continue to mitigate the risk that delay, or lead in, to the delivery of new homes may result in a requirement to pay retained right to buy receipts over to central government, with an interest penalty attached.

Any review of the need to identify savings in future years will need to consider not only sustaining a 30 year business plan and supporting borrowing, but also the impact of any emerging housing legislation, the authorities aspirations for delivery of new build housing, and the approach to continuing to set-aside resource for the redemption housing debt.



## Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	1.8% for 2020/21, then 1.75%, 2.1% and 2.2% ongoing	General inflation on expenditure included at 1.8% for 2020/21, 1.75% for 2021/22, 2.1% for 2022/23, then 2.2% ongoing, per Bank of England) forecasts of November 2019.	Amended
Capital and Planned Repairs Inflation	CPI plus 1.75%	Based upon the mix of BCIS and CPI forecasts for next 4 years, using averages over this period. Reverts to CPI after 4 years.	Amended
Debt Repayment	Set-aside 25% to Repay Self-Financing Debt	Assumes surplus is re-invested in income generating assets, with 25% of resource set-aside to repay debt as loans reach maturity dates, pending review of the set-aside policy in conjunction with any borrowing being considered.	Retained
Capital Investment	Partial Investment Standard	Base model assumes a partial investment standard in the housing stock, compared with a basic decent homes standard.	Retained
Pay Inflation	1.5% Pay Progression & Pay Inflation at 2.5% for 2020/21, then 2%	Assume allowance for increments at 1.5% and cost of living pay inflation at 2.5% for 2021, then 2% on an ongoing basis.	Retained
Employee Turnover	3%	Employee budgets assume a 3% turnover, unless service area is a single employee, or is a shared service, externally recharged service or trading account.	Retained
Social Rent Review Inflation	CPI plus 1% for 5 years from 2020/21, then CPI plus 0.5% from 2025/26	Rent increases of up to CPI plus 1% for 5 years, reverting to inflation plus 0.5% after this. Assume CPI in preceding September is as above.	Retained
Affordable Rent Review Inflation	CPI plus 1% for 5 years from 2020/21, then CPI plus 0.5% from 2025/26	Affordable rents to be reviewed annually in line with Local Housing Allowance, ensuring that they match the LHA unless it rises above CPI plus 1%, in which case the lower will apply.	Retained
Rent Convergence	Voids Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained

Key Area	Assumption	Comment	Status
External Lending Interest Rate	0.8%	Interest rates based on latest market projections, recognising that the HRA will benefit from low risk investments only	Retained
Internal Lending Interest Rate	0.8%	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment either the HRA or the General Fund longer-term.	Retained
<b>External Borrowing Interest Rate</b>	<b>3.24%</b>	<b>Assumes additional borrowing using increased PWLB rates.</b>	<b>Amended</b>
<b>Internal Borrowing Interest Rate</b>	<b>3.24%</b>	<b>Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.</b>	<b>Amended</b>
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed.	Retained
HRA Target Balances	£3,000,000	Maintain HRA target balance at £3,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed.	Retained
Right to Buy Sales	35, 30, then 25 sales ongoing	An uncertain economy expected to result in a marginal decline in activity. Assume 35 in 2019/20 then reducing by 5 sales per annum, until 25 are assumed ongoing.	Retained
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, and ear-marked for direct new build spend. Debt repayment proportion assumed to be set-aside.	Retained
Void Rates	1.75% for 2019/20, then 1% ongoing	Assumes 1.75% to include known void loss for re-development sites in 2019/20, reducing to 1%, from 2020/21, recognising refurbishment works and improved void processes longer-term	Retained
Bad Debts	1.5% from 2019/20 ongoing	Bad debt provision increased to 1.5% reflecting current experience and the requirement to collect 100% of rent directly more widely from October 2018.	Retained
Savings Target	£130,000 (4% of general and repairs administrative expenditure)	Retain an efficiency target of £130,000 from 2020/21 for 5 years. Allows strategic reinvestment or alternatively a response to pressure from national housing policy change.	Retained

Key Area	Assumption	Comment	Status
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Strategic Investment Fund	£130,000	Housing Strategic Investment Fund included from 2020/21 for 5 years.	Retained

# Service Charges

## Appendix B

Charge Description	Charges 2019/20	Charge Basis	Charges 2020/21
<b>General Stock</b>			
Caretaking Charge	£3.61 to £4.46	Per Week	A
Building Cleaning	£0.01 to £6.45	Per Week	A
Estate Services Champion	£0.16 to £0.47	Per Week	A
Door Entry	£0.16 to £1.97	Per Week	A / B
Passenger Lifts	£0.20 to £0.92	Per Week	A / B
Gas Maintenance / Servicing	£0.71 to £2.13	Per Week	A / B
Digital TV Aerial Charge	£0.34	Per Week	A
Grounds Maintenance	£0.02 to £4.68	Per Week	A / B
Communal Electricity	£0.07 to £1.71	Per Week	A / B
Community Alarm Charge	£5.02	Per Week	C
Third Party Service Charge	£11.41 to £28.36	Per Week	A
Disabled Adaptation Charge	£2.61 to £3.63	Per Week	A
Dropped Kerb Charge	£0.27 to £1.08	Per Week	Frozen
<b>General Sheltered Schemes</b>			
Premises Charge	£0.70 to £26.24	Per Week	A
Communal Heating / Lighting	£1.31 to £6.25	Per Week	A
Individual Heating / Lighting	£3.95 to £13.30	Per Week	A
Water	£2.00 to £3.20	Per Week	A
Grounds Maintenance	£0.28 to £2.45	Per Week	A
Electrical / Mechanical Maintenance	£0.35 to £4.69	Per Week	B
Sheltered Support Charge	£5.64 to £6.96	Per Week	C
Alarm Charge	£1.89	Per Week	A
Landlord Emergency Contact	£1.16	Per Week	A

<b>Ditchburn Place</b>			
Premises Charge	£1.98 to £47.64	Per Week	A
Flat Cleaning / Laundry Charge	£26.71	Per Week	A
Communal Heating / Lighting	£0.56 to £4.55	Per Week	A
Individual Heating / Lighting	£6.82 to £9.29	Per Week	A
Water	£3.02 to £3.90	Per Week	A
Catering	£129.43	Per Week	A
Grounds Maintenance	£1.88	Per Week	A
Electrical / Mechanical Maintenance	£2.69	Per Week	B
Sheltered Support Charge	£6.96	Per Week	C
Extra Care Support Charge	£24.37	Per Week	C
Alarm Charge	£1.89	Per Week	A
Landlord Emergency Contact	£1.16	Per Week	A
Launderette – Wash / Dry	£6.50	Per Load	A
<b>Temporary Accommodation</b>			
Premises Charge	£29.02 to £53.45	Per Week	A
Individual Heating / Lighting	£11.42 to £24.27	Per Week	A
Water	£6.68 to £10.02	Per Week	A
Grounds Maintenance	£0.23 to £1.86	Per Week	A
Electrical / Mechanical Maintenance	£0.26 to £2.95	Per Week	B
<b>Independent Living Services</b>			
Private Lifelines - In City	£5.04	Per Week	£5.32
Keysafe / Keyholding Charge	£3.34	Per Quarter	£3.34
Monitoring Charge	£0.39	Per Week	£0.40
<b>Leasehold Charges for Services</b>			
Solicitors' pre-sale enquiries	£110.00	Per Request	£110.00
Copy of lease / Document provision	£30.00	Per Request	£30.00
Re-mortgage Enquiry/Copy of Insurance schedule	£30.00	Per Request	£30.00

Notice of Assignment / Notice of Charge	£90.00	Per Request	£90.00
Deed of Variations Administration plus CCC Solicitor Fee and Own Solicitor Fee	£50.00 £550.00+	Per Request	£50.00 £550.00+
Home Improvement Administration Home Improvement Survey	£30.00 £125.00	Per Request	£30.00 £125.00
Retrospective consent for improvements	Above +£25.00	Per Request	Above +£25.00
Registering sub-let details	£50.00	Per Request	£50.00
Advice Interview for Prospective Purchasers	£50.00	Per Request	£50.00
Right of First Refusal – s156a Certificate	N/A	Per Request	£150.00
Deed of postponement	N/A	Per Request	£140.00

Key	
A	Charges based on recovering the actual cost of service provision. Proposal is to continue to recover the full estimated cost of providing these services in 2020/21, recognising that the authority should endeavour to limit increases to inflation at 2.7% (CPI at September 2019 plus 1%). The exception to this will be in respect of affordable homes, where total rents and service charges will be limited to Local Housing Allowance levels, and therefore full cost recovery will not always be possible. Where possible service charges will be amended, with the rent element acting as the balancing figure.
B	Charges were separated out from rent in 2004/05. Charges can be increased to recover full cost, recognising that the authority should endeavour to limit increases to inflation at 2.7% (CPI at September 2019 plus 1%)
C	Charges levied for support activities will be reviewed in line with services being provided following renegotiation of the support service for older people, where the County Council commission services across the whole city.
	Charges for the optional household contents insurance scheme will continue to be determined by the insurer but notified to tenants by the Council.

# HRA Earmarked & Specific Funds

# Appendix C

## HRA Earmarked & Specific Revenue Funds (£'000)

### Repairs & Renewals

	Opening Balance	Contributions	Expenditure to November	Current Balance
General Management	(949.3)	(80.3)	22.7	(1,006.9)
Special Services	(1,117.2)	(146.1)	82.4	(1,180.9)
Repairs and Maintenance	(429.7)	(60.2)	0.0	(489.9)
<b>Total</b>	<b>(2,496.2)</b>	<b>(286.6)</b>	<b>105.1</b>	<b>(2,572.6)</b>

### Tenants Survey

	Opening Balance	Contributions	Expenditure to November	Current Balance
Tenants Survey	(41.2)	(6.3)	0.0	(47.5)

### Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to November	Current Balance
Debt Set-Aside	(13,143.6)	(4,472.2)	0.0	(17,615.98)

## HRA Earmarked & Specific Capital Funds (£'000)

### Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to November	Current Balance
Debt Set-Aside	(9,031.2)	(364.8)	0.0	(9,396.0)

### Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to November	Current Balance
MRR	(11,230.6)	0.0	0.0	(11,230.6)

# Appendix D(1)

## 2019/20 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2019/20 Budget (£)	Budget Amendment in 2020/21 Budget (£)	Comment
<b>Budgeted use of / (contribution to) HRA Reserves pre BSR</b>		<b>(132,520)</b>		
<b>HRA General and Special Management</b>				
Estate Investment Scheme Funding	Transfer of Estate Investment Scheme funding from capital to revenue to fund revenue related projects.	343,000	123,000	Variable sums for 5-year period from £1m per annum fund
<b>Total HRA General and Special Management</b>		<b>343,000</b>		
<b>HRA Repairs</b>				
Heat detector installation	Re-profile and increase funding for heat detector installations.	(128,700)	(56,400)	£285,000 added in 2021/22 to complete the programme
<b>Total HRA Repairs</b>		<b>(128,700)</b>		
<b>HRA Summary Account</b>				
Interest earned on HRA Balances	The level of balances held by the HRA result in an estimated increase in the level of interest that will be earned.	(17,610)	(59,460)	Built into base for future years
Direct financing of capital expenditure (DRF)	The level of DRF required for 2019/20 has been reduced to recognise the transfer of some Estate Investment Scheme projects to revenue.	(343,000)	0	Built into base for future years
<b>Total HRA Summary</b>		<b>(360,610)</b>		
<b>Revised use of / (contribution to) HRA Reserves post HRA BSR</b>		<b>(278,830)</b>		



## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
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### Unavoidable Revenue Pressure

URP4584	Increased costs of cyclical maintenance	44,200	44,200	44,200	44,200	44,200	Hilary Newby	Not Applicable
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Additional lamp columns have been identified and added to the annual programme of maintenance leading to an increased budget requirement of £52,000. In addition, reducing the cycle of Fire Safety surveys from 3 years to 2 years, as set out in the Fire Safety Strategy in order to meet best practise, has led to an increased budget requirement of £17,000. The growth in these budgets has been offset by savings elsewhere on the cost centre, resulting in a net additional requirement of £44,200

No Impact

URP4585	Increased cost of void repairs	64,300	64,300	64,300	64,300	64,300	Stephanie Duff	Not Applicable
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Increased budget allocation to fund repairs to void properties in order to bring them up to lettable standards is required. Turnover in void properties is likely to increase as a result of the transfer of tenants into new build stock. In addition the number of properties returned that require a high level of repair is increasing. If properties are not repaired to the required standard, this will lead to longer void periods and an increase in rent loss, whilst the HRA is also liable for the council tax on these properties while they are empty.

No Impact

URP4647	Cost of annual fire door inspections	60,000	60,000	60,000	60,000	60,000	Hilary Newby	Not Applicable
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The initial findings report from the Grenfell Tower investigation has recommended routine inspections of fire doors in all flats. This is not yet legislative and the frequency, suggested in the report as quarterly, will not be confirmed until legislation is passed. In the interim, this proposal seeks funding for at least an annual inspection of all identified fire doors, recognising that the inspections may need to be made more frequent in the future and that the inspections may result in the need to replace further doors, over and above the current fire door replacement programme. Arising issues will be addressed once further detail is available.

No Impact

URP4676	Increased pension fund deficit costs	67,800	67,800	67,800	67,800	67,800	Julia Hovells	Not Applicable
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Based upon the historic data held, and in advance of receiving any updated report from LGSS, an unavoidable bid has been included to allow the HRA to contribution at the current base level without any discount applied for early payment into the fund as was obtained previously.

No Impact

Total Unavoidable Revenue Pressure	236,300	236,300	236,300	236,300	236,300	236,300		
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2020/21 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
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Reduced Income

RI4646	Reduction in rent income	16,000	16,000	16,000	16,000	16,000	Julia Hovells	Not Applicable
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Based upon a CPI level of 1.7% in September 2019, marginally lower rent income is anticipated than previously assumed, where a CPI rate of 1.8% was assumed as part of the HRA MTFS.

No Impact

Total Reduced Income	16,000	16,000	16,000	16,000	16,000
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## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
<b>Bids</b>								
<b>B4586</b>	<b>Additional Development Officer in the Housing Development Agency to explore HRA new build opportunities</b>	44,300	44,300	0	0	0	Julia Hovells	Not Applicable
A new post, to be HRA revenue funded, will allow exploration of sites, development opportunities and re-development opportunities for the period post the delivery of 500 homes. This post will help identify how the authority might deliver the 1,000 new homes aspired to in the 10 years after 2021. Once a programme is agreed, the costs of managing the delivery of the new homes can be capitalised. This bid is linked to B4587, which will provide the resource to allow this post to carry out the required feasibility work.								
<b>B4587</b>	<b>Increase in HRA new build feasibility / abortive costs budget</b>	30,000	30,000	0	0	0	Julia Hovells	Not Applicable
An increase in the budget for up-front feasibility work, and potentially abortive costs of HRA new build schemes is required to support the preparatory work associated with the aspiration to deliver up to 1,000 homes over the 10 years after the Devolution Programme is completed. This bid is linked to B4586, which will provide the officer resource to allow the required feasibility work to be carried out.								
<b>B4588</b>	<b>Extension of Financial Inclusion Officer post (HRA share)</b>	22,900	0	0	0	0	Sandra Farmer	Not Applicable
Extension of Financial Inclusion Officer post to assist with supporting welfare reforms. This existing post provides support and hands-on assistance in helping people affected by welfare reforms to maximise their income, reduce their costs and explore options for improving their lives going forward. The client group tends to be those on lowest incomes, the most vulnerable claimants and families with complex needs. This bid relates to the HRA share (65%).								
<b>B4589</b>	<b>Security fund for domestic abuse survivors</b>	30,000	30,000	30,000	30,000	30,000	Sandra Farmer	Not Applicable
As part of the work the Council is doing to become accredited by the Domestic Abuse Housing Alliance (DAHA) we have identified a need for a fund to improve security to homes of Council tenants who are victims of domestic abuse to enable them and their family to remain in their existing home.								
<b>B4590</b>	<b>Employment of a fixed term Energy Officer / Assessor</b>	47,200	47,200	0	0	0	Lynn Thomas	Not Applicable
An Energy Officer / Assessor employed on a two year fixed term contract would seek to identify, programme and deliver a number of energy efficiency measures that would improve the energy efficiency of our housing stock. This pilot project would enable a longer term programme to be developed and considered for funding in future years.								
<b>B4591</b>	<b>Disabled Adaptations Moving Grants</b>	15,000	15,000	15,000	15,000	15,000	Lynn Thomas	Not Applicable

## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
<p>A budget of £15,000 is proposed to fund grants to meet moving costs for tenants with disabilities to move to properties more suitable for their needs. This approach is part of the approved Disabled Adaptations Policy, and is expected to reduce the cost of capital works to adapt unsuitable properties. Tenants will not be required to move, but this will provide an option for those who are happy to move, but for whom the moving costs would be prohibitive.</p>								No Impact
<b>B4592</b>	<b>Increased cost of Heat Detector Programme</b>	(56,400)	285,000	0	0	0	Martin Donnelly	Not Applicable
<p>A previous bid to install heat detectors in 6,511 council owned properties was based upon an estimate of £120 per property over a 3 year period commencing 2018/19. Subsequent evidence has shown that the average price of this installation is likely to be approximately £137 and the logistics of achieving the full programme over 3 years was over-ambitious. The proposal now is to re-profile the budget over an additional year to allow procurement of a secondary contractor if the existing planned maintenance contractor cannot complete the programme in the required timescales, and to rephase £128,700 and £56,400 from 2019/20 and 2020/21 into 2021/22 and bid for the additional £99,900 funding that will be required over the extended period.</p>								No Impact
<b>B4613</b>	<b>Employment of caretakers for Housing First Schemes</b>	6,900	6,900	6,900	6,900	6,900	Sandra Farmer	Not Applicable
<p>The proposal is to employ a number of caretakers to perform a number of practical duties, each offering services to two Housing First tenants. The se duties would not exceed 5 hours a week and would involve: - Brief weekly engagement with residents - Health and safety checks - Cleaning and maintenance of internal and external communal spaces - Acting as an early warning system, flagging problems/issues with the support service / other professionals as appropriate - Liaising with neighbours and acting as a point of contact - Involvement in the selection of new residents for the scheme - Logging any of the above</p>								No Impact
<b>B4614</b>	<b>Employment of a Corporate Energy Manager</b>	15,300	15,300	15,300	15,300	15,300	Lynn Thomas	Not Applicable
<p>To provide additional capacity to lead work on managing and reducing the Council's energy usage and supply, including in HRA assets. This will help reduce the council's own emissions, and will help free up capacity elsewhere in the council to work on wider climate change initiatives. The post will be funded 30% from the HRA and 70% from the General Fund</p>								No Impact
<b>B4615</b>	<b>Employment of a Tenancy Auditor</b>	44,300	0	0	0	0	Sandra Farmer	Not Applicable
<p>This proposal would result in the recruitment of a fixed term officer to undertake a pilot programme of tenancy audits across the housing stock. The findings of the pilot project will then inform the level of resource that may be needed on an ongoing basis, to both complete the programme and tackle any issues identified as part of the audits.</p>								No Impact
<b>B4648</b>	<b>Continuation of Green Fingers Gardening Service for HRA Tenants</b>	11,000	11,000	11,000	11,000	11,000	Sandra Farmer	Not Applicable
<p>Green Fingers is a domestic gardening service, which has been available at no cost to city residents who are infirm and/or disabled. A saving is proposed in the General Fund budget, but this bid will ensure that the service can be maintained for Council tenants.</p>								No Impact

2020/21 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
Total Bids		210,500	484,700	78,200	78,200	78,200		
Pressures & Bids Total:		462,800	737,000	330,500	330,500	330,500		

## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
<b>Savings</b>								
<b>S4593</b>	<b>Reduction in consultancy fees within the Home Ownership Service</b>	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	Sandra Farmer	Not Applicable
Less reliance on external contractors for the leasehold estimates and actuals processes results in the ability to reduce the budget for consultancy fees in this area.								No Impact
<b>S4594</b>	<b>Reduction in business rates for City Homes office</b>	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	Sandra Farmer	Not Applicable
A review of the rateable value of the offices at 171 Arbury Road has resulted in a reduction in the level of business rates chargeable.								No Impact
<b>S4595</b>	<b>Gas Maintenance Contract</b>	(27,700)	(27,700)	(27,700)	(27,700)	(27,700)	Stephanie Duff	Not Applicable
Spending in 2018/19 and current levels of spending to the end of July 2019 indicate a reduction in the need for repairs extra to the gas servicing contract, resulting in a saving against this budget.								No Impact
<b>S4596</b>	<b>Net savings across Estates and Facilities</b>	(8,200)	(8,200)	(8,200)	(8,200)	(8,200)	Lynn Thomas	Not Applicable
A review of operational budgets has been carried out across all Estates and Facilities HRA revenue cost centres. Net savings (after virement) can be offered in operational budgets for Technical Services and in Client Contingency repairs, where the latter will no longer be used.								No Impact
<b>S4597</b>	<b>R &amp; R Fund Contributions</b>	(23,500)	(23,500)	(23,500)	(23,500)	(23,500)	Julia Hovells	Not Applicable
A review of existing repairs and renewals funds in the context of having only one area office and having consolidated some IT provision, has resulted in the ability to reduce the annual contributions to the funds.								No Impact
<b>S4598</b>	<b>Reduction in HRA provisions for corporate activity</b>	(52,320)	(52,320)	(52,320)	(52,320)	(52,320)	Julia Hovells	Not Applicable
Reduction in provision for the HRA share of corporately agreed initiatives now that the ongoing impact of activity has been built into base budgets. This includes provisions made in prior years for living wage, holiday pay on overtime and NI increases, where these have subsequently been built into base salary budgets and costs of corporate restructure.								No Impact
<b>S4601</b>	<b>Savings from Corporate Business Support budget.</b>	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	Julia Hovells	Not Applicable
Savings of £30,000 from Corporate Business Support budgets to include one vacant post, which is not being recruited to. £7,000 is the HRA share of this saving.								No Impact

## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
S4602	Legal Practice (HRA Share)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	Julia Hovells	Not Applicable
<p>Positive growth in income and limited expenditure on training , travel etc. The 10% saving target in 19/20 can be proposed as an ongoing saving. The saving for the city would be £64,000 which would also result in savings for South Cambs and Hunts equating to a combined figure of £119,000. It is estimated that £15,000 of the saving should be attributed to the HRA.</p>								No Impact
Total Savings		(145,020)	(145,020)	(145,020)	(145,020)	(145,020)		

## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
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### Increased Income

<b>II4603</b>	<b>Increased garage income</b>	(71,340)	(71,340)	(71,340)	(71,340)	(71,340)	Julia Hovells	Not Applicable
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An increased in garage income is anticipated based upon the latest occupancy data, the assumption that protection from charge increase continues to be phased out as approved and that parking spaces on new build sites are charged for where appropriate.

No Impact

<b>II4604</b>	<b>Increased service charge income</b>	(36,200)	(36,200)	(36,200)	(36,200)	(36,200)	Julia Hovells	Not Applicable
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Based upon the latest stock numbers and estimates of the level of service charge that will be levied from 2020/21, additional income is anticipated.

No Impact

<b>II4605</b>	<b>Increase in de-minimus capital receipts</b>	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	Julia Hovells	Not Applicable
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As the leases for flats sold under the right to buy reduce to having only 90 years left on them, purchasers see to extend the lease for mortgage purposes, which results in a small capital receipt to the authority.

No Impact

Total Increased Income	(114,040)	(114,040)	(114,040)	(114,040)	(114,040)
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<b>Savings Total:</b>	<b>(259,060)</b>	<b>(259,060)</b>	<b>(259,060)</b>	<b>(259,060)</b>	<b>(259,060)</b>
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## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (2)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
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### Non-Cash Limit Items

<b>NCL4672</b>	<b>Increase in investment income to the HRA</b>	(61,210)	0	0	0	0	Julia Hovells	Not Applicable
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Based upon the latest income and expenditure assumptions, including re-phasing of the capital programme, additional interest is anticipated in the HRA in 2020/21.

No Impact

<b>NCL4673</b>	<b>Reduction in interest payable by the HRA on notional borrowing</b>	(25,650)	(25,650)	(25,650)	(25,650)	(25,650)	Julia Hovells	Not Applicable
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Based upon the lower rate of interest being received by the HRA in respect of investments, the rate of interest paid by the HRA on notional internal borrowing is expected to also reduce.

No Impact

<b>NCL4674</b>	<b>Reduction in depreciation payable by the HRA</b>	(11,270)	0	0	0	0	Julia Hovells	Not Applicable
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Based upon the latest estimated stock numbers, the level of depreciation payable for 2020/21 will be marginally lower than previously anticipated.

No Impact

<b>NCL4677</b>	<b>Reduction in Direct Revenue Financing of Capital Expenditure</b>	(67,800)	(67,800)	(67,800)	(67,800)	(67,800)	Julia Hovells	Not Applicable
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Revenue financing of capital expenditure has been reduced to offset the potential increase in the pension fund deficit contribution by the HRA. If the additional cost is incurred, the resulting impact will be a need to borrow marginally more to deliver the future new build programme.

No Impact

Total Non-Cash Limit Items	(165,930)	(93,450)	(93,450)	(93,450)	(93,450)
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<b>Non - Cash Limit Items Total:</b>	<b>(165,930)</b>	<b>(93,450)</b>	<b>(93,450)</b>	<b>(93,450)</b>	<b>(93,450)</b>
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## 2020/21 Budget – HRA Proposals – by Type

## Appendix D (3)

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Contact	Climate Effect & Poverty Ratings
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### Capital Bids

<b>CAP4606</b>	<b>Housing Disabled Adaptations</b>	(78,000)	(78,000)	(78,000)	(78,000)	(78,000)	Lynn Thomas	Not Applicable
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Over the last two years there has been a trend towards a reduction in the number of referrals received from OT's for equipment (stairlifts, hoists, wash/dry toilets) which has led to this budget underspending over that period. There are no indications to suggest that this trend will change and therefore savings against future budget allocations can be offered up. There will be no change in policy and all applications will continue to be processed. The budget will be kept under review to allow us to respond if demand increases.

No Impact

<b>CAP4607</b>	<b>Energy Efficiency Initiatives</b>	500,000	1,000,000	1,000,000	0	0	Will Barfield	Not Applicable
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Funding to deliver a pilot programme of enhanced energy efficiency measures is sought to support the initial findings of the Energy Officer. This will allow a future programme to be developed for consideration, with potential investment explored and benefits measured.

No Impact

<b>CAP4649</b>	<b>Project costs for the delivery of POD homes</b>	140,000	0	0	0	0	Julia Hovells	Not Applicable
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Hill Partnerships would like to gift some POD homes for occupation by single homeless people in the city. This bid allows the facilitation of sites, that may be small HRA sites, presenting the opportunity to quickly provide housing for those in the greatest need, at a very low cost.

No Impact

Total Capital Bids	562,000	922,000	922,000	(78,000)	(78,000)
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<b>Capital Total:</b>	<b>562,000</b>	<b>922,000</b>	<b>922,000</b>	<b>(78,000)</b>	<b>(78,000)</b>
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# Appendix E

## 2020/21 Capital Budget Amendments Summary

Area of Expenditure and Change	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Total Housing Capital Plan Expenditure per HRA MTFS</b>	<b>55,007</b>	<b>75,627</b>	<b>44,744</b>	<b>27,365</b>	<b>29,211</b>
<b>General Fund Housing</b>					
Increase in Disabled Facilities Grants in line with anticipated BCF funding	0	132	132	132	132
<b>Decent Homes and Other HRA Stock Investment</b>					
Inclusion of funding for pilot Energy Efficiency Projects to include Retrofit	0	500	1,000	1,000	0
Reduce Disabled Adaptation budget by £78,000 inclusive of overheads	0	(78)	(78)	(78)	(78)
Adjust capitalised decent homes officer fees based upon latest time allocations	0	25	25	25	25
Changes in new build decent homes allocation	(10)	(19)	(2)	(5)	(8)
Transfer revenue elements of Estate Investment Scheme to revenue and re-phase between years in line with anticipated delivery	(695)	270	(30)	0	(194)
<b>New Build</b>					
Inclusion of latest cost estimates, employer's agent, clerk of works costs, contingency and re-phasing for:					
Cameron & Wiles Close / Tedder Way	(369)	369	0	0	0
Queensmeadow	39	(39)	0	0	0
Kendal Way	(300)	300	0	0	0
Wulfstan Way	(248)	248	0	0	0
Mill Road	(1,359)	280	1,078	0	0
Ventress Close	174	(174)	0	0	0
Akeman Street	(294)	216	183	0	0
Colville Road Garages	106	(106)	0	0	0
Markham Close	161	(161)	0	0	0
Gunhild Way	55	(55)	0	0	0
Cromwell Road	(515)	(1,043)	(861)	2,419	0

Area of Expenditure and Change	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Colville Road	(2,698)	(1,242)	3,940	0	0
Clerk Maxwell Road	(714)	110	604	0	0
Campkin Road	(2,043)	(5,146)	8,645	0	0
Meadows and Buchan Street	(1,523)	(10,515)	1,786	10,830	1,343
Inclusion of unallocated resource to meet land acquisition, site or property acquisition costs	1,000	1,500	0	0	0
Inclusion of funding for fees and on costs for Hill POD Homes	0	140	0	0	0
<b>Sheltered Housing</b>					
No changes	0	0	0	0	0
<b>Other HRA Capital Spend</b>					
No changes	0	0	0	0	0
<b>Inflation Allowance</b>					
Adjustment in inflation allowed as spend changes	0	(144)	(56)	17	18
<b>Total Housing Capital Plan Expenditure per HRA BSR</b>	<b>45,774</b>	<b>60,995</b>	<b>61,110</b>	<b>41,705</b>	<b>30,449</b>

Risk Area & Issue arising	Controls / Mitigation Action
<b>Effects of Legislation / Regulation</b> <p>Implications of new legislation / regulation or changes to existing are not identified</p> <p>Delays in announcement of detail surrounding housing policy change negatively impacts decisions taken at a local level</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> <p>HRA Debt Settlement could be re-opened by Government (or not re-opened when changes dictate that it should)</p> <p>Changes in national rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p> <p>Implementation of Fixed Term Tenancies carries administrative cost and would dictate the need for system change at a time when the Housing Management Information System is being replaced</p>	
<ul style="list-style-type: none"> <li>• Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted</li> <li>• Decisions taken in the context of a business plan which recognises the uncertainty. Savings taken have impacts exemplified to ensure impact is mitigated</li> <li>• Additional / specific funding requirements for new services can be identified through the budget process, to allow effective prioritisation of resources. Minimum reserves are held to allow immediate investment if required</li> <li>• The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies</li> <li>• Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible</li> <li>• Consideration could be given to deviating from national rent policy at a local level if statute were to allow</li> <li>• Project Board for system replacement are aware of the potential need for changes to IT systems and have discussed this with suppliers as part of the tender process</li> <li>• Fixed term tenancies may now not be imposed, depending upon outcome of Housing Green Paper</li> </ul>	

Risk Area & Issue arising	Controls / Mitigation Action
<b>Housing Portfolio &amp; Spending Plans</b>	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> <li>• Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact</li> <li>• The Business Plan includes long-term trend analysis on key cost drivers</li> <li>• Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures</li> </ul>
<b>Financial planning lacks appropriate levels of prudence</b>	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> <li>• Use of external expert opinion and detailed trend data to inform assumptions</li> <li>• Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process</li> <li>• Adoption of strict medium / long-term planning</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>
<b>Use of resources is not effectively managed</b>	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital investment, project on time etc.</p> <p>Value for money in terms of investment in new build homes is challenged</p>	<ul style="list-style-type: none"> <li>• Council employs robust business planning processes for the HRA</li> <li>• Council has adopted a standard project management framework</li> <li>• A business case is required for all strategic acquisitions, disposals and one-off areas of significant investment</li> <li>• Performance and contractor management procedures are robust and contracts are enforceable</li> <li>• The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources</li> <li>• Council adopts a mix of delivery vehicles</li> <li>• Council employs cost consultants to demonstrate price comparability with the local market</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<b>External income / funding streams</b>	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p>	<ul style="list-style-type: none"> <li>• Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes</li> <li>• Council seeks to influence national settlements and legislative changes through response to formal consultation</li> </ul>
<p>Rent and service charge arrears increase, and bad debt rises, as a direct result of the Welfare Benefit Reforms</p>	<ul style="list-style-type: none"> <li>• Increased resources identified for income management. Performance closely monitored to allow further positive action if required.</li> </ul>
<p>Rent income is under-achieved due to a major incident in the housing stock</p>	<ul style="list-style-type: none"> <li>• Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents</li> </ul>
<p>Changes to the right to buy rules and pooling regulations result in an increase in the level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p>	<ul style="list-style-type: none"> <li>• Sensitivities modelled so potential impacts are understood</li> <li>• Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity</li> </ul>
<p>Volatility and competition in the property market impacts the ability to fund capital pressures from the sale of assets</p>	<ul style="list-style-type: none"> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> </ul>

# Appendix G

## Retained 1-4-1 Right to Buy Receipts

Quarter date for Receipt	Retained 1-4-1 Receipt Value (Per Quarter)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Retained 1-4-1 Receipt Spent (Cumulative)	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)
31/03/2015	831,750.78	9,189,595.70	30,631,985.67	31/03/2018	34,063,317.03	10,218,995.11	0.00	0.00
30/06/2015	595,447.59	9,785,043.29	32,616,810.97	30/06/2018	44,963,531.08	13,489,059.32	0.00	0.00
30/09/2015	902,092.08	10,687,135.37	35,623,784.57	30/09/2018	45,811,867.07	13,743,560.12	0.00	0.00
31/12/2015	857,169.10	11,544,304.47	38,481,014.90	30/12/2018	47,212,958.99	14,163,887.70	0.00	0.00
31/03/2016	1,591,834.76	13,136,139.23	43,787,130.78	31/03/2019	54,012,650.36	16,203,795.11	0.00	0.00
30/06/2016	2,263,872.93	15,400,012.16	51,333,373.87	30/06/2019	57,282,779.08	17,184,833.72	0.00	0.00
30/09/2016	1,874,821.59	17,274,833.75	57,582,779.17	30/09/2019	61,406,910.18	18,422,073.05	0.00	0.00
31/12/2016	1,320,457.44	18,595,291.19	61,984,303.97	31/12/2019			173,218.14	577,393.79
31/03/2017	1,313,143.16	19,908,437.35	66,361,447.83	31/03/2020			1,486,361.30	4,954,537.65
30/06/2017	2,045,445.56	21,953,879.91	73,179,599.70	30/06/2020			3,531,806.86	11,772,689.52
30/09/2017	1,779,600.43	23,733,480.34	79,111,601.13	30/09/2020			5,311,407.29	17,704,690.95
31/12/2017	2,229,968.03	25,963,448.37	86,544,827.90	31/12/2020			7,541,375.32	25,137,917.72
31/03/2018	646,869.52	26,610,317.89	88,701,059.63	31/03/2021			8,188,244.84	27,294,149.45
30/06/2018	1,556,719.56	28,167,037.45	93,890,124.83	30/06/2021			9,744,964.40	32,483,214.65
30/09/2018	548,341.57	28,715,379.02	95,717,930.07	30/09/2021			10,293,305.97	34,311,019.89
31/12/2018	1,210,892.84	29,926,271.86	99,754,239.53	30/12/2021			11,504,198.81	38,347,329.35
31/03/2019	209,910.09	30,136,181.95	100,453,939.83	31/03/2022			11,714,108.90	39,047,029.65
30/06/2019	1,408,403.81	31,544,585.76	105,148,619.20	30/06/2022			13,122,512.71	43,741,709.02
30/09/2019	711,247.45	32,255,833.21	107,519,444.03	30/09/2022			13,833,760.16	46,112,533.85



# New Build Investment Cashflow

# Appendix H

New Build / Re-Development Scheme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Budget	Budget	Budget	Budget	Budget	Budget
	£'0000	£'000	£'000	£'000	£'000	£'000
<b>New Build / Acquisition / Re-Development Cash Expenditure</b>						
Anstey Way	5,876	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Tedder)	1,424	369	0	0	0	0
Kendal Way	46	300	0	0	0	0
Queensmeadow	500	24	0	0	0	0
Wulfstan Way	304	442	0	0	0	0
Akeman Street	1,655	2,635	183	0	0	0
Devantress Close	1,536	1,383	0	0	0	0
Colville Road (Garage Site)	679	96	0	0	0	0
Mill Road (Phase I and II)	7,974	9,613	2,747	0	0	0
Gunhild Way	469	122	0	0	0	0
Markham Close	967	122	0	0	0	0
Cromwell Road	2,555	3,496	4,879	2,419	0	0
Kingsway Clinic Conversion	382	0	0	0	0	0
Ditchburn Place New Build	143	0	0	0	0	0
Colville Road	1,559	10,131	3,940	0	0	0
Meadows and Buchan Street	242	3,098	11,618	10,830	1,343	0
Clerk Maxwell Road	0	2,143	604	0	0	0
Campkin Road	2,768	6,008	8,645	0	0	0
Hill POD Homes	0	140	0	0	0	0
Keepmoat Defect Management	60	0	0	0	0	0
Acquisition or New Build (Unallocated)	1,000	1,500	10,000	10,000	10,000	10,000
<b>Total New Build/ Re-Development Expenditure</b>	<b>30,139</b>	<b>41,622</b>	<b>42,616</b>	<b>23,249</b>	<b>11,343</b>	<b>10,000</b>

New Build / Re-Development Scheme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Budget	Budget	Budget	Budget	Budget	Budget
	£'0000	£'000	£'000	£'000	£'000	£'000
<b>New Build Devolution Grant Funding</b>						
Anstey Way	(2,107)	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Tedder)	(997)	(258)	0	0	0	0
Kendal Way	(32)	(210)	0	0	0	0
Queensmeadow	(350)	(17)	0	0	0	0
Wulfstan Way	(213)	(309)	0	0	0	0
Akeman Street	(771)	(1,283)	(38)	0	0	0
Ventress Close	(911)	(839)	0	0	0	0
Colville Road (Garage Site)	(475)	(67)	0	0	0	0
Mill Road (Phase I and II)	(5,582)	(6,730)	(1,923)	0	0	0
Gunhild Way	(328)	(86)	0	0	0	0
Markham Close	(677)	(85)	0	0	0	0
Cromwell Road	(1,789)	(2,447)	(3,415)	(1,693)	0	0
Kingsway Clinic Conversion	(267)	0	0	0	0	0
Ditchburn Place New Build	(100)	0	0	0	0	0
Colville Road	(73)	(5,036)	(1,958)	0	0	0
Meadows and Buchan Street	(169)	(2,169)	(8,133)	(2,403)	0	0
Clerk Maxwell Road	0	(1,500)	(423)	0	0	0
Campkin Road	0	0	0	0	0	0
<b>Total New Build / Re-Development Funding</b>	<b>(14,841)</b>	<b>(21,036)</b>	<b>(15,890)</b>	<b>(4,096)</b>	<b>0</b>	<b>0</b>
<b>Use of Retained Right to Buy Funding</b>						
Anstey Way	(903)	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Tedder)	(427)	(111)	0	0	0	0
Kendal Way	(14)	(90)	0	0	0	0
Queensmeadow	(150)	(7)	0	0	0	0

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Wulfstan Way	(91)	(132)	0	0	0	0
Akeman Street	(331)	(550)	(16)	0	0	0
Ventress Close	(390)	(360)	0	0	0	0
Colville Road (Garage Site)	(204)	(29)	0	0	0	0
Mill Road (Phase I and II)	(2,392)	(2,884)	(824)	0	0	0
Gunhild Way	(141)	(37)	0	0	0	0
Markham Close	(290)	(37)	0	0	0	0
Cromwell Road	(767)	(1,049)	(1,464)	(726)	0	0
Kingsway Clinic Conversion	(115)	0	0	0	0	0
Ditchburn Place New Build	(43)	0	0	0	0	0
Colville Road	(31)	(2,158)	(801)	0	0	0
Meadows and Buchan Street	(72)	(929)	(3,137)	(2,112)	(403)	0
Clerk Maxwell Road	0	(643)	(181)	0	0	0
Campkin Road	(184)	(1,201)	(1,729)	0	0	0
Acquisition or New Build (Unallocated)	0	0	0	0	(2,400)	(2,700)
<b>Total Use of Retained Right to Buy Funding</b>	<b>(6,545)</b>	<b>(10,217)</b>	<b>(8,152)</b>	<b>(2,838)</b>	<b>(2,803)</b>	<b>(2,700)</b>
<b>Total to be funded from HRA Resources (DRF &amp; MRR) and Sales Receipts</b>	<b>8,753</b>	<b>10,368</b>	<b>18,574</b>	<b>15,214</b>	<b>6,036</b>	<b>4,090</b>
<b>Total HRA Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,101</b>	<b>2,504</b>	<b>3,210</b>

## Key Sensitivity Analysis

## Appendix I

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Rents Inflation	CPI plus 1% for 5 years, followed by CPI plus 0.5%	Although confirmed by government, for the next 5 years, there is no guarantee that there will be the ability to return to previously assumed rent increases if rents are set legislatively after 2024/25, so assume CPI only from 2025/26.	Borrowing increases by £46 million during the life of the plan and the resource available for debt redemption at the end of the 30 years is £63 million lower.
Direct Payments (Universal Credit)	Bad Debts at 1.5%	Evidence from the pilot authorities for direct payment indicated that collection rates may fall from 99% to 95%. Assume bad debts at 5% from 2020/21.	Borrowing increases by £49 million during the life of the plan and the resource available for debt redemption at the end of the 30 years is £37 million lower.
Cost of HRA New Build post the 500 homes	Cost of £250,000 per units assumed, based upon use of HRA land or S106 sites built to current standards.	Assume that the authority opts to build sustainable homes, with build costs at 50% more per square metre, resulting in costs of £375,000 per unit.	Borrowing increases by £117 million during the life of the plan and the resource available for debt redemption at the end of the 30 years is £53 million lower.

# HRA Summary 2019/20 to 2024/25

## Appendix J

Description	2019/20 £0	2020/21 £0	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0
Income						
Rental Income (Dwellings)	(36,484,730)	(37,942,600)	(39,938,580)	(43,206,890)	(45,538,000)	(47,145,200)
Rental Income (Other)	(1,199,740)	(1,292,350)	(1,314,970)	(1,342,580)	(1,372,120)	(1,402,300)
Service Charges	(2,969,250)	(3,055,160)	(3,104,630)	(3,165,040)	(3,229,660)	(3,295,690)
Contribution towards Expenditure	(679,430)	(654,850)	(666,310)	(680,300)	(695,270)	(710,560)
Other Income	(458,880)	(460,530)	(460,410)	(470,080)	(480,420)	(490,990)
<b>Total Income</b>	<b>(41,792,030)</b>	<b>(43,405,490)</b>	<b>(45,484,900)</b>	<b>(48,864,890)</b>	<b>(51,315,470)</b>	<b>(53,044,740)</b>
Expenditure						
Supervision & Management - General	4,084,860	3,796,660	3,858,490	4,077,450	4,217,170	4,335,580
Supervision & Management - Special	3,517,520	3,292,220	3,288,640	3,406,770	3,454,720	3,489,160
Repairs & Maintenance	7,712,470	7,681,780	8,062,080	8,079,040	8,381,390	8,713,360
Depreciation - t/f to Major Repairs Res.	11,070,740	11,154,140	11,818,550	12,284,890	12,573,900	12,869,670
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	4,034,970	4,146,510	4,225,460	4,342,440	4,454,480	4,560,330
<b>Total Expenditure</b>	<b>30,420,560</b>	<b>30,071,310</b>	<b>31,253,220</b>	<b>32,190,590</b>	<b>33,081,660</b>	<b>33,968,100</b>
<b>Net Cost of HRA Services</b>	<b>(11,371,470)</b>	<b>(13,334,180)</b>	<b>(14,231,680)</b>	<b>(16,674,300)</b>	<b>(18,233,810)</b>	<b>(19,076,640)</b>
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(543,300)	(451,910)	(307,310)	(181,310)	(142,220)	(146,260)
<b>HRA (Surplus) / Deficit for the Year</b>	<b>(11,914,770)</b>	<b>(13,786,090)</b>	<b>(14,538,990)</b>	<b>(16,855,610)</b>	<b>(18,376,030)</b>	<b>(19,222,900)</b>
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,506,740	7,506,750	7,544,920	7,553,840	7,600,880	7,687,720
Housing Set Aside	1,560,900	(3,905,000)	(9,145,000)	(1,280,000)	(374,510)	0

Appropriation from Ear-Marked Reserve	0	0	0	0	0	0
Direct Revenue Financing of Capital	2,568,300	14,182,120	11,646,940	19,921,060	11,102,750	11,464,790
<b>(Surplus) / Deficit for Year</b>	<b>(278,830)</b>	<b>3,997,780</b>	<b>(4,492,130)</b>	<b>9,339,290</b>	<b>(46,910)</b>	<b>(70,390)</b>
Balance b/f	(11,539,346)	(11,818,176)	(7,820,396)	(12,312,526)	(2,973,236)	(3,020,146)
<b>Total Balance c/f</b>	<b>(11,818,176)</b>	<b>(7,820,396)</b>	<b>(12,312,526)</b>	<b>(2,973,236)</b>	<b>(3,020,146)</b>	<b>(3,090,536)</b>

# Housing Capital Investment Plan

## Appendix K

Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Housing Capital Spend</b>										
Disabled Facilities Grants	754	682	682	682	682	682	682	682	682	682
Private Sector Housing Grants and Loans	195	195	195	195	195	195	195	195	195	195
<b>Total General Fund Housing Capital Spend</b>	<b>949</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>877</b>
<b>HRA Capital Spend</b>										
<b>Decent Homes</b>										
Kitchens	655	682	303	466	621	753	1,136	747	1,474	1,367
Bathrooms	331	1,049	188	47	158	650	653	146	67	363
Central Heating / Boilers	2,586	3,838	1,866	2,050	1,850	2,675	1,902	2,129	2,315	1,685
Insulation / Energy Efficiency / Wall Finishes	833	1,344	891	807	676	519	420	970	181	1,184
Energy Efficiency Pilot / Retrofit	0	500	1,000	1,000	0	0	0	0	0	0
External Doors	148	116	52	72	20	58	52	75	57	58
PVCU Windows	0	689	467	241	855	538	1,062	380	328	1,111
Wall Structure	634	2,246	6	6	19	2	250	94	505	681
External Painting	0	357	357	357	357	357	357	357	357	357
Roof Structure	398	300	300	300	300	300	300	300	300	300
Roof Covering	542	688	1,106	200	690	1,918	1,647	994	1,058	935
Chimneys	1	2	0	0	2	2	0	0	0	7
Electrical / Wiring	555	296	274	445	388	483	209	266	4	19
Sulphate Attacks	102	102	102	102	102	102	102	102	102	102
HHSRS Contingency	229	100	100	100	100	100	100	100	100	100
Other Health and Safety Works	269	50	50	50	50	50	50	50	50	50

Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other External Works	0	0	0	0	0	0	0	0	0	0
Capitalised Officer Fees - Decent Homes	305	330	330	330	330	330	330	330	330	330
Decent Homes Backlog	0	0	4,716	4,716	4,716	4,716	4,716	3,811	3,811	3,811
Decent Homes Planned Maintenance Contractor Overheads	842	1,305	667	576	680	936	906	738	759	915
Decent Homes New Build Allocation	467	144	730	1,004	1,084	1,169	1,257	1,346	1,441	1,537
<b>Total Decent Homes</b>	<b>8,897</b>	<b>14,138</b>	<b>13,505</b>	<b>12,869</b>	<b>12,998</b>	<b>15,658</b>	<b>15,449</b>	<b>12,935</b>	<b>13,239</b>	<b>14,912</b>
<b>Other Spend on HRA Stock</b>										
Garage Improvements	195	100	100	100	100	100	100	100	100	100
Asbestos Removal	50	50	50	50	50	50	50	50	50	50
Disabled Adaptations	878	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	100	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	150	150	150	150	150	150	150	150	150	150
Communal Entrance / Enclosure Doors + Glazing	71	329	71	76	136	71	140	71	73	185
Fire Prevention / Fire Safety Works	921	50	50	50	50	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety Works	508	225	225	225	225	225	225	225	225	225
Communal Areas Floor Coverings	295	100	100	100	100	100	100	100	100	100
Lifts and Door Entry Systems	138	231	9	0	38	28	75	0	0	40
Estate Investment Scheme	305	1,270	970	1,000	806	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	114	114	114	114	114	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	364	235	183	182	193	185	197	182	182	199
<b>Total Other Spend on HRA stock</b>	<b>4,089</b>	<b>3,762</b>	<b>2,930</b>	<b>2,955</b>	<b>2,870</b>	<b>1,981</b>	<b>2,109</b>	<b>1,950</b>	<b>1,952</b>	<b>2,121</b>



Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>HRA New Build / Re-Development</b>										
Anstey Way	5,876	0	0	0	0	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Teddar)	1,424	369	0	0	0	0	0	0	0	0
Kendal Way	46	300	0	0	0	0	0	0	0	0
Queensmeadow	500	24	0	0	0	0	0	0	0	0
Wulfstan Way	304	442	0	0	0	0	0	0	0	0
Akeman Street	1,655	2,635	183	0	0	0	0	0	0	0
Ventress Close	1,536	1,383	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	679	96	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	7,974	9,613	2,747	0	0	0	0	0	0	0
Ganhild Way	469	122	0	0	0	0	0	0	0	0
Markham Close	967	122	0	0	0	0	0	0	0	0
Cremwell Road (Including Land Acquisition)	2,555	3,496	4,879	2,419	0	0	0	0	0	0
Kingsway Clinic Conversion	382	0	0	0	0	0	0	0	0	0
Ditchburn Place New Build	143	0	0	0	0	0	0	0	0	0
Colville Road	1,559	10,131	3,940	0	0	0	0	0	0	0
Meadows and Buchan Street	242	3,098	11,618	10,830	1,343	0	0	0	0	0
Clerk Maxwell Road	0	2,143	604	0	0	0	0	0	0	0
Campkin Road	2,768	6,008	8,645	0	0	0	0	0	0	0
Hill POD Homes	0	140	0	0	0	0	0	0	0	0
Keepmoat Defect Management (10 Schemes)	60	0	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	1,000	1,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total HRA New Build</b>	<b>30,139</b>	<b>41,622</b>	<b>42,616</b>	<b>23,249</b>	<b>11,343</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Sheltered Housing Capital Investment</b>										
Ditchburn Place	772	0	0	0	0	0	0	0	0	0
<b>Total Sheltered Housing Capital Investment</b>	<b>772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other HRA Capital Spend</b>										
Orchard Replacement / Mobile Working	543	0	0	0	0	0	0	0	0	0
Stores Reconfiguration	55	0	0	0	0	0	0	0	0	0
Estate Service Champion Estate Vehicle	0	0	0	0	0	0	0	0	0	0
Shared Ownership Repurchase	300	300	300	300	300	300	300	300	300	300
Commercial and Administrative Property	30	30	30	30	30	30	30	30	30	30
<b>Total Other HRA Capital Spend</b>	<b>928</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total HRA Capital Spend</b>	<b>44,825</b>	<b>59,852</b>	<b>59,381</b>	<b>39,403</b>	<b>27,541</b>	<b>27,969</b>	<b>27,888</b>	<b>25,215</b>	<b>25,521</b>	<b>27,363</b>
<b>Total Housing Capital Spend at Base Year Prices</b>	<b>45,774</b>	<b>60,729</b>	<b>60,258</b>	<b>40,280</b>	<b>28,418</b>	<b>28,846</b>	<b>28,765</b>	<b>26,092</b>	<b>26,398</b>	<b>28,240</b>
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	266	852	1,425	2,031	2,863	3,253	3,155	3,554	4,302
<b>Total Inflated Housing Capital Spend</b>	<b>45,774</b>	<b>60,995</b>	<b>61,110</b>	<b>41,705</b>	<b>30,449</b>	<b>31,709</b>	<b>32,018</b>	<b>29,247</b>	<b>29,952</b>	<b>32,542</b>
<b>Housing Capital Resources</b>										
Right to Buy Receipts	(474)	(478)	(483)	(483)	(483)	(483)	(483)	(483)	(513)	(518)
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve	(16,943)	(5,878)	(22,451)	(12,284)	(12,574)	(12,869)	(13,165)	(13,475)	(13,791)	(14,114)
Direct Revenue Financing of Capital	(2,568)	(14,182)	(11,647)	(19,921)	(11,103)	(11,465)	(12,177)	(11,607)	(11,966)	(14,228)

Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(1,028)	(2,050)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Devolution Grant	(14,841)	(21,036)	(15,890)	(4,096)	0	0	0	0	0	0
Retained Right to Buy Receipts	(6,545)	(10,217)	(8,152)	(2,838)	(2,803)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Disabled Facilities Grant	(682)	(682)	(682)	(682)	(682)	(682)	(682)	(682)	(682)	(682)
Prudential Borrowing	0	0	0	(1,101)	(2,504)	(3,210)	(2,511)	0	0	0
<b>Total Housing Capital Resources</b>	<b>(43,081)</b>	<b>(54,523)</b>	<b>(59,605)</b>	<b>(41,705)</b>	<b>(30,449)</b>	<b>(31,709)</b>	<b>(32,018)</b>	<b>(29,247)</b>	<b>(29,952)</b>	<b>(32,542)</b>
Net (Surplus) / Deficit of Resources	2,693	6,472	1,505	0	0	0	0	0	0	0
<b>Capital Balances b/f</b>	<b>(10,671)</b>	<b>(7,978)</b>	<b>(1,506)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
Use of / (Contribution to) Balances in Year	2,693	6,472	1,506	0	0	0	0	0	0	0
<b>Capital Balances c/f</b>	<b>(7,978)</b>	<b>(1,506)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Other Capital Balances (Opening Balance 1/4/2019)</b>										
Major Repairs Reserve	(11,231)	Utilised in future years to fund investment in the housing stock								
Retained 1-4-1 Right to Buy Receipts	(13,932)	Utilised between 2019/20 and 2020/21 above								
Right to Buy Receipts for Debt Redemption	(9,031)	Retained for future debt repayment								
<b>Total Other Capital Balances</b>	<b>(34,194)</b>									

## Cambridge City Council Equality Impact Assessment (EqIA)

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

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

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



### 1. Title of strategy, policy, plan, project, contract or major change to your service:

Housing Revenue Account Budget 2020/21

### 2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

Documents will be published here:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3602&Ver=4>

### 1. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This EqIA considers equality impacts of budget proposals at the point that they are presented to Housing Scrutiny Committee for consideration, before decisions are made by the Executive Councillor for Housing.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced Housing Revenue Account budget for 2020/21 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the efficiency savings required to allow the strategic reinvestment of resource into new areas.

This EqIA assesses the equality impacts of the Housing Revenue Account element of the City Council's budget.

**3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service? (Continued)**

An EqlA has been completed for budget proposals that are likely to result in significant service changes. This EqlA sets out the material information from EqlAs attached to individual budget bids. Some EqlAs identify very small or neutral impacts and therefore have not been included.

This approach is intended to ensure that in making decisions on the Budget, the Council is discharging its Public Sector Equality Duty under the Equality Act 2010.

The 2020/21 budget proposals that are considered as part of this impact assessment are:

- Additional Development Officer in the Housing Development Agency to explore HRA new build opportunities
- Extension of Financial Inclusion Officer post (HRA share)
- Security fund for domestic abuse survivors
- Employment of a fixed term Energy Officer / Assessor and Corporate Energy Manager
- Introduction of Disabled Adaptations Moving Grants
- Reduction in Housing Disabled Adaptations Capital Funding
- Increased garage rent income to the HRA
- Employment of a Tenancy Auditor
- Continuation of the Green Fingers Gardening Scheme
- Employment of Caretakers for Housing First Schemes

**4. Responsible Service**

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqlA.

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

- ☒ Residents of Cambridge City
- ☒ Visitors to Cambridge City
- ☒ Staff

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

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

Each of the proposals identified will change the level of service to be delivered.

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

Yes: This is an assessment of the Council's Housing Revenue Account budget proposals and therefore covers all our landlord related services. The budget also affects some of the Council's partnership working, notably with the Voluntary and Community Sector (such as Cambridge & District Citizens Advice), Cambridge Jobcentre Plus and the Police.

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

Revenue budget bid proposals are presented to Housing Scrutiny Committee on 15<sup>th</sup> January 2020 and capital bids to Council on 13<sup>th</sup> February:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3602&Ver=4>

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

This information is based on feedback from Council Officers that lead on the individual Budget Bid proposals and the EqIA's they have produced.

**10. Potential impacts**

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

(a) Age
<p><b>Extension of Financial Inclusion Officer post (Housing Revenue Account share)</b></p> <p>The post holder works with all age groups but has particularly complex cases of single parents, mostly female, with young children who struggle to access work due to childcare issues. Strong links have been made with Cambridge Housing Society Employment Advisor and successes have been made getting single parents closer to the workforce and even into employment.</p> <p>Pensioner poverty in the UK has been reducing over the years according to the Joseph Rowntree Foundation report 'UK Poverty 2018' but recently is showing signs of an increase. Over the past few months, the post holder has supported several pensioners who have found themselves with avoidable debts.</p>

## **(a) Age**

### **Security fund for domestic abuse survivors**

Our security fund is aimed at responding to domestic abuse experienced by all age groups across council tenure and we recognise that different age groups can have different experiences of domestic abuse. Older victims experience abuse for twice as long before seeking help as those aged below 61 and nearly half have a disability, yet older clients are hugely underrepresented among domestic abuse services. Younger people are more likely to be subject to interpersonal violence. The majority of high risk victims are in their 20's or 30's.

Domestic abuse can affect children as well as adults: There are 130,000 children in the UK living in homes with domestic abuse where there's a high risk of murder or serious harm.

### **Employment of a fixed term Energy Officer / Assessor and Capital Fund for Energy Initiatives Pilot**

Older people and the very young may be more vulnerable to ill health caused by poor heating and ventilation. Funding to identify and improve the less energy efficient council homes should positively impact this protected group.

### **Disabled Adaptations Moving Grants**

Grant funding to assist those for whom their council home is no longer suitable to move to a property that better meets their needs may positively benefit older people, with 44% of pension age adults recorded as having a disability according to The Papworth Trust Disability Facts and Figures 2018.

### **Reduction in Housing Disabled Adaptations Capital Funding**

A proposed reduction in the level of capital funding for disabled adaptations is not expected to negatively impact any protected characteristic group as the reduction is being made based upon historic demand for the investment. There is no evidence that ongoing demand for the adaptations met from this funding will increase. The bid to allow revenue funding for assisting those with a disability to move to a property that better meets their needs, will further reduce demand on the capital budget, where extending existing properties particularly, can prove hugely expensive.

### **Employment of a Tenancy Auditor**

A proposal to employ a Tenancy Auditor on a pilot basis to undertake tenancy audits by visiting properties has the potential to benefit older or more vulnerable residents who may require signposting to services that could provide support to them.

### **Continuation of the Green Fingers Gardening Scheme**

A bid in the HRA to allow continuation of this existing scheme will ensure that older tenants unable to manage their gardens themselves will continue to benefit from the support that they currently receive.



## **(b) Disability**

### **Extension of Financial Inclusion Officer post (Housing Revenue Account share)**

The Financial Inclusion Officer assists with claiming disability benefits, explains potential impacts when receiving additional benefits and can offer support if applications fail and an appeal needs to be made. Therefore, the extension of the post would benefit disabled people. This is especially the case because UK statistics indicate that disabled adults in working-age families are much more likely to be in poverty than those who are not disabled – 39% compared with 18% (Joseph Rowntree Foundation, 2018). This is because disabled people are less likely to be in work or more likely to be in low-paid employment. Whilst support for disabled persons under UC is generally less generous than under the 6 legacy benefits, additional financial support is available for disabled people where the nature of their disability means that they have higher living costs.

### **Security fund for domestic abuse survivors**

Disabled people experience disproportionately higher rates of domestic abuse. They also experience domestic abuse for longer periods of time, and more severe and frequent abuse than non-disabled people. A security fund for people who may be affected by domestic abuse can help to prevent domestic abuse experienced by disabled people. Help could include lock changes, security lighting, security doors, CCTV, door chains, bolts, fencing, early warning alarms and external letter boxes.

In addition, helping people experiencing domestic abuse effectively can help prevent disability caused by domestic violence where physical injury occurs. Also, anxiety and depression may be indicators of domestic abuse.

### **Employment of a fixed term Energy Officer / Assessor and Capital Fund for Energy Initiatives Pilot**

Those with a disability may be more vulnerable to ill health caused by poor heating and ventilation. Funding to identify and improve the less energy efficient council homes should positively impact this protected group.

### **Disabled Adaptations Moving Grants**

Grant funding to assist those for whom their council home is no longer suitable to move to a property that better meets their needs will positively benefit those identified as having a disability. There are 1.8 million people with unmet housing needs according to The Papworth Trust Disability Facts and Figures 2018.

### **Employment of a Tenancy Auditor**

A proposal to employ a Tenancy Auditor on a pilot basis to undertake tenancy audits by visiting properties has the potential to benefit those with a disability who may require signposting to services that could provide support to them, or could benefit from property adaptations which the Council may not otherwise be aware of the need for.

## **(b) Disability**

### **Reduction in Housing Disabled Adaptations Capital Funding**

A proposed reduction in the level of capital funding for disabled adaptations is not expected to negatively impact any protected characteristic group as the reduction is being made based upon historic demand for the investment. There is no evidence that ongoing demand for the adaptations met from this funding will increase. The bid to allow revenue funding for assisting those with a disability to move to a property that better meets their needs, will further reduce demand on the capital budget, where extending existing properties particularly, can prove hugely expensive.

### **Continuation of the Green Fingers Gardening Scheme**

A bid in the HRA to allow continuation of this existing scheme will ensure that disabled tenants unable to manage their gardens themselves will continue to benefit from the support that they currently receive.

## **(c) Gender reassignment**

### **Security fund for domestic abuse survivors**

There is limited research on how many trans people experience domestic abuse in the UK. However, figures that exist suggest it is a significant issue. A report by The Scottish Transgender Alliance indicates that 80% of trans people had experienced emotional, sexual, or physical abuse from a partner or ex-partner. Therefore, the security fund may especially benefit transgender people, including those with the protected characteristic of gender reassignment. Help could include lock changes, security lighting, security doors, CCTV, door chains, bolts, fencing, early warning alarms and external letter boxes.

## **(d) Marriage and civil partnership**

### **Security fund for domestic abuse survivors**

The cross-government definition of domestic violence and abuse covers intimate partners and other family members. Statistics show that domestic violence is higher amongst those who have separated, followed by those who are divorced or single. With a higher proportion of those who have been married experiencing domestic violence, the security fund could help by providing lock changes, security lighting, security doors, CCTV, door chains, bolts, fencing, early warning alarms and external letter boxes for this group.

## **(e) Pregnancy and maternity**

### **Extension of Financial Inclusion Officer post (Housing Revenue Account share)**

Pregnancy and maternity are a financially difficult time until the baby is born it is not added to the household for additional financial support. Moreover, in the UK, nearly half of children in lone parent families live in poverty, compared with one in four of those in couple families. Over the last five years, poverty rates for children in lone-parent families have risen by around twice as much as those for children in couple families. Therefore, extending the posts may particularly benefit lone parent families by ensuring they receive benefits they are entitled to and in providing budgeting and debt advice.

### **Security fund for domestic abuse survivors**

Nearly one in three women who suffer from domestic abuse during their lifetime report that the first incidence of violence happened while they were pregnant. Our fund to support security measures for those affected by domestic abuse is likely to have a particularly positive impact for people with the protected characteristic of pregnancy and maternity. The security fund could help by providing lock changes, security lighting, security doors, CCTV, door chains, bolts, fencing, early warning alarms and external letter boxes for this group.

## **(f) Race**

### **Extension of Financial Inclusion Officer post (Housing Revenue Account share)**

It is likely that the extension of these posts will especially be of benefit to ethnic minority groups who may be more likely to experience poverty, so benefit from support to identify benefit entitlement or to manage their money. UK statistics find that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years. Poverty rates are higher among all ethnic minority groups compared with those among the majority White British.

### **Security fund for domestic abuse survivors**

In 2018, under one-fifth of cases discussed at MARACs involved a black or minority ethnic victim (17%), but the ONS share that these statistics may not be representative of the prevalence of domestic abuse within ethnic groups. The small proportions of domestic abuse victims with these characteristics becoming visible in the MARAC data demonstrates the disparities in service provision for these groups and low levels of identification and recording of these characteristics.

Some key points to be considered are that for some ethnic groups:

- It might be a huge step to seek help where it could mean severing ties with their wider community, and in some cases people might be shunned by their communities
- Some communities might fear that children will be taken into care

Our fund to support security measures for those affected by domestic abuse is likely to have a particularly positive impact for people with the protected characteristic of race.

#### **(g) Religion or belief**

No specific impact for this protected characteristic group.

#### **(h) Sex**

##### **Extension of Financial Inclusion Officer post (Housing Revenue Account share)**

There are more women in receipt of housing benefits (August 2019) as single parents than male single parents. By providing access to financial support to this group at an early point, outcomes are often more positive and longer lasting. In the first 9 months of operation of those supported by the Universal Credit Outreach Advice for instance, 44% were female (young/single mums were the group engaging most quickly).

##### **Security fund for domestic abuse survivors**

Women are around twice-as-likely to have experienced domestic abuse than men (7.9% compared with 4.2%). This equates to an estimated 1.3 million female victims and 695,000 male victims. The estimates do not take into account the context and impact of the abusive behaviours experienced. Research suggests that when coercive and controlling behaviour is taken into account, the differences between the experiences of male and female victims become more apparent. Research also suggests that women experience domestic abuse with much more intensity. 89% of people who experience four or more incidents of domestic violence are women.<sup>44</sup> The majority of victims of domestic homicides recorded between April 2013 and March 2016 were women (70%). In the UK, two women are killed every week in England by a partner or ex-partner.

##### **Security fund for domestic abuse survivors (Continued)**

Our fund to support security measures for those affected by domestic abuse is likely to have a particularly positive impact for women.

##### **Disabled Adaptations Moving Grants**

According to The Papworth Trust Disability Facts and Figures 2018, there are more disabled women than men in the UK, with 23% of women as opposed to 19% of men. Grant funding to assist those for whom their council home is no longer suitable to move to a property that better meets their needs could positively benefit a greater proportion of women than men.

##### **Reduction in Housing Disabled Adaptations Capital Funding**

A proposed reduction in the level of capital funding for disabled adaptations is not expected to negatively impact any protected characteristic group as the reduction is being made based upon historic demand for the investment. There is no evidence that ongoing demand for the adaptations met from this funding will increase. The bid to allow revenue funding for assisting those with a disability to move to a property that better meets their needs, will further reduce demand on the capital budget, where extending existing properties particularly, can prove hugely expensive.

## **(i) Sexual Orientation**

### **Security fund for domestic abuse survivors**

Stonewall's research shows that one in four lesbian and bi women have experienced domestic abuse in a relationship. Two thirds of those say the perpetrator was a woman, a third a man. Almost half (49%) of all gay and bi men have experienced at least one incident of domestic abuse from a family member or partner since the age of 16.

Our fund to support security measures for those affected by domestic abuse is likely to have a particularly positive impact for people with the protected characteristic of sexual orientation.

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

### **Additional Development Officer in the Housing Development Agency to explore HRA new build opportunities**

This post will have a positive impact for a number of equality groups, although it is not clear at this stage which groups will benefit. Part of the assessment of new build opportunities and the development of the future new build programme will include consideration of who needs housing and where. Individual EQIA's are undertaken on all proposed new developments as they are brought forward for consideration and decision, by which point the impacts will be clear.

### **Extension of Financial Inclusion Officer post (Housing Revenue Account share)**

Households on a low income often struggle living within an affluent area like Cambridge, as there is a marked difference in living standards. The role of the Financial Inclusion Officer has been to pick up complex cases and initially provide these households with immediate support to reduce the risk of homelessness. The post holder would also continue to work with the households and, where appropriate, internal and external colleagues to develop a longer term strategy to reduce the reliance on this post going forward.

### **Employment of a fixed term Energy Officer / Assessor and Capital Fund for Energy Initiatives Pilot**

Funding to identify and improve energy efficiency in council homes could lead to a reduction in energy bills, which will be particularly beneficial for those on low incomes. In the region of 50% of council tenants receive support towards the cost of their accommodation, with this funding likely to positively impact this group.

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

**Disabled Adaptations Moving Grants**

According to The Papworth Trust Disability Facts and Figures 2018, those with a disability are twice as likely to be unemployed as those without. Grant funding to assist those for whom their council home is no longer suitable to move to a property that better meets their needs could positively benefit those on low incomes or reliant on financial assistance to meet their living costs.

**Reduction in Housing Disabled Adaptations Capital Funding**

A proposed reduction in the level of capital funding for disabled adaptations is not expected to negatively impact any protected characteristic group as the reduction is being made based upon historic demand for the investment. There is no evidence that ongoing demand for the adaptations met from this funding will increase. The bid to allow revenue funding for assisting those with a disability to move to a property that better meets their needs, will further reduce demand on the capital budget, where extending existing properties particularly, can prove hugely expensive.

**Increased garage rent income to the HRA**

Will impact those on low incomes who rent a garage in a high value location, with rents increasing from April 2020, as protection is phased out for existing tenants. The rent increase was agreed to be made in a phased manner to mitigate the financial impact for tenants and tenants have been encouraged to make contact with the Council if the increase poses a significant problem. Rent arrears and any termination of garage tenancies is being monitored.

**Employment of a Tenancy Auditor**

A proposal to employ a Tenancy Auditor on a pilot basis to undertake tenancy audits by visiting properties has the potential to benefit those on low incomes who may require signposting to services that could provide support to them.

**Employment of Caretakers for Housing First Schemes**

The introduction of some Housing First Schemes in HRA stock will allow vulnerable tenants and those with low level support needs to be able to manage and sustain a tenancy, with direct support and an early warning system being delivered by 'neighbour caretakers' who also reside in the block or scheme.

**11. Action plan**

This EqlA provides an overall assessment of the equality impacts of budget proposals included in the Housing Revenue Account budget proposed for 2020/21, to inform Councillor's decisions. Services are responsible for updating individual EqlAs for all proposals that are taken forward and approved at Housing Scrutiny Committee or Council.

### 12. Do you have any additional comments?

This EqlA contains information on equality impacts discussed with services on their budget bid proposals. The EqlA does not contain detailed information, which will be provided by services as part of their individual EqlA's for proposal which receive formal approval.

### 13. Sign off

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

Julia Hovells, Assistant Head of Finance

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

- Helen Crowther, Equality and Anti-Poverty Officer
- Clarissa Norman, Customer Service Operations Manager
- Lynn Thomas, Head of Housing Maintenance and Assets
- David Greening, Head of Housing
- Claire Flowers, Head of Housing Development Agency
- Naomi Armstrong, Benefit Manager
- Hilary Newby, Housing Maintenance and Assets Accountant

Date of EqlA sign off: 19/11/2019

Date of next review of the equalities impact assessment: This will be different for each project

Date to be published on Cambridge City Council website: N/a (But an EqlA will be published for proposals taken forward to Housing Scrutiny Committee on 15<sup>th</sup> January 2020 and Council on 13<sup>th</sup> February 2020).

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## STRATGEY & RESOURCES

**3 February 2020**

5.00- 8.05 pm

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

### RECOMMENDATION TO COUNCIL

#### Capital Strategy 2020/21

This report presents the capital strategy of the council together with a summary capital programme for the General Fund (GF) and Housing Revenue Account (HRA). The previous capital strategy was approved by the council on 21 February 2019. The strategy is focused on providing a framework for delivery of capital expenditure plans over a 10-30 year period. These plans cover spending on operational assets to support service delivery and on investments which provide an income for the council alongside meeting the council's objectives in relation to economic development and place-making, regeneration and climate change mitigation. Governance arrangements are also outlined in order to ensure the capital programme continues to deliver value for money.

The Strategy and Resources Scrutiny Committee considered and approved the recommendations by 3 votes to 0 with 2 abstentions.

Accordingly, Council is recommended to:

- i. Approve the capital strategy; and
- ii. Note the summary capital programme

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## Item

### **Strategy & Resources 3 February 2020 - Finance and Resources Portfolio: Capital strategy 2020/21**

**To:**

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

**Report by:**

Caroline Ryba, Head of Finance

Tel: 01223 - 458134 Email: [caroline.ryba@cambridge.gov.uk](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**

- 1.1 The council continues to develop and expand well-established, long term capital planning.
- 1.2 This report presents the capital strategy of the council together with a summary capital programme for the General Fund (GF) and Housing Revenue Account (HRA). The previous capital strategy was approved by the council on 21 February 2019. The strategy is focused on providing a framework for delivery of capital expenditure plans over a 10-30 year period. These plans cover spending on operational assets to support service delivery and on investments which provide an income for the council alongside meeting the council's objectives in relation to economic development and place-making, regeneration and climate change mitigation. Governance arrangements are also outlined in order to ensure the capital programme continues to deliver value for money.

- 1.3 The council has a substantial capital programme which is mainly guided by and supports the strategic aims of the council as outlined in the *One Cambridge – Fair for All* vision and defined in the *Annual Statement* as published on the council website.
- 1.4 The strategy has been updated to reflect recommendations from Stage 2 of the property review and the council's plans to redevelop the multi-storey car park on Park Street to include an aparthotel which will form a significant part of the council's commercial property investment portfolio.

## **2 Section 151 officer report**

- 2.1 The council's section 151 officer is required to report explicitly on the affordability and risk associated with the capital strategy.
- 2.2 As highlighted in the strategy the council ensures that capital projects and schemes are accompanied by detailed funding proposals. Where projects are to be funded from borrowing – either internally from cash balances or externally, a prudent Minimum Revenue Provision charge is made. The council has not borrowed externally to fund capital expenditure in the recent past, the current external borrowing representing debt incurred on the transition from the old housing subsidy system to HRA self-financing.
- 2.3 Where the council has expanded its commercial activities by purchasing additional commercial properties or making loans to subsidiaries and joint ventures to facilitate the provision of intermediate housing or the development of sites for market and affordable housing it ensures that the risks taken are proportionate to the size and scale of the authority. Legal advice is taken alongside the completion of appropriate due diligence and any loans are secured where appropriate. On projects undertaken by joint ventures the council monitors the expected repayment of loans and expected future surpluses carefully. The council has not borrowed externally to fund the increase in commercial activity.

- 2.4 External debt will be used, however, to fund the redevelopment of the Park Street multi-storey car park and future housing developments within the HRA. The council is aware of the risks associated with borrowing for these purposes and will seek appropriate external advice.

### **3 Recommendations**

3.1 The Executive Councillor is asked to:

- Recommend the capital strategy to Council; and
- Note the summary capital programme

## **4. Implications**

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

The capital strategy underpins the Medium Term Financial Strategies (MTFSs) and Budget Setting Reports (BSRs) for the General Fund (GF) and Housing Revenue Account (HRA). The financial implications of the strategy are included within those documents. The treasury management implications of the strategy are summarised within the treasury management strategy statement.

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

The capital strategy is considered to be deliverable within current staff resources. However, this will be kept under review by management through the relevant programme boards.

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

Decisions around individual items of capital expenditure, properties and investments will consider the equality and poverty implications as and when specific proposals are made.

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

Decisions around individual items of capital expenditure, properties and

investments will consider the environmental implications as and when specific proposals are made.

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

There are no direct procurement implications arising from this report. Any subsequent actions will be undertaken in accordance with procurement regulations, contract procedure rules and any other related legislation.

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

None.

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

Individual proposals arising from this strategy will be consulted on as appropriate.

## **6. Background papers**

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

- General Fund Property Review – Report and minutes – Strategy and Resources Scrutiny Committee 1/7/19.
- GF and HRA Budget Setting Reports 2020/21
- Treasury Management Strategy Statement 2020/21

## **7. Appendices**

The following item is included in this report:

- Capital Strategy 2020/21

## **8. Inspection of papers**

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

Author's Name: Caroline Ryba, Head of Finance  
Author's Phone Number: 01223 - 458134  
Author's Email: [caroline.ryba@cambridge.gov.uk](mailto:caroline.ryba@cambridge.gov.uk)



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# Cambridge City Council Capital Strategy 2020/21

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## Introduction

- 1.1 The CIPFA Prudential Code requires that councils have a capital strategy that demonstrates that the council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy should set out the long-term context in which capital expenditure and investment decisions are made and give due consideration to both risk and reward and the impact on outcomes.
- 1.2 As local authorities become increasingly complex and diverse it is important that those charged with governance understand the long- term context in which investment decisions are made and the financial risks to which the council is exposed.
- 1.3 The strategy maintains a strong and current link to the council's priorities and to other key strategy documents including the Treasury Management Strategy, General Fund and Housing

## **2 Objectives**

- 2.1 The objective of the capital strategy is to ensure that the overall strategy, governance procedures and risk appetite are clear to members, officers and readers in general. The strategy outlines how stewardship, value for money, prudence, sustainability and affordability will be secured.

## **3 Scope**

- 3.1 The capital strategy specifically focusses on the key areas of:

- Capital expenditure;
- Debt, borrowing and treasury management; and
- Commercial activity.

It also considers:

- Other long-term liabilities; and
- Knowledge and skills.

### Capital Expenditure

- 3.2 Capital expenditure in the City Council takes a number of forms:

- The council runs a majority of services in house and has a significant operational asset base to run and sustain those services - including council houses, community centres, car parks, a crematorium and vehicle fleet. This asset base must be maintained and assets replaced or upgraded as they age. This often reflects an enhancement, e.g. providing better energy efficiency.

- The council may purchase or develop new assets, for example community centres in new areas of the city, or purchase or enhance existing investment properties to generate additional income to support council services.
- The council may make grants, loans or investments which are treated as capital expenditure under statute.

### Debt, Borrowing and Treasury Management

- 3.3 The council has both external borrowing with the Public Works Loan Board (PWLb) and ‘internal’ borrowing from cash balances. This borrowing is managed alongside the investment of cash balances (currently over £100m per annum) as part of the council’s treasury management function.

### Commercial Activity

- 3.4 There has been an emerging commercialisation agenda in local government in the last few years as councils look to become more financially self-sufficient. The City Council has focused on loans to council joint ventures and companies wholly owned by the council and the purchase of further investment properties. The council is also considering investment in renewable energy generation and associated areas.

## **4 Council priorities and external Influences**

- 4.1 The Council has an overall Vision statement – ‘One Cambridge – Fair for All, in which economic dynamism and prosperity are combined with social justice and equality. The vision can be viewed at [www.cambridge.gov.uk/our-vision](http://www.cambridge.gov.uk/our-vision)
- 4.2 The Council’s annual statement, published at [www.cambridge.gov.uk/annual-statement](http://www.cambridge.gov.uk/annual-statement) outlines how it will achieve the vision giving more detail on the Council’s priorities and specific projects.

- 4.3 The Corporate Plan sets out five strategic objectives from the Annual Statement, with actions, initiatives and strategies to achieve those objectives. The Corporate Plan can be accessed at <https://www.cambridge.gov.uk/corporate-plan>.

#### Local Plan and North East Cambridge (NEC)

- 4.4 The Cambridge Local Plan was adopted in October 2018. The council will now use the local plan to guide development in the city in the coming years, with 14,000 additional homes and 22,000 additional jobs set to be created by 2031. Consultation on a new Local Plan, to be developed with South Cambridgeshire District Council, begins in January 2020.
- 4.5 Among the areas designated in the plan for potential future development is the NEC area around Cambridge North Station. The council, working with partners has secured £227m in national funding to support the relocation of Anglian Water's Cambridge Water Recycling Centre. Once the relocation has been achieved, 5,200 homes are planned for the core site, together with around 1m square feet of commercial space (7,000 jobs) and a mix of retail, community and leisure space. The redevelopment of the adjacent sites covering the wider NEC area, if enabled by the relocation of the water recycling centre, has the potential to deliver an additional estimated 2,400 homes and around 40,000 new jobs, supported by amenities and community facilities. This scale of development would make a significant contribution to the additional homes and jobs likely to be required by the new Local Plan.
- 4.6 As a significant land owner in the area the project to develop NEC will be important in the council's future capital plans. This is both in terms of capital expenditure and as a source of funding in the form of capital or other receipts.

### Delivery of new council homes

- 4.7 The council has secured £70m of devolution grant towards the provision of 500 new council houses in Cambridge. This funding is to be used alongside right to buy receipts and other HRA resources to deliver 546 additional, and some replacement, homes.
- 4.8 The council has formed a number of 50:50 joint venture partnerships with Hill Residential under the umbrella of the Cambridge Investment Partnership (CIP). CIP is undertaking the redevelopment of the council's former depot at Mill Road which will provide an equal number of market and council homes.
- 4.9 The council has purchased a former builders merchant's site at Cromwell Road which it is currently redeveloping with CIP to provide 295 units, 40% of which will be new council homes. CIP has also purchased a further site, L2 on Orchard Park for development for homes, 40% of which will be new council homes.
- 4.10 The council is also exploring opportunities with CIP on a number of other sites including the possible redevelopment of existing community centres to reprovide the existing use alongside new council homes.
- 4.11 The council has a stated ambition to build a further 1,000 new council homes over the course of the decade following the end of the current housebuilding programme.

### Other capital priorities

- 4.12 In addition to the major developments above for the delivery of new homes and businesses in Cambridge, the council is also planning and implementing a number of significant enabling investments to drive digital delivery and service improvement. This includes investment in new IT equipment to promote flexible and collaborative working under the umbrella of 'Council

Anywhere' and the replacement of a number of key systems including the housing management system.

- 4.13 The council uses condition surveys and asset management planning for both the Housing Revenue Account (HRA), covering the council's 7,000 council houses, and the General Fund (GF) to inform priorities for capital expenditure.
- 4.14 The council undertakes energy efficiency and carbon reduction work on council buildings with funding allocated from the Climate Change Fund. The council will continue to bring forward projects, including those targeted on energy saving and generation, within the council's property estate.

Working with external partners

- 4.15 The council works closely with external partners and this extends to decisions around capital.
- 4.16 The council has worked closely with the Cambridgeshire and Peterborough Combined Authority on the project to develop NEC, which was prioritised by the Combined Authority as its only submission in the round of funding bids for the Housing Infrastructure Fund.
- 4.17 The Combined Authority is also responsible for the allocation of the 500 council homes devolution grant to the City Council.
- 4.18 The council is involved in a number of shared services with Huntingdonshire District Council and South Cambridgeshire District Council under the 3Cs Shared Services name. Further services are shared with either South Cambridgeshire alone or Huntingdonshire alone. Where these services require capital investment, the councils work closely together.

## 5 Capital expenditure

### Governance

- 5.1 Capital projects put forward for funding through the Medium Term Financial Strategy (MTFS) or Budget Setting Report (BSR) must:
- Be linked to the council's vision and address other strategic considerations, including impact on the climate;
  - maintain or enhance service delivery;
  - be properly planned and developed and appropriate risks considered;
  - be affordable and provide value for money; and
  - be ready to be implemented, subject to any procurement requirements.
- 5.2 The council has a process for the review of new capital projects or programmes prior to approval by members. These arrangements are coordinated by the council's Corporate Programme Office (CPO). The objectives of the process include ensuring that the council has the capacity to deliver projects which are approved for inclusion on the capital plan. Review of capital proposals also ensures that the sensitivity of costs to both internal and external risks is considered.
- 5.3 Under the process one of the programme boards (Business Transformation, Place, Digital, Housing, and Corporate Transformation) will review and make recommendations for the political approval that is required and funding approval in the BSR or MTFS. The CPO and a virtual Quality Assurance Group (QAG) reviews projects prior to presentation to the relevant board.
- 5.4 Boards have responsibility for monitoring the delivery of projects and ensure 'lessons learned' reviews take place to identify both good practice and areas for improvement. These reviews are shared to inform decision making on future projects.

- 5.5 The council's accounting policies have a de minimis of £15,000 (£2,000 for vehicles) for capital assets which are reflected in the processes above.
- 5.6 Where projects are to be funded by S106 contributions they are allocated S106 funding via the S106 priority-setting process by the Executive Councillor in the appropriate scrutiny committee.
- 5.7 The HRA capital programme is scrutinised by the Housing Futures (Senior Management) Team and Housing Committee prior to decisions being taken as part of the Housing BSR and MTFS.

#### Financing of capital expenditure

- 5.8 Consideration of the financing of capital projects is integral to the governance procedures outlined above.
- 5.9 In general, the council will finance capital expenditure from existing resources including in-year revenue funding, reserves and capital receipts or from specific grant funding sources. This ensures that capital expenditure is both affordable and prudent.
- 5.10 Available resources will be allocated to capital proposals based on the following hierarchy of objectives:
- Maintenance of service delivery capacity and capability;
  - Income generation to support the delivery of council objectives; and then
  - The delivery of wider policy objectives, including those related to climate change and biodiversity.
- 5.11 Work with Heads of Service on forecasting possible GF capital expenditure requirements over the next 10 years has identified a core of around £2.0m per annum of expenditure to update or replace assets reaching the end of their useful lives. This forecast will however be dependent on future decisions relating to service delivery, so will be kept under annual review. This expenditure



would normally be funded from revenue resource. However, funding reductions are likely to make this approach increasingly unsustainable, so capital receipts, where available, will also be used.

5.12 In the HRA the council is required to make a contribution from revenue resources to the Major Repairs Reserve each year – this is equal to the assessed depreciation on HRA assets. This funding will be used mainly to ensure that the existing stock meets decent homes standards and to build new homes. The HRA will also use direct revenue funding from its revenue resources and an element of borrowing to support reprovision of existing units (which cannot be funded from right to buy receipts) and wider investment on housing estates.

5.13 Where the council identifies that GF capital expenditure is to be supported by borrowing, either externally or internally from cash, a prudent Minimum Revenue Provision (MRP) charge will be made to revenue to fund the expenditure. This will ensure that the council makes appropriate provision to fund the repayment of external debt or ‘repay’ cash balances internally borrowed. There will be circumstances in which MRP is not judged to be required. If so the reasons will be specifically outlined in the MRP Policy. The MRP policy is published each year as part of the Treasury Management Strategy.

#### Asset management planning

5.14 The council’s GF asset management plan was approved in July 2019, following an independent review of the council’s property portfolio covering both operational and commercial properties. It will be reviewed every five years.

5.15 The asset management plan outlines how the council will manage its property. It sets out:

- The guiding principles of efficient management and the components and tools available to deliver results

- How the council's objectives are supported, both in respect of property and its wider corporate objectives
- The objectives of the commercial property portfolio and the regular reviews to be undertaken to assess how the portfolio meets these objectives
- Property management including KPIs, the objectives, principles and process of acquisition, property reviews, asset management, development and disposals
- Portfolio-wide matters such as repair and maintenance, health and safety, carbon management and sustainability and property data management.

5.16 The HRA asset management plan for housing stock has also been reviewed and updated in 2019. The plan aims to return to a partial investment standard model rather than the basic decent homes standard, ensuring that the council invests in the current housing stock at the appropriate time and in the long term to reduce the level of spend in revenue repairs and maintenance.

5.17 The updated HRA asset management plan increases focus on improving the energy efficiency of the stock and compliance with relevant regulations, including fire safety. As this is a developing area following the Grenfell fire, the plan will be reviewed and updated within 2020 to ensure that it reflects changes in regulation and any other compliance requirements.

5.18 The council will reviews the condition of its existing assets on a regular basis, using specialist advisors where appropriate. This includes reviews of the maintenance requirements of operational property, investment properties and council housing stock.

5.19 Maintenance costs of existing assets will be considered carefully alongside replacement or upgrade decisions. For example, the council has its own fleet garage located in Waterbeach which is responsible for the maintenance of vehicles and keeps detailed records against each asset. Annual budgets will include provision for the maintenance of assets and service managers have the

opportunity to make bids and offer savings in maintenance funding as part of the annual budget-setting round.

- 5.20 With the exception of the £214m loans taken out on the inception of self-financing of the HRA at the end of the previous subsidy system, the council currently has no external debt. It therefore does not need to consider the impact of past borrowing on asset management plans.

#### Forecasts

- 5.21 Forecasts of capital expenditure and the underlying need to borrow, also known as the Capital Financing Requirement (CFR), are included at Appendix 1.

#### Disposals

- 5.22 Disposal of assets will be subject to scrutiny by relevant committees and Executive Councillor approval. Detailed cases will be prepared for any asset disposals and appropriate independent advice taken to ensure that best value is achieved on disposals, taking into account any strategic objectives. The council is also obliged to sell council properties to qualifying tenants under the Right to Buy legislation.
- 5.23 The council's current plans for disposal include the sale of its interest in Hobson House, formerly used as a council office, and various commercial properties as indicated by the property portfolio review.

#### Funding and borrowing restrictions

- 5.24 There are a number of restrictions around borrowing and funding of capital expenditure and these will be taken into account in the development and monitoring of the capital plan.
- 5.25 Under the Prudential Code the council has discretion to undertake borrowing which is prudent, affordable and sustainable.

- 5.26 With the removal of the HRA debt 'cap' in October 2018, the HRA is now able to borrow to fund its capital plans, subject to the normal provision that any borrowing is affordable.
- 5.27 The majority of the receipts from asset disposal come from the sale of council homes under the Right to Buy. The council remains subject to the agreement with the Ministry of Housing, Communities and Local Government (MHCLG) that allows the retention of right to buy receipts, subject to a set of specific conditions. These conditions include a requirement that such receipts are spent on housing.
- 5.28 The receipts assumed in the HRA Self-Financing Settlement continue to be shared with MHCLG in the statutorily agreed proportions, with a proportion of the receipts from any subsequent sales kept by the authority in recognition of the debt that the authority holds in respect of the asset. The balance of capital receipts is ring-fenced for one-for-one (1-4-1) investment.
- 5.29 Currently, 1-4-1 receipts must be spent within a three-year timeframe to fund the delivery of new social housing. A maximum of 30% of the cost can be met from this funding stream with the balance funded from the council's own resources or borrowing. MHCLG has consulted on allowing authorities longer to use existing receipts but the outcome of the consultation is still awaited.
- 5.30 Where receipts are not used within the three-year timeframe, receipts have to be repaid to central government with interest at 4% above the base rate.
- 5.31 The council aims to be around 12 months ahead of the profile for return of monies but this is critically dependent on the progress of housing developments that may be affected by factors outside the council's control. If the council is unable to use receipts within the three-year timeframe, it will either acquire existing properties on the open market or look to pass receipts on to a registered

provider to deliver affordable housing in the city. All efforts will be made to ensure that no receipts are paid back to central government.

- 5.32 The council must also ensure that it observes the ring-fence between GF and HRA resources.

#### Capital receipt flexibilities

- 5.33 Under a direction issued by central government in February 2018 authorities can choose to use capital receipts received in the 6 years commencing from 1 April 2016 to fund the revenue costs of transformation projects. Qualifying expenditure must 'generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that will reduce costs or demand for services in future years for any of the public sector delivery partners.'

- 5.34 The council has no plans to use this flexibility.

## **6 Debt, borrowing and treasury management**

### Summary

- 6.1 Appendix 2 shows a summary of the council's total underlying need to borrow – the Capital Financing Requirement (CFR), together with the estimated levels of external debt, internal borrowing from cash balances and the level of protection provided by reserves.
- 6.2 The Prudential Code requires that the council set and publish an authorised limit and operational boundary for external debt. These can be found in the annual treasury management strategy.

### External debt

- 6.3 At present the only external debt held by the authority relates to the twenty loans from the PWLB for self-financing the HRA taken out in 2012 totalling £213,572,000.
- 6.4 These loans have maturities from 2038 to 2057 and interest rates between 3.46% and 3.53%.
- 6.5 Although the council is not required to make MRP payments on this debt, the HRA has a 30-year business plan which demonstrates its ability to meet the on-going financing costs of this debt and considers the options for repayment or refinancing.
- 6.6 The council will borrow to support capital expenditure where prudent to do so. At present there are plans to fund the redevelopment of the Park Street multi-storey car park (see 7.10) and some residential development within the HRA by external debt. These schemes will increase the council's external debt by around £100m over the next five years.

### Internal borrowing

- 6.7 Where the council borrows from internal cash balances it must also ensure that it makes a prudent MRP charge. The MRP policy is included each year as part of the treasury management strategy.

### Treasury management

- 6.8 The council manages its deposits in-house and uses Link (formerly Capita) as its independent treasury adviser. The council recognises that responsibility for treasury management activities remains with the organisation. The council will ensure that the terms of Link's appointment are properly agreed, documented and reviewed annually.
- 6.9 The council's deposit priorities are (and in this order):-
- The security of capital;

- The liquidity of deposits; and;
- The yield or return on its deposits.

6.10 The council takes a cautious approach within its treasury management strategy. However, in order to ensure that the council invests its funds in the most appropriate way, the strategy will be reviewed at least annually taking into account the information available from Link and wider developments.

6.11 The council will use the creditworthiness service provided by Link which is updated daily for the authority to use. The service uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. However, the council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:-

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings i.e. akin to an insurance policy whereby counterparties enter into a contractual agreement; and;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

6.12 The council will not place an investment contrary to Link's credit methodology criteria which includes a maximum duration period (except for 'smaller' building societies).

6.13 In addition to considering the creditworthiness of counterparties the council will also consider the duration of deposits to ensure the appropriate liquidity of funds.

6.14 Treasury management activity will be delegated to officers in the council's finance team in line with the defined treasury management practices.

6.15 The current investment position will be reported to the Senior Management Team as part of the council's quarterly budget monitoring process. Investment performance will be formally reported to Strategy and Resources Scrutiny Committee and Council at the mid-year and outturn.

## **7 Commercial activity**

7.1 Where the council invests in non-financial assets, it will consider security, liquidity and yield, as it does for financial assets.

7.2 Specifically, in relation to non-financial assets:

- **Security** – the council recognises that it will normally have an asset that can be used to recoup capital invested. Therefore, it will ensure through regular valuations at fair value, that there is sufficient value in assets and the portfolio as a whole to protect the funds invested.
- **Liquidity** – the council has a large diversified portfolio of non-financial assets and will therefore be able to look at potential disposals across it to access funds, without having to rely on the disposal of a key asset for liquidity. The council will also maintain significant financial investments to meet its liquidity needs.
- **Yield** – Return for non-financial assets is represented by rental income less direct costs and will reviewed on a regular basis. Yield will be maximised, within any constraints imposed by policy decisions, after satisfying the requirements for security and liquidity.

7.3 The council considers commercial activity to include:

- The provision of income-generating services, such as car parking and bereavement services, which utilise significant



assets, classified as operational assets for management purposes.

- Investment in commercial properties
- Investment in other income-generating assets that support council objectives, such as housing and renewable energy generation facilities
- Loans to group undertakings

#### Investment in commercial properties

7.4 The council has historically owned a significant investment property portfolio, including retail, office and industrial properties. The GF asset management plan identifies the following objectives for the commercial property portfolio:

- Securing a financial return from the net rental income
- Diversification to mitigate stock specific risk
- Meeting wider corporate objectives such as improving environmental performance and sustainability by providing high performing property
- Delivery of services to the citizens in accordance with objectives
- Opportunity to influence through wider land ownership
- Providing opportunities for entrepreneurs which are not generally available through the private sector
- Ensuring appropriate standards of property management are maintained including but not limited to environmental and health and safety standards and legislation
- Improving the quality of the public realm.

7.5 The GF asset management plan sets out criteria and procedures for property acquisitions. Where new acquisitions are to be made, agents will be appointed to advise on and acquire suitable commercial property investments.

7.6 As there are many factors to consider, a weighted scored matrix will be used to assess potential acquisitions. Acquisitions should

generally meet the following requirements but exceptions may be made where an acquisition is strategically important in relation to the council's existing land ownership or portfolio balance:

- Location: investment in Cambridge but a good quality investment relatively close can be considered.
- Rate of return: at least 5% p.a. on capital value
- Risk: certainty of income, as reflected by tenant and lease structure and the credit ratings of tenants
- Management: net income close to gross income, property management requirements not intensive.
- Condition: in good condition, not requiring significant capital investment
- Accessibility: good
- Environmental performance: EPC rating of C or above.

7.7 Consideration will also be given to how the acquisition will fit within the council's existing portfolio. Specific portfolio key performance indicators (KPIs) are given in the monitoring portfolio performance section below.

7.8 The council will follow the approved process and governance arrangements for investment property acquisitions when funding is available for investment. These recognise that the local commercial property market is competitive and that success depends upon timely decisions in relation to investments. The council has therefore delegated authority to the Head of Property Services to approve acquisitions after consultation with the relevant Executive Councillor, Committee Chair, Opposition Spokesperson and Head of Finance. Subsequently, acquisitions will be reported to the relevant committee.

7.9 In order to achieve some geographical diversity, the council has and may continue to invest in properties which fall outside the city boundary. The council has taken appropriate legal advice from counsel that these out of area purchases do not contravene the relevant legislation and the powers given to the council under the Local Government Act 2003. The council also achieves some wider geographic diversification through its investments in pooled

property funds managed as part of its treasury activity, although this represents a relatively small percentage of its property investments.

- 7.10 The council has approved plans to redevelop an operational asset, the multi-storey car park it owns on Park Street in Cambridge. The car park will be replaced by a smaller underground car park, with an aparthotel above. Once complete, the aparthotel will form a significant part of the council's investment portfolio.
- 7.11 The council will also develop commercial land and property it already owns. A programme of nine projects has been identified to produce new or extended commercial property which is in short supply in the city. Some projects will include residential accommodation which will be sold to partially fund the developments. The programme is expected to span 10 years, cost £30m, generate capital receipts of £24m and increase annual rent income by £900,000. Further feasibility and development work will be required before individual projects within the programme can come forward for consideration and approval.

#### Monitoring portfolio performance

- 7.12 The portfolio will be reviewed annually as a whole by classification, lot size range, bandings and average, sector mix, geography, lease type and repairing obligations, net income return, average unexpired lease term, percentage void and compared with previous years. This will identify portfolio imbalances.
- 7.13 The following portfolio KPIs, as included within the GF asset management plan, will be used:

Measure	Target / Baseline	Comment	Frequency
Gross debt to net service expenditure	TBA		
Commercial income to net service expenditure	TBA		
Ration of Cambridge Investments to the resources of the council	TBA		
Ratio of borrowing to portfolio value	TBA		
% outside jurisdiction	<25%	To maintain Cambridge focus with economic benefits too but also diversity from local economy and achieve stronger yield	Annually
Net income return	>5% on current capital value	To maintain income levels	Annually
Average unexpired lease term	>5 years	Target is income security	Annually
% investment grade property	>80%	Generally lower expenditure	Annually
% void	<£100,000 income	To maintain income levels	Quarterly
Largest lot size	<10% of portfolio	Excluding Lion Yard. To reduce specific stock risk	Annually
Cashflow target (if set)	Meet target within 20%	To achieve the net investment level	Annually
Sector	No more than 50% in any sector, retail to trend downwards towards 30%	To diversify sector risk	Annually

7.14 The council's sizeable property portfolio includes equity stakes in two major shopping centres, a selection of small business units

aimed principally at small local and start-up companies and more than 80 shops in council estate locations which provide important local services for their communities.

7.15 The total value of investment properties at 31 March 2019 was £171m. The council considers that the investment property portfolio retains sufficient value (measured using the fair value model) to provide security of investment.

7.16 Based on the council's financial statements the fair value of investment properties, the yield achieved (rental income net of direct costs) and the gain or loss in fair value for properties held in the GF has been as follows:

	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>
Rental income net of direct costs (£'000)	9,743	9,418	8,049	7,857
Fair Value at year end (£'000)	170,843	175,281	148,345	139,046
Yield	5.7%	5.4%	5.4%	5.6%
Gain / (loss) in fair value in year (£'000)	(4,438)	2,674	10,128	13,321

7.17 The loss in fair value in 2018/19 reflects market uncertainty in relation to the Brexit process and is considered to be temporary.

7.18 The investment property portfolio is managed as a whole, including those properties which the council has held for a number of years. However, it is estimated that the yield being achieved on properties purchased since 2015 is around 6.3% and is generating income of approximately £2.1m per annum.

#### Proportionality of commercial property holdings

7.19 Following significant activity in the commercial property market by local authorities, including district councils, concern has been expressed by MHCLG and CIPFA about the size of some property holdings. Particular concern has been raised about those councils which are externally borrowing to invest in property. To date,

Cambridge City has not used external borrowing to fund purchases but has instead used reserves or internal borrowing.

- 7.20 Investment Guidance and the Prudential Code were updated in early 2018. CIPFA have since released further guidance on prudential property investment. This considers the concept of 'proportionality' when considering the size and scale of new property investments, whether they are consistent with the authority's corporate and financial strategies and if they expose the authority to unacceptable levels of risk.
- 7.21 The council is aware of the range of risks associated with investment in commercial property and works to ensure appropriate due diligence and prudence. These risks include the reliance on income from commercial properties to fund council services.
- 7.22 The use of investment property income to support the council's activities has been established over many years and over a number of economic cycles. Reflecting this experience, the council considers 50% to be the prudent maximum level of this indicator.
- 7.23 The financial statements at 31 March 2019 show that the net cost of services (net of service-related income) chargeable to the GF was £24.7m. Net income from investment properties was 37.6% of this figure. This is consistent with the proportion for 2016/17 and 2017/18.
- 7.24 The HRA holds a small number of investment properties, mainly retail units linked to council housing, for example shops with flats above. These properties are valued at £5.5 million at 31 March 2019 and earn rental income of around £440k per annum.

#### Other income generating assets

- 7.25 The council is developing housing through the Cambridge Investment Partnership (CIP) – a joint venture and deadlock

partnership in which the council has a 50% stake. Affordable housing on these sites will be owned and managed by the council's HRA, contributing towards the council's target of 500 new council homes. Market housing will be sold to generate surpluses, 50% of which will return to the council to support further capital expenditure. The council will continue to work with the CIP to identify and bring forward appropriate development projects.

- 7.26 The council has a wholly-owned subsidiary company, the Cambridge City Housing Company (CCHC), which owns residential properties in Cambridge. These are let on affordable rents to those who cannot afford local market rents but are unlikely to be allocated council housing. The company has two objectives, the provision of affordable rented housing and a financial return to the council.
- 7.27 The company currently owns 23 properties. The council has agreed that no further properties will be purchased until the volatility in house prices resulting from Brexit has subsided. Then, subject to viability considerations and the availability of suitable properties, the council will consider providing the company with further funding to purchase residential properties.
- 7.28 The council is investigating options for investment in renewable energy schemes. Appropriate independent advice will be sought to support the council is assessing potential investments, particularly with regard to risks and their mitigation.

#### Loans to group undertakings

- 7.29 The council has made and plans to make further loans to a number of group undertakings. These loans include:
- A loan of £7.5m to CCHC: this loan is secured on the properties owned by CCHC and pays an interest rate of 2.02% per annum.

- A £5.2 m loan note to CIP: to facilitate the redevelopment of the council's former depot site at Mill Road. No interest is payable on this loan.
- An interest-bearing loan note of £27m to CIP: to enable housing development on the Cromwell Road site
- Interest-bearing capital contributions and loans to the CIP: to fund development on these two sites. The payments are appropriately covered by assets in CIP and there are detailed plans to demonstrate that all investment in the CIP will be recovered in less than five years with a surplus 'profit' paid to the council.

## **8 Other long-term liabilities**

- 8.1 The council will take on liabilities in the course of the provision of operational services. Examples include financial guarantees, including those given in respect of subsidiaries or joint ventures. Where decisions are made for service purposes, these may be outside of normal commercial terms, including liquidity, security and/or yield.
- 8.2 Where such liabilities are taken on the council will ensure that financial risks are clearly identified and quantified along with any implied subsidy as part of the decision-making process.
- 8.3 The council has given financial guarantees in respect of the pension contributions due from Visit Cambridge and Beyond in the event of their winding up or liquidation.

## **9 Knowledge and skills**

### S151 Officer

- 9.1 The council's S151 officer is required to report explicitly on the affordability and risk associated with the capital strategy. The S151 officer is an experienced CCAB qualified accountant with statutory



responsibilities for the proper administration of the council's financial affairs and for advising the council on budgetary matters. As such the S151 officer oversees the council's capital expenditure and investment activities and ensures that professional advice is obtained where the council does not have the necessary skills in house.

### Treasury management

- 9.2 Treasury management activity is undertaken by an accountant and assistant accountant in the council's technical and financial accounting team. They are managed by a CCAB qualified accountant.
- 9.3 The team has many years of treasury management experience and has demonstrated that it has the skills to opt-up to professional status under the MiFID II reforms.
- 9.4 The CIPFA Code requires the responsible officer to ensure that members and officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

### Property assets

- 9.5 The council's investment property is managed by its property services team, an experienced team of 8 staff. The team includes 6 chartered surveyors each with over 25 years of property experience in both the private and public sector. This extensive experience includes dealing with a mix of property types and professional work including professional services, landlord and tenant, statutory valuations, acquisitions and disposals, commercial and residential property management. They have extensive knowledge of the Cambridge property market with most of the team having worked in and around Cambridge for the past 10 years or so, some much longer.

- 9.6 Property services also works with external agents where specialist expertise is required to deal with particular properties or resource is not available to deal with matters in a timely way. Examples of where external advice is used include agency, valuation, building surveying and planning work. The council also has internal building surveying resource in its estates and facilities team to advise on construction, repair and maintenance, and statutory compliance matters across its investment properties. Estates and facilities commission and manage repairs and maintenance as well as capital investment programmes, either directly or through framework contracts.
- 9.7 The council's asset valuations for its financial statements are prepared by external agents with an agreed rolling programme of valuations for the whole council property portfolio. All material investment properties are valued on an annual basis.
- 9.8 When acquiring new investment property, the council appoints external agents to advise on and negotiate the terms of acquisition, recognising that others are closer to the investment market on a day to day basis than the council's in-house team in some cases. As well as advising prior to acquisition, the agents undertake due diligence which helps to ensure that those charged with governance can make informed decisions.

#### External advice

- 9.9 In addition to the use of external agents in the purchase of investment properties the council makes use of other external advice as necessary for capital and treasury activity. This includes getting appropriate legal and other professional advice on more complex projects and capital transactions and the appointment of treasury management advisors.

## Appendix 1

### Estimated Capital programme and Capital Financing Requirement - 2019 to 2029

£'000	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>General Fund Capital Expenditure</b>	44,893	34,839	31,689	19,907	30,739	3,646	3,209	1,937	3,323	2,892
<b>Housing Revenue Account Capital Expenditure</b>	44,825	60,118	60,233	40,828	29,572	27,969	27,888	25,215	25,521	27,363
<b>Capital Financing Requirement</b>	257,204	288,147	317,284	336,293	367,567	377,209	378,979	378,238	377,497	376,756

The Capital Financing Requirement shows the Council's underlying need to borrow including £213,752 for Council Dwellings under self-financing.

## Appendix 2

### Capital Financing Requirement and estimated borrowing profile 2019 to 2029

£'000	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Capital Financing Requirement</b>	257,204	288,147	317,284	336,293	367,567	377,209	378,979	378,238	377,497	376,756
<b>Comprising:</b>										
<b>External Borrowing</b>	213,572	223,316	249,837	269,472	301,372	311,755	314,266	314,266	314,266	314,266
<b>Internal Borrowing</b>	43,632	62,831	58,447	47,755	43,186	38,500	37,759	37,018	36,277	35,536
<b>General Fund Projected Year End Reserves</b>	16,053	16,829	11,443	7,257	6,971	6,685	6,685	6,685	6,685	6,685
<b>HRA Projected Year End Reserves</b>	11,818	7,820	12,312	2,973	3,020	3,091	3,091	3,091	3,091	3,091
<b>Total Reserves</b>	<b>27,871</b>	<b>24,649</b>	<b>23,755</b>	<b>10,230</b>	<b>9,991</b>	<b>9,776</b>	<b>9,776</b>	<b>9,776</b>	<b>9,776</b>	<b>9,776</b>

## STRATEGY & RESOURCES

**3 February 2020**

5.00- 8.05 pm

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

### RECOMMENDATION TO COUNCIL

#### **Treasury Management Strategy Statement Report 2020/21 to 2023/24**

The Council is required to receive and approve as a minimum three main treasury management reports each year.

The first and most important is the Treasury Management Strategy, which covers:

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

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

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

The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:

- the Prudential Code (2017 edition) prepared by CIPFA;
- the Treasury Management Code (2017 edition) prepared by CIPFA;

- the Statutory Guidance on Local Authority Investments prepared by Ministry of Housing, Communities and Local Government (MHCLG) (effective 1 April 2018); and
- the Statutory Guidance on Minimum Revenue Provision prepared by MHCLG (effective 1 April 2019).

It should be noted that the estimated Prudential & Treasury Indicators for 2019/20 to 2023/24 (inclusive), as set out in Appendix C to the officers report, include amounts for other long-term liabilities arising from the implementation of International Financial Reporting Standard (IFRS) 16 in April 2020. In previous years there were no long-term liabilities to be disclosed within these indicators.

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

Accordingly, Council is recommended to:

- i. approve this report, including the estimated Prudential & Treasury Indicators for 2019/20 to 2023/24 (inclusive) as set out in Appendix C of the officers report.

Item  
**ANNUAL TREASURY MANAGEMENT STRATEGY  
STATEMENT REPORT 2020/21 TO 2023/24**



**To:**

The Executive Councillor for Finance & Resources: Councillor Richard Robertson

Strategy & Resources Scrutiny Committee 3<sup>rd</sup> February 2020

**Report by:**

Caroline Ryba – Head of Finance & S151 Officer

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

**Wards affected:**

All Wards

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**Key Decision**

**1. Executive summary**

- 1.1 The Council is required to receive and approve, as a minimum, three main treasury management reports each year.
- 1.2 The first and most important is the Treasury Management Strategy (this report), which covers:
- capital plans (including prudential indicators);
  - a Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
  - the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
  - a Treasury Management Investment Strategy (the parameters on how investments are to be managed).

- 1.3 A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary, and advising if any policies require revision.
- 1.4 The Outturn or Annual Report compares actual performance to the estimates in the Strategy.
- 1.5 The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:
- the Prudential Code (2017 edition) prepared by CIPFA;
  - the Treasury Management Code (2017 edition) prepared by CIPFA;
  - the Statutory Guidance on Local Authority Investments prepared by Ministry of Housing, Communities and Local Government (MHCLG) (effective 1 April 2018); and
  - the Statutory Guidance on Minimum Revenue Provision prepared by MHCLG (effective 1 April 2019).
- 1.6 The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are considered to be affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been considered and are considered to be mitigated or at an acceptable level. The Council has access to specialist advice where appropriate.
- 1.7 Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Committee.
- 1.8 It should be noted that the estimated Prudential & Treasury Indicators for 2019/20 to 2023/24 (inclusive), as set out in Appendix C, include amounts for other long-term liabilities arising from the implementation of International Financial Reporting Standard (IFRS) 16 in April 2020. In previous years there were no long-term liabilities to be disclosed within these indicators.



## **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend this report to Council, including the estimated Prudential & Treasury Indicators for 2019/20 to 2023/24 (inclusive) as set out in Appendix C.

## **3 Treasury management activities**

- 3.1 The Council is required to have regard to the relevant CIPFA and MHCLG Guidance when carrying out its treasury management activities (see paragraph 1.5). 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 Prudential Code states that, where appropriate, the S151 Officer should have access to specialised advice to enable them to reach their conclusions in respect of affordability and risk. As such, the Council has retained Link Asset Services (LAS) as its specialist treasury management advisors.
- 3.3 LAS's specialist services include the provision of advice to the Council on developments and best practice in treasury management, the creditworthiness of potential counterparties, deposit and borrowing interest rates, and the performance and outlook of the wider economy.

## **4. Borrowing policy statement**

- 4.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1<sup>st</sup> April 2004.
- 4.2 At present the only debt held by the authority relates to twenty loans from the Public Works Loan Board (PWLB) for self-financing of the Housing Revenue Account (HRA). These loans were taken out in 2012 and total £213,572,000.
- 4.3 The Council anticipates taking further external borrowing during the period 2020/21 to 2023/24, including up to £91,368,000 to fund the Park Street redevelopment project, and £3,605,000 to fund further capital expenditure within the HRA.

- 4.4 In the event that external borrowing is undertaken the Council is able as an eligible local authority to access funds at the PWLB Certainty Rate (a 0.20% discount on loans) until 31<sup>st</sup> October 2020.
- 4.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement (CFR) estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

## **5. Minimum Revenue Provision (MRP) policy statement**

- 5.1 MRP is the revenue charge that the Council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.
- 5.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.
- 5.3 There is no requirement to charge MRP where the CFR is nil or negative at the end of the preceding financial year.
- 5.4 The HRA of the CFR is not subject to an MRP charge.
- 5.5 There is no requirement to make an MRP charge on an asset until the financial year after that asset becomes operational.
- 5.6 The Government has issued revised guidance (effective 1 April 2019) on the calculation of MRP. The Council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 5.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.

5.8 In general, the council will make MRP based on the equal installment method, amortising expenditure equally over the estimated useful life of the asset for which the borrowing is required. However, no provision will be made in respect of expenditure on specific projects where the Head of Finance determines that capital receipts will be generated by the project to repay the debt. Specifically, in respect of the current capital programme:

- The Council has made a loan to a company (which is classed as capital expenditure) to enable it to let intermediate rent properties. This will be financed from internal borrowing. As this loan is to a wholly owned subsidiary company and is secured on assets no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review this loan annually and if the loan is renegotiated. Where there is evidence which suggests that the full amount of the loan may not be repaid or is not secured on assets of appropriate value, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
- The Council is making capital contributions and loans to the Cambridge Investment Partnership (CIP) – a joint venture and deadlock partnership in which the Council has a 50% stake – to facilitate the development of new housing within the city. These payments are classed as capital expenditure. As the payments will be appropriately covered by assets in CIP and as there are detailed plans to demonstrate that all investment in CIP will be recovered in less than five years with a significant surplus, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review the position regularly. Where there is evidence which suggests that the finance provided may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
- No MRP will be required on bond investments which are treated as capital expenditure under regulation where those bonds are appropriately secured. This security will be reviewed at least annually.

5.9 The Council approved a programme of investment in commercial property using powers under S12 of the Local Government Act 2003 in

October 2016. This is deemed capital expenditure and will be financed from cash balances. MRP will be provided for using the useful life determinant with regard to maximum lives permitted in the revised MHCLG MRP guidance of 50 years for freehold land and 40 years for all other assets. MRP is made on the purchase of these properties from the date that rental income is earned.

- 5.10 The Council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. Using the asset life method MRP would normally be made over an asset life of 40 years. However, the element of capital cost being funded from internal borrowing will effectively be repaid over a shorter period from receipts of rental income from the tenant and subsidy from the site developer. The current estimate is that this repayment will take approximately 17 years. The Council has decided to make MRP on this accelerated basis in respect of this asset.
- 5.11 The Council is developing a scheme to regenerate its multi-storey car park on Park Street, funded by external borrowing. The source, timing and form of this borrowing is to be determined. This MRP policy will be updated as necessary, in line with guidance, once more details are known.
- 5.12 The Council will make £12,545k voluntary overpayments of MRP in 2019/20.

## **6. The Council's Capital Expenditure and Financing 2019/20 to 2023/24**

- 6.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves etc.), which has no resultant impact on the Council's borrowing need; or
  - if insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.
- 6.2 Estimates of capital expenditure forms one of the required prudential

indicators. The table below shows the proposed capital expenditure and how it will be financed.

	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>
General Fund Capital Expenditure	44,893	34,839	31,689	19,907	30,739
HRA Capital Expenditure	44,825	60,118	60,233	40,828	29,572
<b>Total Capital Expenditure</b>	<b>89,718</b>	<b>94,957</b>	<b>91,922</b>	<b>60,735</b>	<b>60,311</b>
<b>Resourced by:</b>					
• Capital receipts	(11,716)	(10,695)	(8,695)	(3,321)	(3,286)
• Other contributions	(53,356)	(52,843)	(53,464)	(37,779)	(25,125)
<b>Total available resources for financing capital expenditure</b>	<b>(65,072)</b>	<b>(63,538)</b>	<b>(62,159)</b>	<b>(41,100)</b>	<b>(28,411)</b>
<b>Financed from internal and external borrowing</b>	<b>24,646</b>	<b>31,419</b>	<b>29,763</b>	<b>19,635</b>	<b>31,900</b>

## 7. The Council's Prudential and Treasury Management Indicators

- 7.1 The table below shows the CFR, which is the underlying need to incur borrowing for a capital purpose. The Operational Boundary for External Debt is based on this. The table also shows the expected debt position over the period.

<b>Capital Financing Requirement and Cumulative External Borrowing</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>
General Fund Capital Financing Requirement	42,883	73,826	102,963	120,871	149,641
HRA Capital Financing Requirement	214,321	214,321	214,321	215,422	217,926
<b>Total Capital Financing Requirement</b>	<b>257,204</b>	<b>288,147</b>	<b>317,284</b>	<b>336,293</b>	<b>367,567</b>
<b>Movement in the Capital Financing Requirement</b>	<b>24,197*</b>	<b>30,943*</b>	<b>29,137*</b>	<b>19,009*</b>	<b>31,274*</b>
Estimated External Gross Debt/Borrowing (Including HRA Reform)	213,572	223,316	249,837	269,472	301,372
Authorised Limit for External Debt	400,000	400,000	400,000	400,000	400,000
Operational Boundary for External Debt	262,204	293,147	322,284	341,293	372,567

\*Includes Minimum Revenue Provision (MRP) of £449k in 2019/20, £476k in 2020/21 and £626k in 2021/22, 2022/23 and 2023/24.

7.2 During the above financial years the Council will operate within the 'authorised' and 'operational' borrowing limits contained within the Prudential Indicators set out in the Council's Treasury Management Strategy Statement. The anticipated Prudential and Treasury indicators are shown in Appendix C.

## **8. Investment strategy**

8.1 The Council's overall approach to investment in financial and non-financial assets is outlined in the capital strategy presented in a separate report to the Strategy and Resources Committee and Council.

## **9. Financial asset counterparties**

- 9.1 The full listing of approved counterparties is presented at Appendix A, showing the category under which each counterparty has been approved, the appropriate deposit limit and current duration limit.

## 10. Financial asset performance indicators

- 10.1 The Council's investments at 31 December 2019, including the principal invested, yield and credit rating as advised by Link are as follows:-

Counterparty	Link Credit Rating	Principal (£)	Yield
<b>Fixed Term Deposits (Original Term less than one year)</b>			
Cambridgeshire County Council	AA	5,000,000	1.30%
London Borough of Croydon	AA	3,000,000	0.87%
Eastbourne Borough Council	AA	3,000,000	0.75%
Guildford Borough Council	AA	3,000,000	0.95%
London Borough of Hounslow	AA	5,000,000	0.75%
Thurrock Borough Council	AA	7,000,000	0.78% - 0.92%
Bank of Scotland PLC (RFB)	A+	20,000,000	1.10% - 1.25%
Barclays Bank PLC (NRFB)	A+	4,478,862	0.65%
HSBC UK Bank PLC (RFB)	A+	5,000,000	1.01%
Lloyds Bank Plc (RFB)	A+	20,000,000	1.10% - 1.25%
<b>Fixed Term Deposits (Original Term More than One Year)</b>			
Rugby Borough Council	AA	10,000,000	1.60%
Allia Ltd	Unrated	2,200,000	2.40%

Counterparty	Link Credit Rating	Principal (£)	Yield
<b>Variable Net Asset Value Funds</b>			
JP Morgan Managed Reserves Fund	AA	5,000,000	1.10%
Payden Sterling Reserve Fund	AAA	5,000,000	0.97%
Royal London Cash Plus Fund	AAA	5,000,000	0.79%
CCLA Local Authorities Property Fund	Unrated	15,000,000	4.32%
<b>Loans to Other Organisations (over 1 year)</b>			
Cambridge Investment Partnership (Mill Road)	Unrated	4,900,000	5.00%
Cambridge Investment Partnership (Cromwell Road)	Unrated	27,000,000	2%
Housing Company Loan	Unrated	7,500,000	2.02%
<b>TOTAL:-</b>		<b>157,078,862</b>	

- 10.2 There is no risk to the capital invested (other than the risk of failure of the financial institution) for fixed term deposits and constant net asset value money market funds.
- 10.3 The Council continually reviews its investment policy and has identified concerns in relation to property holdings within the retail sector. As the Council has a £15 million stake in the CCLA Local Authorities' Property Fund, it has taken steps to be in constant dialogue with our relationship manager to assess any changes in their retail sector holdings. He confirmed that the fund holds a small high-quality retail investment portfolio (shops) equating to around 3.9% of their total investments.



10.4 The Council has made a loan of £7.5 million to Cambridge City Council Housing Company (CCHC), a wholly owned subsidiary. This loan earns 2.02% and is secured on the properties owned by the company.

10.5 The Council also began making loans to CIP, a joint venture, in 2019/20 – see paragraph 5.8 for further details.

## **11. Brexit update**

11.1 Following the general election held on 12 December 2019 the result was a majority for the Conservatives. The Government's stated target is to leave the EU on 31 January 2020.

11.2 The Council will continue to monitor the situation and to take advice from its treasury advisors as appropriate.

## **12. Interest rates and interest received**

12.1 In support of effective forecasting the Council needs to be aware of the potential influence of interest rates on its treasury management. The Council is provided with regular interest rate forecasts by its treasury advisors, and the latest forecast is presented at Appendix B.

12.2 Total interest and dividends of £1,345,600 has been received on the Council's deposits up to 31<sup>st</sup> December 2019 (for this financial year) at an average rate of 1.44% (1.29% in 2018/19). This is broadly in line with the Council's interest budget.

12.3 In addition, the council has earned £334,950 to 31<sup>st</sup> December 2019 on loans provided to CIP and CCHC.

## **13. Implications**

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

The prudential and treasury indicators have been amended to take account of known financial activities.

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

None.

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

No negative impacts identified.

**(d) Environmental Implications**

None.

**(e) Procurement Implications**

None.

**(f) Community Safety Implications**

No community safety implications.

**14. Consultation and communication considerations**

None required.

**15. Background papers**

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

**16. Appendices**

Appendix A – The Council's current counterparty list

Appendix B – Link's opinion on UK forecast interest rates

Appendix C – Prudential and Treasury Management Indicators

Appendix D – Glossary of terms and abbreviations

**17. Inspection of papers**

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

Author's Name:	Stephen Bevis
Author's Title:	Accountant (VAT & Treasury)
Author's Phone Number:	01223 458153
Author's Email:	Stephen.bevis@cambridge.gov.uk

## 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 D).

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

<b>Name</b>	<b>Council's current deposit period</b>	<b>Category</b>	<b>Limit (£)</b>
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
Svenska Handelsbanken UK	Using Link's Credit Criteria	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

Name	Council's current deposit period	Category	Limit (£)
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
Name	Council's current deposit period	Asset Value (£'m) – as at 27 <sup>th</sup> November 2019	Limit (£)
<b>Other specified investments - UK building societies:-</b>			
Nationwide Building Society	1 month or in line with Link's Credit Criteria, if longer	236,035	Assets greater than £100,000m - £20m
Yorkshire Building Society		50,417	
Coventry Building Society		45,446	Assets between £50,000m and £99,999m - £5m
Skipton Building Society		21,638	
Leeds Building Society		19,643	Assets between £5,000m and £49,999m - £2m
Principality Building Society		9,502	
West Bromwich Building Society		5,552	

<b>Name</b>	<b>Council's current deposit period</b>	<b>Category</b>	<b>Limit (£)</b>
<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 Working Capital Loan Facility	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
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)

<b>Name</b>	<b>Council's current deposit period</b>	<b>Category</b>	<b>Limit (£)</b>
Enhanced Cash Funds (Standard & Poor's: AAf/S1, Fitch: AAA/S1)	Over 1 year and up to 5 years	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 1 year and up to 5 years	Financial Instrument	5m (per fund)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	20m (in total)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Secured Local Bond in Local Businesses – Using Allia Limited	N/A	Local Business Bond	Up to £5m in total
Supranational Bonds – AAA	Using Link's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

**Note:** In addition to the limits above, the total non-specified items over 1 year (excluding balances with related parties) will not exceed £50 million.

## Appendix B

### LAS 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 Asset Services) on UK Interest Rates as currently predicted.

#### Interest rates

The last interest rate hike, where Members of the Bank of England Monetary Policy Committee (MPC) increased the bank rate by 0.25% to 0.75%, with no changes to the current Quantitative Easing (QE) value of £435 billion, was on 2 August 2018. The vote was 9-0 in favour of an increase to the bank rate. Going forward, Link Asset Services has provided the following interest rate forecast issued on 11 November 2019:-

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
<b>Bank rate</b>	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%
<b>3 month LIBID</b>	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.00%	1.00%	1.10%	1.20%
<b>6 month LIBID</b>	0.80%	0.80%	0.80%	0.90%	1.00%	1.10%	1.10%	1.20%	1.30%	1.40%
<b>12 month LIBID</b>	1.00%	1.00%	1.00%	1.10%	1.20%	1.30%	1.30%	1.40%	1.50%	1.60%
<b>5yr PWLB rate</b>	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%
<b>10yr PWLB rate</b>	2.60%	2.70%	2.70%	2.70%	2.80%	2.90%	3.00%	3.70%	3.20%	3.20%
<b>25yr PWLB rate</b>	3.20%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.60%	3.80%	3.90%
<b>50yr PWLB rate</b>	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.60%	3.20%	3.70%	3.80%



## Appendix C

### PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000
<b>PRUDENTIAL INDICATORS</b>					
<b>Capital expenditure</b>					
- General Fund	44,893	34,839	31,689	19,907	30,739
- HRA	44,825	60,118	60,233	40,828	29,572
<b>Total</b>	<b>89,718</b>	<b>94,957</b>	<b>91,922</b>	<b>60,735</b>	<b>60,311</b>
<b>Capital Financing Requirement (CFR) as at 31 March</b>					
- General Fund	42,883	73,826	102,963	120,871	149,641
- HRA	214,321	214,321	214,321	215,422	217,926
<b>Total</b>	<b>257,204</b>	<b>288,147</b>	<b>317,284</b>	<b>336,293</b>	<b>367,567</b>
<b>Change in the CFR</b>	<b>24,197</b>	<b>30,943</b>	<b>29,137</b>	<b>19,009</b>	<b>31,274</b>
<b>Deposits at 31 March</b>	105,000	60,600	35,600	54,800	73,200
<b>External Gross Debt</b>	213,572	223,316	249,837	269,472	301,372
<b>Ratio of financing costs to net revenue stream</b>					
-General Fund	-1,507	-1,965	-1,784	-1,404	-1,142
-HRA	6,951	7,042	7,187	7,313	7,352
<b>Total</b>	<b>5,444</b>	<b>5,077</b>	<b>5,403</b>	<b>5,909</b>	<b>6,210</b>
% of net revenue expenditure					
-General Fund	-8.08%	-10.02%	-8.84%	-6.96%	-5.66%
-HRA	16.63%	16.22%	15.80%	14.97%	14.33%
<b>Total (%)</b>	<b>8.55%</b>	<b>6.20%</b>	<b>6.96%</b>	<b>8.01%</b>	<b>8.67%</b>

## PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

	Estimate 2019/20 £'000	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	400,000
for other long term liabilities*	2,000	2,000	2,000	2,000	2,000
<b>Total</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>
<b>Operational boundary</b>					
for borrowing	262,204	293,147	322,284	341,293	372,567
for other long term liabilities*	1,841	1,699	1,553	1,390	1,222
<b>Total</b>	<b>264,045</b>	<b>294,846</b>	<b>323,837</b>	<b>342,683</b>	<b>373,789</b>
<b>Upper limit for total principal sums deposited for over 364 days</b>	50,000	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	5,442	5,075	5,401	5,907	6,208
Net interest on variable rate borrowing/deposits	-15	-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%		

\* - Other long term liabilities include lease liabilities assessed under International Financial Reporting Standard (IFRS) 16, which is due for implementation from April 2020. The 2019/20 figure is shown for comparative purposes.

## Appendix D

### Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIPFA	Chartered Institute of Public Finance and Accountancy
Corporate Bonds	Financial instruments issued by corporations
Counterparties	Financial Institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
MHCLG	Ministry for Housing, Communities & Local Government (formerly the Department for Communities & Local Government, DCLG)
Enhanced Cash Funds	Higher yielding funds typically for investments exceeding 3 months

Term	Definition
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)
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing 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
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Low Volatility Net Asset Value (LVNAV)	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
Non Ring Fenced Bank (NRFB)	Government & Bank of England rules apply to all UK Banks from 1 January 2019, requiring them to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks
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 and other prescribed bodies may borrow at favourable interest rates

Term	Definition
Quantitative Easing (QE)	A financial mechanism whereby the Central Bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy
Ring Fenced Bank (RFB)	Government & Bank of England rules apply to all UK Banks from 1 January 2019, requiring them to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks
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
Variable Net Asset Value (VNAV)	MMF values based on daily market fluctuations to 2 decimal places known as mark-to-market prices
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
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

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<b>RECOMMENDATION TO COUNCIL</b> <b>(The Executive)</b>
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## **Budget-Setting Report (BSR) 2020/21**

Recommendations of the Executive, which met on 3 February 2020, are set out in the Budget Setting Report which went to Strategy & Resources Scrutiny Committee on 3 February 2020 (version 1).

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the Budget-Setting Report found via the Council agenda page:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3602&Ver=4>

### **Accordingly, Council is recommended to:**

- i. Approve Revenue Pressures shown in Appendix C (b) and Savings shown in Appendix C (c) of the officer's report.
- ii. Approve Non-Cash Limit items as shown in Appendix C (d) of officer's report.
- iii. Agree there are no bids to be funded from External or Earmarked Funds (which would be included as Appendix C (e) of the officer's report).
- iv. Approve delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which will be set out in Appendix A (a) of the officer's report.
- v. Approve the level of Council Tax for 2020/21 as set out in Appendix A (b) and Section 4 [page 15-17] of the BSR refers.

*Note that the Cambridgeshire Police and Crime Panel will meet by 6 February 2020 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 5 February 2020 and Cambridgeshire County Council will meet*

*on 11 or 14 February 2020 to consider the amounts in precepts to be issued to the City Council for the year 2020/21.*

- vi. Approve delegation to the Head of Finance to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- vii. Agree any recommendation in respect of the proposals outlined in Appendix D(a) of officer's report for inclusion in the Capital Plan including any additional use of revenue resources required.
- viii. Approve the revised Capital Plan for the General Fund as set out in Appendix D (c) of the officer's report, and the Funding as set out in Section 6, page 25 of the BSR.
- ix. Note the impact of revenue and capital budget approvals and approved the resulting level of reserves to be used to support the budget proposals as set out in the table in section 8, page 46 of the BSR.
- x. Approve the creation of an earmarked reserves to be called the Transformation Fund and its associated remit on page 19 of the BSR.
- xi. Approve the updated Corporate Plan 2019-2022 attached as Appendix B to the officer's report.



## Item

### **Strategy & Resources 3 February 2020 - Finance and Resources Portfolio: Budget-Setting Report (BSR) 2020/21**

**To:**

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

**Report by:**

Caroline Ryba, Head of Finance

Tel: 01223 - 458134 Email: [caroline.ryba@cambridge.gov.uk](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 Budget-Setting Report**

- 1.1 At this stage in the 2020/21 budget process the range of assumptions on which the Medium-Term Financial Strategy (MTFS) was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for the budget considerations.
- 1.2 The Budget-Setting Report (BSR), which is attached, includes detailed revenue bids and savings and capital proposals and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. This report reflects recommendations that will be made to The Executive on 3 February 2020 and then to Council, for consideration at its meeting on 13 February 2020.
- 1.3 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the Budget-Setting Report 2020/21 (Version 1 – Strategy & Resources) as reported to and seeking recommendations at Strategy & Resources Scrutiny Committee on 3 February 2020.

## 2. Recommendations

The Executive Councillor is recommended to:

### **General Fund Revenue Budgets: [Section 5, page 20 refers]**

- a) Agree any recommendations for submission to the Executive in respect of:
- Revenue Pressures shown in Appendix C(b) and Savings shown in Appendix C(c).
  - Non-Cash Limit items as shown in Appendix C(d).
  - There are no bids to be funded from External or Earmarked Funds (which would be included as Appendix C(e)).
- b) Recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which will be set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2020/21 as set out in Appendix A (b) *(to follow for Council)* and Section 4 [page 17 refers].

*Note that the Cambridgeshire Police and Crime Panel will meet by 29 January 2020 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 5 February 2020 and Cambridgeshire County Council will meet on 11 or 14 February 2020 to consider the amounts in precepts to be issued to the City Council for the year 2020/21.*

### **Other Revenue:**

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

### **Capital: [Section 6, page 22 refers]**

#### **Capital Plan:**

- e) Agree any recommendations for submission to the Executive in respect of the proposals outlined in Appendix D(a) for inclusion in the Capital Plan, including any additional use of revenue resources required.
- f) Subject to (e) above, recommend to Council the revised Capital Plan for the General Fund as set out in Appendix D(c) and the Funding as set out in Section 6, page 25.

### **General Fund Reserves:**

- g) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 46 refers].
- h) Approve the creation of an earmarked reserves, to be called the Transformation fund and its associated remit [ page 19 refers].

### **Corporate Plan:**

- i) Recommend to Council the updated Corporate Plan 2019 - 2022, attached at Appendix B.

## **3. Background**

- 3.1 At its meeting on 7 October 2019, Council gave initial consideration to the budget prospects for the General Fund for 2020/21 and future years in the Medium-Term Financial Strategy (MTFS) 2019.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 3 February 2020 includes a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 3 February 2020 may include details of the Government's Final Settlement for 2020/21. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2020.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

## **4. Implications**

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

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

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2020/21.

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

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2020/21.

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

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

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

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

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

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

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

Any procurement implications will be outlined in the BSR 2020/21.

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

Any Community Safety Implications will be outlined in the BSR 2020/21.

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

Budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at: [cambridge.gov.uk/Consultations](https://cambridge.gov.uk/Consultations)

## **6. Background papers**

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

- Budget Setting Report 2020/21
- Medium-Term Financial Strategy (MTFS) October 2019
- Individual Equality Impact Assessments

## 7. Appendices

The following item is included in this report:

- Budget-Setting Report 2020/21 Version 1, February 2020 (covering 2019/20 to 2024/25)

## 8. Inspection of papers

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

Authors' Names:	Caroline Ryba
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Version 2  
Council

# Budget-Setting Report 2020/21



February  
2020

2020/21

Cambridge City Council

# Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
	1	Strategy & Resources Scrutiny Committee (3 February 2020)  The Executive (3 February 2020)	<ul style="list-style-type: none"> <li>– Budget overview and budget proposals</li> <li>– Opposition budget amendment proposals</li> <li>– Proposals of the Executive</li> </ul>
Current	2	Council (13 February 2020)	Final Proposals to Council incorporating updates relating to: <ul style="list-style-type: none"> <li>- Head of Finance final Section 25 report</li> <li>- Final Local Government Finance Settlement 2020/21</li> <li>- Appendix A(b) Council Tax Setting following receipt of County Council, Police, Fire and Combined Authority precepts</li> </ul>
	3	Council (Final)	Approved Budget-Setting Report incorporating <ul style="list-style-type: none"> <li>- Decisions of Council</li> <li>- Any other final amendments</li> </ul>

## Anticipated Precept Setting Dates

Cambridgeshire Police & Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council	Cambridgeshire & Peterborough Combined Authority
6 February 2020	5 February 2020	11 or 14 February 2020	-



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

## **Our four 2020 priorities for Cambridge**

Our budget for 2020/21 and beyond will provide the resources needed to deliver the services our community needs and tackle four priority issues:

1. Anti-poverty and equality measures
2. Action on climate change, biodiversity and the environment
3. Investing in housing and cutting homelessness, and
4. Addressing community safety,

as well as initiating a programme to further increase Council efficiency and investment to make the most of the Council's assets to protect future services in a decade that will be full of challenges as well as opportunities.

### **1. Anti-poverty and equality measures**

While absolute poverty is significantly lower than other cities, Cambridge continues to be the most unequal city in the country. More and more people are being moved onto Universal Credit and the gap in household income is widening. All too often, Universal Credit reduces the sums payable to many people than were available to them before from the benefits it replaces.

We will maintain a full Council Tax Reduction Scheme for those on the lowest incomes and fund both extra staff and voluntary agencies to help residents maximise income from housing and council tax benefits. We also ensure that full Council Tax Reduction is available to those leaving care.

The City Council's £1m grants pot will continue to empower organisations targeting people most in need of help, from welfare benefits advice, tackling child poverty and wider poverty, and support those working to tackle isolation and loneliness.

We will continue to support a cross-city cultural offering including running free city events for the whole community such as the Big Weekend and November's firework display.

To support inclusivity and help tackle isolation and loneliness we also provide community centres and initiatives including subsidised and free swimming, and exercise referral services.

Our work with children and young people and their families across Cambridge involves organising activities in local neighbourhoods in response to need, including an extensive programme of free play activities and free meals in school holidays.

In addition, we will fund the establishment and running of a Community Food Hub as a distribution centre for the Cambridge Food Poverty Alliance to deliver additional unused and donated food to vital voluntary project groups across the city.

## **2. Action on climate change, biodiversity and the environment**

Following the declaration by the Council and others of a Climate Emergency and the need to achieve a net zero carbon city, we will take a lead in reducing emissions and increasing biodiversity. We will, with others, provide community leadership to cut emissions in Cambridge, and in Cambridgeshire partnerships, and support the planned Cambridgeshire Climate Commission as action is essential on a wider scale.

We will further invest in energy efficiency and generation projects as set out in our carbon management plan, and research possibilities for investing in large scale solar panel and energy projects in the next few years, reducing further the council's emissions which we've cut by 25% since 2015.

Cambridge's streets and open spaces will be managed for the benefit of both wildlife and people by ensuring that biodiversity protection and enhancement is taken into account in all development decisions and management practices. This includes ambitious plans added in our 2020 budget to increase biodiversity and double wildflower meadows.

2000 extra new trees will be added over the next three years to the 33,000 we already maintain in public places across the city, including in locations badly in need of extra greenery.

Electric Vehicle charging points will be installed in our car parks, we will work with the county council in developing on-street charging, and when due for replacement our council vehicles will be replaced by electric where possible.

### **3. Investing in housing and reducing homelessness**

We will deliver more, affordable new homes to address Cambridge's housing crisis where homes in the home-ownership and private rental sectors are unaffordable for many, and demand for good quality homes outstrips what is available. Council land and resources will be key contributions in developing new proposals for 1000 additional council homes beyond 2022, as they are in the current five-year programme of over 500 new council homes.

Investing further in providing safe, warm and well-maintained homes for our tenants, we are also enforcing improving standards through our licensing scheme for Houses in Multiple Occupation. Our aim is to extend this in 2020 to work with other properties in the private rented sector to achieve the same for those tenants.

Adding to our extensive priority work, directly and through partner voluntary agencies, we will reduce and prevent homelessness and rough sleeping, and develop more permanent, self-contained "Housing First" housing for homeless people, including the support needed for those with complex needs.

### **4. Addressing community safety**

Public order offences and instances of violence in Cambridge continue to rise, albeit in a relatively safe city, and the cuts in government funding of the police have not helped. These facts serve to underline the importance of the city council playing a part in working with other agencies to tackle the problems of violence and drug crime, including by identifying and responding to the underlying causes.

We will further develop the work of our Anti-Social Behaviour team to carry out a range of roles including liaison with the police and other agencies and targeting problem areas identified by environmental visual assessments. This work will be expanded through working closely with the County Council and police to better engage young people to help understand more about youth crime and the causes.

Joint working with our well-led city police, includes upgrading our investment in CCTV and funding street lights on through the night at full levels of light.

### **How Will These Priorities and Future Council Services Be Funded?**

With a newly elected Conservative Government, we have to assume that local government, particularly district councils, will continue to be starved of resources for the next few years and their announcements so far do not indicate any change in this approach. Even if the end of austerity is claimed, the reality is that the government is unlikely to restore the huge reduction in funding from national taxation that councils have endured.

This is not however, a time to make sudden cuts to services and abandon our work. Instead, it is a time to redouble our efforts to respond to needs and to find ways to provide the resources to pay for this.

### **Funding the 2020 budget and planning ahead**

Identifying savings, enhanced income and ways of working more efficiently will form a fundamental part of our budgetary planning and further measures will be developed in 2020.

- Ensuring that income is maximised, increasing fees and charges where feasible and applying new charges where appropriate
- Identifying many small savings and efficiencies across the council
- Establishing and funding an expanded council transformation team to take on more fundamental service reviews, change work practices, develop new technology to allow for smart working by staff and improve efficient working, including how the council works and communicates with residents and other service users.

### **Cuts in funding and our response**

The annual Government Grant to the city council has dropped from over £5m in 2013 to nil in 2019. In addition, national New Homes Bonus funding, having been over £5m for several years, is also projected to be cut to nil by 2023. The combination of these cuts adds to pressure on the council's budgets in the next few years and demonstrates the Government's intention that councils should be funded primarily locally, through the Council Tax and Business Rates. These are both regressive forms

of taxation applied uniformly regardless of income or impact, and this change highlights the importance of the council's strategies of:

- supporting those in most need
- running the council as efficiently as possible
- establishing ways of increasing our income which make us less reliant in future on government funding.

### **Investment for the future**

On council investments, we will be further expanding our efforts. Since being elected to take over running the council in 2014 we have invested over £50m of funding with significant yield. This money had previously been languishing in bank accounts earning very little. Much of it has been used to buy commercial property and add to our long term income from rents, as well as enabling creative housing and wider development. We plan to further develop this investment in various ways, not only for income but also to help the economy of Cambridge and to invest where we can to cut emissions and tackle climate change.

This includes:

- £30m programme of expenditure developing existing commercial properties in the city, to provide new or upgraded business premises together with some 65 new homes
- Planned council investment in the Park Street car park and hotel
- The Cambridge Investment Partnership joint venture with Hill Investment Partnership, with its £230m programme of building over 900 houses. Over 500 of these will add to the stock of council homes for letting to those in priority need, with the others being sold.
- Our Cambridge City Housing Company already lets some 23 homes at “intermediate” rents around 15% below market rent levels to people who cannot afford to buy or pay full market rents yet do not have priority for council homes. We plan to explore how we can best provide more intermediate rent homes in and near Cambridge.
- We have invested £1.4m over several years in improving the thermal efficiency of council buildings and installing solar panels. We are now allocating a further £150k for this work.

- Big ambitions for other projects and investment partnerships in Cambridge, including in the partnership with Anglian Water and others, developing exciting plans for over 5,000 homes and extra jobs in a new North East Cambridge community.

We pay tribute to our excellent staff team and valued partners, whose work is making such a difference to the city we are so proud of, and to its future.

In conclusion, despite austerity imposed by the Government which it must be assumed is set to continue with more funding cuts to district councils, this Budget demonstrates our determination to continue the Council's challenging task of:

- maintaining the key services we provide for the whole Cambridge community, and
- our four priorities to protect those who need help the most, and tackle Climate Change and the need to increase our city's biodiversity.

By applying sound and prudent financial management; planning for increased efficiency and thus minimising cuts to services so far as we are able; building more affordable housing, and investing for income, we will continue our work to deliver a fairer and more equal city - "One Cambridge, Fair for All" into the decade ahead with many challenges, but for a growing city with great opportunities.

**Councillor Lewis Herbert, *Leader of the Council***

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



# Section 1

## Introduction

### Purpose

The Budget Setting Report (BSR) is designed to provide an integrated view of the council's finances and outlook, covering General Fund (GF) revenue and capital spending. On 17 October 2019 the council approved the Medium Term Financial Strategy (MTFS). The MTFS set out the financial strategy for the council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MTFS also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2020/21 and beyond. The BSR reviews the impacts of developments since the MTFS, setting the financial context for consideration of detailed recommendations and budget finalisation to be made at council on 13 February 2020. The document proposes a detailed budget for the next financial year and indicative budget projections for the following four years.

### Background

The MTFS identified a total net savings requirement of around £6.9m for the 5-year period, after taking into account changes to base assumptions and indicative unavoidable pressures. These savings requirements stem from reductions in government funding, unavoidable cost increases and pressures, including the additional net cost of services for every new home in the City.

£000	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Net savings requirement	980	1,355	1,420	1,530	1,620	6,905

### Key member decision-making dates

Date	Task
3 February 2020	Strategy and Resources Scrutiny Committee considers BSR (all GF portfolios)
3 February 2020	The Executive recommends BSR to Council
13 February 2020	Council approves the budget and sets the council tax for 2020/21

# Section 2

## Local and national policy context

### Local policy priorities – the corporate plan

The local policy priorities for the council are informed by the budget consultation and the council's annual statement which in turn feed into the corporate plan. The plan, shown in Appendix B, sets out the key themes and strategic objectives for Cambridge City Council for the years 2019/22. It sets out key activities the council will undertake against five key themes:

- Delivering quality services within financial constraints
- Helping people in Cambridge who have the greatest need
- Planning for growth and ensuring our new communities are successful
- Protecting our environment and tackling climate change
- Developing effective partnerships and an innovative and dynamic organisation

### Review of demographic factors

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

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

With the on-going implementation of the planned housing and economic growth of Cambridge, the city's population is set to increase by more than 20% between 2011 and 2031. The council is already focussed on meeting the needs of new communities and residents through better use of technology,

joint services with other local authorities and partnership working (through the Greater Cambridge Partnership and the Combined Authority) in order to lever in funding for infrastructure improvements.

Services use projections and estimates of population growth and the number of new dwellings to plan for the impacts of growth. The expected location of these changes can also be significant. The forecast growth in dwellings between 2011 and 2026 can be seen in two major areas – Trumpington to the south and in Castle ward to the North West. 50% of new housing growth is forecast in these wards up to 2026. This rapid growth brings associated demand on core City services and will be reinforced with the development of Cambridge North (on the site of the Cambridge Water Treatment Works) to the north and the Marleigh development to the east.

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

The council will continue to explore ways to make better use of resources (say, for managing and maintaining new open spaces being created as part of new neighbourhoods and to enable new communities to become established and thrive on their own sooner).

## **The Greater Cambridge Partnership (GCP)**

The City Council is working with Cambridgeshire County Council, South Cambridgeshire District Council and the University of Cambridge through the GCP to deliver infrastructure, housing and skills targets as agreed with government in the City Deal. The agreement consists of a grant of up to £500m, subject to periodic gateway reviews, to be released over a 15 to 20-year period and expected to be matched by up to another £500m from local sources, including through the proceeds of growth. The funding is intended to facilitate continued sustainable economic growth in Greater Cambridge.

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 Combined Authority (CPCA). The deal gives delegated powers to the CPCA, an elected Mayor, and brings funding to the region.

It has been agreed that CPCA costs will be funded from the gain share grant and therefore there will be no charge to the City Council for this. The Mayor has the power to raise a precept (i.e. a separate additional element of council tax to fund the running costs of the Mayoral office). The CPCA (but not the Mayor) can levy constituent councils to make a contribution towards its functions but this would need to be unanimously agreed by those authorities through the budget making process for the CPCA. Each council could also decide voluntarily to make a financial contribution to the CPCA.

The city's economy should benefit from the additional investment and improved infrastructure in the local area that the CPCA brings. The construction of 500 new council homes through the delivery of the £70m council building programme, funded from the devolution deal, will bring an income stream to the Housing Revenue account as those houses are handed over and occupied.

### Shared / partnership services

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	With SCDC	With HDC
3C Building Control	Greater Cambridge Shared Waste Service	CCTV
3C ICT	Greater Cambridge Shared Internal Audit Service	
3C Legal	Greater Cambridge Shared Planning Service	
Home Improvement Agency	Payroll	

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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

## Cambridge Investment Partnership (CIP)

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

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

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

## National policy framework

### Economic factors

This report would normally reference the Office of Budget Responsibility (OBR)'s semi-annual report on the economic and fiscal outlook. However, the most recent report was published in March 2019 to accompany the Spring Statement and is therefore significantly out of date. Therefore, the economic forecasts and commentary within the Bank of England's (BoE) Monetary Policy Report published in November 2019 have been used instead.

In summary, the report outlines the economic situation for the UK, as follows:

**Growth has slowed in the UK and abroad**

Growth in the UK economy has been volatile this year in part because of Brexit preparations.

Looking through those ups and downs, growth has slowed.

We expect growth this year to be roughly half that in 2018.

That is partly because growth in other countries has also slowed.

Lower growth elsewhere has reduced the demand for the goods and services that the UK sells abroad

**Inflation is a little below our 2% target**

Inflation is currently just below our 2% target.

We expect it to fall further below target next year partly because of lower utility bills.

After that, we expect inflation to rise gradually to a little above our target.

One factor contributing to that rise is faster pay growth.

Pay rises for most people have been low in recent years. But the Office for National Statistics reports that, on average, pay is now rising at a faster rate.

Faster pay growth is good news as it supports spending and helps the economy grow.

But it also raises costs for some companies, which pushes up the prices they charge.

**Brexit uncertainty has been high**

Uncertainty about the outcome of Brexit helps explain why UK growth has slowed.

Uncertainty encourages businesses to delay spending on things like new machinery.

We think that uncertainty about Brexit is the main reason why investment by companies has been falling.

The Office for National Statistics estimates that business investment fell over the past year. Before the EU referendum, business investment was growing by around 5% per year.

Spending by households has also slowed but less sharply. Household spending has been supported by high employment.

With the risk of a no-deal Brexit falling recently, we expect the uncertainty facing households and businesses to fall.

**If growth stays weak, interest rates could fall. If growth recovers as expected, rates may need to rise**

We expect the uncertainty facing households and businesses to fall. We also expect global growth to recover.

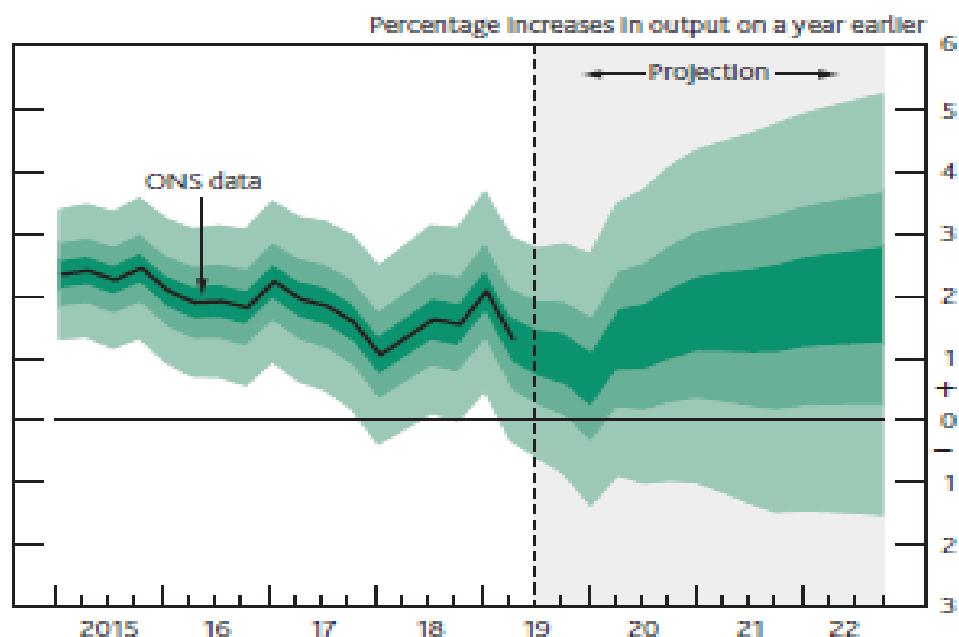
If that does not happen, then we may need to lower interest rates to support UK growth and ensure that we return inflation to our 2% target sustainably.

If the economy develops as we expect, then upward pressure on prices should build gradually over the next few years.

In that case, we think a modest increase in interest rates is likely to be needed to keep inflation at our 2% target.

## GDP projection based on market interest rate expectations, other policy measures as announced

(November 2019)



Bank of England forecasts from the November 2019 inflation report are as follows:

Forecast % at December	2019	2020	2021	2022
Gross Domestic Product (GDP) Growth	1.0	1.6	1.8	2.1
Consumer Index (CPI)	1.4	1.5	2.0	2.2
Unemployment rate	3.9	4.0	3.8	3.5
Bank base rate	0.7	0.5	0.5	0.5

These inflation forecasts show an over provision of inflation in the MTFS of approximately 0.3% in 2020/21 (~£90k) increasing marginally over time. No adjustment to budgets is proposed, as these amounts are small in relation to overall expenditure.

## 2019 Spending review

A spending review was announced by the Chancellor on 4 September. As expected, it covered 2020/21 only and therefore provides limited assurance on future funding levels for local authorities. The review increases departmental spending limits by 4.1% in real terms and gives a broad outline of the funding that local government will receive in 2020/21 which is towards the top of expectations. However, this includes significant social care grants that are not relevant to the council. Commentators note that

most of the available fiscal headroom has now been committed. This leaves little room for manoeuvre if economic circumstances change. A full multi-year spending review in 2020 is promised, but delivery will depend on the government and the Brexit situation at the time.

## 2019 Budget statement

A budget statement was expected on 6 November 2019 but was cancelled as a result of the announcement of a General Election to be held on 12 December 2019.

## Interest rates

Interest rates are set by the Bank of England's Monetary Policy Committee which increased the bank base rate to 0.75% on 2 August 2018 from 0.50% (2 November 2017). The committee maintained that rate at its November 2019 meeting and reported:



Growth has slowed in the UK and abroad



Inflation is a little below our 2% target



Brexit uncertainty has been high



If growth stays weak, interest rates could fall. If growth recovers as expected, rates may need to rise

Latest projections for interest rates from the council's treasury management advisors (Link Asset Services) at November 2019, set out below, show a rise from the current 0.75% to 1.25% by March 2023.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

*Interest rates projection at November 2019 (Link Asset Services)*



# Section 3

## Budget consultation

### Context and approach

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

This year the Leader of the Council, Cllr Lewis Herbert, will host two events in January to discuss with local business and community representatives the council's budget priorities and challenges facing the city. The events will provide the opportunity to listen to the Leader's view, participate in discussion and make comments about the path the council is looking to follow. During October and November 2019, a short online questionnaire was circulated to business representatives to hear their views about what they felt should be the priorities of the council, their satisfaction with council services relating to business and the approaches the council might take in balancing the budget. 52 questionnaires were completed. The broad themes from the responses have been used to help inform members' consideration of the council's developing budget.

The findings from the survey showed that local business respondents felt that collecting rubbish and recycling, managing parks and public spaces, delivering environmental improvements and planning for future development were the most important council services for them. They also thought the council should put more services online, continue looking at alternative ways of delivering services, and work with other nearby councils to deliver shared services, as the most favoured ways to find budget savings. The most pressing local priorities for respondents included tackling congestion and air quality through improving sustainable transport as well as improving the supply of affordable housing in the city.

The events will be filmed with the consent of participants and the slides and videos will be available to view via the council's website.

# Section 4

## General Fund resources

### Local government finance settlement 2020/21

In December 2015, a four-year funding guarantee was offered to councils confirming revenue support grant (RSG) and baseline levels of business rates for 2016/17 to 2019/20. This year, 2020/21, is therefore the first year for which funding levels have been uncertain up to announcements made during the autumn of 2019.

The provisional finance settlement was published on 20 December 2019 and provides funding figures for 2020/21 only. The final settlement, confirming funding for 2020/21, is expected in January 2020.

#### **Fair funding review and reforms to business rates retention**

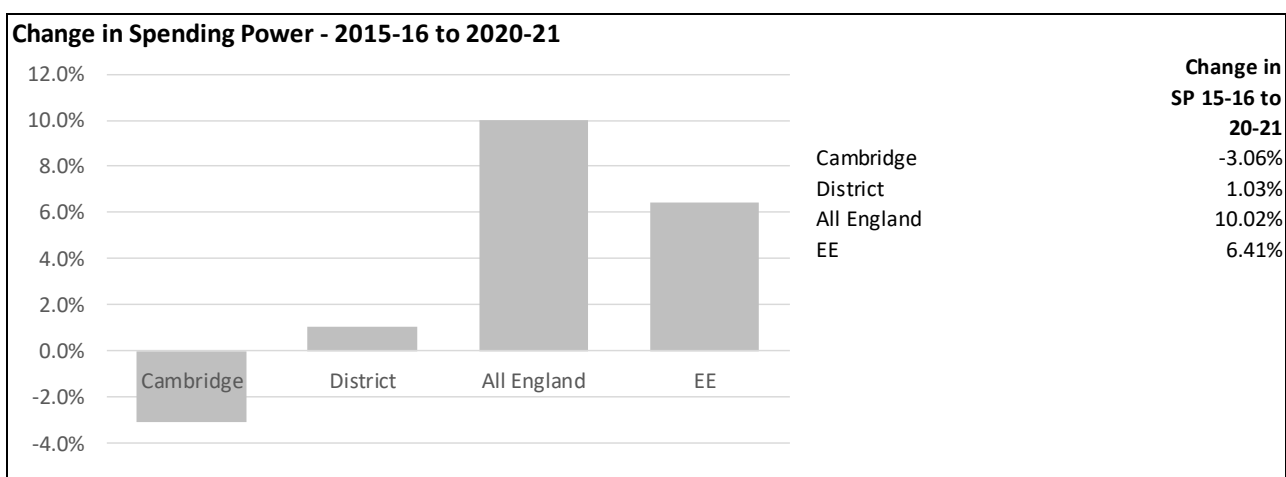
The fair funding review is intended to identify new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best available evidence. The government intends that reform of the business rates retention system will sit alongside the wider changes to the local government finance system considered in the fair funding review, with changes originally intended to be introduced in for 2020/21. However, the Secretary of State has now confirmed that the government is *"delaying the longer-term reforms, including business rates retention and fairer funding (Review of Relative Needs and Resources), that we have been planning for the local government finance system until 2021-22"*.

#### **Core spending power**

The settlements set out the following funding allocation for the council, which when combined with council tax income makes up the core spending power of the council, as defined by the government.

Element of core spending power (£000)	2019/20 Final	2020/21 Provisional	2020/21 Final	Change 2019/20 to 2020/21 Final
Settlement Funding Assessment (SFA):				
- Revenue Support Grant (RSG)	-	-	TBC	TBC
- Business rates baseline	4,203	4,272	TBC	TBC
	<b>4,203</b>	<b>4,272</b>	TBC	TBC
Compensation for under-indexation of business rate multiplier	137	171	TBC	TBC
New Homes Bonus (NHB) grant <sup>1</sup> including returned funding	5,504	4,913	TBC	TBC
Council tax income <sup>1</sup>	8,628	9,046	TBC	TBC
<b>Core spending power</b>	<b>18,472</b>	<b>18,402</b>	TBC	TBC

<sup>1</sup> – Figures based on government projections



EE – East of England

The core spending power measure, based on illustrative amounts for NHB, shows a decline of 3.06% over six years. There is a small reduction of £15k in the SFA from that included in MTFS 2019.

## Future prospects

There is considerable uncertainty relating to the SFA for 2021/22 onwards as we now have a new government and the implications of Brexit are still unknown. The implementation of 75% business rates retention, potential changes to the tier split between upper and lower tier authorities, the outcome of the fair funding review and a probable baseline reset create further uncertainty. All these

changes represent a total rebasing of the business rate funding system for local government. The council has modelled the possible trajectory of the SFA but is aware that considerable risk remains around these projections. It is also noted that as RSG has now declined to zero and the business rates tariff adjustment / negative RSG is expected to be subsumed by the fair funding review, the SFA will be equal to the business rates baseline going forwards.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>SFA / Business rates baseline</b>	4,203	4,272	4,721	4,847	4,959

## Local retention of business rates

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

In addition, the council can retain 50% of any business rates collected above the assumed baseline level, paying the remainder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%. An increase in the retention from 50% to 75% has been delayed until 2021/22.

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

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

There are also uncertainties in respect of residual 2010 list appeals. with appeals settled elsewhere in the country having knock-on effects nationally. NHS Foundation Trusts, including those in the city, are also pursuing a claim for award of mandatory charitable relief, backdated a number of years. Whilst the judge recently found against the foundation trusts, the possibility of an appeal remains.

Given these uncertainties the council has always taken a cautious approach to forecasting business rates income. However, the most recent review of current business rates income, expected changes to the rating list in the next year or so, and modelling of the potential effects of the fair funding review and business rates retention system review by our advisors, Pixel Consulting, has given rise to the need to amend our forecasts.

MTFS 2019 predicted a surplus of £1.3m for 2019/20 which was added to GF reserves. Calculations now predict this surplus to be £376k lower. However, the predicted surplus of £1.6m for 2020/21 now looks to be under reported by £4.5m, due to the complex nature of collection fund accounting and the earlier than expected inclusion of some large hereditaments on the rating lists. Both these changes will be affected through the GF reserve balance.

For years 2021/22 and beyond, the business rates retention review is expected to reset business rates baselines. Whilst a number of methods have been considered, it now appears likely that a full reset will be applied, removing all historic business rates growth. It is therefore necessary to remove from predictions the £1.1m of business rates income relating from growth. This is mitigated to a certain extent by changes to modelled baselines, which reduces the loss to about £700k per year. This has been adjusted through future budgets, with the impact shown in the savings requirement table in Section 5.

## New Homes Bonus (NHB)

NHB is designed to incentivise housing growth. It is based on increases in the council's council tax base each year, with amounts awarded for growth in one year being paid over four years. As a result, the total payment each year reflects growth in the previous year and in the three years before that. Amounts related to previous years are known as legacy payments.

In October 2019 the Ministry of Housing, Communities and Local Government (MHCLG) launched a consultation covering proposals for the local government finance settlement for 2020/21, including

proposals for NHB. It proposes that an allocation will be awarded in 2020/21 but that this allocation will be paid for one year only, i.e. it will not give rise to legacy payments. Allocations from previous years will continue to be paid until four payments have been made, i.e. legacy payments related to those previous years will be honoured.

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 within the consultation.

The table below includes estimates of future NHB payments based on proposals in the consultation document, expected housing completions and 0.4% deadweight threshold. Any changes in these factors could materially impact these estimates.

The council has chosen to use NHB to fund both revenue and capital spending related principally to growth and place. 30% of NHB is set aside each year as a contribution to the GCP investment and delivery fund. However, the council's revenue expenditure takes priority over this contribution, so that the contribution may be limited to the available funding after the council's revenue and capital expenditure requirements have been met.

Description	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Confirmed NHB funding at February 2019 BSR</b>	<b>(5,505)</b>	<b>(4,144)</b>	<b>2,983</b>	<b>(1,496)</b>	-	-
<i>add</i>						
Estimated NHB receipts for 2020/21	-	(769)	-	-	-	-
<b>Potential New Homes Bonus Total</b>	<b>(5,505)</b>	<b>(4,913)</b>	<b>(2,983)</b>	<b>(1,496)</b>	-	-
<b>Commitments against NHB</b>						
Funding of service budgets	1,349	1,349	1,349	1,349	1,349	1,349
Direct revenue funding of capital (DRF)	1,075	1,075	1,075	1,075	1,075	1,075
30% contribution to GCP, assuming council spending commitments take priority	1,652	1,465	559	-	-	-
DRF to reduce internal borrowing - NCL4329	1,429					
Additional funding to support revenue spend on services		1,024				
Additional saving requirements as a result of reductions in New Homes Bonus				(928)	(2,424)	(2,424)
<b>Total commitments against NHB</b>	<b>5,505</b>	<b>4,913</b>	<b>2,983</b>	<b>1,496</b>	-	-
<b>NHB (uncommitted)/overcommitted</b>	-	-	-	-	-	-

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

## Tax base and council tax

### Tax base

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

The tax base reflects the number of domestic properties in the city expressed as an equivalent number of band D properties, adjusted for various discounts, exemptions and reliefs. Allowances are made for projected growth in the number of dwellings and an estimated deduction for non-collection.

The tax base for 2020/21 has been calculated as 44,450.9 (2019/20 43,685.3) and details of its calculation are given in Appendix A(a) and will form the basis of the final approved level for tax setting and precepting purposes. This reflects a 1.8% increase in the tax base compared with 2019/20.

## **Collection fund**

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

The collection fund for council tax is projected to have a surplus at the end of the current year of £270,198. The City Council's share of this projected year end surplus is £29,597 and will be taken into account in the council's budget for 2020/21.

## **Council tax thresholds**

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase council tax above the relevant limit set by the Secretary of State. In 2020/21 the limit is a maximum increase of 2% for a Band D property, with some shire districts, including the City Council, permitted to increase their element of council tax by up to £5, where this is higher than 2%.

## **Council tax level**

Financial projections of the council tax level made for the October 2019 MTFS included the assumption of an increase of 1.99% for 2020/21 onwards. The BSR incorporates a council tax increase in 2020/21 of £5 from £197.50 to £202.50 for band D and proportionately for other bands.

The table below shows the City council element of council tax for 2019/20 for each property band together with the proposed levels for 2020/21:



	<b>City Council tax</b>		
<b>Band</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>Difference £</b>
A	131.66	134.99	<b>3.33</b>
B	153.61	157.49	<b>3.88</b>
C	175.55	179.99	<b>4.44</b>
<b>D</b>	<b>197.50</b>	<b>202.50</b>	<b>5.00</b>
E	241.38	247.49	<b>6.11</b>
F	285.27	292.49	<b>7.22</b>
G	329.16	337.49	<b>8.33</b>
H	394.99	404.99	<b>10.00</b>

## Earmarked and specific funds

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

### Existing funds

#### Climate change fund

The Climate Change Fund (CCF) is available to finance projects that will contribute to the reduction of carbon emissions from the council's estate and operations. The fund supports projects focussing on:

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

Activities that can be supported include infrastructure, equipment, feasibility studies and awareness activities to change the behaviour of staff. Since inception the CCF has funded £1.4m of investment in improving the energy efficiency of council buildings and the generation of renewable electricity.

An annual report on activities funded from the CCF is taken to the Environment and Community Scrutiny Committee in October each year.

<https://democracy.cambridge.gov.uk/documents/s47350/Climate%20Change%20Strategy%20Report%20180919.pdf>

### **Greater Cambridge Partnership (GCP) investment and delivery fund**

The council has committed to pooling a proportion of gross NHB receipts with its local authority partners to provide funding to enable delivery of GCP objectives which will support and address the impacts of growth. The current contribution by individual authorities is 30%.

### **Asset replacement funds**

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

### **Office accommodation strategy fund**

This fund was set up at BSR 2016 to fund the ongoing programme of office / depot rationalisation. The office accommodation strategy works towards consolidating the council's city centre office accommodation at the Guildhall and Mandela House and developing longer term options for building rationalisation. A significant amount of cultural change in how and where staff work has been supported through investment in training around smart working and changes in how teams are managed. The programme has also implemented reductions in space per desk and desk to staff ratios, underpinned by investment in smart working technology.

### **A14 mitigation fund**

An earmarked fund has been set up to accumulate NHB contributions to meet the requirement for funding of projects to mitigate the impacts in Cambridge of the A14 upgrade. As the work on the upgrade is completed and its impact on the city can be assessed, consideration will be given to how these funds might best be used.

### **Cambridge Live development fund**

This fund is earmarked to support the transformation and ongoing development of Cambridge Live, subject to a maximum spend of £750k, with full delegation for management of the fund assigned to the Chief Executive. Further intensive work has been undertaken with Cambridge Live leading to a

decision taken under urgency powers, to bring the activities of Cambridge Live back into the council as at 1 April 2019.

## **General Fund (GF) development fund**

The council is providing loans to Cambridge Investment Partnership (CIP), of which it is a member, to support the development of GF and HRA land. Interest income arising from the development of former council depot on Mill Road, land purchased at Cromwell Road and other CIP developments will be retained in an earmarked reserve reflecting uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development.

## **Proposed new fund**

### **Transformation fund**

The council is undertaking a significant programme of service reviews and transformation projects. It is proposed to set up a Transformation Fund using the funding proposed in this BSR – PROG4519 - contributions of £250k (2020/21) and £520k (2021/22), as included within Appendix C(b). The fund will have the following remit:

<b>Earmarked fund – Transformation Fund</b>
<b>Lead officer – Head of Transformation</b>
Remit:  To support the transformation of service delivery within the council, with full delegation for management of the fund assigned to the Chief Executive.

# Section 5

## General Fund revenue budgets

### Budget proposals

The GF revenue projections for 2020/21 to 2024/25 as presented in the MTFS have been reviewed and changes proposed. Proposals have arisen from policy initiatives, additional income opportunities balanced by additional staffing costs where appropriate, ongoing service transformations, unavoidable increases in costs and savings opportunities. The impact of these proposals is shown below in aggregate, by portfolio in Section 7 and in detail by type of proposal in Appendices C (b) – (e).

#### Performance against savings target

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

The table below shows that the overall effect of the measures recommended in the BSR has resulted in a total requirement for net savings of £5,170k across the period from 2020/21 to 2024/25. The saving requirement varies year by year, driven principally by the assumption that the business rates baseline will be reset in 2021/22 and that NHB will no longer be receivable in 2023/24.

It should be noted that these proposals include an unavoidable revenue pressure of £400k p.a. for overhead recharges from shared services lead by partner councils, which are still subject to further work and agreement. However, it is considered prudent to include an estimate for budget setting purposes.

<b>Savings Targets</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>	<b>Total £000</b>
<b>MTFS 2019 Current Savings Target (new savings each year)</b>	<b>980</b>	<b>1,355</b>	<b>1,420</b>	<b>1,530</b>	<b>1,620</b>	<b>6,905</b>
Remove indicative pressures included in MTFS	(1,000)	(832)	(864)	(899)	(933)	(4,528)
<b>Revised savings target</b>	<b>(20)</b>	<b>523</b>	<b>556</b>	<b>631</b>	<b>687</b>	<b>2,377</b>
Unavoidable revenue pressures	783	832	832	882	882	
Reduced income	584	347	326	300	300	
Bids	1,218	628	421	354	354	
Savings	(841)	(1,064)	(1,064)	(1,064)	(1,064)	
Increased income	(841)	(613)	(536)	(686)	(686)	
Programme	250	520	0	0	0	
<b>Net bids and savings</b>	<b>1,153</b>	<b>650</b>	<b>(21)</b>	<b>(214)</b>	<b>(214)</b>	
Reductions in forecast for business rates income		752	714	690	683	
Council tax - £5 increase in 2020/21 and higher tax base	(87)	(90)	(93)	(97)	(100)	
Council tax - collection fund surplus	(30)					
Uncommitted NHB used to fund in-year spend	(1,024)					
Reductions in NHB available to fund revenue and direct revenue funding of capital			928	2,424	2,424	
Contribution to reserves	8					
<b>Net bids, savings and funding changes</b>	<b>20</b>	<b>1,312</b>	<b>1,528</b>	<b>2,803</b>	<b>2,793</b>	
<b>Revised savings target / savings (new savings each year)</b>	<b>(0)</b>	<b>1,815</b>	<b>772</b>	<b>1,906</b>	<b>677</b>	<b>5,170</b>

# Section 6

## General Fund capital budgets

### Introduction

The council's asset portfolio as at 1 April 2019 is shown below.

Category	Value £000	%
<b>Operational assets:</b>		
<b>Operational assets:</b>		
Council dwellings	636,492	64.96%
Other land and buildings	141,518	14.44%
Vehicles, plant and equipment	11,773	1.20%
Infrastructure assets	4,909	0.50%
Community assets	1,344	0.14%
<b>Total operational assets</b>	<b>796,036</b>	<b>81.24%</b>
<b>Non-operational assets</b>		
Investment properties	170,843	17.44%
Surplus properties	0	0.00%
Assets under construction	12,995	1.33%
<b>Total non-operational assets</b>	<b>183,838</b>	<b>18.76%</b>

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

The council has developed a long-term accommodation strategy to consider the best use of our administrative buildings. This review is linked to work to determine the most appropriate service delivery models (e.g. shared services) and working practices (e.g. flexible and/or remote working) for the future.

## Capital strategy

In line with guidance, the council has prepared a capital strategy which is presented to the Strategy and Resources Scrutiny Committee and Council alongside the treasury management and investment strategies. The council has also undertaken an asset management review, which has been used to inform the capital strategy going forward.

The capital strategy outlines changes in how future capital expenditure will be funded. In the short term, reliance on the general pot of revenue funding is to be reduced, with capital expenditure to support services and existing income generation activities being financed from planned capital receipts. In this five-year period, further income-generating investments will be made, with the aim of providing revenue and capital funding to support the council's objectives in providing services without government funding which is being cut. These investments will be funded as follows:

- Amounts available from GF reserves, where predicted balances are above target level, expected to be almost £14m. However, £3m of this will be held back until the impacts on the council of the Fair Funding review and Business Rates retention changes are understood, likely to be autumn 2020 or later.
- Capital receipts from the proposed development programme for commercial property to be used to substantially fund that programme.
- Prudential use of internal and external borrowing where the investment supports the council's wider objectives, and the risks and rewards of investment are considered appropriate.

## Capital plan

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

## Capital proposals

The majority of capital bids address the ongoing renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (ICT, vehicles, building repairs, etc). All capital proposals are shown in Appendix D(a). Approvals since the MTFS October 2019 are shown in Appendix D(b).

## Financing

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

### **Internal:**

- Earmarked and specific funds (e.g. asset replacement reserve)
- Capital receipts
- NHB
- Revenue resources
- Internal borrowing

### **External:**

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

Based on the amount of generally available capital funding identified in MTFS 2019, the recommended funding for the capital proposals listed in Appendix D(a) is set out in the table below. This fully utilises all available funding in 2020/21 and provides a further £305k from in-year revenue resources. This leaves no capacity for further projects to come forward during the year, unless alternative funding can be found.

### **Prudential borrowing and Minimum Revenue Provision (MRP)**

Where capital expenditure is funded from internal or external borrowing, a minimum revenue provision (MRP) is charged annually in line with the council's MRP policy. The MRP policy is presented to Council for approval annually in the Treasury Management Strategy Statement.



Capital plan funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Funded from available capital funding (DRF)</b>					
Replacement plantroom at Jesus Green pool	140				
Commercial property repair and maintenance	300	300	300	300	300
Administrative buildings maintenance	188	216	166	166	166
Guildhall Small Hall wooden floor	45				
Guildhall PA system	25				
Automation of Bishops Mill sluice gate	90				
Replacement air quality monitoring equipment	200				
Replacement telephony system with call centre	150				
3C ICT applications and improvements	78				
Jesus Green fish pass	0	50			
Logan's Meadow vehicular access	32				
Upgrade Kings Hedges recreation areas	150				
Additional refuse vehicle shared with SCDC	0	375			
Changing Places toilet at Quayside	100				
Provision of extra electric charge points	100				
Cambridge Food Hub	100				
	<b>1,698</b>	<b>941</b>	<b>466</b>	<b>466</b>	<b>466</b>
<b>Funded from Vehicle Repairs and Renewals Reserve (R&amp;R)</b>					
Vehicle replacement programme	400				
Purchase of link tip bodies	27				
	<b>427</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funded from external borrowing</b>					
Park Street car park redevelopment	9,744	26,521	18,534	29,396	7,173
	<b>9,744</b>	<b>26,521</b>	<b>18,534</b>	<b>29,396</b>	<b>7,173</b>
<b>Total funded capital bids</b>	<b>11,869</b>	<b>27,462</b>	<b>19,000</b>	<b>29,862</b>	<b>7,639</b>

If the following funding proposals are accepted, the impact on generally available capital funding will be as follows:

Generally available capital funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Funding available and unapplied (MTFS Oct 2019)</b>	<b>(1,393)</b>	<b>(1,738)</b>	<b>(1,756)</b>	<b>(1,786)</b>	<b>(1,786)</b>
Impact of savings proposal S4523		220	220	220	220
Capital bids requiring funding (see above)	1,698	941	466	466	466
Additional revenue funding allocated to capital	(305)				
<b>Net Funding Available</b>	<b>0</b>	<b>(577)</b>	<b>(1,070)</b>	<b>(1,100)</b>	<b>(1,100)</b>

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

The current capital plan, updated for schemes approved since the MTFS 2019 and proposals for new schemes, is shown in detail in Appendix D(c). The tables below summarise the changes since the MTFS Oct 2019, the latest capital plan and how it is funded.

Capital plan spending	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Spend MTFS Oct 2019</b>	<b>42,584</b>	<b>22,093</b>	<b>3,350</b>	<b>30</b>		
Approved since MTFS Oct 2019 - Section 106 (with funding)	1,360					
<b>Capital Plan total before new proposals</b>	<b>43,944</b>	<b>22,093</b>	<b>3,350</b>	<b>30</b>	<b>0</b>	<b>0</b>
New proposals see Appendix D (a)		11,869	27,462	19,000	29,862	7,639
<b>Total Spend</b>	<b>43,944</b>	<b>33,962</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

Capital plan spending	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Programmes	7,789	1,088	546	496	466	466
Projects	32,539	32,058	30,206	18,534	29,396	7,173
<b>Sub total</b>	<b>40,328</b>	<b>33,146</b>	<b>30,752</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>
Provisions	3,616	816	60			
<b>Total Spend</b>	<b>43,944</b>	<b>33,962</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

<b>Capital plan funding</b>	<b>2019/20 £000</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>
<b>External support</b>						
Developer Contributions	(1,543)					
Other Sources	(733)	(50)				
Prudential borrowing		(9,744)	(26,521)	(18,534)	(29,396)	(7,173)
<b>Total – External Support</b>	<b>(2,276)</b>	<b>(9,794)</b>	<b>(26,521)</b>	<b>(18,534)</b>	<b>(29,396)</b>	<b>(7,173)</b>
<b>City Council</b>						
Direct Revenue Financing (DRF) – GF services	(175)					
Direct Revenue Financing (DRF) – in-year allocation of revenue funding	(5,615)	(2,066)	(989)	(496)	(466)	(466)
Earmarked Reserve – capital contributions	(4,693)					
Earmarked Reserve – Climate Change Fund	(326)					
Earmarked Reserve – Repairs and Renewals Fund	(1,043)	(427)				
Earmarked Reserve – OAS	(473)					
Internal Borrowing – temporary use of balances	(24,646)	(21,675)	(3,242)			
Usable Capital Receipts	(4,697)		(60)			
<b>Total – City Council</b>	<b>(41,668)</b>	<b>(24,168)</b>	<b>(4,291)</b>	<b>(496)</b>	<b>(466)</b>	<b>(466)</b>
<b>Total Funding</b>	<b>(43,944)</b>	<b>(33,962)</b>	<b>(30,812)</b>	<b>(19,030)</b>	<b>(29,862)</b>	<b>(7,639)</b>
<b>Capital Plan</b>	<b>43,944</b>	<b>33,962</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

# Section 7

## General Fund: Expenditure and funding 2019/20 to 2024/25

Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Expenditure</b>						
Strategy and external partnerships	5,115	4,957	4,810	4,712	4,656	4,567
Finance and resources	(5,015)	(5,339)	(4,379)	(4,603)	(4,696)	(4,548)
General Fund housing	3,297	3,404	3,432	3,580	3,730	3,867
Climate change, environment and city centre	5,655	5,700	5,822	6,059	6,286	6,458
Planning policy and open spaces	4,391	4,449	4,383	4,404	4,508	4,621
Communities	6,948	7,257	6,994	7,130	7,268	7,424
Transport and community safety	189	263	670	562	436	452
Revised net savings requirement	-	-	(1,815)	(2,587)	(4,493)	(5,170)
<b>Net service budgets</b>	<b>20,580</b>	<b>20,691</b>	<b>19,917</b>	<b>19,257</b>	<b>17,695</b>	<b>17,671</b>
Capital accounting adjustments	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)
Capital expenditure financed from revenue	3,074	2,091	1,566	1,566	1,566	1,566
Contributions to earmarked funds	3,017	2,046	1,074	1,149	1,699	2,180
<b>Net spending requirement</b>	<b>20,318</b>	<b>18,475</b>	<b>16,204</b>	<b>15,619</b>	<b>14,607</b>	<b>15,064</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(4,179)	(4,203)	(4,272)	(4,721)	(4,847)	(4,959)
Locally Retained Business Rates – Growth Element	(800)	(6,104)	-	-	-	-
New Homes Bonus (NHB)	(5,504)	(4,913)	(2,983)	(1,496)	-	-
Appropriations from earmarked funds	-	-	-	-	-	-
Council Tax	(8,627)	(9,031)	(9,335)	(9,688)	(10,046)	(10,391)
Contributions to / (from) reserves	(1,208)	5,776	386	286	286	286
<b>Total funding</b>	<b>(20,318)</b>	<b>(18,475)</b>	<b>(16,204)</b>	<b>(15,619)</b>	<b>(14,607)</b>	<b>(15,064)</b>

The following pages provide information on the budgets available for each portfolio and the changes proposed in this BSR.

## Strategy and external partnerships

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	7,525	(2,410)	5,115

Budget proposals for the portfolio (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unavoidable revenue pressure</b>						
URP4500	Impact of overhead recharges for shared services	400,000	400,000	400,000	400,000	400,000
URP4670	Increase in pension deficit contributions	40,000	40,000	40,000	40,000	40,000
<b>Bids</b>						
B4512	Electoral Services Support Officer – funding to continue existing post in 2020/21	25,500				
B4664	Consultation on resident and business priorities for council services	30,000	20,000			
<b>Savings</b>						
S4522	Saving from reduction in committee agenda printing costs	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
<b>Capital bids</b>						
CAP4678	Park Street car park redevelopment	9,744,000	26,521,000	18,534,000	29,396,000	7,173,000

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	7,843	(2,886)	4,957

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

## Finance and resources

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	54,852	(59,867)	(5,015)

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unavoidable revenue pressure</b>						
URP4502	Increased pool bike budget	4,500	4,500	4,500	4,500	4,500
URP4573	Proposal to balance partner contributions to 3CICT Digital Team	85,000	85,000	85,000	85,000	85,000
<b>Bids</b>						
B4507	Bid to cover shortfall in savings this year due to the delay in the launch of the customer portal	36,000				
B4508	Extension of the Financial Inclusion Officer post (GF share) – anti-poverty strategy	12,300	16,990	16,990		
B4509	Universal Credit Outreach Advisor – costs from September 2020 to March 2023 – antipoverty strategy	22,900	39,250	39,250		
B4510	Create a new Corporate Energy and Carbon Reduction Manager post	37,500	37,500	37,500	37,500	37,500
B4575	Part time admin support officer in the procurement team. [Linked to II4553]	20,000	20,000			
B4617	Call Management for 3C ICT Service Desk [Linked to CAP4581]		3,360	3,360	3,360	3,360
<b>Programme</b>						
PROG4519	Corporate transformation programme	250,000	520,000			
<b>Savings</b>						
S4521	Energy efficiency savings and income	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
S4535	Savings from Business Support budgets	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
S4547	3C ICT business plan savings	(109,000)	(109,000)	(109,000)	(109,000)	(109,000)
S4548	Legal practice	(49,000)	(49,000)	(49,000)	(49,000)	(49,000)
<b>Increased Income</b>						
II4549	Local taxation fees income (court costs collected)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
II4551	Increased commercial property income from 2020/21 onwards	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
II4552	Potential additional income from letting administrative buildings	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
II4553	Provision of external procurement support to other local authorities [Linked to B4575]	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
Capital bids						
CAP4516	Commercial property repair and maintenance budgets	300,000	300,000	300,000	300,000	300,000
CAP4517	Maintenance and asset General Fund capital costs – administrative buildings	188,000	216,000	166,000	166,000	166,000
CAP4576	Replacement telephony system including call centre/contact centre	150,000				
CAP4577	Resource planning tool for 3C ICT with potential for expansion to other services	7,300				
CAP4578	Data centre capacity growth 2020 to 2024	34,100				
CAP4579	Cyber security improvements, server and network monitoring enhancements	9,700				
CAP4580	Improving and consolidating corporate data management and analytical capabilities	20,000				
CAP4581	Call management for 3C ICT service desk [Linked to B4617]	7,300				

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	53,357	(58,696)	(5,339)

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

## General Fund Housing

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	7,041	(3,744)	3,297

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Bids</b>						
B4663	Selective landlord licensing [Linked to I14671]	165,750	263,000	263,000	263,000	263,000
<b>Increased income</b>						
I14671	Fees receivable for selective landlord licensing scheme [Linked to B4663]	(65,750)	(288,000)	(288,000)	(288,000)	(288,000)

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	6,958	(3,554)	3,404

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.



## Climate change, environment and city centre

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	12,513	(6,858)	5,655

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unavoidable revenue pressure</b>						
URP4503	Additional crew for an extra vehicle required due to property growth. Shared with SCDC [Linked to CAP4570]	45,000	94,000	94,000	144,000	144,000
<b>Bids</b>						
B4515	Market Square project – design development stage 2	30,000				
B4616	Changing Places toilet at Quayside [Linked to CAP4568]		3,500	3,500	3,500	3,500
B4621	Partnership work on climate change research and projects	25,000				
B4630	Consultant to lead and implement installation of EV charging in our car parks [Linked to CAP4631]	52,000				
B4633	Community clear out days	25,000	25,000	25,000	25,000	25,000
B4640	Climate change communication and community engagement	20,000				
<b>Savings</b>						
S4544	Dog Warden Service – service review	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)
S4545	Out of hours stray dog service – savings achieved by reprocurement	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
S4546	Use enviro-crime enforcement income to contribute to street cleansing/ enforcement service posts	(31,000)	(31,000)	(31,000)	(31,000)	(31,000)
S4661	Efficiencies in Waste Service	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<b>Increased Income</b>						
II4555	Increased surplus achieved by Trade Waste	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
<b>Capital bids</b>						
CAP4564	Vehicle fleet replacements 2020/2021	400,000				

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
CAP4567	Procurement of replacement air quality monitoring equipment	200,000				
CAP4568	Changing Places toilet at Quayside [Linked to B4616]	100,000				
CAP4570	Additional refuse vehicle required for property growth shared with SCDC [Linked to URP4503]		375,000			
CAP4624	Purchase of link tip bodies	27,000				
CAP4631	Provision Of extra electric charging points [Linked to B4630]	100,000				

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	13,052	(7,352)	5,700

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

## Planning policy and open spaces

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	8,766	(4,375)	4,391

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unavoidable revenue pressure</b>						
URP4506	Rebasing of Shared Planning Service expenditure budgets	130,000	130,000	130,000	130,000	130,000
<b>Bids</b>						
B4609	2 Seas – Nature Smart Cities – partnership project to enhance green infrastructure	31,100	8,300	10,700		
B4625	Improve visibility and accessibility of planning applications	30,000				
B4626	Providing consultancy advice on cutting carbon emissions in current building stock	50,000				
B4643	Biodiversity strategy	25,000				
B4645	Double current wildflower meadows	3,000	3,000	3,000	3,000	3,000
B4662	Street trees fund	100,000	100,000			
B4665	Chalk Stream project	5,000				
<b>Savings</b>						
S4536	3C Building Control review of ratio of non fee earning to fee earning elements	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
S4541	Restructure cycling and walking promotion grant in line with demand	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)
S4542	Public Art Service – service review	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
S4543	Transfer ‘Green Fingers’ domestic gardening service to the Housing Revenue Account	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
S4641	Automation of Bishops Mill sluice gate [Linked to CAP4565]		(3,000)	(3,000)	(3,000)	(3,000)
<b>Capital bids</b>						
CAP4565	Automation of Bishops Mill sluice gate [Linked to S4641]	90,000				
CAP4628	Upgrade Kings Hedges recreation areas	150,000				
CAP4642	Jesus Green fish pass		50,000			
CAP4644	Logan’s Meadow	32,000				

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	9,005	(4,556)	4,449

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

# Communities

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	14,949	(8,001)	6,948

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Reduced Income</b>						
RI4504	Bereavement Services projected reduction in income	284,000	47,000	26,000		
<b>Bids</b>						
B4572	North East Cambridge – part-time Community Development Officer to begin wider engagement	10,000	10,000			
B4618	Celebration of Women 2020	20,000				
B4620	Gypsy, Roma & Traveller Heritage project	3,000				
B4622	Continuation of anti-poverty responsive budget in 2020/21	30,000				
B4666	Community Food Hub [Linked to CAP4668]	44,000	19,000	19,000	19,000	19,000
<b>Savings</b>						
S4527	Review of Community Centres Phase 1 – Efficiencies in income and reduced overtime	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
S4528	Reduce Leisure Management Contract budget for contract variations – Sports & Recreation	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
S4531	Reduction of non-essential training and overtime budgets within Community Services	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
S4537	Bereavement Services – service review	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
<b>Capital bids</b>						
CAP4560	Guildhalls – Small Hall wooden floor – Culture and Community	45,000				
CAP4561	Replacement of Guildhall PA system – Culture and Community	25,000				
CAP4571	Replacement structure for pool plantroom at Jesus Green Outdoor Pool	140,000				
CAP4668	Community Food Hub [Linked to B4666]	100,000				

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	15,073	(7,816)	7,257

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

## Transport and community safety

(£000)	Expenditure	Income	Net
Portfolio budget 2019/20	12,474	(12,285)	189

Budget proposals (£)		2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unavoidable Revenue Pressure</b>						
URP4660	Increase in service charge for Grand Arcade car park	78,000	78,000	78,000	78,000	78,000
<b>Reduced Income</b>						
RI4505	Reduction in car parking income for all parking revenue	300,000	300,000	300,000	300,000	300,000
<b>Bids</b>						
B4513	Street Aid – Safer Communities (cost centre 1050) – continue volunteer coordinator	14,500	14,500			
B4619	Youth Liaison Officer – supporting partnership work on child criminal exploitation and serious violent crime	45,000	45,000			
<b>Increased Income</b>						
II4623	Park Street closure implications to budget	(529,840)	(90,000)	(33,000)	(183,400)	(183,400)

(£000)	Expenditure	Income	Net
Portfolio budget <sup>1</sup> 2020/21	13,055	(12,792)	263

<sup>1</sup> due to technical adjustments, such as inflation, the 2020/21 budget will not equal the 2019/20 plus budget proposals.

# Section 8

## Risks and reserves

### Risks and their mitigation

#### Risks and sensitivities

The council is exposed to many risks and uncertainties which could affect its financial position and the deliverability of the proposed budget. However, the lack of certainty in relation to future funding streams from government arising from the fair funding review and the review of the system of business rates retention are considered to be most significant for this BSR. Whilst indications provided for the future of NHB have enabled reductions in that funding stream to be modelled, the potential impact on business rates income is unclear. In particular, the council has benefited over the years from business rates growth. This is expected to provide additional funding in excess of £2.5m in 2019/20, but this is at risk due to proposals to reset business rates baselines.

Other risks include the following:

- Assumptions and estimates, such as inflation and interest rates, may prove incorrect. These estimates are particularly difficult in light of current uncertainties surrounding the UK's exit from the EU;
- The economic impact of the United Kingdom leaving the EU may impact some of the council's income streams, such as car parking income, commercial rents and planning fee income;
- Brexit uncertainty, coupled with the global nature of many of the businesses in the city, may reduce or reverse growth in the local economy. Impacts for the council could include reductions in business rates collected and increased demand for council services which support residents on low incomes.
- Unforeseen impacts resulting from the proposed Brexit deal and the need to negotiate trade agreements.
- Increases in council tax and business rates receipts due to local growth assumptions may not meet expectations;

- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- Funding from central government (NHB and other grants) may fall below projections;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision set aside for this purpose;
- The impact of 75% business rates retention, coupled with any additional responsibilities handed down to the council at that time and the outcome of the fair funding review, may create a net pressure on resources;
- Savings plans may not deliver projected savings to expected timescales;
- New legislation or changes to existing legislation may have budgetary impacts;
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required;
- The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling around the city. The council may also become subject to a workplace parking levy; and
- The council may not be able to replace time limited funding for commitments to maintain open spaces associated with growth sites or implement alternative arrangements for their maintenance.

## Sensitivity analysis

The budget process addresses these risks by applying principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed and is presented below. If the outcome in any of these areas is different from the assumptions presented, either pressures or savings could result, giving rise to over or under-spends against budget.

Topic	Quantum	BSR Assumption	Commentary / Risk
Bereavement services income	c.£2.3m	Income has been inflated by 2% for 20/21 and future year budgets but due to the continuing downward pressure by the A14 road works a proposal for reduced income in the short term has been included. This will be continually monitored.	<p>Disruption due to works along A14 and suitability of access road after works are complete (negative)</p> <p>Greater competition from a more competitive and crowded marketplace(negative)</p> <p>Success of 5-year business plan to include the development of a café, additional car parking and delivering in-house low-cost funerals (positive)</p> <p>The completion of the new access road and the A14 widening project delivering easier and swifter access to the crematorium site(positive)</p>

Topic	Quantum	BSR Assumption	Commentary / Risk
Building control fee income	c. £1.8m	Based on break-even full cost recovery position for the Building Control Shared Service fee earning statutory duties	Housing development levels in the sub region are not as great as anticipated or are delayed due to developers' unwillingness to build, Brexit may stall development. Competition from approved inspectors has decreased slightly however the threat exists leading to a potentially smaller market share
Car parking income	c. £11.4m	Based on officer projections of usage	Income stream is contingent on decisions made by the GCP board to manage congestion and pollution in the city.  As visitors, residents, tourist, commuters and business people choose to use other less polluting modes of transport to access the city this income stream will feel negative downward pressure.
Commercial property income	c. £10m	Officer assessment of current market conditions and future trends, including growth of the current property portfolio	Economic conditions lead to increase in voids, increased level of unrecoverable debts and less significant rent increases  High yields are negotiated on new investments (positive)
Council tax base	c. 44,450 Band D equivalent properties @£202.50 (2020/21)	Projections are based on the housing trajectory indicated in the Annual Monitoring Report (AMR)	Any significant growth or deceleration in building will affect the number of houses on which council tax can be charged with the associated impact on the council tax income stream which in turn informs our savings requirement
Council tax income	c£9.0m p.a.	£5 increase for Band D property for 2020/21 reducing to 1.99% thereafter	Criteria for triggering referendums for proposed excessive increases are published each year.  The requirement for rebilling and associated costs, together with the loss of council tax income, effectively provides a strong disincentive for high increase proposals.  Economic climate may require an increase in enforcement activity and consequent reduction of funds available in the collection fund
Developer contributions	c. £5.0m (not yet allocated)	All contributions are used in compliance with the terms of Section 106 agreements	Failure to use S106 funds in line with intended purposes or comply with official regulations could lead to particular S106 contributions becoming liable for repayment. This is mitigated by careful Section 106 funding management and regular S106 funding rounds to identify further appropriate projects.



Topic	Quantum	BSR Assumption	Commentary / Risk
Employers pension contributions	£6.4m (GF only)	BSR includes provision for employer's percentage and capital payments, and for one-off contributions as necessary	Outcome of the next triennial review, which has effect from 1 April 2020, now known.
Energy costs (all)	£0.8m (GF only) (Electricity, Gas & Heating Oil)	Officer assessment of current conditions and trends, based on latest contracts	Volatility of world market prices. The council has contracts for electricity and gas which run from October each year and takes specialist consultant advice in determining the most advantageous terms to contract for.
Future capital receipts	Income	Occasional disposal of assets as outlined in the disposal programme. Income is not taken into account until received.	The council's stock of land available for sale is reducing. Receipts will reduce significantly over the life of this budget plan.
Garage Income	£1.9m	Based on officer projections of revenue	Failure to maintain customer base at Waterbeach  Increased electrification of commercial fleet (future negative)
Housing benefits	£31.1m	Officer assessment of current conditions and trends	<ul style="list-style-type: none"> <li>- With anticipated reduction in central government grant, the Council funded element of provision of the service will increase (N.B. grant funding will not be confirmed until January 2020)</li> <li>- Potential increase in housing benefit fraud</li> <li>- Ongoing impact of universal credit implementation is not fully known and may exceed (or under achieve) modelling, having an impact on staffing and Council Tax and rent arrears.</li> <li>- If the Council exceeds the thresholds (upper and/or lower) set by the DWP for local authority error overpayment subsidy, then this could materially affect the level of subsidy receivable on such amounts down from 100% to either 40% or 0%.</li> </ul>

Topic	Quantum	BSR Assumption	Commentary / Risk
Interest receipts from the housing company	< £150k	An estimate of additional income has been included to reflect the higher rate applicable to this loan above the interest rate expected on our treasury management investments	The company remains viable as interest rates rise and rents stabilise or reduce.
Investment income	+/- 1% is ~£0.8m for variable investments	These are based on a mid-range level provided by market analysts	Rates fall further than anticipated or for a longer period.  A faster increase in bank base rates would result in increase in investment income. (positive)
Land charges income	c. £0.25m	Reductions based on latest experience have been incorporated in the budget	Increased proportion of personal searches and reduced number of overall searches due to market conditions.  A new fee schedule has been created for use by the shared service. This has meant assessing budgetary costs and service demand levels alongside time and motion study data to establish the new fees.  Assumptions regarding service impact of the merging have had to be made, and the only available search demand data was of a limited period of time, therefore there may be some variation in income levels which may need to be corrected by the adjustment of fees in the future.
Local retention of business rates	c. £4-5m	BSR includes projections based on latest figures and guidance	Business rates are subject to the level of appeals against valuations lodged with the Valuation Office Agency (VOA) and the effects of redevelopment and growth in the city. The review of the business rates retention system will also impact.
Market income	c. £0.90m	Officer assessment of current market conditions and future trends	Level of voids as a result of a changing economic climate.  Any reductions will be mitigated by new traders coming to the market as we seek to widen the range of services on the market.  An improving climate will see full occupancy

Topic	Quantum	BSR Assumption	Commentary / Risk
Non-pay inflation	Net impact +/- 1% for GF ~ £284k for 2019/20	General inflation: 2020/21 – 1.8% ( <i>last year BSR 2.1%</i> ) 2021/22 – 2.1% ( <i>last year BSR 2.0%</i> ) 2022/23 – 2.3% ( <i>last year BSR 2.0%</i> ) thereafter 2.4%	General Inflation rises more quickly than anticipated placing greater pressure on cash limited budgets or on general reserves to fund those pressures.
Pay settlement	£20.8m (GF current 19/20 budgets)	Pay progression cost estimate plus: 2020/21 – 2.5% (previously 2.0%) and 2.0% thereafter (no change)	Negotiation of 2020/21 pay awards currently underway and the outcome may not be known before the Council meeting on 13 February.
Planning fee income	c. £1.7m	Income projections for 2019/20 have been amended to reflect current market expectations and new Shared Service agreement completed to ensure effective cost sharing in future	The level of development activity and progression of major planning applications declines due to loss of confidence – leading to reduced in year pre-application and planning fee income  The level of planning activity in the city is likely to decline over time as available land is built out which will impact on the level of fee income which is achievable.
Shared services	n/a	Shared services will deliver savings outlined individual service business cases.	Delivery of savings and other non-cashable benefits is dependent on effective partnership working in a complex political and cultural environment.  Significant element of savings will not crystallize until support service costs have been reduced to reflect smaller client base  Savings may be delayed, may not be deliverable in full, or there may be unforeseen costs of implementation.

Topic	Quantum	BSR Assumption	Commentary / Risk
Support costs charged to the HRA	c. £4m (all recharge codes within the HRA for 19/20)	Support costs ("Recharges") are charged based on various fixed and variable criteria which change from year to year.	Fixed costs such as administrative buildings, management structure, costs of democracy and long-term contracts cannot be reduced immediately, if at all. There may be a perceived imbalance in the short term in the proportion of costs charged to the HRA until such time as a strategic decision is taken to allocate a lower level of costs recharged to the HRA with a corresponding increase in costs to the GF and thus the council tax payer. The onus is therefore on the council to make appropriate savings in rechargeable costs as the council reduces in size overall.
VAT partial exemption	c. £300k if breached	No breach of partial exemption limit is anticipated for 2019/20	Potential liability if limit is breached over a seven-year moving average
Trade Waste	£3.7m for the shared service as a whole	Figures in line with shared service forecast	There is always the risk of trade waste contracts being cancelled and not renewed at short notice

## Equality impact assessment

As a key element of considering the changes proposed in this BSR, an Equality impact assessment has been undertaken covering all Budget 2020/21 proposals. This is included in this report at Appendix F. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show that they have treated everyone fairly and without discrimination.

## Section 25 Report

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

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

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions;

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

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

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

- MTFS 2019
- The corporate plan and the budget reports to the January cycle of meetings.

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

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

## General reserves

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

GF reserves	£m
<b>October 2019 MTFS / February 2020 BSR – Recommended levels</b>	
- Target level	6.61
- Minimum level	5.51

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

Description	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Balance as at 1 April b/fwd (2019/20 subject to audit confirmation)</b>	<b>(15,415)</b>	<b>(16,053)</b>	<b>(16,829)</b>	<b>(11,443)</b>	<b>(7,257)</b>	<b>(6,971)</b>
Contribution (to) / from reserves per MTFS 2019	286	286	286	286	286	286
Business rates surplus per MTFS 2019	(1,300)	(1,600)				
Adjustment to reflect revised business rates surpluses	376	(4,504)				
Contribution to the Climate Change Fund (NCL4667)		50	100			
Contribution to reserves		(8)				
Illustrative use of balances for investment purposes		5,000	5,000	3,900		
<b>Balance as at 31 March (c/fwd)</b>	<b>(16,053)</b>	<b>(16,829)</b>	<b>(11,443)</b>	<b>(7,257)</b>	<b>(6,971)</b>	<b>(6,685)</b>

# Section 9

## Future strategy and recommendations

Whilst the outcomes of many of the risks and uncertainties outlined in the previous section may become clearer during 2020/21, the council must set out a strategy in this report to ensure on-going financial sustainability.

### Future savings strategy

The council's approach, as initially set out in its efficiency plan to government in 2016, tackles the need to deliver good services with fewer resources through five complementary strands of activity:

- Transforming the way the council delivers services by focusing on what's important to service users and delivering that well, sharing services with neighbouring councils where possible to reduce costs and to create stronger and more resilient teams.
- Reducing the number of council offices and reusing other assets.
- Developing new council businesses and ensuring all services think commercially and explore income generating opportunities.
- Investing money wisely so it does not sit in bank accounts earning very little but works to generate a better return for council tax payers.
- Further investment in commercial property particularly, but not exclusively by redeveloping existing property holdings in the city, and sustainable energy (primarily solar panels),

Underpinning all of this is a commitment to targeting scarce resources to help people who need help and to meet the needs of most vulnerable, as well as addressing the council's declaration of a Climate Change Emergency and commitment to biodiversity.

## **Delivery of our transformation programme in 2020/21**

This budget setting report underlines that the council needs to undergo further transformational change over the next five years to meet its financial challenges alongside the challenges posed by growth in the city. These themes in our efficiency plan remain relevant for our future savings strategy.

In 2019/20, the council appointed a Head of Transformation to create more impetus for the transformation of the organisation. This post will provide leadership for the programme and ensure that current capacity to support transformation is used effectively. This budget includes proposals to create a Transformation Fund to provide the necessary resources to bring forward and deliver change. This funding is an investment to provide capacity to develop significantly improved and efficient systems for interacting with our residents and running the provision of services, while at the same time achieving the savings required over the medium term. Work will be focused on a transformation programme which will deliver some of those savings directly and support other heads of service to deliver savings and efficiencies in their own service areas.

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

We will continue to maximise the efficiency of our shared services and develop further income earning work for other councils where possible. We will continue our programme of service reviews as described in the section below.

#### **Maximising efficiency benefits from recent and planned ICT investment**

We continue to make strong investment in new ICT. In the short-to-medium term the key focus will be on maximising the benefits of that investment. This will help us ensure resilience, maximise productivity and drive efficiencies across all our services, both in the front office and the back office.



## **Reviewing how we best engage and respond to our residents**

We need to move the council from a position where we have a mixed quality and quantum of digital delivery, to a position in which we are delivering our customer facing services using an effective digital interface. We will review the way we respond and communicate with our residents with the aim of making transactions and payments as seamless as possible.

## **Continuing to maximise the potential of sharing services with other councils**

We will continue to look at the services we already share to identify whether further efficiencies can be generated as the services develop. In particular, we will work closely with the shared planning service to develop and embed management processes to ensure that applications are dealt with in a timely way and income is optimised in line with work done and related costs. We will continue to pursue opportunities to share services with other councils.

## **Use of car parks**

We will consider both shrinking longer term income projections as new public transport infrastructure comes forward and the long-term potential to use these assets differently. This now includes plans to redevelop our Park Street multi-story car park to provide modern parking facilities, to build an aparthotel to generate rental income for the council and to improve the local street scene.

## **Play areas and open spaces**

We will develop long term planning for open space and play in new developments, including funding maintenance and replacement of equipment after commuted sums run out.

## **Service review programme**

Continuing our programme of undertaking and implementing service reviews in Human Resources, Fleet, General Fund Housing, Environmental Health, Revenues and Benefits and Finance.

## **Reducing the number of council offices and reusing other assets**

We have updated and will deliver our Asset Management strategy designed to make most efficient use of our remaining office buildings and to maximise return on our commercial assets. This programme includes developing our former depot site on Mill Road for affordable and market housing, generating a surplus for the council.

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

We will continue to identify further opportunities for more commercial approaches to our services. This will include taking the opportunity to sell services to other agencies, such as those offered by the procurement team.

## **Capital and investment strategies**

Our emerging capital and investment strategies will:

- Ensure that the council's operational asset portfolio aligns with the requirements of services as they transform
- Ensure that the service potential of these assets is maintained in line with the demands placed on them
- Focus the development of the commercial property portfolio on local investments with additional benefits such as regeneration and provision of commercial property types in short supply
- Broaden investments to include renewable energy and housing, addressing council objectives on climate changes and support for those in most need
- Maintaining a prudent approach to financing capital
- Prioritise the use of existing resources to finance investments as far as practical, borrowing wisely where necessary to achieve outcomes
- Aim to develop income to support the council's objectives in providing services without government funding, which is being cut.

# Conclusion

This report presents a balanced budget for 2020/21 and a continuing strategy to maintain the council on a firm financial footing in the medium term. However, significant financial challenges and uncertainties remain.

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

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

# Section 10

## Section 25 report

Section 25 of the Local Government Act 2003 requires the Council's Section 151 officer to report to the council when it is considering its budget requirement and consequent council tax. The report must deal with the robustness of the estimates made for the purposes of the calculations and the adequacy of the reserves allowed for in the budget proposals.

The rationale is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2020/21 estimates and reserves up to 31 March 2021.

### **Robustness of estimates**

The council has well established and robust budget processes. These have been followed when compiling the 2020/21 budget and medium-term projections.

Estimates and assumptions were reviewed during the preparation of the MTFS in October 2019 and confirmed during the development of this BSR. Section 8 of the BSR reviews these estimates and assumptions and indicates the sensitivity of each in financial terms.

The most significant uncertainty underlying the budget numbers presented is the quantum and form of local government funding. The provisional local government finance settlement gave an indication of how NHB will be removed, but not what might replace it or the possible amount of any replacement. Similarly, local government is expecting a reset of the business rates baseline, but not how or when it will be affected. Therefore, both NHB and business rates growth have been removed as funding sources from future budget years. Combined, these changes increase the net savings requirement by about £3.1m. No potential replacement for NHB or future business rates growth has been modelled due to the high level of uncertainty in amounts and timing. Therefore, the outlook on funding presented is considered to present a prudent view and could well be more negative than the eventual outcome.

Experience over the last five years has shown that new unavoidable pressures of the order of £800k arise in each year. Indicative amounts were included within savings requirements in MTFS 2019. The 2020/21 indicative amounts have been replaced with actual identified pressures, removing the indicative amounts from years 2021/22 onwards.

If unavoidable pressures emerge in line with past trends this could mean that savings targets are understated by £800k each year in future years, totalling £3.2m over the period presented.

As for the previous budget year, 2019/20, the key driving factor through the process has been the requirement to identify savings to address projected decreases in core funding. The savings requirement in year has been addressed in three principal ways:

- Ensuring that income is maximised, increasing fees and charges where feasible
- Identifying many small savings and efficiencies across the council
- Removing a portion of revenue funding for capital expenditure, with a commitment to replace all such funding with capital receipts in the short term and with investment income in the longer term.

A programme of systematic service reviews has been identified to provide a pipeline of savings for future years. This has been added to the existing transformation programme which includes savings resulting from sharing services with other local authorities and the modernisation and upgrade of administrative buildings and ICT. These actions require substantial change to be delivered within the organisation to demanding timescales and in a controlled way. There are, therefore, significant levels of risk around the estimation of potential income and savings and the timing of their delivery. These risks are mitigated to a certain extent, by improved governance processes for the transformation programme, management review and challenge of the proposals and regular budget monitoring.

It should be noted that the Selective Landlord Licensing Scheme (proposals II4671 and B4663) is subject to a feasibility study and has not yet been subject to management challenge through the council's project governance processes. Therefore, at this stage we cannot be certain about the deliverability of the scheme.

The budget papers show an underlying savings requirement of £5.17m without the potential unavoidable pressures outlined above. If the additional pressures of £3.20m are realised the total

savings required could be as high as **£8.37 m** for the remaining four years of the BSR period.

Savings achieved have largely been offset by new spending pressures leaving only a contribution of £214k to ongoing savings requirements. However, £13.9m of investment funding has been identified within the BSR to help balance the savings requirement. Assuming a return of 5% p.a. this would yield £695k. However, investment plans are at an early stage of development and as yet there is little certainty of when these investment returns will be achieved.

The scale of savings to be achieved by the council over the next five years is therefore considerable and represents an ongoing risk and challenge.

## **Adequacy of reserves**

The requirement for financial reserves is acknowledged in statute. Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. It is the responsibility of the Section 151 officer to advise local authorities on the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

The council holds two types of general fund reserves:

- The general fund is a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that can be used in year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or within the council's control. The reserve also provides cover for grant and income risk.
- Earmarked reserves are set aside for specific and designated purposes or to meet known or predicted liabilities, e.g. insurance claims.

Earmarked reserves remain legally part of the general fund, although they are accounted for separately.

A key mitigation for financial risk is the Section 151 officer's estimate of a prudent level of reserves. A risk assessment was undertaken in MTFS 2019 to determine the level of non-earmarked general reserves required by the council. Section 8 of this report recommends no changes to the assessment

at this time. In making the recommendation for the level of reserves, the Section 151 officer has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances. The risk analysis shows that a prudent minimum level of reserves for 2020/21 will be of the order of £5.5m.

The final table in Section 8 shows that the anticipated level of the general fund reserves will remain above the prudent minimum level for the duration of the medium-term planning period.

### **Financial sustainability**

The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed a Financial Sustainability Index for councils, comprising a range of indicators. The index has been published for the first time this year, following extensive consultation. The index confirms that the council is well placed in terms of financial sustainability. The council shows higher levels of risk when compared with other non-metropolitan district councils for the following indicators:

**Gross external debt:** £213.5m within a range of £0 - £1,212.3m. This is the council's HRA debt, which is fully supported by rents and other revenue within the HRA as shown within the HRA's 30-year business plan and is therefore not considered to be a risk to the council's financial sustainability.

**Council tax requirement / Net revenue expenditure:** 52.81% within the range 36.95% - 100.00%. This indicator shows the reliance that the council has on income other than council tax to support the provision of services. Other income includes business rates, commercial property and car parking income, all of which are subject external influences outside the council's control. These income flows are kept under close review through the year. If and when shortfalls are predicted, corrective action is taken.

**Business rates, growth above baseline:** 118% within the range -129% to 287%. As noted in the body of the BSR, the council currently benefits from the retention of some of its business rates growth which will be lost when business rate baselines are reset. This has been allowed for in calculating the savings requirements presented in this report.

## **Conclusion**

**I therefore consider that the estimates for the financial year 2020/21 to be sufficiently robust and the financial reserves up to 31 March 2021 to be adequate. However, I draw attention to the level of savings that could be required over the next five-year period, which could represent about 63% of the council's net revenue expenditure at 2018/19 levels.**

**Caroline Ryba, Head of Finance and Section 151 Officer**



# Appendix A(a)- Calculation of council tax base 2020/21

	Council Tax Bands									
	A entitled to disabled relief reduction	A	B	C	D	E	F	G	H	Total
Dwellings on the valuation list		4,246	10,567	19,940	10,094	5,812	3,734	3,228	490	58,111
Dwellings treated as exempt		(997)	(554)	(939)	(770)	(449)	(274)	(386)	(167)	(4,536)
Adjustments for disabled relief (i.e. reduced by one band)		(1)	(12)	(42)	(32)	(22)	(11)	(11)	(1)	(132)
	1	12	42	32	22	11	11	1	0	132
Total chargeable dwellings	1	3,260	10,043	18,991	9,314	5,352	3,460	2,832	322	53,575
Where there is a liability to pay 100% council tax	0	1,430	4,605	12,997	6,774	4,033	2,764	2,373	279	35,255
That are assumed to be subject to a discount or premium	1	1,830	5,438	5,994	2,540	1,319	696	459	43	18,320
Dwelling Equivalents:										
Number of dwelling equivalents after applying discounts and premiums to calculate taxbase	0.8	2,781.0	8,662.0	17,476.0	8,660.8	5,035.3	3,285.0	2,715.3	306.5	48,922.5
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D equivalents	0.4	1,854.0	6,737.1	15,534.2	8,660.8	6,154.2	4,745.0	4,525.4	613.0	48,824.1
Band D equivalent contributions for Government properties										0.0
Allowance for Council Tax Support										(3,722.0)
Tax base after allowance for Council Tax Support										45,102.1
	Add		Estimated net growth in tax base							487.9
	Less		Adjustment for student exemptions							(553.7)
	Less		Assumed loss on collection at 1.3%							(585.4)
Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes										44,450.9

# Appendix A (b)

## Council Tax Setting 2020/21

1. The Council calculated its Council Tax Base 2019/20 for the whole Council area as **44,450.9** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2019/20 is **£9,001,310**
3. That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:

(a)	<b>£192,988,374</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act
(b)	<b>£183,987,064</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act
(c)	<b>£9,001,310</b>	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act]
(d)	<b>£202.50</b>	being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

4. To note that Cambridgeshire County Council, the Cambridgeshire Police & Crime Commissioner, Cambridgeshire & Peterborough Fire Authority have issued precepts to the Council (and nil for the Cambridgeshire & Peterborough Combined Authority) in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2019/20 for each of the categories of dwellings in the Council's area.

<b>Dwelling Band</b>	<b>City Council £</b>	<b>County Council £</b>	<b>Police &amp; Crime Commissioner £</b>	<b>Fire Authority £</b>	<b>Cambridgeshire &amp; Peterborough Combined Authority £</b>	<b>Aggregate Council Tax £</b>
A	134.99	892.20	155.10	48.06	-	1,230.35
B	157.49	1,040.90	180.95	56.07	-	1,435.41
C	179.99	1,189.60	206.80	64.08	-	1,640.47
<b>D</b>	<b>202.50</b>	<b>1,338.30</b>	<b>232.65</b>	<b>72.09</b>	-	<b>1,845.54</b>
E	247.49	1,635.70	284.35	88.11	-	2,255.65
F	292.49	1,933.10	336.05	104.13	-	2,665.77
G	337.49	2,230.50	387.75	120.15	-	3,075.89
H	404.99	2,676.60	465.30	144.18	-	3,691.07

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2020/21 is not excessive.

## APPENDIX B: CAMBRIDGE CITY COUNCIL CORPORATE PLAN 2019-22

### Vision

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

*It's a vision we will share and develop, working with our citizens and partner organisations.*

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
<b>THEME 1 - HELPING PEOPLE IN CAMBRIDGE WHO HAVE THE GREATEST NEED</b>					
<b>1.1 To implement our Anti-Poverty Strategy, which aims to improve the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty; and to help alleviate issues that can lead households on low incomes to experience financial pressures.</b>	<p>We will:</p> <p>1.1.1 Deliver or fund projects and mainstream services that help reduce the impacts of poverty on residents and communities in Cambridge.</p> <p>1.1.2 Ensure that adverse impacts of welfare reforms are minimised; working effectively with the DWP and other partner organisations to support residents with the implementation of Universal Credit.</p> <p>1.1.3 Support individuals and households to benefit from greater digital inclusion.</p>	<ul style="list-style-type: none"> <li>Fewer people experiencing material hardship and the detrimental impacts of poverty on physical and mental health.</li> <li>Residents are supported through the impact of welfare reforms, including through housing benefit, council tax support and homelessness assistance, debt advice and personal budgeting support.</li> <li>Customers' financial hardship during the transition period is minimised.</li> <li>Residents are able to make the most of digital technology to secure better value services; the council is able to provide better quality and more efficient services.</li> </ul>	<ul style="list-style-type: none"> <li>Basket of indicators in the Anti-Poverty Strategy</li> <li>Speed of processing housing benefit claims</li> <li>Numbers of people who meet one or more of the Digital Inclusion Outcomes Framework indicators as a result of the City Council's Digital Inclusion Strategy interventions</li> </ul>	<p>Cllr Smith</p> <p>Cllr Johnson</p> <p>Cllr Robertson</p>	<p>Suzanne Hemingway</p> <p>Debbie Kaye</p> <p>David Greening</p> <p>Alison Cole</p> <p>Andrew Limb</p>
<b>1.2 To develop and deliver our Housing Strategy, which aims to provide more affordable housing, a better mix of tenure types in the city, and to reduce homelessness and rough sleeping.</b>	<p>We will:</p> <p>1.2.1 Develop and implement a Greater Cambridge Housing Strategy with South Cambridgeshire District Council, setting the vision and key housing objectives and priorities across the two councils up to 2022.</p>	<ul style="list-style-type: none"> <li>The Housing Strategy is informed by community consultation, adopted by both councils, and then implemented.</li> <li>We work in partnership to ensure: <ul style="list-style-type: none"> <li>High quality new homes are being built that meet local needs and which people can afford.</li> <li>Existing homes are well-managed and maintained.</li> <li>Homelessness and rough sleeping are successfully reduced.</li> </ul> </li> <li>Households move into the new homes that have been delivered; and financial returns are achieved consistent with the aspirations set out in initial proposals for each site.</li> </ul>	<ul style="list-style-type: none"> <li>The suite of indicators for housing issues - including new build starts and completions (via annual monitoring report), tenant satisfaction, number of rough sleepers - set out elsewhere in this plan.</li> </ul>	<p>Cllr Johnson</p>	<p>Suzanne Hemingway</p> <p>David Greening</p>

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	1.2.2 Provide advice and support to people in housing need in Cambridge, in order to help them find homes that meet their needs, and to avoid becoming homeless. Prevent homelessness and reduce rough sleeping for as many in Cambridge as possible.	<ul style="list-style-type: none"> <li>People are supported to make housing choices that meet their needs, including through access to Council or housing association homes, or temporary accommodation for short periods.</li> <li>Households placed in bed and breakfast accommodation minimised; rough sleeping numbers are reduced and people supported off the street given routes to housing and to re-establishing their lives.</li> </ul>	<ul style="list-style-type: none"> <li>Number of different individuals found sleeping rough in Cambridge City in a single financial year</li> <li>Number of rough sleepers found on the bi-monthly and official annual count (November)</li> <li>Number of homelessness preventions where a homelessness duty is owed</li> </ul>		Fiona Bryant Claire Flowers
	1.2.3 Develop permanent, self-contained housing for homeless people with complex needs ('Housing First').	<ul style="list-style-type: none"> <li>City and County Councils and other organisations agree a strategy for the development of Housing First schemes and trial different types of scheme, increasing the number of bed spaces each year.</li> </ul>			
	1.2.4 Build at least 500 new Council Homes through the Devolution funding, ensuring they comply with the Council's Sustainable Housing Guide wherever viable, and develop plans to build a further 1000 between 2022 and 2032.	<ul style="list-style-type: none"> <li>Construction is commenced and local people in need start to be housed in quality new Council Homes that they can afford.</li> <li>Residents have lower fuel costs, and lower emissions in new build housing than equivalent properties in older stock.</li> </ul>	<ul style="list-style-type: none"> <li>Number of council housing starts</li> <li>Number of new homes that comply with the Cambridge Sustainable Housing Design Guide</li> <li>Number of residents reporting lower fuel bills as part of 12 month survey in relevant developments</li> </ul>		
	1.2.5 Seek to secure 40% affordable housing in new developments through the planning application process.	<ul style="list-style-type: none"> <li>Different types of households, with a broad range of incomes, are assisted to afford to live in Cambridge.</li> </ul>	<ul style="list-style-type: none"> <li>Number of Affordable Housing completions by category (all social housing providers)</li> </ul>		Stephen Kelly
	1.2.6 Provide sub-market intermediate housing that also generates a financial return through Cambridge City Housing Company (CCHC).	<ul style="list-style-type: none"> <li>23 households continue to be housed at sub-market rents.</li> </ul>	<ul style="list-style-type: none"> <li>Financial return to the Council</li> </ul>		Claire Flowers Dave Prinsep
	1.2.7 Review the CCHC to explore potential for management of mixed tenures.				
<b>1.3 To support local communities and residents to meet the needs of the most vulnerable, including refugees.</b>	<p>We will:</p> <p>1.3.1 Work, including with other agencies, to provide support for communities, including through community centres, outreach and grant funding.</p> <p>1.3.2 Review the range of community development provision across Cambridge to ensure it supports individuals and communities with the greatest need.</p> <p>1.3.3 Strengthen community capacity via Community Grants and support for the voluntary sector</p>	<ul style="list-style-type: none"> <li>Children, young people, older people and families in areas of most need are supported to access services.</li> <li>Community centres provide efficient services enabling residents/communities (particularly those with real need) to support themselves and access key services.</li> <li>Communities in areas where there is most need are supported to be more cohesive, healthy and safe.</li> <li>There is a thriving community and voluntary sector which in turn adds value to the quality of Cambridge life</li> </ul>	<ul style="list-style-type: none"> <li>Universal ChYpPs sessions <ul style="list-style-type: none"> <li>Number of sessions</li> <li>Number of child visits</li> </ul> </li> <li>Community Centres <ul style="list-style-type: none"> <li>Visitor numbers</li> <li>% of income target achieved</li> </ul> </li> <li>Number of entries to Council leisure facilities by people holding concession memberships</li> </ul>	Cllr Smith	Debbie Kaye

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	1.3.4 Continue to develop links and co-operative working arrangements with partner organisations and agencies to ensure delivery of the appropriate services for resettled families.	<ul style="list-style-type: none"> <li>Resettled people are integrated into the Cambridge community and are supported to acquire skills for quality of life.</li> <li>Customised and individual plans in place for families on arrival which ensures they receive the appropriate support for their needs.</li> <li>The families gain the required skills to live full and integrated lives, and earn a living, including competent English.</li> </ul>	<ul style="list-style-type: none"> <li>Number of refugees attaining English as a Second Language (ESOL) 'elementary' standard</li> </ul>		

THEME 2 - PLANNING FOR GROWTH AND ENSURING OUR NEW COMMUNITIES ARE SUCCESSFUL					
<b>2.1 To plan for the sustainable growth of Cambridge, support the development of new communities and deliver services to our growing population.</b>	<p>We will:</p> <p>2.1.1 Develop the new joint Greater Cambridge Local Plan in partnership with South Cambridgeshire District Council and the relevant delivery partners.</p> <p>2.1.2 Plan and deliver efficient services to new communities.</p> <p>2.1.3 Work with residents in the new neighbourhoods and adjacent areas to develop sustainable communities.</p> <p>2.1.4 Ensure that the quality of place in all development facilitates health, well-being and quality of living.</p> <p>2.15 Manage elections on revised local ward boundaries that reflect the growth in the city's population and electorate - for all 42 seats in May 2020, and by thirds in subsequent years.</p>	<ul style="list-style-type: none"> <li>The local plan 2018 is implemented successfully.</li> <li>Work on the new Greater Cambridge local plan is carried out, integrating spatial and transport planning to provide for sustainable and inclusive economic growth.</li> <li>New communities are well-planned, well-served, cohesive and well-integrated in the wider city.</li> <li>New communities lead a range of community activities.</li> <li>Community facilities are well-used by new communities.</li> <li>All electors who are entitled to vote can do so.</li> <li>The Council's democratic structures take account of relative population growth in different wards.</li> </ul>	<ul style="list-style-type: none"> <li>Number of homes completed and numbers for different types of affordable housing (Annual Monitoring Report)</li> <li>Feedback from resident surveys on development of new communities</li> <li>Number of applications for community chest grants for start-up activity</li> <li>Awards for the quality of new developments</li> </ul>	<p>Cllr Thornburrow</p> <p>Cllr Smith</p> <p>Cllr Herbert</p> <p>Cllr Johnson</p>	<p>Stephen Kelly</p> <p>Suzanne Hemingway</p> <p>Fiona Bryant</p> <p>Claire Flowers</p>
	<p>We will:</p> <p>2.2.1 Through our membership of the Greater Cambridge Partnership and Combined Authority, develop and implement projects that support sustainable economic growth by tackling congestion &amp; improving connectivity.</p> <p>2.2.2 With our partners, seek to influence regional and national agencies to prioritise additional investment in the infrastructure needs of Greater Cambridge.</p> <p>2.2.3 Develop, with partners including through the Cambridge Investment Partnership, new homes of mixed tenure, including council housing and other facilities as required at sites including Mill Road Depot and</p>	<ul style="list-style-type: none"> <li>Improved connectivity, and reduced congestion, supporting the continued sustainable growth of the Greater Cambridge economy by allowing freer movement of people, goods and ideas.</li> <li>Improved public transport and modal shift from cars to public transport and other non-car transport options.</li> <li>Mixed and balanced developments are built at Mill Road Depot and Cromwell Road.</li> </ul>	<ul style="list-style-type: none"> <li>% of all journeys undertaken by bicycle, public transport and on foot</li> <li>Number of housing schemes started on site</li> <li>Financial return to Council</li> </ul>	<p>Cllr Robertson</p> <p>Cllr Massey</p>	<p>Debbie Kaye</p> <p>David Greening</p> <p>Andrew Limb</p>

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	<p>Cromwell Road, along with financial returns to the Council.</p> <p>2.2.4 Explore new models for housing to help address the Cambridge Housing market gaps.</p> <p>2.2.5 Continue to work with partners on infrastructure-unlocking opportunities such as development in Cambridge North East.</p>	<ul style="list-style-type: none"> <li>New tenure models developed to support diverse housing needs and income earning opportunities.</li> <li>Infrastructure issues addressed at Cambridge North East and other sites to enable housing to be delivered, close to places of work.</li> </ul>			

THEME 3 - PROTECTING OUR ENVIRONMENT AND TACKLING CLIMATE CHANGE					
<b>3.1 To deliver our Climate Change Strategy, which aims to reduce carbon emissions reduce consumption of resources, increase recycling and reduce waste; and to support Council services, residents and businesses to adapt to the impacts of climate change</b>	3.1.1	Produce Sustainable Design and Construction planning guidance to help shape new low energy/carbon private sector development.	<ul style="list-style-type: none"> <li>Sustainable Design and Construction (SCaD) Supplementary Planning Document (SPD) produced and adopted, supporting the transition to a lower carbon economy.</li> <li>New developments minimise and mitigate climate change and protect and enhance habitats.</li> <li>Draft flood and water management Supplementary Planning Document implemented.</li> </ul>		
	3.1.2	Deliver the Cambridge Air Quality Action Plan; and explore the scope for working in partnership on air quality issues with South Cambridgeshire District Council, the County Council and other partners.	<ul style="list-style-type: none"> <li>Improved air quality across the city, particularly in high air pollution zones, with particular focus on reducing vehicle emissions harmful to public health.</li> </ul>		Suzanne Hemingway
	3.1.3	Make our streets and open spaces and communities more resilient to the impacts of climate change.	<ul style="list-style-type: none"> <li>Cambridge's streets and open spaces can continue to be enjoyed by future generations.</li> </ul>	Cllr Moore	David Greening
	3.1.4	Manage Cambridge's streets and open spaces for the benefit of both wildlife and people by ensuring that biodiversity protection and enhancement is taken into account in all development decisions and management practices.	<ul style="list-style-type: none"> <li>Cambridge's biodiversity value is protected and enhanced.</li> </ul>	Cllr Thornburrow	Joel Carre
	3.1.5	Invest in energy efficiency and generation projects as set out in our Carbon Management Plan.	<ul style="list-style-type: none"> <li>Volume of glyphosate-based herbicide used</li> </ul>	Cllr Johnson	Stephen Kelly
	3.1.6	Develop and implement the Commercial Property Energy Efficiency Plan to invest in energy efficiency measures that improve the performance of the portfolio over time.	<ul style="list-style-type: none"> <li>% of City Council owned and managed parks and open spaces actively designated and / or managed for biodiversity</li> </ul>	Cllr Robertson	Andrew Limb
	3.1.7	Reduce the amount of waste generated, by supporting and educating residents to reduce, reuse and recycle more.	<ul style="list-style-type: none"> <li>% of designated Local Wildlife Sites in positive conservation management</li> </ul>		Dave Prinsep
	3.1.8	Take enforcement action, including prosecution where appropriate, against those damaging the environment.	<ul style="list-style-type: none"> <li>tCO2 from council assets and activities</li> <li>Council's fuel usage (Kwh)</li> <li>EPC Rating by Total Floor Area (sq m) assessed annually</li> </ul>		Lynn Thomas
			<ul style="list-style-type: none"> <li>Recycling targets are achieved, and the amount of waste sent to landfill is reduced. Bin contamination kept to target minimum.</li> <li>Fewer instances of environmental crime; cleaner and safer streets and open spaces.</li> </ul>		Trevor Nicholl
			<ul style="list-style-type: none"> <li>% black bin waste</li> <li>% Blue bin recycling rate</li> <li>% Bin contamination</li> <li>Number of Fixed Penalty Notices (FPN) issued for littering</li> </ul>		

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	3.1.9 Work with community organisations to promote sustainable food practices.	<ul style="list-style-type: none"><li>Communities have greater access to locally sourced food; Cambridge is working towards “silver” award.</li></ul>			



Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
<b>THEME 4 - DELIVERING QUALITY SERVICES WITHIN FINANCIAL CONSTRAINTS</b>					
<b>4.1 To provide essential services that meet customer needs within the resources we have available.</b>	We will:				
	4.1.1 Ensure planning applications are dealt with within target timescales and resources.	<ul style="list-style-type: none"> <li>Residents and businesses experience efficient services, with queries responded to in a timely and professional manner.</li> </ul>	<ul style="list-style-type: none"> <li>% planning applications processed within target timescales</li> </ul>		
	4.1.2 Collect Council Tax and Business Rates efficiently.		<ul style="list-style-type: none"> <li>Council Tax and Business Rates collection rates</li> </ul>		
	4.1.3 Keep our streets and open spaces clean, green and safe, including by: <ul style="list-style-type: none"> <li>supporting communities to assist us in caring for their streets and open spaces; and</li> <li>tackling littering, fly-tipping and graffiti.</li> </ul>	<ul style="list-style-type: none"> <li>The management of our streets and open spaces is supported by an active band of community volunteers.</li> <li>High quality, environmentally-friendly street and open space environments achieved.</li> <li>Reduced levels of littering, fly tipping and graffiti.</li> </ul>	<ul style="list-style-type: none"> <li>% of streets achieving Grade A cleanliness standard</li> <li>Number of open spaces with active friends groups</li> <li>Number of volunteer hours contributed to maintaining streets and open spaces</li> <li>Number of Green Flag sites</li> </ul>	All Executive Councillors	Antoinette Jackson
	4.1.4 Carry out risk based food safety standard inspections of food businesses.	<ul style="list-style-type: none"> <li>All food businesses are managed to good food safety standards.</li> </ul>	<ul style="list-style-type: none"> <li>% of food businesses rated as broadly compliant</li> </ul>		Suzanne Hemingway
	4.1.5 Carry out targeted work in areas where community safety issues such as anti-social behaviour related to drug and alcohol abuse, knife crime, begging and domestic abuse have been identified and need to be addressed through support and enforcement.	<ul style="list-style-type: none"> <li>Communities know that we will work with partners to address community safety issues where they arise, and will know how to report issues.</li> <li>Balanced approach taken to supporting and enforcing so that vulnerable victims are protected and supported.</li> </ul>	<ul style="list-style-type: none"> <li>Number of prevention initiatives in place</li> <li>Number of awareness raising events for domestic abuse</li> </ul>		Fiona Bryant
	4.1.6 Collect recyclables and waste from residents and businesses in the city efficiently.	<ul style="list-style-type: none"> <li>High level of successful scheduled waste collections; income, savings &amp; efficiencies delivered by the shared waste service.</li> </ul>	<ul style="list-style-type: none"> <li>Cost per household of waste collection</li> <li>% successful collections</li> </ul>		Stephen Kelly
<b>4.2 To provide safe, warm and well-maintained homes for our tenants; and to work with private sector landlords of Houses in Multiple Occupation to achieve the same.</b>	We will:				
	4.2.1 Invest in the Council's housing stock in line with the housing asset management strategy.	<ul style="list-style-type: none"> <li>Quality housing provided for tenants that meets the agreed appropriate standards and is energy efficient.</li> </ul>	<ul style="list-style-type: none"> <li>% customer satisfaction of their homes</li> <li>energy and environmental performance of our housing stock (RdSAP)</li> </ul>		
	4.2.2 Provide a high performing repairs and planned maintenance service for our tenants that gives value for money.	<ul style="list-style-type: none"> <li>Tenants' satisfaction with the repairs and planned maintenance service is maintained and improved.</li> <li>We have achieved the agreed target for average repairs cost.</li> </ul>	<ul style="list-style-type: none"> <li>% customer satisfaction with repairs service</li> </ul>		
	4.2.3 Administer and enforce the mandatory HMO (House in Multiple Occupation) Licensing scheme to improve standards.	<ul style="list-style-type: none"> <li>All HMO landlords provide good standard, energy-efficient private rental accommodation.</li> </ul>			
	4.2.4 Work with tenants to agree priorities and invest in environmental improvements to our estates and communal areas.	<ul style="list-style-type: none"> <li>High quality environments for our Council Housing residents leading to increased resident satisfaction in their neighbourhood.</li> </ul>	<ul style="list-style-type: none"> <li>% resident satisfaction with the neighbourhood</li> </ul>	Cllr Johnson	Suzanne Hemingway
					David Greening

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	4.2.5 Take action against Council tenants who create harm or disturbance for others.	<ul style="list-style-type: none"> <li>Tenants are able to enjoy a peaceful quality of life; disruptive tenants are managed and anti-social behaviour is deterred.</li> </ul>			
<b>4.3 To generate income from our services, where we have opportunity to do so, and to run those services in an efficient and modern way to generate a return to help fund other council services</b>	<p>We will:</p> <p>4.3.1 Invest in facilities at the crematorium and cemetery that help us to deliver an efficient bereavement service focused on the needs of the bereaved.</p> <p>4.3.2 Manage the Council's car parks to provide a high level of service, while planning for a future reduction in the need for city centre parking.</p> <p>4.3.3 Manage our garage in a way that meets the needs of private vehicle owners an expanded range of commercial fleets.</p> <p>4.3.4 Grow income-generating services including planning services &amp; building control, open space hire, trade waste, and wider service charges to help cover costs.</p>	<ul style="list-style-type: none"> <li>The Council crematorium increases its turnover and market share annually, with successful budgetary performance and positive customer experience.</li> <li>We balance managing demand, congestion and air pollution while achieving an income from our car parks.</li> <li>Provide electric charging that meets customers' needs and facilitates a shift to clean travel in the city; and increased use of zero/ultra-low emission vehicles across the council's fleet.</li> <li>Private client base grow year on year, managing four major HGV clients and we have established a profitable waste vehicle rental service.</li> <li>Increased income and reduced cost of delivery.</li> </ul>	<ul style="list-style-type: none"> <li>share of total market by volume</li> <li>% of budget achieved</li> <li>% of customers paying by card</li> <li>% of card payments done via the contactless system</li> <li>Number of electric vehicles in the council's fleet</li> <li>Number of major HGV clients</li> </ul>	Cllr Robertson	<p>Fiona Bryant</p> <p>James Elms</p> <p>Heads of Service</p>
<b>4.4 To ensure a varied cultural offer is available to those who live, work and study in, and visit, Cambridge</b>	4.4.1 Manage the return of the cultural service back into the council to ensure cultural events and services continue to be provided efficiently for the benefit of local people.	<ul style="list-style-type: none"> <li>The Corn Exchange and Guildhall programme, Cambridge Folk Festival and City Events are delivered efficiently and effectively, achieving positive customer feedback</li> </ul>		Cllr Smith	Debbie Kaye
<b>4.5 To deliver a wide range of essential services to those who live, work and study in, and visit, Cambridge.</b>  <b>As central Government funding reduces we will continue to focus on delivering, those key front line services.</b>	<p>We will:</p> <p>4.5.1 Publish clear standards for our services and ensure services are delivered to them.</p> <p>4.5.2 Ensure residents and businesses enjoy an efficient service, with queries responded to in a timely and professional manner.</p> <p>4.5.3 Give service users a say on changes through consultation, as appropriate.</p> <p>4.5.4 Deal with complaints effectively when we get things wrong.</p>	<ul style="list-style-type: none"> <li>People who live, work and study in, or visit, Cambridge experience high quality and efficient services.</li> </ul>	<ul style="list-style-type: none"> <li>Resident survey overall satisfaction with the Council</li> </ul>	All Executive Councillors	<p>Antoinette Jackson</p> <p>Suzanne Hemingway</p> <p>Fiona Bryant</p> <p>Heads of Service</p>

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
<b>THEME 5 - DEVELOPING EFFECTIVE PARTNERSHIPS AND AN INNOVATIVE AND DYNAMIC ORGANISATION</b>					
<b>5.1 To transform the quality and efficiency of the services we provide to ensure we are maximising our resources and adapting to the changing needs of our residents and service users.</b>  <b>To implement our ICT Business Plan and technology road map and our Digital Strategy.</b>	We will:	<ul style="list-style-type: none"> <li>More people can access services digitally and customers are responded to quickly, receiving a quality customer experience, leading to a reduction in telephone calls to the contact centre.               <ul style="list-style-type: none"> <li>Customers will receive alerts on the status of their request and can track and receive confirmation when completed.</li> <li>Transformation projects deliver financial savings to the Council.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>% of contacts made online, including via the portal</li> <li>Number of registered portal accounts</li> </ul>	Cllr Herbert     Cllr Robertson	Antoinette Jackson  Suzanne Hemingway  Fiona Bryant  Heads of Service
	5.1.1 Develop and promote an online customer portal for residents. Carry out effective business process reviews to help deliver better online transactional services enabling more residents to self-serve on line.	<ul style="list-style-type: none"> <li>Customers will be able to log service requests, view, amend and make payments on their rent accounts, receive notifications and alerts.</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of tenant contacts regarding repairs and rent balances made online</li> </ul>		
	5.1.2 Implement a new online housing management information system.	<ul style="list-style-type: none"> <li>Our Streets and Open Spaces service is able to respond to the impacts of growth and associated service demands without increasing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Operational unit cost to maintain streets and open spaces</li> </ul>		
	5.1.3 Deliver the Streets and Open Spaces service development strategy, 2017-21, including investing in new technologies and ways of working.	<ul style="list-style-type: none"> <li>Our customers are able to raise and track streets and open spaces service requests digitally.</li> </ul>	<ul style="list-style-type: none"> <li>% of responses &amp; submissions received online</li> </ul>		
	5.1.4 Implement a new online planning system with improved customer self-service functionality.	<ul style="list-style-type: none"> <li>Applicants and interested parties can receive notifications, review and comment on proposals online alongside improved information and advice online.</li> </ul>	<ul style="list-style-type: none"> <li>% staff who feel supported to achieve a work/life balance in staff survey 2019</li> </ul>		
	5.1.5 Provide the infrastructure and training, including through the Council Anywhere programme, to enable our staff to take advantage of new digital technologies to work flexibly and efficiently.	<ul style="list-style-type: none"> <li>Improved productivity, positive impact on recruitment and retention, better customer experience.</li> </ul>			
<b>5.2 To invest in our staff and ensure we have a workforce equipped and supported to deliver on our priorities</b>	We will:	<ul style="list-style-type: none"> <li>We can recruit and retain the staff we need.</li> <li>We have a diverse workforce.</li> <li>Staff regard the Council as a good employer.</li> <li>Staff are trained and developed to meet changing needs and to develop their careers within the council.</li> </ul>	<ul style="list-style-type: none"> <li>% of workforce who are apprentices</li> <li>Outcome of Investor in People (IiP) review (2021)</li> </ul>	Cllr Robertson	Antoinette Jackson  Deborah Simpson  Heads of Service
	5.2.1 Invest in our staff and implement our Organisational Development Strategy.	<ul style="list-style-type: none"> <li>We optimise our apprenticeship levy contributions, meet government targets and deliver quality apprenticeships to support workforce and succession planning.</li> </ul>	<ul style="list-style-type: none"> <li>Workforce profile (% staff and number of job applicants who declare a disability; %who declare themselves as BAME(Black, Asian and Minority Ethnic))</li> </ul>		
	5.2.3 Support and create opportunities for apprenticeships in line with our Apprenticeship Strategy.	<ul style="list-style-type: none"> <li>Staff engage in wellbeing at work programme to improve their physical and mental health.</li> <li>We continue to be recognised as an Investor in People (IiP) and as Disability Confident.</li> </ul>			
<b>5.3 To transform services through internal service reviews and by implementing further shared services.</b>	5.2.4 Implement actions arising from Investor in People review 2018 and from our staff survey in 2019.				
	We will:			Cllr Herbert	Fiona Bryant
	5.3.1 Carry out strategic reviews of key services including Car Parking, Human Resources, Community Services and Customer Services and other services.	<ul style="list-style-type: none"> <li>Improved quality and efficiency of service.</li> </ul>		Cllr Robertson	Suzanne Hemingway
	5.3.2 Invest in our transformation, project and programme management capabilities and capacity.	<ul style="list-style-type: none"> <li>Projects delivered more efficiently, saving the Council time and money.</li> </ul>			Fiona Bryant

Objective	Activities	What success looks like	Indicators	Executive Cllrs	Lead officers
	5.3.3 Implement the Shared Planning Service to optimise the potential of new ways of working, including digital technological transformation, to improve service quality and productivity. 5.3.4 Develop the Shared Waste Service business plan including through partnership working with other councils and organisations. 5.3.5 Explore the scope for further collaboration or sharing of other services.	<ul style="list-style-type: none"> <li>Further savings and/or benefits in productivity/efficiency identified and then delivered.</li> <li>Sharing further services, or other collaborations, would aim to provide greater resilience and efficiency and the capacity to deliver services to the City and partner councils.</li> </ul>			Stephen Kelly  Trevor Nicoll  Fiona Bryant
<b>5.4 To review our assets to ensure they are delivering maximum value to the Council and to the wider community.</b>	We will: 5.4.1 Generate income, capital receipts and value through extra investment in commercial property following completion of a comprehensive asset review. 5.4.2 Further develop the long term Council accommodation strategy to achieve more efficient and flexible working arrangements, improve service delivery, reduce fuel costs and carbon emissions and identify further income and redevelopment opportunities. 5.4.3 Procure goods and services for the Council, and its partners as agreed, in a way that is competitive, accessible, standardised, fair and transparent, delivering innovative ways to support the local economy.	<ul style="list-style-type: none"> <li>Increasing income, capital receipts and portfolio value.</li> <li>Council buildings, land and property used more efficiently, improving service delivery and embedding new ways of working.</li> <li>Procurements generate opportunities to work collaboratively, reduce costs and improve services.</li> <li>We are compliant with the Public Contract Regulations (PCR) and transparency requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Annual income from commercial property portfolio</li> <li>% of contracts which are PCR compliant</li> </ul>	Cllr Robertson	Dave Prinsep   James Elms
<b>5.5 To continue to develop and work with innovative partnerships to improve the quality of life in the city.</b>	5.5.1 Continue to develop the My Cambridge Cultural Education Partnership. 5.5.2 Provide opportunity for young people to participate in local decision making through Agenda Days and Takeover Days. 5.5.3 Work with partners (including the police) in the Community Safety Partnership to increase safety in Cambridge. 5.5.4 Work with Cambridge BID and Visit Cambridge and Beyond to respond to and manage tourism and visitor related issues facing our city centre. 5.5.5 Work collaboratively with Cambridgeshire County Council, and other partners in the Local Health & Wellbeing Board, to support our communities to be healthy and resilient.	<ul style="list-style-type: none"> <li>More young people are supported to build up confidence and aspiration.</li> <li>Children and young people have a real say and influence council decisions including specific issues such as the refurbishment of play areas.</li> <li>Problems are identified; joint working with the police and others in working groups has a measurable impact in reducing crime; Cambridge continues to be a safe city to live in and visit.</li> <li>Visitors staying longer, exploring Cambridge and using it as a base to visit other attractions outside the city.</li> <li>More people engage in healthy lifestyle choices and activities.</li> </ul>	<ul style="list-style-type: none"> <li>Number of young people completing the ACTIVATE programme</li> <li>Number of medium &amp; high risk ASB cases responded to within the service standard</li> <li>Number of people with action plans in place at Street Life Working Group</li> <li>Level of visitor spend in the city;</li> <li>Average duration of visit to the city</li> <li>Number of people participating in the programme</li> </ul>	Cllr Massey  Cllr Smith	Debbie Kaye   Joel Carre  Suzanne Hemingway

# Appendix C(a) - Local poverty rating index to assist in assessing budget proposals

To assist members in assessing the impacts of budget proposals on low income groups of people in the City a local poverty rating composite index ("the Index") has been developed and has been applied for this year's budget proposals for 2020/21 (as in previous years). The impact classifications are shown in the table below:

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

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

## 2020/21 Budget – GF Proposals – Pressures & Bids

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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### Unavoidable Revenue Pressure

URP4500	Impact of Overhead recharges for shared services	400,000	400,000	400,000	400,000	400,000	Not Applicable	No Impact
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Where other councils run shared services, we are required to contribute to those councils' overheads. This £400k is currently only an estimate of the net contribution we need to make. Work is underway to finalise these figures.

Richard  
Wesbroom

URP4502	Increased Pool Bike Budget	4,500	4,500	4,500	4,500	4,500	Positive/Low Impact	No Impact
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Asking for budget increase because: • 2x electric pool bikes at 130 Cowley rd., yet to be added to service contract £520 • To reduce punctures Teflon marathon tyres recommended to all the pedal bikes £80 per bike x 16 = £1280.00 • Total = £1800.00. SUMMARY. We are asking to increase the pool bike budget from £2000.00 to £4520.00

Will Barfield

URP4503	Additional crew for an extra vehicle required due to property growth. Shared with SCDC [Linked to CAP4570]	45,000	94,000	94,000	144,000	144,000	Not Applicable	No Impact
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For every 3,000 household a new round is required to cover all three streams from modelling will require additional rounds in 20/21, 21/22, 23/24 - Annual cost is made up of three staff and vehicle costs. Options are being investigated to move to electric RCV this would like to reduce the revenue of per year however currently not clear of level, but likely to be in region of £20k per year per vehicle.

Suzanne  
Hemingway

URP4506	Rebasing of Shared Planning Service expenditure budgets	130,000	130,000	130,000	130,000	130,000	Not Applicable	No Impact
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Increase in shared planning service contribution arising from uncertainty of future fee income and conclusion of modelling around future service costs forecast through detailed shared services agreement and delivery of the shared planning service programme for 20/21

Stephen  
Kelly

URP4573	Proposal to balance partner contributions to 3CICT Digital Team -REVENUE	85,000	85,000	85,000	85,000	85,000	Not Applicable	No Impact
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This bid is to balance partner contributions to the 3c digital team. CC contribution £115k, SCDC 54k, HDC 200k. SCDC bid already submitted for £146k. Proposal is for City to commit same level of funding £85k p.a. additional. This funding will allow the digital team to meet around 75% of current demand for digital projects and integrations. Current demand is around 200% of capacity.

Fiona Bryant

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>URP4660</b>	<b>Increase in service charge for Grand Arcade car park</b>	78,000	78,000	78,000	78,000	78,000	Not Applicable	No Impact
Service charge increase from £52k pa to £130k pa, subject to agreement with third party.								Sean Cleary
<b>URP4670</b>	<b>Increase in pension deficit contributions</b>	40,000	40,000	40,000	40,000	40,000	Not Applicable	No Impact
Increase in pension deficit contributions, in line with notification from the pension scheme actuary.								Karen Whyatt
Total Unavoidable Revenue Pressure		782,500	831,500	831,500	881,500	881,500		

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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### Reduced Income

<b>RI4504</b>	<b>Bereavement Services projected reduction in income</b>	284,000	47,000	26,000	0	0	Not Applicable	No Impact
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The A14 widening project and a more competitive market place will continue to exert downward budgetary pressure on the Bereavement Service until 2023/24. As the commercialisation programme, such as the new cafe facilities, takes effect in 2021/22 and 2022/23 will see these pressures reduce considerably as revenue earning tracks back to expected levels.

Glyn  
Theobald

<b>RI4505</b>	<b>Reduction in car parking income for all parking revenue</b>	300,000	300,000	300,000	300,000	300,000	Not Applicable	No Impact
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Current usage forecasts predicts a reduction in income over the next 5 years in the region of £300k per year this assumes CPI price increases only. The extent of any reduction in income will need to be reviewed on an annual basis.

Sean Cleary

Total Reduced Income	584,000	347,000	326,000	300,000	300,000
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<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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**Bids**

<b>B4507</b>	<b>Bid to cover shortfall in savings this year due to the delay in the launch of the Customer Portal</b>	36,000	0	0	0	0	Not Applicable	No Impact
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The development of the iEG4 customer portal in 2019/2020 is expected to reduce customer contacts and facilitate a reduction in staffing to offset the iEG4 licence fee of £76,000 in 2020/21. Due to delays in the project the full savings of cannot be achieved in 2020/2021, but £40,000 is achievable. This bid is to cover the balance of Customer Service Centre staffing reduction to offset the licence costs for 2020/2021.

Clarissa Norman

<b>B4508</b>	<b>Extension of Financial Inclusion Officer post (General Fund share) - anti poverty strategy</b>	12,300	16,990	16,990	0	0	Not Applicable	High Impact
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Extension to March 2023 of Financial Inclusion Officer post to assist with supporting welfare reforms. This existing post provides support and hands-on assistance in helping people affected by welfare reforms to maximise their income, reduce their costs and explore options for improving their lives going forward. The client group tends to be those on lowest incomes, the most vulnerable claimants and families with complex needs. This bid relates to the General Fund share.

Naomi Armstrong

<b>B4509</b>	<b>Universal Credit Outreach Advisor - costs from September 2020 to March 2023 - antipoverty strategy</b>	22,900	39,250	39,250	0	0	Nil	High Impact
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Proposal is to extend the current outreach project (ends August 2020) to March 2023 that provides Personal Budgeting Support (PBS) in Cambridge Jobcentre by experienced advisors from Cambridge Citizens Advice. Support provides 5 day a week access and can be accessed immediately or by appointment. Co-location has shown take up of appointments and follow up appointments to be approximately 70%, significantly higher than other referral routes. Managed migration of claimants to Universal Credit over the next couple of years will mean more people more needing support.

Naomi Armstrong

<b>B4510</b>	<b>Create a new Corporate Energy and Carbon Reduction Manager post</b>	37,500	37,500	37,500	37,500	37,500	Positive/High Impact	No Impact
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New post to develop strategy and proposal to reduce energy usage and facilitate carbon reduction. This will facilitate the provision of additional capacity to identify, deliver and monitor corporate energy efficiency and renewable energy projects to reduce energy consumption and carbon emissions across the Council's estate. This will enable the existing Climate Change Officer to focus on new climate change initiatives, including identifying and pursuing new external funding opportunities and working with external partners and community groups.

Will Barfield

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>B4512</b>	<b>Electoral Services Support Officer - funding to continue existing post in 2020/21</b>	25,500	0	0	0	0	Nil	Low Impact
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Since 2014 a specific (and reducing) government grant to 2019/20 has funded a post re. the introduction and transition to Individual Electoral Registration (IER). Registering to vote has been made convenient for the individual, but the administrative burden is more than the pre-IER method of registration. The Government's long term goal is that the back office process will be more efficient and less costly, but this is yet to materialise and the timing and impact of the legislative changes proposed remains unclear. Approximately one third of the electorate annually turns over in Cambridge. Funding this post would ensure that Cambridge can continue to manage the statutory requirements of electoral registration and engage with under represented / harder-to-reach groups in the Cambridge electorate.

Vicky Breeding

<b>B4513</b>	<b>Street Aid - Safer Communities (cost centre 1050) - continue volunteer coordinator</b>	14,500	14,500	0	0	0	Nil	High Impact
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This bid is to extend the contract of the Cambridge Street Aid Co-ordinator post for two further years. Currently it is a fixed term contract to November this year paid from Sharing Prosperity Fund £14,500 It is a part time role for 20 hours a week. The postholder has recruited several Champions for the campaign from the general public and the universities and the campaign has surpassed the targets set in donations, grants and events to raise awareness. We will continue to look for match funding from the businesses.

Lynda Kilkelly

<b>B4515</b>	<b>Market Square project - design development stage 2</b>	30,000	0	0	0	0	Not Applicable	No Impact
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The initial stage (Feasibility Assessment) of the project was successfully completed in 2019/20 (at a cost of £60k); and, based on the findings and associated recommendations, work is now starting with stage 2 (Vision and Concept Design), to be completed by January 2021. Based on the detailed brief for stage 2 and remaining available budget for stage 2 (£40k), this proposal is seeking additional revenue funding (£30k) in 2020/21 deliver stage 2 in 2020/21. This additional funding request for stage 2 is to cover unforeseen costs, including underground structural survey and market trader legal rights review, which came out of the stage 1 assessment work.

Joel Carre

<b>B4572</b>	<b>North East Cambridge - part-time Community Development Officer to begin wider engagement</b>	10,000	10,000	0	0	0	Nil	Low Impact
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The planning service has started work to develop an Area Action Plan for North East Cambridge. The Council has found that community development outreach work in the area with local people and businesses in the two years leading up to commencement of work is invaluable in supporting local democracy and enabling local people to become involved and help shape the new area. This bid is for an 8 hour a week resource for a period of two years. After this, and once the s106 agreement is signed, it is then anticipated that as with other major developments such as North West Cambridge and the Southern Fringe, community development resource will be provided to support the new community and help integrate new and existing areas of the city and surrounding area.

Sally Roden

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>B4575</b>	<b>Part time admin support officer in the procurement team. [Linked to II4553]</b>	20,000	20,000	0	0	0	Not Applicable	No Impact
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A two year bid to grow and develop the procurement teams ability to increase their revenue earning potential. The role is contingent on additional growth on revenue earning clients and therefore at worst cost neutral.

Heidi Parker

<b>B4609</b>	<b>2 Seas – Nature Smart Cities - partnership project to enhance green infrastructure</b>	31,100	8,300	10,700	0	0	Positive/Medium Impact	Low Impact
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Cambridge City Council has entered into a partnership, with 7 other cities and 3 academic institutions from the UK, France, the Netherlands and Belgium, to deliver a green infrastructure (GI) based climate change adaptation project, under the European Union's Interreg 2 Seas European Territorial Cooperation Programme. The project is called Nature Smart Cities 2 Seas (NSCiti2s). The Council will contribute to delivering the project's overall objective to enable local authorities to self-finance green infrastructure investments through a Cambridge specific GI pilot project. An example is the provision of additional tree pits making use of EU funding [would this still be available post Brexit?]

Alistair Wilson

<b>B4616</b>	<b>Changing Places Toilet at Quayside [Linked to CAP4568]</b>	0	3,500	3,500	3,500	3,500	Not Applicable	No Impact
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The revenue implications linked to CAP4568

Anthony French

<b>B4617</b>	<b>Call Management for 3C ICT Service Desk [Linked to CAP4581]</b>	0	3,360	3,360	3,360	3,360	Nil	No Impact
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The revenue implications linked to CAP4581

Fiona Bryant

<b>B4618</b>	<b>Celebration of Women 2020</b>	20,000	0	0	0	0	Nil	No Impact
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Celebration of Women 2020 Exhibition and community activities complementing the Vote#100 programme, to involve: (a) Print, frame and hang colourised pictures of some of the key early female civic figures at the Guildhall £500; (b) An event celebrating the contribution of women to city life up to £4.5k; (c) A history trail around the city, including the peripheries, focussing on similar women, with an emphasis on the city not the university and to include school outreach £15k

Jane Wilson

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>B4619</b>	<b>Youth Liaison Officer - supporting partnership work on Child Criminal Exploitation and serious violent crime</b>	45,000	45,000	0	0	0	Nil	Low Impact
<p>Community Youth Liaison Officer - supporting statutory agency partnership work to address child criminal exploitation and serious violent crime. Funding for two years to employ an officer who will support work being undertaken by partner agencies to protect and support young people living in the city. Will involve gathering intelligence, considering of positive activities, raising awareness, facilitating good coordination between agencies and stakeholders and identifying sources of funding to enhance the work. Based in the community safety service with close links to ChYpPs. 2 years fixed term position with small project budget of £5k. Note: officers are seeking external funding to support this position - if successful, the bid may be withdrawn or amended.</p>								Lynda Kilkelly
<b>B4620</b>	<b>Gypsy, Roma &amp; Traveller Heritage project</b>	3,000	0	0	0	0	Nil	Low Impact
<p>The Romany Heritage project provides an opportunity for the Council to work with partners to tackle discrimination Gypsy, Roma and Traveller (GRT) people face and bring people from different communities together to learn about the Romany Heritage. The project will also act as a vehicle to link participants with public service providers, local charities and support organisations where this is needed. One of the outputs will be exhibition of the origins of the Romany communities in the UK. This will be a 'travelling' exhibition which can be accessed by museums. The project is subject to a £200k bid to the Heritage National Lottery Fund and this bid is for match funding in addition to dedicated officer time.</p>								Jane Wilson
<b>B4621</b>	<b>Partnership work on climate change research and projects</b>	25,000	0	0	0	0	Positive/High Impact	No Impact
<p>This budget proposal will fund research and joint development projects targeted at the changes needed by Cambridge as a city to deliver on our objective of net zero carbon at the earliest practical opportunity, and will link to the work programme of the Cambridgeshire Climate Commission being funded by the Combined Authority.</p>								David Kidston
<b>B4622</b>	<b>Continuation of anti-poverty Responsive Budget in 2020/21</b>	30,000	0	0	0	0	Nil	High Impact
<p>This funding would be available for emergency/unanticipated City Council-led anti-poverty projects for which the need arises between budget-setting processes during 2020/21. As described in the report to Community Services Scrutiny Committee in June 2018.</p>								David Kidston
<b>B4625</b>	<b>Improve visibility &amp; accessibility of planning applications</b>	30,000	0	0	0	0	Not Applicable	No Impact
<p>To allow research adaptation to enable information on planning applications to be shared with interested parties who could contribute to their evaluation and enable a positive impact on the quality of applications</p>								Stephen Kelly

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>B4626</b>	<b>Providing consultancy advice on Cutting Carbon Emissions in Current Building Stock</b>	50,000	0	0	0	0	Positive/High Impact	No Impact
3C Building Control Services to undertake research and training to enable the service to provide information on adapting homes and buildings for climate change for residents, and also architects/consultants, with focus on Cambridge's challenges (old housing stock, historic buildings). This will also enable the service to be ahead of the changes in building technology and the climate crisis, and lead to new income.								Heather Jones
<b>B4630</b>	<b>Consultant to lead and implement installation of EV charging in our car parks [Linked to CAP4631]</b>	52,000	0	0	0	0	Positive/High Impact	No Impact
This bid will survey opportunities for electric vehicle (EV) charging in City Council car parks and other locations, support infrastructure installation and development of an EV funding bid to the government's OLEV programme.								Jo Dicks
<b>B4633</b>	<b>Community Clear Out Days</b>	25,000	25,000	25,000	25,000	25,000	Not Applicable	Low Impact
Double the number of this year's Community Clear Out days across the city from 15 to 30								Wendy Johnston
<b>B4640</b>	<b>Climate Change communication and community engagement</b>	20,000	0	0	0	0	Positive/High Impact	No Impact
Work to communicate and engage with residents on climate change mitigation and adaptation activity including the development of the next Climate Change Strategy								David Kidston
<b>B4643</b>	<b>Biodiversity Strategy</b>	25,000	0	0	0	0	Positive/High Impact	No Impact
To review the existing City Council Nature Conservation Strategy (2006), to bring it in line with relevant national and local policy framework; allow strategic implementation of the City Council 2019 Biodiversity Motion; and set out how the Council can work with partners and communities to deliver a measurable biodiversity net gain								Guy Belcher
<b>B4645</b>	<b>Double current wildflower meadows</b>	3,000	3,000	3,000	3,000	3,000	Positive/Medium Impact	No Impact
To deliver on the Biodiversity Motion pledge to enhance our estate for biodiversity, double the current area of wildflower meadows across the city through a mix of formal pictorial meadows and native wildflower meadows on parks, open spaces and road verges. Work with communities, local groups and businesses to identify suitable locations to sow and manage more meadows to benefit pollinating insects and their predators.								Guy Belcher

<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>B4662</b>	<b>Street trees fund</b>	100,000	100,000	0	0	0	Positive/Medium Impact	Low Impact
Establish a two year programme of strategic street tree planting (c20 trees per year), using engineered tree pits (average cost of £7k per tree pit) to maximise establishment rates and minimise root damage risk. This fund will complement the County's street tree replacement programme and the EU 2 Seas project (ref.B4609), where the associated planting budget is for trees in parks and green spaces, not streets.								Alistair Wilson
<b>B4663</b>	<b>Selective Landlord Licensing [Linked to I14671]</b>	165,750	263,000	263,000	263,000	263,000	Positive/Low Impact	No Impact
A feasibility study is being carried out to determine if it is lawful to have a selective licensing scheme in Cambridge. This is being funded with in existing resources. If there is evidence to support such a scheme the scheme would in theory start with set up costs from September 2020. The costs outlined here would be the costs of running a scheme however it will be self funding through the licensing fees over a 5 year period.								Clare Adelizzi
<b>B4664</b>	<b>Consultation on resident and business priorities for council services</b>	30,000	20,000	0	0	0	Positive/Low Impact	No Impact
To provide for in-depth community engagement with residents, businesses, staff and other stakeholders.								David Kidston
<b>B4665</b>	<b>Chalk Stream project</b>	5,000	0	0	0	0	Positive/Medium Impact	No Impact
Contribution to development of multi-partner strategic chalk stream project and associated evidence base to support external funding bid to conserve and enhance internationally important chalk stream resource in Greater Cambridge area.								Alistair Wilson
<b>B4666</b>	<b>Community Food Hub [Linked to CAP4668]</b>	44,000	19,000	19,000	19,000	19,000	Positive/Medium Impact	High Impact
Linked to capital bid for the same purpose. Cambridge Sustainable Food propose to work with other partners in the Cambridge Food Poverty Alliance to create a community food hub which would provide a micro distribution point to serve various FPA projects across the city. This bid is for start up costs, and to support ongoing revenue costs (rent and running costs).								Sally Roden
<b>B4675</b>	<b>Additional Direct Revenue funding of capital</b>	305,000	0	0	0	0	Not Applicable	No Impact
Additional contribution towards the funding of the capital programme.								Karen Whyatt

Total Bids	1,217,550	628,400	421,300	354,360	354,360
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<b>2020/21 Budget – GF Proposals – Pressures &amp; Bids</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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### Programme

<b>PROG4519</b>	<b>Corporate Transformation Programme</b>	250,000	520,000	0	0	0	Positive/Low Impact	No Impact
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The Council has an ambition, through its transformation programme, to deliver a range of strategic change activity in 2020/21 as well as implementing the outcomes of reviews and other major investment programmes delivered in 2019/20. While it is planned that the majority of transformation and change work will be resourced from within service areas or through the in-house transformation service, in some cases there will be a need for external support either to project manage an element of the programme or to provide specialist input and expertise in a particular business area.

Paul  
Boucher

Total Programme	250,000	520,000	0	0	0
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<b>Pressures &amp; Bids Total:</b>	<b>2,794,050</b>	<b>2,286,900</b>	<b>1,538,800</b>	<b>1,495,860</b>	<b>1,495,860</b>
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<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>Savings</b>								
<b>S4521</b>	<b>Energy efficiency savings &amp; income</b>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Not Applicable	No Impact
Savings (and Feed In Tariff income) arising from the installation of renewable energy and other energy efficiency projects in council buildings, funded by the Climate Change Fund in 2018/19.								David Kidston
<b>S4522</b>	<b>Saving from reduction in committee agenda printing costs</b>	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	Positive/Low Impact	No Impact
Hard copy of Committee agenda are no longer printed and distributed to officers of the Council by committee managers from May 2019. This item reflects the savings arising from that decision.								Gary Clift
<b>S4523</b>	<b>Reduction in revenue contribution (direct revenue financing - DRF) to capital expenditure</b>	0	(220,000)	(220,000)	(220,000)	(220,000)	Not Applicable	No Impact
Reduction in annual revenue contribution to capital expenditure								Karen Whyatt
<b>S4524</b>	<b>Reduction in revenue contribution to vehicle repairs and renewals fund</b>	(325,000)	(325,000)	(325,000)	(325,000)	(325,000)	Not Applicable	No Impact
Reduction in annual revenue contribution to vehicle repairs and renewals fund, from £1m to £650k. This reduction aligns available funding with expected vehicle replacements costs.								Karen Whyatt
<b>S4527</b>	<b>Review of Community Centres Phase 1 - Efficiencies in income and reduced overtime</b>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	Not Applicable	No Impact
Offer saving of £25k arising from anticipated increased income at The Meadows Centre and reduction in overtime budgets.								Jackie Hanson
<b>S4528</b>	<b>Reduce Leisure Management Contract budget for contract variations - Sports &amp; Recreation</b>	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	Not Applicable	No Impact
Remove budget for contract variation and utility variance adjustment from leisure management budget. This is not always 100% spent. The proposal is to remove it entirely. There is a risk unforeseen costs may result in overspend.								Ian Ross



<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>S4531</b>	<b>Reduction of training and overtime budgets within Community Services</b>	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	Not Applicable	No Impact
This proposed saving removes most of the budget provision allocated to community services for non-essential external training, temporary staff and overtime (extra hours).								Cathy Heath
<b>S4535</b>	<b>Savings from Business Support budgets.</b>	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)	Not Applicable	No Impact
Savings from Business Support budgets from one vacant post.								Sharon Line
<b>S4536</b>	<b>3C Building Control Review of Ratio of Non Fee Earning to Fee Earning Elements</b>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Not Applicable	No Impact
Review of the ratio of non fee earning to fee earning element of Building Control.								Heather Jones
<b>S4537</b>	<b>Bereavement Services - service review</b>	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	Not Applicable	No Impact
To review the service ensuring it is fit for purpose and can compete on a commercial level with its competitors protecting an important revenue stream for the Council. The review will ensure that the right operational structure is in place to meet all statutory and legal requirements of the Service and the challenges and opportunities facing the service over the next four to five years.								Glyn Theobald
<b>S4541</b>	<b>Restructure Cycling and Walking Promotion Grant in line with demand</b>	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)	Negative/Low Impact	No Impact
Part of the council's promotion of cycling and walking is through providing grants to public, private and voluntary & community sector partners. Applications have consistently been limited and spending from this budget has been c£7k. Accordingly the budget will be reduced to that figure and promoted as 'active travel' for cyclists and walkers Also applicants seeking funding for cycling and walking projects will be able to apply to the Council's other existing grant funds, such as Environmental Improvement Projects and Communities								Alistair Wilson
<b>S4542</b>	<b>Public Art Service - service review</b>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	Not Applicable	No Impact
Public art delivery is now achieved by condition through the Planning process. The need for regular ongoing Planning related public art input and advice is therefore greatly reduced; and could be achieved through policy documents and the Cambridge Public Art Panel. Off- site public art is no longer collected and S106 spend on projects can no longer be considered a viable revenue stream for the service (s106 currently funds 0.6 FTE).								Alistair Wilson

<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>S4543</b>	<b>Transfer 'Green Fingers' domestic gardening service to the Housing Revenue Account</b>	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	Not Applicable	Low Impact
Restructure the existing General Fund funded Green Fingers domestic gardening service to become a Housing Revenue Account funded domestic gardening service for qualifying City Homes tenants only and, as a result, support the few remaining non-qualifying service customers (c15 private households) to access alternative gardening service providers.								Paul Jones
<b>S4544</b>	<b>Dog Warden Service - service review</b>	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)	Nil	No Impact
The dog warden service is delivered by a dedicated part time dog warden post (0.5 FTE) and 0.5 FTE of a public realm enforcement officer post. The review will look at addressing the issue of single person dependency, operational resilience and service efficiency.								Wendy Johnston
<b>S4545</b>	<b>Out of hours stray dog service - savings achieved by reprocurement</b>	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	Nil	No Impact
The Council has a statutory duty to provide a stray dog kennelling and care service. During the working week, this service is provided by dog warden service (see linked proposal). At weekends this service is provided by an external supplier. In 2019, the service was re- procured to provide a 3 year kennelling and care service only (i.e. no longer including collection/ transport service); and will deliver delivered an associated annual revenue saving.								Wendy Johnston
<b>S4546</b>	<b>Use enviro-crime enforcement income to contribute to street cleansing/ enforcement service posts</b>	(31,000)	(31,000)	(31,000)	(31,000)	(31,000)	Nil	Low Impact
Council's Public Realm Enforcement service takes enforcement action against environmental crime including littering, dog fouling, fly tipping and graffiti. In 2018/19, the service issued 662 fixed penalty notices (FPN) for environmental crime, including 392 for littering, 71 for small scale fly tipping and 59 for breach of commercial waste breaches. Legally, income from enviro-crime enforcement has to be used for related street cleansing and public realm enforcement activity. With a current running income balance of c£40k, including c£14k already received from FPNs in Q1 of 2019/20, the proposal is to use a proportion of the annual income to support existing street cleansing/ enforcement base budget staff costs.								Wendy Johnston
<b>S4547</b>	<b>3c ICT Business Plan Savings</b>	(109,000)	(109,000)	(109,000)	(109,000)	(109,000)	Not Applicable	No Impact
Savings will be delivered through plans, projects and initiatives already outlined in the business case relating to continual review of systems and software consolidation, technical design improvements, staffing structure, process improvements, procurement efficiencies and benefits realisation from approved projects.								Fiona Bryant

<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>S4548</b>	<b>Legal Practice</b>	(49,000)	(49,000)	(49,000)	(49,000)	(49,000)	Not Applicable	No Impact
Positive growth in income and limited expenditure on training, travel etc. The 10% saving target in 19/20 can be proposed as an ongoing saving. The saving for the city would be £64k which would also result in savings for South Cambs and Hunts equating to a combined figure of £119k								Tom Lewis
<b>S4641</b>	<b>Automation of Bishops Mill Sluice Gate [Linked to CAP4565]</b>	0	(3,000)	(3,000)	(3,000)	(3,000)	Not Applicable	No Impact
Savings in staff overtime following automation of the sluice.								Alistair Wilson
<b>S4661</b>	<b>Efficiencies in Waste Service</b>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	Nil	No Impact
A numbers of small efficiencies have been identified within the shared waste service. The savings are generated from better use of resources and the use of spare capacity in vehicle and manpower resource. - changes in the method of collecting offensive waste - changes in the method of delivery of bins - changes to bring sites contamination clearance costs								Suzanne Hemingway
Total Savings		(840,500)	(1,063,500)	(1,063,500)	(1,063,500)	(1,063,500)		

<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>Increased Income</b>								
II4549	Local Taxation Fees Income (court costs collected)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	Not Applicable	No Impact
Projected increase in Local Taxation fee income (court costs collected).								Kevin Jay
II4551	Increased Commercial Property Income from 2020/21 onwards	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	Not Applicable	No Impact
Forecast additional net income in 2020/21 and ongoing reflecting expected rent reviews, lease renewals and lettings on the existing property portfolio.								Philip Doggett
II4552	Potential additional income from letting Administrative Buildings	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Positive/Lo w Impact	No Impact
Free up space at the Guildhall and/or Mandela House to enable commercial letting of the space vacated to generate income streams. This may require some existing allocated capital to the Office Accommodation Strategy to be vired to undertake improvement works to the space to be let.								Andrew Muggeridge
II4553	Provision of external procurement support to other local authorities [Linked to B4575]	(40,000)	(30,000)	(10,000)	(10,000)	(10,000)	Nil	No Impact
The in-house procurement team currently provides strategic and practical procurement support to the CPCA on an as-required basis; the level of support provided being based on the number and complexity of projects being delivered. Since the commencement of the SLA the quantity of support being provided has continued to grow. The team are now looking to also provide support to other authorities initially for complex requirements and potentially also for more general requirements. If the ongoing general support SLA is adopted then the proposed figures below will increase but it is not currently affirmed.								Heidi Parker
II4555	Increased surplus achieved by Trade Waste	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	Not Applicable	No Impact
Further development of commercial refuse services Work underway on figures?								Suzanne Hemingway

<b>2020/21 Budget – GF Proposals – Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>II4623</b>	<b>Park Street Closure implications to budget</b>	(529,840)	(90,000)	(33,000)	(183,400)	(183,400)	Not Applicable	No Impact
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As a result of a delay in the redevelopment of Park Street multi storey car park, the revised timeframes for the redevelopment period have been changed to Jan 2021 to December 2022. As Park St car park is currently out-performing revenue budget year to date by £125k, this is exclusive of the delay in the construction project. The displacement forecast has been reassessed upwards, this displacement will be reviewed on annual basis.

Sean Cleary

<b>II4671</b>	<b>Fees receivable for Selective Landlord Licensing Scheme [Linked to B4663]</b>	(65,750)	(288,000)	(288,000)	(288,000)	(288,000)	Not Applicable	No Impact
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Admin and licensing fees to be charged to cover cost of running the scheme

Clare  
Adelizzi

Total Increased Income	(840,590)	(613,000)	(536,000)	(686,400)	(686,400)
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<b>Savings Total:</b>	<b>(1,681,090)</b>	<b>(1,676,500)</b>	<b>(1,599,500)</b>	<b>(1,749,900)</b>	<b>(1,749,900)</b>
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<b>2020/21 Budget – GF Proposals – Non-Cash Limit Items</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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### Non-Cash Limit Items

<b>NCL4648</b>	<b>Adjustment for council tax base increase and change to £5 band D uplift</b>	(87,000)	(90,000)	(93,000)	(97,000)	(100,000)	Not Applicable	No Impact
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The projected council tax base has been recalculated using the recent housing statistics which show a larger increase than previously anticipated. Together with the decision to increase the Band D council tax rate by £5 rather than 1.99%, this has resulted in a increase in the income from Council Tax.

Jody Etherington

<b>NCL4649</b>	<b>Change to contribution to Greater Cambridge Partnership (GCP) from NHB</b>	(118,000)	(1,024,000)	(1,282,000)	(981,000)	(981,000)	Not Applicable	No Impact
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New Homes Bonus (NHB) to support the Greater Cambridge Partnership (formerly City Deal) programme, which is based on a contribution of 30% of gross receipts. The figures have been revised following notification from the Ministry for Housing, Communities and Local Government (MHCLG) December 2019 and recalculation based on Annual Monitoring Report (AMR) housing projections.[Linked to NCL4657, NCL4658 & NCL 4659]

Karen Whyatt

<b>NCL4650</b>	<b>Council tax surplus</b>	(30,000)	0	0	0	0	Not Applicable	No Impact
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The projected Council Tax Base has been recalculated using the recent housing statistics resulting in a increase in the income from Council Tax.

Jody Etherington

<b>NCL4651</b>	<b>Forecast changes to business rates forecasts as a result of the baseline reset and the outcome of the fair funding review</b>	0	752,000	714,000	690,000	683,000	Not Applicable	No Impact
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Forecast changes to business rates forecasts as a result of the baseline reset and the outcome of the fair funding review, based on advice from funding consultants and a review of the appeals provision.

Jody Etherington

<b>NCL4652</b>	<b>Forecast change to business rates surpluses</b>	(4,504,000)	0	0	0	0	Not Applicable	No Impact
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Forecast change to business rates surpluses

Jody Etherington

<b>NCL4653</b>	<b>Contribution to GF reserves</b>	(8,000)	0	0	0	0	Not Applicable	No Impact
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Contribution to GF reserves to balance the current year budget.

Karen Whyatt

<b>2020/21 Budget – GF Proposals – Non-Cash Limit Items</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>NCL4657</b>	<b>New Homes Bonus (NHB) – unallocated</b>	(1,270,000)	(1,270,000)	(566,000)	135,000	135,000	Not Applicable	No Impact
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Net unallocated New Homes Bonus (NHB) has been revised following the notification from the Ministry for Housing, Communities and Local Government (MHCLG), revised allocations for Greater Cambridge Partnership (formerly City Deal) infrastructure investment and any further funding allocations. [Linked to NCL4659, NCL4658 & NCL 4659]

Jody  
Etherington

<b>NCL4658</b>	<b>New Homes Bonus (NHB) change to income projections</b>	364,000	2,294,000	2,776,000	3,270,000	3,270,000	Not Applicable	No Impact
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New Homes Bonus (NHB) income projections have been revised following the notification from the Ministry for Housing, Communities and Local Government (MHCLG) December 2019 and recalculated based on Annual Monitoring Report (AMR) housing projections. [Linked to NCL4657, NCL4659 & NCL 4659]

Jody  
Etherington

<b>NCL4659</b>	<b>Unallocated NHB used to fund revenue expenditure</b>	1,024,000	0	0	0	0	Not Applicable	No Impact
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Allocate the unallocated portion of New Homes Bonus (NHB) to fund revenue expenditure. [Linked to NCL4657, NCL4658 & NCL 4649]

Jody  
Etherington

<b>NCL4667</b>	<b>Contribution to Climate Change Fund</b>	50,000	100,000	0	0	0	Positive/High Impact	No Impact
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Contribution to Climate Change Fund, to ensure sufficient funding is available for implementation of further projects such as the installation of additional solar photovoltaic panels on City Council swimming pool roofs (subject to detailed business case and any other necessary permissions) and/or other energy efficiency schemes that meet the fund's criteria. Financial and carbon benefits should be achieved from the investments funded through this contribution and would be reported in future years.

Karen  
Whyatt

Total Non-Cash Limit Items	(4,579,000)	762,000	1,549,000	3,017,000	3,007,000
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<b>Non - Cash Limit Items Total:</b>	<b>(4,579,000)</b>	<b>762,000</b>	<b>1,549,000</b>	<b>3,017,000</b>	<b>3,007,000</b>
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<b>2020/21 Budget – GF Proposals – Capital</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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**Capital Bids**

<b>CAP4516</b>	<b>Commercial property repair and maintenance budgets</b>	300,000	300,000	300,000	300,000	300,000	Not Applicable	No Impact
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To establish a programme for commercial property each year for component replacements and planned maintenance. Will Barfield

<b>CAP4517</b>	<b>Maintenance and Asset General Fund capital Costs - Administrative Buildings</b>	188,000	216,000	166,000	166,000	166,000	Not Applicable	No Impact
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To establish a programme for council offices and buildings each year for component replacements and planned maintenance Will Barfield

<b>CAP4560</b>	<b>Guildhalls - Small Hall wooden floor - Culture &amp; Community</b>	45,000	0	0	0	0	Nil	No Impact
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The Guildhall Small Hall wooden parquet flooring requires replacement as the recent repair has failed and the filling is in places loose, causing an unstable and inconsistent surface. Further repair is not possible. The Hall is used for a variety of uses including and civic and council events, and commercial hires. The Hall is part of the conservation area and so needs specialist attention. Jane Wilson

<b>CAP4561</b>	<b>Replacement of Guildhall PA system - Culture &amp; Community</b>	25,000	0	0	0	0	Nil	No Impact
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Replacement PA for the large hall at the Guildhall. Currently uses borrowed equipment from Corn Exchange, requires bespoke installation to ensure quality and save costs in set up and de rigging. Can be mitigated either by payback or reduction in subsidy. Jane Wilson

<b>CAP4564</b>	<b>Vehicle fleet replacements 2020/2021</b>	400,000	0	0	0	0	Positive/Low Impact	No Impact
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Where possible the replacement of fleet vehicles for 2020/21 will be deferred to 2021/22 to allow the vehicle usage review to be completed and further assessment of moving to electric vehicles. Those vehicles which must be replaced in 2020/21 will be electric where possible. The cost will be higher for these vehicles than allowed for in the Renewals Fund which assumed replacement by diesel. The fund will provide £300k with a further £100k added to enable the purchase of additional electric vehicles in place of current diesels. [Funded from Vehicles R & R Fund] David Cox



<b>2020/21 Budget – GF Proposals – Capital</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>CAP4565</b>	<b>Automation of Bishops Mill Sluice Gate [Linked to S4641]</b>	90,000	0	0	0	0	Positive/Lo w Impact	No Impact
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A report commissioned in 2019, concluded that the Bishops Mill sluice is suitable for automation. The benefits of automating the sluice would be that the sluice gates would automatically respond to the river Cam water level changes and so remove the need for the current manual operation and its associated call out attendance costs. The investment would deliver an estimated net revenue saving of £3k per annum as well as improvements in flood risk management responsiveness.

Alistair  
Wilson

<b>CAP4567</b>	<b>Procurement of replacement air quality monitoring equipment.</b>	200,000	0	0	0	0	Nil	No Impact
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Cambridge City Council has an Air Quality Management Area (AQMA) and as a result we have a legal requirement to monitor air quality in that area. This capital bid is to replace the existing air quality monitoring equipment in the AQMA that have reached the end of their workable life, and in some cases are now unsupported. The requirement to monitoring is part of the Environment Act and specifically Local Air Quality Management where we are required to monitor air quality and implement measures to achieve required air quality standards and objectives.

Jo Dicks

<b>CAP4568</b>	<b>Changing Places Toilet at Quayside [Linked to B4616]</b>	100,000	0	0	0	0	Not Applicable	Low Impact
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Capital investment to improve public toilet provision in the city centre through the provision of a Changing Places facility at the existing city council managed public toilets at Quayside to provide a necessary additional facility for this part of the City.

Anthony  
French

<b>CAP4570</b>	<b>Additional refuse vehicle required for property growth shared with SCDC [Linked to URP4503]</b>	0	375,000	0	0	0	Positive/Me dium Impact	No Impact
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For every 3,000 households a new vehicle is required to cover all three streams. As a result of modelling additional vehicles will be required in 2020/21, 21/22, 23/24 - A traditional Refuse Collection Vehicle (RCV) costs £185k however we have been investigating the option of an electric RCV however currently like to be £350-400k however the to move to electric RCV this would like reduce the revenue cost per year however currently not clear of level, but likely to be in region of £20k per year per vehicle (about £160k over 8 years).

Suzanne  
Hemingway

<b>CAP4571</b>	<b>Replacement structure for pool plantroom at Jesus Green Outdoor Pool</b>	140,000	0	0	0	0	Nil	No Impact
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Rebuilding of the plant room building which is in poor condition and has suffered from continuous ground movements over the years causing the foundations to split.

Ian Ross

<b>2020/21 Budget – GF Proposals – Capital</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>CAP4576</b>	<b>Replacement telephony system including call centre/contact centre</b>	150,000	0	0	0	0	Nil	No Impact
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The Council's telephony contract is coming to an end, and, in line with 3C ICT strategy and road map, the partner Councils will be pursuing a consistent and collaborative path for critical services in future. This requires any new arrangements to be in place before the current contract terminates. Any planned new arrangements will continue to support the channel shift and transformation projects already underway, and will also integrate closely with core applications across the Councils to benefit staff and users.

Fiona Bryant

<b>CAP4577</b>	<b>Resource planning tool for 3C ICT with potential for expansion to other services.</b>	7,300	0	0	0	0	Nil	No Impact
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System to record and monitor resource capacity and enable robust planning capabilities to aid improved service delivery. Current ability to report on resource utilization is limited. New solution needs to integrate into established working practices and work flow tools. Current software (Hornbill, MS project and spreadsheets) are disparate systems that are difficult to join up. Single system to draw it all together is required. Benefits include improved reporting, improved resource planning and improved pipeline management (6 to 12 months planning horizon).

Fiona Bryant

<b>CAP4578</b>	<b>Data centre capacity growth 2020 to 2024</b>	34,100	0	0	0	0	Negative/Low Impact	No Impact
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Allow for expected growth within the data centre to host services and store data. The current data centre capacity for the Random Access Memory (RAM) in the host servers is expected to be reached by 2021 at current rate of growth. This effects our ability to plan future server hosting requirements and the ability to onboard services. Good practice dictates that the RAM should never reach capacity before expanding the environment. Server efficiency decreases rapidly when 85% capacity is reached which effect users and performance. This to expand the processing power of the environment currently at 70%. The additional capacity will take us through to 2023.

Fiona Bryant

<b>CAP4579</b>	<b>Cyber Security improvements, server and network monitoring enhancements</b>	9,700	0	0	0	0	Nil	No Impact
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New technology and new software modules for server and network event monitoring which meets with requirements as part of the Public Sector Network and the National Cyber Security Centre good practice for cyber security risk management.

Fiona Bryant

<b>2020/21 Budget – GF Proposals – Capital</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>CAP4580</b>	<b>Improving and consolidating corporate data management and analytical capabilities</b>	20,000	0	0	0	0	Not Applicable	No Impact

We need to improve our corporate business analytics service to deliver insight to enable fast and informed decisions - this will look at the exploitation of our investment in the Microsoft stack. This pilot joint cross council bid will result in different phases of implementation across the councils due to their current differing levels of maturity – costs apportioned as per Business Case. Look to transform the data we hold visually, to support analysis - all in one view. Collaboration through sharing of customised dashboards and interactive reports - data drives management information which then drives decisions.

Fiona Bryant

<b>CAP4581</b>	<b>Call Management for 3CICT Service Desk [Linked to B4617]</b>	7,300	0	0	0	0	Nil	No Impact
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Following feedback from the Partner Councils and Customer survey on improving our performance of our service desk, we wish to implement a call management system. The System would allow us to monitor and control the flow of calls into our service desk analysts. It would give us real time performance matrix and abandoned call rates. Allows us to be more responsive and reduce the number of abandoned calls. This system will allow us to act in the manner of a professional call centre with resulting improvements on customer service and call resolution.

Fiona Bryant

<b>CAP4624</b>	<b>Purchase of Link Tip Bodies</b>	27,000	0	0	0	0	Not Applicable	No Impact
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Purchase of link tip body skips to replace existing equipment which is passed its life and needs replacing. [Funded from Vehicles R & R]

Suzanne Hemingway

<b>CAP4628</b>	<b>Upgrade Kings Hedges recreation areas</b>	150,000	0	0	0	0	Not Applicable	Low Impact
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Upgrade of the play equipment and landscaping of Nun's Way recreation ground and the Pulley

Alistair Wilson

<b>CAP4631</b>	<b>Provision Of Extra Electric Charging Points [Linked to B4630]</b>	100,000	0	0	0	0	Positive/High Impact	No Impact
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Match funding with £300k from the Office for Low Emission Vehicles (OLEV) bid to provide electric charging points for the public at four locations on council land and car parks plus work with county council on trialling on-street charging using lamp posts. Currently OLEV have two active grant schemes open: -On street residential and Workplace charge points which can attract up to 75% funding. This capital would allow for bids to be made to support charge point provision in residential areas without off street parking. (capital spend likely to stretch into year 21/22 if a planned series of bids are made)

Jo Dicks

<b>2020/21 Budget – GF Proposals – Capital</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>CAP4642</b>	<b>Jesus Green Fish Pass</b>	0	50,000	0	0	0	Positive/Medium Impact	No Impact
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To partner with the Environment Agency (who will invest £120k) to establish fish passage through the existing Jesus Green weir, benefitting the full suite of fish species and their predators. This project supports the Biodiversity Motion as it will complement fish passage barrier removal schemes already implemented at Byron's Pool Local Nature Reserve (LNR) and Sheep's Green & Coe Fen LNR. The river Cam is a County Wildlife Site forming a key ecological corridor through the City and by removing barriers to fish passage will benefit species on a catchment scale and help species to disperse in response to a changing climate.

Guy Belcher

<b>CAP4644</b>	<b>Logan's Meadow</b>	32,000	0	0	0	0	Positive/Low Impact	No Impact
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Provide a new vehicle access, including load bearing bridge, to secure better maintenance access arrangements for the extended Logan's Meadow LNR

Guy Belcher

<b>CAP4668</b>	<b>Community Food Hub [Linked to B4666]</b>	100,000	0	0	0	0	Positive/Medium Impact	High Impact
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Cambridge Sustainable Food propose to work with other partners in the Cambridge Food Poverty Alliance (FPA) to create a community food hub which would provide a distribution point to serve various FPA projects across the city. A site is being assessed for suitability and costs. This bid is for fit out costs appropriate to use as a food hub.

Sally Roden

<b>CAP4678</b>	<b>Park Street car park redevelopment</b>	9,744,000	26,521,000	18,534,000	29,396,000	7,173,000	Positive/Low Impact	No Impact
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The council's Park Street car park is no longer fit for purpose. This scheme will replace the current multi-storey car park with an underground car park incorporating electric-charging points and cycle parking. The development will include an aparthotel above ground, generating rental income for the council

Fiona Bryant

Total Capital Bids	11,869,400	27,462,000	19,000,000	29,862,000	7,639,000
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<b>Capital Total:</b>	<b>11,869,400</b>	<b>27,462,000</b>	<b>19,000,000</b>	<b>29,862,000</b>	<b>7,639,000</b>
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## Appendix D(b): Approvals since MTFS October 2019

Ref.	Description	Lead Officer	2019/20 (£000's)
<b>Capital-GF Projects</b>			
SC700	Nightingale community garden hut (S106)	J Hanson	15
SC702	Jesus Green - perennial meadow (S106)	G Belcher	18
SC704	Grant for community facility improvements at Brownsfield (S106)	J Hanson	15
SC705	Redevelopment of Alexandra Gardens Play area (S106)	A Wilson	35
SC706	Chesterton sports centre - grant for outdoor courts (S106)	I Ross	65
SC707	Cambridge Rugby Club - grant for floodlights (S106)	I Ross	45
SC709	Redevelopment of St Matthew's Piece play area (S106)	A Wilson	35
<b>Capital-GF Projects (S106-financed)</b>			<b>228</b>
SC733	Loan to CIP for the purchase of land at L2 Orchard Park	C Ryba	1,132
<b>Capital-GF Projects (financed from Internal Borrowing)</b>			<b>1,132</b>
<b>Total approved since MTFS October 2019</b>			<b>1,360</b>

**Appendix D(c): Capital Plan 2019/20 to 2024/25**

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
<b>Capital-GF Projects</b>								
PR030h	Romsey 'town square' public realm improvements (S106)	J Richards	49	0	0	0	0	0
PR030p	Outdoor fitness equipment near astroturf pitch by Abbey Pool (S106)	I Ross	1	0	0	0	0	0
PR031g	Milton Rd Library community meeting space (S106)	J Hanson	100	0	0	0	0	0
PR031q	Bramblefields nature reserve: improve biodiversity & access (S106)	J Richards	5	0	0	0	0	0
PR031r	Chesterton Rec Ground skate and scooter park (S106)	A Wilson	48	0	0	0	0	0
PR032s	Footbridge across Hobson's Brook at Accordia development (S106)	A Wilson	52	0	0	0	0	0
PR032t	Fulbourn Road open space improvements (S106)	A Wilson	10	0	0	0	0	0
PR032w	Accordia open space improvements (S106)	A Wilson	6	0	0	0	0	0
PR032y	Trumpington Rec Ground skate park (S106)	A Wilson	78	0	0	0	0	0
PR032z	Trumpington Rec Ground trim trail and climbing frame (S106)	A Wilson	12	0	0	0	0	0
PR033s	Histon Rd Rec play area: paths, surfacing & landscaping (S106)	A Wilson	1	0	0	0	0	0
PR033t	St Clement's churchyard open space on Bridge Street (S106)	J Hanson	9	0	0	0	0	0
PR040s	Public art grant for Kettle's Yard - Antony Gormley Performance Programme (S106)	N Black	5	0	0	0	0	0
PR040t	Public Art Grant for Cambridge Live - Colours in our community (S106)	N Black	3	0	0	0	0	0
PR040z	Public art grant for Historyworks - Michael Rosen Walking Trails 2 (S106)	N Black	10	0	0	0	0	0
PR041g	Netherhall School: supplementary grant for gym and fitness suite facilities (S106)	I Ross	56	0	0	0	0	0
PR042a	St Clement's Church community grant (S106)	N Black	30	0	0	0	0	0
PR042b	Mill Road cemetery access and main footpath improvements (S106)	A Wilson	20	0	0	0	0	0
PR042b	Museum of Technology meeting space community grant (S106)	J Hanson	2	0	0	0	0	0
PR042c	Grant for Netherhall School meeting space (S106)	J Hanson	24	0	0	0	0	0
PR042d	Romsey Mill community facility grant (S106)	J Hanson	21	0	0	0	0	0
PR042g	To the River - artist in residence (S106)	N Black	85	0	0	0	0	0
PR042h	Public art grant - Cambridge Junction: News News News (S106)	N Black	5	0	0	0	0	0
PR042j	Public art grant - NIE Theatre, tales from the Edge of Town (S106)	N Black	9	0	0	0	0	0
PR042k	Public art grant - Rowan Humberstone: Ecology sculpture (S106)	N Black	15	0	0	0	0	0
PR042l	Public art grant - Faith and Hope (S106)	N Black	20	0	0	0	0	0
PR042m	Public art grant - Chesterton village sign (S106)	N Black	10	0	0	0	0	0
PR042n	Public art grant - HistoryWorks: Travellers and Outsiders (S106)	N Black	15	0	0	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
PR050a	Relocation of services to 130 Cowley Road (OAS)	W Barfield	20	0	0	0	0	0
PR050d	Mobile working (OAS)	W Barfield	52	0	0	0	0	0
PR050e	Cowley Road Compound ex-Park and Ride site (OAS)	W Barfield	27	0	0	0	0	0
PR050f	Guildhall Welfare Improvements (OAS)	W Barfield	189	0	0	0	0	0
PR050g	Office optimisation (OAS)	W Barfield	275	0	0	0	0	0
SC548	Southern Connections Public Art Commission (S106)	A Wilson	13	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace car park	S Cleary	193	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	21	0	0	0	0	0
SC605	Replacement Building Access Control System	W Barfield	8	0	0	0	0	0
SC611	Grafton East car park essential roof repair	S Cleary	33	0	0	0	0	0
SC615	Cherry Hinton Grounds improvements Phase 2 (S106)	A Wilson	49	0	0	0	0	0
SC627	Guildhall Large Hall Windows refurbishment	A Muggeridge	101	0	0	0	0	0
SC633	Reinforcing grass edges along paths across Parker's Piece (S106)	D Peebles	135	0	0	0	0	0
SC634	Grand Arcade and Queen Anne Terrace car parks sprinkler systems	S Cleary	8	0	0	0	0	0
SC639	Re-roofing the Guildhall	W Barfield	164	0	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	G Theobald	46	0	0	0	0	0
SC645	Electric vehicle charging points	J Dicks	415	50	0	0	0	0
SC646	Redevelopment of Cambridge Junction	J Wilson	250	0	0	0	0	0
SC651	Shared ICT waste management software	J Carré	351	0	0	0	0	0
SC654	Redevelopment of Silver Street Toilets	D O'Halloran	559	0	0	0	0	0
SC655	Resealing the roof at Robert Davies Court	A Muggeridge	177	0	0	0	0	0
SC656	Barnwell Business Park remedial works to the roofs	A Muggeridge	90	0	0	0	0	0
SC658	Cambridge City CCTV infrastructure	J Carré	188	0	0	0	0	0
SC659	My Cambridge City online customer portal	C Norman	154	0	0	0	0	0
SC660	Council Anywhere - desktop transformation	J Carré	329	18	18	0	0	0
SC661	Adaptions to Riverside Railings	A Wilson	37	0	0	0	0	0
SC662	Shared Planning Service software and implementation	S Kelly	59	0	0	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
SC670	Lammas Land car parking infrastructure	A French	27	0	0	0	0	0
SC672	Mill Road Redevelopment - Development Loan to CIP	C Ryba	9,446	2,554	0	0	0	0
SC674	Mill Road Redevelopment - Equity Loan to CIP	C Ryba	4,265	0	0	0	0	0
SC675	Bateman Street tree replacement	A Wilson	17	0	0	0	0	0
SC677	AV equipment upgrade for Committee Rooms and Council Chamber	G Clift	125	0	0	0	0	0
SC678	Crematorium - additional car park	G Theobald	348	0	0	0	0	0
SC679	Crematorium - cafe facilities	G Theobald	323	0	0	0	0	0
SC680	CCTV equipment upgrade	J Carré	30	0	0	0	0	0
SC682	Pay and display equipment upgrade	A Wilson	18	0	0	0	0	0
SC684	Property Management software	P Doggett	100	0	0	0	0	0
SC685	Mobile column lifts at Waterbeach garage	D Cox	24	0	0	0	0	0
SC686	Car park server replacement (LAPE)	S Cleary	20	0	0	0	0	0
SC687	Customer Service Centre improvements	C Norman	61	0	0	0	0	0
SC688	Environmental Health software	J Carré	40	0	0	0	0	0
SC689	Income management software	C Norman	47	0	0	0	0	0
SC690	Secure phone payments	C Norman	24	0	0	0	0	0
SC691	HRIS new system	D Simpson	20	150	0	0	0	0
SC692	CHUB - community extension to Cherry Hinton library	C Flowers	767	0	0	0	0	0
SC693	Lion Yard shopping centre investment	C Ryba	4,200	1,800	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	C Flowers	554	2,168	1,892	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	C Ryba	1,963	3,037	350	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	J Wilson	3,700	11,300	1,000	0	0	0
SC697	Grant for St John's Church improvement (S106)	J Hanson	100	0	0	0	0	0
SC699	Corn Exchange fire doors	J Wilson	37	0	0	0	0	0
SC700	Nightingale community garden hut (S106)	J Hanson	15	0	0	0	0	0
SC701	Dales Brewery fire alarm system	A Muggeridge	24	0	0	0	0	0
SC702	Jesus Green - perennial meadow (S106)	G Belcher	18	0	0	0	0	0
SC703	King's Parade - temporary barriers	C Ryba	35	0	0	0	0	0
SC704	Grant for community facility improvements at Brownsfield	J Hanson	15	0	0	0	0	0
SC705	Redevelopment of Alexandra Gardens Play area (S106)	A Wilson	35	0	0	0	0	0



Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
SC706	Chesterton sports centre - grant for outdoor courts (S106)	A Wilson	65	0	0	0	0	0
SC707	Cambridge Rugby Club - grant for floodlights (S106)	A Wilson	45	0	0	0	0	0
SC708	Replacement plantroom at Jesus Green outdoor pool	I Ross	0	140	0	0	0	0
SC709	Redevelopment of St Matthew's Piece play area (S106)	A Wilson	35	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 Sluice Gate	A Wilson	0	90	0	0	0	0
SC713	Replacement air quality monitoring equipment	J Smith	0	200	0	0	0	0
SC714	Changing Places toilet at Quayside	A Wilson	0	100	0	0	0	0
SC715	Additional refuse vehicle required for property growth shared with SCDC	D Cox	0	0	375	0	0	0
SC716	Replacement telephony system with call centre	T Allen	0	150	0	0	0	0
SC717	3C ICT resource planning tool	F Bryant	0	7	0	0	0	0
SC718	Data centre capacity growth 2020-2024	F Bryant	0	34	0	0	0	0
SC719	Cyber security improvements	F Bryant	0	10	0	0	0	0
SC720	Improving and consolidating corporate data management	F Bryant	0	20	0	0	0	0
SC721	Call management for 3C ICT service desk	F Bryant	0	7	0	0	0	0
SC722	Purchase of link tip bodies	D Cox	0	27	0	0	0	0
SC723	Upgrade Kings Hedges recreation areas (S106)	A Wilson	0	150	0	0	0	0
SC724	Provision of extra electric charge points	J Dicks	0	100	0	0	0	0
SC726	Jesus Green fish pass	A Wilson	0	0	50	0	0	0
SC727	Logan's Meadow vehicular access	A Wilson	0	32	0	0	0	0
SC731	Cambridge Food Hub	D Kaye	0	100	0	0	0	0
SC732	Park Street development	F Bryant	0	9,744	26,521	18,534	29,396	7,173
SC733	Loan to CIP for the purchase of land at L2 Orchard Park	C Ryba	1,132	0	0	0	0	0
<b>Capital-GF Projects</b>			<b>32,539</b>	<b>32,058</b>	<b>30,206</b>	<b>18,534</b>	<b>29,396</b>	<b>7,173</b>
<b>Capital-Programmes</b>								
PR010	Environmental Improvements Programme	J Richards	70	170	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	J Richards	69	0	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	77	0	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	127	0	0	0	0	0

Ref.	Description	Lead Officer	2019/20 (£000's)	2020/21 (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)
PR010d	Environmental Improvements Programme - East Area	J Richards	110	0	0	0	0	0
PR017	Vehicle Replacement Programme	J Richards	850	400	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	D Cox	165	0	0	0	0	0
PR037	Local Centres Improvement Programme	T Nicoll	7	0	0	0	0	0
PR038	Investment in commercial property portfolio	J Richards	5,279	0	0	0	0	0
PR039	Minor Highway Improvement Programme	D Prinsep	40	30	30	30	0	0
PR050	Office Accommodation Strategy Phase 2 (OAS)	J Richards	473	0	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	228	0	0	0	0	0
PR052	RE:FIT 3 Energy performance improvement and carbon reduction programme (Phase 1)	W Barfield	294	0	0	0	0	0
PR053	Commercial property repair and maintenance	W Barfield	0	300	300	300	300	300
PR054	Administrative buildings maintenance	W Barfield	0	188	216	166	166	166
<b>Capital-Programmes</b>			<b>7,789</b>	<b>1,088</b>	<b>546</b>	<b>496</b>	<b>466</b>	<b>466</b>
<b>Capital-GF Provisions</b>								
PV007	Cycleways	J Richards	397	0	0	0	0	0
PV018	Bus Shelters	J Richards	4	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	0	0	60	0	0	0
PV549	City Centre Cycle Parking	J Richards	2	0	0	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	393	816	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	I Ross	20	0	0	0	0	0
PV682	Local investment bond	D Prinsep	2,800	0	0	0	0	0
<b>Capital-GF Provisions</b>			<b>3,616</b>	<b>816</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total GF Capital Plan</b>			<b>43,944</b>	<b>33,962</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

# Appendix E – Principal earmarked and specific funds

<b>Fund</b>	<b>Balance at 1 April 2019 £000</b>	<b>Anticipated contributions £000</b>	<b>New contributions £000</b>	<b>Forecast expenditure £000</b>	<b>Forecast balance 31 March 2025 £000</b>
Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund <i>including revised projections</i>	(5,626)	(8,382)		14,008	0
Sharing Prosperity Fund	(260)	0		260	0
Climate Change Fund (New contribution as in proposal NCL4667)	(368)	(100)	(150)	618	0
Asset Replacement Fund. Includes S4524 – reduction in annual contribution for vehicles R & R	(933)	(3,700)		4,633	0
Bereavement Services Trading Account	(718)	(800)		1,518	0
Joint Local Development Plan Fund. Note 1	(530)	(750)		1280	0
Office accommodation strategy fund	(900)	0		900	0
Invest for Income <i>now funding capital to reduce cost of internal borrowing</i>	(8,000)	0		8,000	0
A14 Mitigation Fund	(1,500)	0		1,500	0
General Fund (GF) Development Fund <i>including Mill Road and Cromwell Road revised projections</i>	(33)	(1,320)		1,353	0
Transformation Fund	0		(770)	770	0
Cambridge Live Development Plan	(489)	(250)		739	0
<b>Total</b>	<b>(19,357)</b>	<b>(15,302)</b>	<b>0</b>	<b>35,579</b>	<b>0</b>

The majority of these funds are subject to future contributions and expenditure which cannot be exactly stated.

This table reflects our best estimates.

<sup>1</sup> The Local Development Plan Fund is a joint fund with SCDC from 1 February 2018 and the basis of cost allocation is unknown at this time because the Memorandum of Understanding is not yet complete

## Appendix F - Cambridge City Council Equality Impact Assessment (EqIA)



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

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

### 1. Title of strategy, policy, plan, project, contract or major change to your service:

General Fund Budget 2020/21 proposals

### 2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

Documents will be published here:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3602&Ver=4>

### 3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This EqIA considers equality impacts of budget proposals.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced budget for 2020/21 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the savings required.

This EqIA assesses the equality impacts of the General Fund element of the City Council's budget.

An EqIA has been completed for budget proposals that are likely to result in significant service changes. This EqIA sets out the material information from EqIAs attached to individual budget bids. Some EqIAs identify very small or neutral impacts and therefore have not been included.

### 3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service? (Continued)

This approach is intended to ensure that in making decisions on the Budget, the Council is discharging its Public Sector Equality Duty under the Equality Act 2010.

The 2020/21 budget proposals that are considered as part of this impact assessment are:

- Bid to cover shortfall in savings - Linked to Customer Portal
- Electoral Services Support Officer - permanent funding of post
- Market Square project
- Changing Places toilet at Riverside
- Street Aid - Safer Communities (cost centre 1050)
- Extension of Financial Inclusion Officer post (General Fund share)
- Universal Credit Outreach Advisor - costs from September 2020 to March 2021
- Replacement of continuous air quality monitoring equipment
- North East Cambridge - Community Development worker
- Guildhalls - Small Hall wooden floor
- Celebration of Women 2020
- Youth Liaison Officer - supporting partnership work on CCE and serious violent crime
- Gypsy, Roma & Traveller Heritage project
- Improve visibility & accessibility of planning applications
- Selective Landlord Licensing [B4663 and IL4671]
- Community Food Hub [B4666 and CAP4668]

### 4. Responsible Service

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqIA.

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

- ☒ Residents of Cambridge City
- ☒ Visitors to Cambridge City
- ☒ Staff

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

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

Each of the proposals identified will change the level of service to be delivered.

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

Yes: This is an assessment of the Council's budget proposals and therefore covers all our services. The budget also affects some of the Council's partnership working, notably with the Voluntary and Community Sector (such as Cambridge & District Citizens Advice), Cambridge Jobcentre Plus and the Police.

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

Council on 13<sup>th</sup> February:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=3602&Ver=4>

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

This information is based on feedback from Council Officers that lead on the individual Budget proposals and any EqlAs they have produced.

**10. Potential impacts**

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

**a) Age**

**Electoral Services Support Officer - permanent funding of post**

Continuation of the post will enable ongoing work to engage and inform specific age groups:

- Working with University of Cambridge, Anglia Ruskin University, Cambridge Regional College and Sixth form colleges to encourage voter registration and democratic engagement. Wards with a high student population tend to have lower registration rates of around 76% compared to other wards with rates around 92%.

## **(a) Age continued**

### **Electoral Services Support Officer - permanent funding of post (continued)**

- Working with older residents in nursing and residential homes: Ensuring residents are informed, giving assistance to register and providing information on absent voting options, which is of benefit where older people might have mobility impairments or health issues preventing them from voting at a polling station.

### **Market Square project**

This project may have a positive impact on older people. Stage 2 of the project will result in a vision/ concept design for the Market Square, which aims to improve the space's public realm offer for all ages. With regards to older people who may be more likely to have mobility issues or other disabilities, there are plans to increase seating and, for ease of access, to increase open space and improve the surface of the market.

### **Changing Places toilet at Riverside**

This project is likely to have a positive impact on older people. Older people are more likely to have disabilities and long-term illnesses, so might benefit most from Changing Places toilets. In the UK, 7% of children are disabled, 18% of working age adults are disabled and 44% of pension age adults are disabled. 1 in 5 people aged 50-64 are carers in the UK so they may indirectly benefit from provision of a Changing Places toilet.

### **Extension of Financial Inclusion Officer post (General Fund share)**

The post holder works with all age groups but has some particularly complex cases of single parents, mostly female, with young children who struggle to access work due to childcare issues. Strong links have been made with Cambridge Housing Society Employment Advisor and successes have been made getting single parents closer to the workforce and into employment.

Pensioner poverty in the UK has been reducing over the years according to the Joseph Rowntree Foundation report 'UK Poverty 2018' but recently is showing signs of an increase. Over the past few months, the post holder has supported several pensioners who have found themselves with avoidable debts.

### **Universal Credit Outreach Advisor - costs from September 2020 to March 2021**

Universal Credit (UC) replaces 6 legacy benefits for working age claimants (aged under 67), so the Outreach Adviser service will significantly support this age group. UC replaces Child Tax Credit (CTC) and the Outreach Advisor would ensure there is ready financial support and advice to UC claimants who would previously have claimed CTC in order to help safeguard families.

## **(a) Age continued**

### **Youth Liaison Officer - supporting partnership work on CCE and serious violent crime**

The bid would fund a Youth Liaison Officer whose role would be to support statutory agency partnership work to address child criminal exploitation and serious violent crime. The role would be based in the Community Safety team but will have close links to the Children and Young People's Service.

### **Improve visibility & accessibility of planning applications**

This project seeks to make data on planning applications available to third parties' platforms or apps, so people can access this information using smartphones. There has been a growing adoption of smartphones amongst all groups, especially older users (see: See <https://www.statista.com/statistics/300402/smartphone-usage-in-the-uk-by-age/>). The service would not be replacing existing analogue or web-based channels so will not disproportionately impact one group over the other. Also, the project could have a positive impact upon younger people who tend to be so engaged by existing planning processes, but who have high levels of access to smartphone technology.

### **Selective Landlord Licensing**

A feasibility study is being carried out to determine if it is lawful to have a selective licensing scheme in Cambridge. The budget bid is to fund the scheme if there is evidence to support it from the feasibility study. If the Council were to implement a Selective Licensing Policy, then safety of young people who are students will especially be improved. There are many students living in the city in private rented accommodation. They are also most likely to be found in Houses of Multiple Occupation that are especially likely to be subjected to Selective Licensing Policy because of more stringent safety standards.

### **Celebration of Women 2020**

This would complement the vote#100 programme and involve a history trail around the city, including the peripheries, focussing on early female civic figures. The project would also include school outreach.

## **(b) Disability**

### **Electoral Services Support Officer - permanent funding of post**

Reports suggest that people with physical disabilities have higher electoral registration rates than most groups, but voting numbers tend to be lower despite this. According to Mencap, registration and voting amongst those with learning difficulties is particularly low, typically around one in eight. The retention of this post might have a positive impact if the post holder were to work with local and national organisations which support individuals with disabilities. For example, we have previously worked with Camsight to produce a training video for our polling staff on the difficulties of voting for people with impaired vision and how polling staff can assist their visit on polling day.



## **(b) Disability continued**

### **Market Square project**

The Stage 2 project will result in vision/ concept design for the Market Square and will involve engaging with disabled people around reasonable adjustments we can make to the design of the market related to accessibility. We plan to increase seating that will benefit people with mobility impairments. In the market's design we want to increase open space and improve surfaces for ease of access, especially for people with mobility and sight impairments. We have already undertaken some consultation with Camsight and Disability Cambridgeshire and sought advice from the City Access Officer from our Planning Service.

### **Changing Places toilet at Riverside**

People with different disabilities, such as spinal injuries, muscular dystrophy and multiple sclerosis, often need extra equipment and space to allow them to use the toilets safely and comfortably. These needs are met by Changing Places toilets.

### **Street Aid - Safer Communities (cost centre 1050)**

People who experience street homelessness are more likely to have disabilities or long-term health issues. This means the bid to extend the Street Aid Coordinator post for two years may have a positive impact for disabled people in developing the Street Aid work further. Street Aid funds can be used for additional needs associated with having a disability or long-term illness if it were to help people get off and stay off the streets. One key objective of the budget bid relates to increasing the number of beneficiaries having engagement with health and wellbeing services.

### **Extension of Financial Inclusion Officer post (General Fund share) and Universal Credit Outreach Advisor - costs from September 2020 to March 2021 (continued)**

The extension of the posts would benefit disabled people. The Financial Inclusion Officer and the Universal Credit Outreach Adviser assist with claiming disability benefits, explain potential impacts when receiving additional benefits and can offer support if applications fail and an appeal needs to be made. UK statistics indicate that disabled adults in working-age families are more likely to be in poverty (39% compared with 18% of those who are not disabled, Joseph Rowntree Foundation, 2018), because they are more likely to be out of work or in low-paid employment.

### **Replacement of continuous air quality monitoring equipment**

To continue to monitor air quality will help us develop policy that benefits those with existing health conditions, especially those with cardiovascular problems, as they are more likely to be negatively impacted by poor air quality.

### **Guildhalls - Small Hall wooden floor**

The replacement of the parquet floor will have a positive impact for people with disabilities, particularly relating to mobility and visual impairments, as it will reduce the risk of trips and slips.

#### **(b) Disability continued**

##### **Selective Landlord Licensing [B4663 and I4671]**

If the feasibility study were to lead to the introduction of Selective Licensing this would help improve safety of tenants in private rented properties. By improving housing standards this may help prevent disability or long-term illness, or prevent existing conditions being exacerbated.

##### **Youth Liaison Officer - supporting partnership work on CCE and serious violent crime**

Research suggests that disabled young people are especially vulnerable to criminal exploitation so the project would especially benefit this group.

#### **(c) Gender reassignment**

No equality impacts have been identified from the budget bids that are specific to this protected characteristic.

#### **(d) Marriage and civil partnership**

No equality impacts have been identified from the budget bids that are specific to this protected characteristic.

#### **(e) Pregnancy and maternity**

##### **Market Square project**

For people who are pregnant or who have recently had a baby, the planned increased seating as part of the project may be of benefit. Open space and provision of a level surface to move pushchairs or buggies around would also benefit people who are pregnant or who have young children.

##### **Extension of Financial Inclusion Officer post (General Fund share) and Universal Credit Outreach Advisor - costs from September 2020 to March 2021**

Extending these posts may particularly benefit lone parent families by ensuring they receive benefits they are entitled to and in providing budgeting and debt advice. Pregnancy and maternity can be a financially difficult time for some families, particularly for lone parent families. Until a baby is born, it is not included in the household for the purposes of additional financial support. Nearly half of children in lone parent families in the UK live in poverty, compared with one in four of those in couple families. Over the last five years, poverty rates for children in lone-parent families have risen by around twice as much as those for children in couple families.

## **(e) Pregnancy and maternity continued**

### **Replacement of continuous air quality monitoring equipment**

There is evidence that air pollution exposure can lead to potential effects on foetal growth, low birth weight and premature birth. Continuing to monitor air quality can help us develop policy to help prevent and mitigate these effects.

## **(f) Race**

### **Electoral Services Support Officer - permanent funding of post**

Permanent funding for this post may have a positive impact with under-represented ethnic groups because the postholder would aim to work with these groups in future to support them to register and vote. Data on ethnic minority voter registration from the pre-Individual Electoral Registration survey by The Electoral Commission suggests that white ethnic groups are most likely to be registered to vote (85.9%), followed by Asian (83.7%), Black (76%), Mixed (73.4%) and Other (62.9%).

### **Changing Places toilet at Riverside**

Overall the provision of a Changing Places toilet will benefit disabled people. It may particularly benefit some ethnic groups, as the prevalence of disability varies by ethnicity. Research from the Centres for Disease Control and Prevention (CDC) found that 1 in 4 Black African adults have a disability, 1 in 5 White adults have a disability, 1 in 6 Hispanic adults have a disability and 1 in 10 Asian adults have a disability.

### **Street Aid - Safer Communities (cost centre 1050)**

The continuation of the Street Aid Coordinator post will have a positive impact on minority ethnic groups. From an equality review from 2017, we know that of 245 Street Aid grant recipients 20 identified as Black, Asian or Dual Heritage, and 21 identified as White Eastern European. Street Aid works with support staff from referring organisations to ensure that a lack of English language skills is not a barrier to a grant application being made on a client's behalf, and the project has awarded several grants for English language classes.

## **(f) Race continued**

### **Extension of Financial Inclusion Officer post (General Fund share) and Universal Credit Outreach Advisor - costs from September 2020 to March 2021**

It is likely that the extension of these posts will especially be of benefit to ethnic minority groups who may be more likely to experience poverty, and so benefit from support to identify benefit entitlement or to manage their money. UK statistics find that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years. Poverty rates are higher among all ethnic minority groups compared with those among White British people.

### **North East Cambridge - Community Development worker**

The community engagement project will seek to engage Gypsy, Roma and Traveller communities. The catchment area for the community development project would include Fen Road, where many Romani Gypsies and Eastern European Travellers live. There are approximately 340 mobiles/caravans on the site, although this does not represent the number of pitches or households. Links will be made with colleagues from partnering organisations (especially South Cambridgeshire District Council) that have connections with this community to ensure that they have an opportunity to be involved and input information and ideas as appropriate and to develop links around this project.

### **Youth Liaison Officer - supporting partnership work on CCE and serious violent crime**

This project will have a positive impact on BAME communities. The support work is likely to focus on young Black Asian Minority Ethnic people who may be susceptible to criminal exploitation. The Officer leading the project will need to be aware of the media impact in this case and discrimination of ethnic groups labelled as being more likely to engage in criminal activity.

### **Gypsy, Roma & Traveller Heritage project**

This project will have a positive impact on Gypsy, Roma and Traveller (GRT) communities. It is designed to provide the communities with knowledge of their heritage, and a professional high-quality exhibition where they can demonstrate their contribution to the fabric of British life and the English language over the last five centuries.

The project will also help tackle discrimination by bringing people from different communities together to learn about the heritage of GRT people. The project will help link GRT participants with public service providers, local charities and support organisations. Poor access to public services has led to extreme inequalities for GRT people relating to health and education.

### **Selective Landlord Licensing [B4663 and IL4671]**

If the feasibility study leads to the introduction of Selective Licensing, this may have a positive impact for BAME people. The Race Disparity Audit (2017) found that housing BAME people live in tends to be of lower quality, especially among households of Pakistani origin, and overcrowding can be more common, particularly among households of Bangladeshi origin.

### **(g) Religion or belief**

No equality impacts have been identified from the budget bids that are specific to this equality group.

### **(h) Sex**

#### **Changing Places toilet at Riverside**

23% of women compared to 19% of men have disabilities, so women may be slightly more likely to benefit from an additional Changing Places toilet. Additionally, women are more likely to be found in caring professions or as carers for family members so can benefit indirectly from the proposed provision.

#### **Street Aid - Safer Communities (cost centre 1050)**

Continued funding for the Street Aid Coordinator post will help further develop support for Street Aid, and lead to an increase in beneficiaries. This could benefit both men and women. Whilst official statistics identify that most people on the street are men, national research has found that women's homelessness is typically under-reported. From an equality review from 2017, we know that of 234 individual Street Aid grant recipients 45 identified as Female, and 189 as male.

#### **Extension of Financial Inclusion Officer post (General Fund share) and Universal Credit Outreach Advisor - costs from September 2020 to March 2021**

The extension of these posts may have a positive impact on women. There are more women in receipt of housing benefits (August 2019) as single parents than male single parents. By providing access to financial support to this group at an early point, outcomes are often more positive and longer lasting.

#### **Celebration of Women 2020**

This project would have a positive impact on women by celebrating the contribution of women to civic life, through holding an event, establishing a history trail around the city and hanging colourised pictures of some of the key early female civic figures at the Guildhall.

### **(i) Sexual Orientation**

#### **Youth Liaison Officer - supporting partnership work on CCE and serious violent crime**

This project may have a positive impact on LGBT people, because criminal exploitation can impact more upon young people who either have hidden their sexual orientation or have revealed it and been attacked (as a result of gang culture).

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

**Electoral Services Support Officer - permanent funding of post**

This project will have a positive impact on homeless people and people with financial difficulties, by supporting them to register to vote. Homelessness is an increasingly significant driver of electoral under-registration, and Citizens Advice research suggests that people with financial difficulties are less likely to engage in civic participation activities such as voting because they lack the 'headspace' to deal with more administration tasks. The Electoral Services Support Officer continues to work with Wintercomfort and Jimmy's to assist homeless people to register and vote, and also to help other low-income groups to vote.

**Street Aid - Safer Communities (cost centre 1050)**

Continuing this project will have a positive impact on homeless people, by supporting them to get off and stay off the street. Since Street Aid started in November 2016, we have provided over 220 grants for a range of things, including;

- Rent/deposits for accommodation
- Training courses, equipment and smart clothes to assist people in finding work
- Mobile phones to assist with managing appointments, benefits and job applications

**Extension of Financial Inclusion Officer post (General Fund share)**

Extension of this post would have a positive income on people on low incomes, by ensuring they receive benefits they are entitled to and in providing budgeting and debt advice.

**Universal Credit Outreach Advisor - costs from September 2020 to March 2021**

The extension of this post for a further year would have a positive impact on people who are on low incomes or experiencing poverty. The post provides personal budgeting support for people moving onto Universal Credit, who may experience financial hardship. In the first 9 months of operation, the post has helped 334 people.

**Replacement of continuous air quality monitoring equipment**

Effective monitoring of air quality can help provide evidence to inform development of policy to mitigate the negative impacts that poor air quality has on people with low incomes. There is evidence that people with a low income are affected by air pollution in several different ways. This is because they are more likely to have existing medical conditions and live in areas with poorer outdoor and indoor environments, including the quality of air (for example, near to industry or busy roads).

## **(j) Other factors that may lead to inequality continued**

### **Celebration of Women 2020**

If the project were to go ahead, we would work with schools and communities through the development of the trails in areas where families are living on lower incomes. There is evidence that links low income to lack of access to some cultural activities. The purpose of focusing activities in areas of lower family income is to support access through involvement in the project activity, and then to increase awareness and take up of the creative and cultural offer (including free activities) across Cambridge.

### **Youth Liaison Officer - supporting partnership work on CCE and serious violent crime**

Young people from low income groups or classed as being in poverty are more likely to be exploited and be the victims of serious violent crime (gang culture and County lines are examples of this). This project is most likely to be targeted to such groups.

### **Gypsy, Roma & Traveller Heritage project**

Gypsy, Roma and Traveller people are especially likely to experience poverty. The project will help to link participants with public service providers, local charities and support organisations that can help tackle issues associated with poverty.

### **Selective Landlord Licensing [B4663 and IL4671]**

If the feasibility study leads to the introduction of Selective Licensing, this may benefit safety of people on low incomes or those who experience poverty. Issues relating to safety in the private rented sector tend to be experienced by people on low incomes who cannot afford to pay higher rents, so are found in housing of lower quality and in HMOs. However, as there would be greater regulation on landlords to improve the standard of their houses, selective licensing might have the unintended consequence of higher rents, so that landlords can finance work that needs undertaking.

### **Community Food Hub [B4666 and CAP4668]**

This project could benefit people on low incomes or who are in poverty. The community food hub's aim would be to help tackle food poverty. The Hub would have close links with Cambridge City Foodbank and the Foodbite project, and so bring added value for projects already aimed at supporting families on low incomes/ that are experiencing poverty.

## **11. Action plan**

This EqIA provides an overall assessment of the equality impacts of budget proposals included in the General Fund budget proposed for 2020/21.

## 12. Do you have any additional comments?

This EqlA contains information on equality impacts discussed with services on their budget bid proposals.

Where budget bids do not impact on service users directly but impact on one or two known members of staff for GDPR purposes, an EqlA would not be appropriate as information we would include within it would identify individuals. Equality impacts must be considered separately related to the individuals in question with HR.

## 13. Sign off

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

Helen Crowther, Equality and Anti-Poverty Officer, Corporate Strategy

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

- Ariadne Henry, Community Development Officer, Community Services
- Alistair Wilson, Development Manager, Environmental Services
- Clarissa Norman, Customer Service Operations Manager
- David Greening, Head of Housing
- Gary Cliff, Democratic Services Manager, Corporate Strategy
- Heather Jones, Strategic Lead, Building Control
- Ian Ross, Recreation Services Manager, Community Services
- Jane Wilson, Culture and Community Manager, Community Services
- Joel Carre, Head of Environmental Services
- Josephine Davies-Warner, Volunteer Coordinator, Housing Services
- Justin Smith, Home Energy Officer, Environmental Services
- Lynda Kilkelly, Community Safety Manager, Community Services
- Naomi Armstrong, Benefits Manager, Revenues and Benefits
- Sally Roden, Neighbourhood Community Development Manager, Community Services
- Stephen Kelly, Director for Planning and Economic Development
- Vicky Breeding, Electoral Services Manager, Corporate Strategy
- Yvonne O'Donnell, Environmental Health Manager, Environmental Service



### Budget-Setting Report (BSR) 2020/21 - Review of Charges

In the Medium-Term Financial Strategy (MTFS) October 2019 the general inflation assumption (target) for income and charges was 2.0% ongoing. All areas are required to review fees and charges (including property rental income based on detailed projections and rent reviews) and, if any specific review results in material additional or reduced income, then these are identified and included in the Budget-Setting Report (BSR) February 2020 as budget proposals.

#### Contents:

Portfolio	Charges	Contacts
Climate Change, Environment and City Centre	Environmental Services Taxi Testing Shared Waste Control of Dogs Markets	Yvonne O'Donnell David Cox Trevor Nicoll Wendy Johnson Tim Jones
Communities	Sports and Recreation Bereavement Services	Ian Ross Glyn Theobald
Housing – General Fund	HMOs, Enforcement	Yvonne O'Donnell
Planning Policy & Open Spaces	Open Spaces	Joel Carre
Transport & Community Safety	Parking	Sean Cleary
Finance & Resources	Moorings Guildhall Lettings Land Charges	Ashley Read Gary Clift Laura Prideaux-Brune
Licensing	Business Licensing Taxi Licensing Licensing & Gambling Act Animal Licensing Street Trading	Yvonne O'Donnell    Tim Jones

## Climate Change, Environment and City Centre

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Environmental Services</b>			
Pest Control Treatments for Businesses / Commercial per hour ( minimum half hour)	97.00	99.00	2.1%
House / Car Alarms (fee includes administration costs)	Actual Costs	Actual Costs	0.0%
Lecture Fees - per hour	85.00	87.00	2.4%
Food Surrender and Disposal	Actual Costs	Actual Costs	0.0%
Food Register - entire register printed	890.00	908.00	2.0%
Taught CIEH courses	72.00	73.00	1.4%
Online CIEH Courses	27.00	27.50	1.9%
Examination following on-line courses	22.00	22.50	2.3%
Tailored Training	Actual Costs	Actual Costs	0.0%
Mentoring Training at £85 hour	Actual Costs	Actual Costs	0.0%
Primary Authority Partnership Scheme at £45 hour	Actual Costs	Actual Costs	0.0%
Contaminated Land (per Enquiry/Polygon)	215.00	220.00	2.3%
Food Hygiene Ratings (FHRS) Rescore	190.00	194.00	2.1%
<b>Scrap Metal Dealers</b>			
Site Licence	450.00	459.00	2.0%
Conversion to collector's licence	55.00	56.00	1.8%
Change of licensee name	55.00	56.00	1.8%
Addition of site	450.00	459.00	2.0%
Removal of site	55.00	56.00	1.8%
Change of Site Manager	132.50	135.00	1.9%
Replacement of lost or damaged licence	49.00	50.00	2.0%
Collector's licence	192.00	196.00	2.1%
Conversion to site licence	390.00	398.00	2.1%
Change of name (e.g. status)	55.00	56.00	1.8%
Replacement of lost or damaged licence	49.00	50.00	2.0%
<b>Taxi Vehicle Testing by the Garage</b>			
Mechanical Fitness Test (Twice Yearly)	60.00	62.00	3.3%
Re-test if works carried out at a separate garage and returned within 10 days	30.00	30.00	0.0%
Re-test if works carried out at a separate garage and returned after 10 days	61.00	63.00	3.3%
<b>Shared Waste Service</b>			
<b>Hazardous domestic collections</b>			
Per Item (Fridge / Freeze / CRT Monitor / TV / Microwares etc.)	25.00	25.00	0.0%
<b>Domestic collections - Bulky Collections</b>			
One to three items (excluding hazardous items)	30.00	30.00	0.0%
More than three items (per item and maximum 9 items)	5.50	5.00	(9.1%)
Charge to empty contaminated bin / additional empty (per bin)	30.00	35.00	16.7%
Clearance of rubbish from bin stores	By quote	By quote	0.0%
Annual 2nd green bin charge - per additional 240 litre (October to October)	35.00	35.00	0.0%
Annual 2nd green bin charge - per additional 140 litre (October to October)	30.00	30.00	0.0%
Additional garden waste capacity for flats (per 1100l bin)	75.00	80.00	6.7%
<b>Bins</b>			
Delivery of bin(s) for new property	77.50	80.00	3.2%
Additional approved black bin - for large families etc.	50.00	50.00	0.0%
Delivery of a replacement black bin 240 litre - (damaged/stolen)	50.00	50.00	0.0%
Delivery of a replacement green/blue bin (damaged/stolen)	FREE	FREE	0.0%
Delivery of an additional blue bin	FREE	FREE	0.0%
Recycling Kitchen Caddy Sacks (in packs of 50). Includes VAT.	3.00	3.00	0.0%
Recycling Kitchen Caddy Sacks (in packs of 10). Includes VAT and delivery.	4.49	N/A	0.0%
<b>Dogs</b>			
Statutory Fee for all stray dogs**	25.00	25.00	0.0%
Collection and transportation cost of stray dogs in normal office hours	67.50	69.18	2.5%
Kennels registration and vet checking fee	53.00	53.32	0.6%
Daily kennel charges	16.60	17.01	2.5%
Collection fee for stray dogs out of normal office hours (Bank Holidays)	154.30	N/A	N/A
Collection fee for stray dogs out of normal office hours (Weekday evenings)	99.20	N/A	N/A
Collection fee for stray dogs out of normal office hours (Weekends)	110.20	N/A	N/A
<b>Markets</b>			
<b>Cambridge Retail Market</b>			
<b>Monday - Tuesday rents</b>			
General Market Weekday Premium	20.63	21.15	2.5%
General Market Weekday Standard	10.00	10.00	0.0%
<b>Wednesday - Friday rents</b>			
General Market Weekday Premium	20.63	21.15	2.5%

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
General Market Weekday Standard	17.07	17.50	2.5%
General Market Weekend Premium	39.62	40.61	2.5%
General Market Weekend Standard	32.55	33.36	2.5%
Hot Food Premium	7.33	7.51	2.5%
Casual Trading Premium	5.00	5.00	0.0%
*Storage Units	18.03	18.03	0.0%
<b>All Saints Craft Fair</b>			
Monday - Friday rents	15.86	16.26	2.5%
Saturday rent	33.56	34.40	2.5%
<b>All Markets - Administration Fees</b>			
Variations Fee - applicable for any changes that result in the production of a new licence.	30.00	30.00	0.0%
Direct Debit rebate	0.04	0.04	0.0%
* These charges are shown net of VAT			
** Externally set fees and charges			

## Communities - Sport & Recreation

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Sports &amp; Recreation Charges (including VAT)</b>			
<b>Sports Facilities</b>			
<b>Cricket</b>			
Adult Per pitch	43.50	44.00	1.1%
Including Pavilion	59.00	60.00	1.7%
Junior per pitch (Under 16's)	28.00	28.50	1.8%
Including Pavilion	34.50	35.00	1.4%
<b>Football/Rugby/Hockey</b>			
Per pitch including Pavilion	56.50	57.50	1.8%
Junior per pitch including Pavilion (Under 16's)	31.00	31.50	1.6%
8-a-side pitch	23.00	23.50	2.2%
<b>American Football</b>			
Per pitch (including 4 changing rooms)	100.00	100.00	0.0%
Junior (Under 16's) per pitch (including 4 changing rooms)	50.00	50.00	0.0%
<b>Rounders</b>			
Per Pitch	24.00	24.50	2.1%
Per Pitch - Junior (Under 16's)	12.50	12.75	2.0%
<b>Tennis</b>			
Jesus Green - Per hour	FREE	FREE	0.0%
Nightingale Avenue, Lammas Land, Coleridge, Barnwell, Christs	FREE	FREE	0.0%
<b>Abbey Artificial Pitch (including Floodlights)</b>			
<b>Peak Time</b>			
Mon-Fri 17.00-22.00/Sat 11.00-19.00/Sun 12.00-16.00			
Whole Pitch	59.00	60.00	1.7%
Whole Pitch - Junior	32.00	32.50	1.6%
Half Pitch	39.00	39.50	1.3%
Half Pitch - Junior	21.75	22.00	1.1%
<b>Off-Peak Time</b>			
Whole Pitch	46.50	47.50	2.2%
Whole Pitch - Junior	30.75	31.00	0.8%
Half Pitch	32.00	32.50	1.6%
Half Pitch - Junior	18.75	19.00	1.3%
<b>Lighting Charges per hour</b>			
Whole Pitch max lux	18.00	18.00	0.0%
Half Pitch max lux	10.00	10.00	0.0%
<b>Changing Room Hire - Per Game</b>			
Additional Changing Room (per room)	12.50	12.75	2.0%
<b>Swimming Services</b>			
The charges relating to the swimming services are the <b>HEADLINE</b> prices			
These charges are the <b>MOST</b> the Leisure Contractor can charge for an activity			
The Leisure Contractor can <b>REDUCE</b> any or all of the activity prices <b>BELOW</b> the headline price if they wish.			
<b>Juniors are 17 years and under; Under 3's are FREE</b>	FREE	FREE	0.0%
<b>Parkside Pools</b>			
Adult	4.80	4.90	2.1%
Junior	2.50	2.55	2.0%
Main Pool Hire - per hour (Non Commercial)	131.00	133.50	1.9%
Main Pool Hire - per hour ( <b>Commercial</b> )	336.50	345.00	2.5%
Lane Hire	24.00	24.50	2.1%
Diving Pool - per hour (Non Commercial)	75.00	76.50	2.0%
Diving Pool - per hour ( <b>Commercial</b> )	104.50	107.00	2.4%
Children's Pool Hire - per hour (Non Commercial)	49.00	50.00	2.0%
Children's Pool Hire - per hour ( <b>Commercial</b> )	57.75	60.00	3.9%
Flumes	58.00	59.00	1.7%
Non-City LEA School Swim	2.00	2.00	0.0%
<b>Abbey Pool</b>			
Adult	4.80	4.90	2.1%
Junior	2.50	2.55	2.0%
Pool Hire - per hour (Non Commercial)	84.00	85.50	1.8%
Pool Hire - per hour ( <b>Commercial</b> )	104.50	107.00	2.4%
Learner Pool Hire - per hour (Non Commercial)	43.00	43.75	1.7%
Learner Pool Hire - per hour ( <b>Commercial</b> )	57.75	60.00	3.9%
Gala Hire - per hour (City Clubs)	160.00	163.00	1.9%

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
Gala Hire - per hour <b>(Commercial)</b>	215.00	220.00	2.3%
Non-City LEA School Swim	2.00	2.00	0.0%
<b>Kings Hedges Pool</b>			
Pool Hire - per hour - Non Commercial	41.00	41.75	1.8%
Pool Hire - per hour - <b>(Commercial)</b>	57.75	60.00	3.9%
<b>Jesus Green Outdoor Pool</b>			
Adult	4.80	4.90	2.1%
Adult - Season Ticket	110.00	115.00	4.5%
Adult - Season Ticket with Sauna	165.00	170.00	3.0%
Junior	2.50	2.55	2.0%
Junior - Season Ticket	38.25	40.00	4.6%
Pool hire per Hour - Non Commercial	110.00	115.00	4.5%
Pool hire per Hour - <b>(Commercial)</b>	175.00	275.00	57.1%
<b>Health Suites</b>			
Abbey Pool			
Sauna & Swim	7.50	7.65	2.0%
<b>GP Referral</b>			
Swimming Session - Abbey, Parkside, Kings Hedges			
Induction	8.80	9.00	2.3%
Session	3.00	3.50	16.7%
<b>Membership Cards</b>			
Adult Residents (up to 30% discount)	10.00	12.00	20.0%
Adult Students & 60+ (up to 35% Discount)	7.50	9.00	20.0%
Adult Concessions (up to 50% Discount)	5.00	5.00	0.0%
Junior Residents (up to 30% discount)	5.00	6.00	20.0%
Junior Concessions (up to 50% Discount)	2.50	2.50	0.0%
<b>Cherry Hinton Village Centre</b>			
Activity			
Main Hall per Hour - Adult	47.00	48.00	2.1%
Main Hall per Hour - Junior (17yr & Under)	27.50	28.00	1.8%
Large Meeting Room per hour - (Community)	21.50	22.00	2.3%
Large Meeting Room per hour - <b>(Commercial)</b>	29.50	30.00	1.7%
Small Meeting Room per hour - (Community)	11.00	11.25	2.3%
Small Meeting Room per hour - <b>(Commercial)</b>	18.00	18.50	2.8%
Admission on Sports Bookings per person	0.30	0.30	0.0%
Badminton Court per hour - Adult	13.50	13.75	1.9%
Badminton Court per hour - Junior (17yr & Under)	7.50	7.75	3.3%
<b>Activities - (Sessions, Schools Out, etc.)</b>			
Per person	1.80	N/A	0.0%
Tea Dances per person	5.25	N/A	0.0%

## Communities - Bereavement Services

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>CAMBRIDGE CITY CREMATORIUM</b>			
Adult Direct Cremation	NEW	475.00	N/A
Collection of deceased no cremation ( within 25 miles )	NEW	602.00	N/A
Adult - Band 1 (before 9:30am and after 4pm)	602.00	602.00	0.0%
Adult - Band 2	830.00	830.00	0.0%
Adult - Body Part	97.00	99.00	N/A
Bearer	50.00	N/A	N/A
Extended Service	265.00	295.00	11.3%
Over running allotted service time by more than 5 minutes	71.00	75.00	5.6%
Adult - Saturday service by request	1,512.00	1,542.00	2.0%
Adult - Sunday service by request	Price on Application	N/A	N/A
Child - Sunday service by request	Price on Application	N/A	N/A
Infant - Sunday service by request	Price on Application	N/A	N/A
Baby (pre 24 weeks gestation) - Sunday service by request	Price on Application	N/A	N/A
<b>ADDITIONAL CHARGES (IF APPLICABLE)</b>			
Memorial Service (includes VAT)	384.00	392.00	2.1%
Audio (CD) Recording (includes VAT)	55.20	56.50	2.4%
Visual (DVD) Recording (includes VAT)	55.20	56.50	2.4%
USB Recording (includes VAT)	55.20	56.50	2.4%
Web Cast (includes VAT)	55.20	56.50	2.4%
Visual Tribute (West Chapel only) - price on application (includes VAT) (minimum charge shown)	30.00	30.00	0.0%
Visual tribute price per picture (includes VAT)	1.92	1.96	2.0%
Visual tribute price per minute of video (includes VAT)	5.40	5.50	1.9%
Additional copy of recording (includes VAT)	21.60	22.00	1.9%
Copy of VT (includes VAT)	27.60	28.00	1.4%
Include VT on recording (includes VAT)	27.60	28.00	1.4%
Wooden casket	48.00	49.00	2.1%
Witness scattering - Sunday	Price on Application	N/A	N/A
Scattering from another crematoria (inc witness fee) - Sunday	Price on Application	N/A	N/A
Duplicate Cremation Certificate	21.00	21.00	0.0%
Postage & Packing	At Cost	At Cost	0.0%
Customs Certificate	21.00	21.00	0.0%
Cancelling service within 4 working days of the allotted time	90.00	180.00	100.0%
Exhumation of Ashes (includes VAT)	177.00	181.00	2.3%
<b>NEWMARKET ROAD &amp; HUNTINGDON ROAD CEMETERY</b>			
<b>Exclusive Right of Burial – Adult</b>			
Exclusive Right of Burial – Adult - 50 years	958.00	975.00	1.8%
Exclusive Right of Burial – Adult - 75 years	1,436.00	1,465.00	2.0%
Exclusive Right of Burial – Adult - 99 years	1,940.00	1,980.00	2.1%
5 year top up extension to reinstate Exclusive right to 50 years	96.00	98.00	2.1%
Exclusive Right of Burial – 2 years and under	161.00	164.00	1.9%
<b>All Interments - Traditional and Green burials</b>			
Adult interment Resident	820.00	870.00	6.1%
Adult interment Non Resident	1,458.00	N/A	N/A
Adult - Saturday	1,000.00	1,070.00	7.0%
Adult - Sunday	Price on Application	N/A	N/A
Child (2-16yrs) - Sunday (2017/18 was 2-12yrs)	Price on Application	N/A	N/A
Infant (under 2 & stillborn) - Sunday	Price on Application	N/A	N/A
Baby - pre 24 weeks gestation - Sunday - Interment Fee applicable	Price on Application	N/A	N/A
Ashes	193.00	197.00	2.1%
Ashes - Saturday	287.00	293.00	2.1%
Ashes - Sunday	Price on Application	N/A	N/A
Permanent (Wooden) Shoring (single depth grave)	310.00	316.00	1.9%
Permanent (Wooden) Shoring (double depth, closed boarding) (For use with oversized coffin)	1,083.00	1,105.00	2.0%
Topsoil (single depth grave)	358.00	365.00	2.0%
Oversize interment - 36"	327.00	334.00	2.1%
Headstone (up to 18"x18") plus memorial inspection fee ***	104.00	106.00	1.9%
Infant Kerbs set including headstone (36"l x 24"w x 24"h) plus memorial inspection fee ***	138.00	140.00	1.4%
Adult Headstone (up to 36"h) plus memorial inspection fee ***	201.00	205.00	2.0%
Adult Half Kerb including headstone (36"l x 36"w x 48"h) plus memorial inspection fee ***	201.00	205.00	2.0%

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
Adult Full Kerbset including headstone (84"l x 36"w x 48"h) plus memorial inspection fee ***	301.00	307.00	2.0%
Adult Full Kerbset including headstone (up to 84"l x 36"w x 54"h) plus memorial inspection fee ***	454.00	463.00	2.0%
Adult Full Kerbset including headstone (up to 84"l x 36"w x 60"h) plus memorial inspection fee ***	678.00	692.00	2.1%
Adult Full Kerbset including headstone (up to 84"l x 36"w x 66"h) plus memorial inspection fee ***	1,015.00	1,035.00	2.0%
Memorial inspection fee ***	76.00	78.00	2.6%
<b>ADDITIONAL CHARGES (IF APPLICABLE)</b>			
Use of chapel - Funeral service	196.00	392.00	100.0%
Use of chapel - Sunday	Price on Application	N/A	N/A
Memorial service - Monday to Saturday (subject to VAT)	Price on Application	392.00	N/A
Grave Plot prepurchase - Huntingdon Road (Single) 50years	2,550.00	2,600.00	2.0%
Grave Plot prepurchase - Huntingdon Road (Single) 75years	3,100.00	3,162.00	2.0%
Grave Plot prepurchase - Huntingdon Road (Single) 99years	3,700.00	3,774.00	2.0%
Assignment of grave ownership	56.00	57.00	1.8%
Transfer of Ownership	56.00	57.00	1.8%
Duplicate Deed of Grant	21.00	21.00	0.0%
Permit for cleaning and renovation only (includes VAT)	31.00	32.00	3.2%
Cancelling service after the grave has been dug	180.00	250.00	38.9%
Exhumation (subject to VAT)	Price on Application	Price on Application	0.0%
Exhumation (non-viable foetus) (includes VAT)	288.00	295.00	2.4%
Family History price per search	50.00	N/A	N/A
Family History charges up to 5 searches	15.00	N/A	N/A
Additional Inscriptions (Including VAT)	201.00	205.00	2.0%

## Housing - General Fund

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Licences:</b>			
HMO Licences - New Applications	950.00	969.00	2.0%
HMO Licence - Renewals	£950, (£855 if app submitted at least 8wks prior to expiry of current licence).	£969, (£872 if app submitted at least 8wks prior to expiry of current licence).	2.0%
Assisted application	Cost	Cost	0.0%
<b>Enforcement Activity</b>			
Penalty for non compliance (not belonging to one of the approved Property Redress schemes) £5,000 maximum charge	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	0.0%
Subsequent offences	5,000.00	5,000.00	0.0%
Penalty for non compliance with the Smoke and Carbon Monoxide Regulations	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	0.0%
Fixed penalty for failure to produce an Energy Performance Certificate, EPC, as per the requirements of the Energy Act 2016	NEW	200.00	N/A
Civil Penalty for failure to comply with The Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015, MEES	NEW	Maximum financial penalty of up to £5,000 taking into account the fine criteria and individual maximum penalties specified under Regulation 40 on a case by case basis.	N/A
Civil Penalty for non-compliance under the Housing and Planning Act 2016	Case by case basis using agreed matrix, maximum of £30,000 per offence	Case by case basis using agreed matrix, maximum of £30,000 per offence	0.0%
Charge for the service of an Improvement Notice under the Housing Act 2004	336.60	344.00	2.2%
Charge for the service of a Prohibition Order under the Housing Act 2004	306.00	312.00	2.0%
Charge for the service of an Emergency Remedial Action Notice under the Housing Act 2004	285.60	292.00	2.2%
Charge for the review of Suspended notices or orders served under the Housing Act 2004	102.00	104.00	2.0%
Charge for the service of a Hazard Awareness Notice	0.00	0.00	0.0%
<b>Training and other services</b>			
Delivering training and other discretionary services for landlords and agents	Cost (including development) **	Cost (including development) **	0.0%
** Including development, promotion, and associated costs			
Landlord training (per delegate)	102.00	104.00	2.0%
Immigration inspections	142.80	146.00	2.2%



## Open Spaces

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Allotments</b>			
Standard size is 10 rods (300 m2)			
Allotment Full size	47.50	56.00	17.9%
Allotment Half size	25.00	28.00	12.0%
Allotment starter plot	15.00	17.50	16.7%
Refundable Key Deposit (where applicable) *	30.00	N/A	0.0%
<b>Parks, Commons &amp; Open Spaces</b>			
<b>Grazing</b>			
Cows	65.00	66.00	1.5%
Cows - 10 or more (per beast)	40.00	42.00	5.0%
<b>Parks &amp; Open Spaces Lettings</b>			
Application Fee - all applicants (may be returnable for local events if criteria met) (Plus VAT)	120.00	120.00	0.0%
Filming on parks and open spaces (Non Commercial)	Free	Free	0.0%
Filming on parks and open spaces (Commercial)	Negotiable	Negotiable	0.0%
Daily Hire - Fairs #	475.00	485.00	2.1%
Daily Hire - Circuses #	400.00	410.00	2.5%
Setting up/Pulling down days (For events where hire fee is more)	225.00	230.00	2.2%
Ongoing business use e.g. fitness classes (per quarter)	350.00	355.00	1.4%
Non Commercial Public Events ‡	275.00	280.00	1.8%
National Charities ‡	210.00	215.00	2.4%
Local events / demos ‡	Free	Free	0.0%
Fun Runs and Charity Walks (Local Charity Run/100% beneficiary)(under 500 participants)	Free	Free	0.0%
Commercial Public Events on City Centre Parks: * †	Negotiable	Negotiable	0.0%
- minimum charge for lettings up to and over 1,000 sq. metres	890.00	900.00	1.1%
- additional charge per square metre for lettings over 1,000 sq. metres	2.00	2.05	2.5%
Commercial Public Events on Other Parks & Open Spaces: * †	Negotiable	Negotiable	0.0%
- minimum charge for lettings up to and over 1,000 sq. metres	475.00	480.00	1.1%
- additional charge per square metre for lettings over 1,000 sq. metres	2.00	2.05	2.5%
Use of a Premises Licence for external event providers **	At Pro rata cost per day of total licence fee	At Pro rata cost per day of total licence fee	0.0%
Provision of Wi-Fi facility for commercial events	Free Where Existing	Free Where Existing	0.0%
Internal Event/Cambridge Live - No Fees	130.00	130.00	0.0%
Internal Event/Cambridge Live - Fee Paying	175.00	175.00	0.0%

\* Not applicable now as most allotments have keypad entry

‡ to include fun runs, cycle rides and charity walks, up to 500 participants

† to include fun runs, cycle rides and charity walks, over 500 participants

# A sealed bid process may be applicable where more than one application is made for dates

## Parking

MULTISTOREY CAR PARKS (Pay on foot)	2019/20			
	Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
<b>Grand Arcade</b>	Mon-Fri 10am to 7pm	If a vehicle parks between 8am to 10am the following rates are payable for the duration of the stay	Sat 9am to 7pm Sun 10am to 7pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay
1hr	£2.50	£3.00	£2.80	£3.30
2hrs	£4.90	£5.90	£5.40	£6.40
3hrs	£7.30	£8.80	£8.00	£9.50
4hrs	£10.70	£12.70	£12.40	£14.40
5hrs	£20.50	£23.00	£21.70	£24.20
over 5 hrs	£26.40	£29.40	£27.40	£30.40
evenings & overnight	£1.20	£1.20	£1.20	£1.20

<b>Queen Anne Terrace</b>	Mon-Fri 10am to 7pm	If a vehicle parks between 8am to 10am the following rates are payable for the duration of the stay	Sat 9am to 7pm Sun 10am to 7pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay
1hr	£1.60	£2.10	£1.60	£2.10
2hrs	£3.20	£4.20	£3.20	£4.20
3hrs	£4.40	£5.90	£4.40	£5.90
4hrs	£5.20	£7.20	£5.20	£7.20
5hrs	£6.90	£9.40	£6.90	£9.40
6hrs	£10.50	£13.50	£10.50	£13.50
over 6 hrs	£14.00	£17.50	£14.00	£17.50
evenings & overnight	£0.80	£0.80	£0.80	£0.80

<b>Park Street</b>	Mon-Fri 10am to 7pm	If a vehicle parks between 8am to 10am the following rates are payable for the duration of the stay	Sat 9am to 7pm Sun 10am to 7pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay
1hr	£2.30	£2.80	£2.50	£3.00
2hrs	£4.00	£5.00	£4.90	£5.90
3hrs	£6.00	£7.50	£6.80	£8.30
4hrs	£10.10	£12.10	£11.00	£13.00
5hrs	£17.90	£20.40	£19.00	£21.50
over 5 hrs	£25.30	£28.30	£25.30	£28.30
evenings & overnight	£0.80	£0.80	£0.80	£0.80

<b>Grafton East</b>	Mon-Fri 10am to 7pm	If a vehicle parks between 8am to 10am the following rates are payable for the duration of the stay	Sat 9am to 7pm Sun 10am to 7pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay
1hr	£2.30	£2.80	£2.50	£3.00
2hrs	£3.80	£4.80	£4.60	£5.60
3hrs	£5.90	£7.40	£6.50	£8.00
4hrs	£9.70	£11.70	£11.00	£13.00
5hrs	£17.90	£20.40	£19.00	£21.50
over 5 hrs	£25.30	£28.30	£25.30	£28.30
evenings & overnight	£0.80	£0.80	£0.80	£0.80

<b>Grafton West</b>	Mon-Fri 10am to 7pm	If a vehicle parks between 8am to 10am the following rates are payable for the duration of the stay	Sat 9am to 7pm Sun 10am to 7pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay
1hr	£2.30	£2.80	£2.50	£3.00
2hrs	£3.80	£4.80	£4.60	£5.60
3hrs	£5.90	£7.40	£6.50	£8.00
4hrs	£9.70	£11.70	£11.00	£13.00
5hrs	£17.90	£20.40	£19.00	£21.50
over 5 hrs	£25.30	£28.30	£25.30	£28.30
evenings & overnight	£0.80	£0.80	£0.80	£0.80

2020/21			
Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am- 7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
£2.60	£3.10	£2.90	£3.40
£5.00	£6.00	£5.50	£6.50
£7.50	£8.90	£8.10	£9.70
£10.80	£13.00	£12.60	£14.60
£20.70	£23.40	£22.10	£24.60
£26.70	£29.90	£27.90	£30.90
£1.20	£1.20	£1.20	£1.20

Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am- 7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
£1.70	£2.20	£1.70	£2.10
£3.30	£4.30	£3.30	£4.30
£4.50	£6.00	£4.50	£6.00
£5.30	£7.30	£5.30	£7.30
£7.00	£9.60	£7.00	£9.50
£10.70	£13.70	£10.60	£13.70
£14.10	£17.80	£14.20	£17.80
£0.80	£0.80	£0.80	£0.80

Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am- 7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
£2.40	£2.90	£2.60	£3.10
£4.10	£5.10	£5.00	£6.00
£6.10	£7.60	£6.90	£8.50
£10.30	£12.30	£11.20	£13.20
£18.10	£20.70	£19.20	£21.80
£25.50	£28.80	£25.70	£28.80
£0.80	£0.80	£0.80	£0.80

Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am- 7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
£2.40	£2.90	£2.60	£3.10
£3.90	£4.90	£4.70	£5.70
£6.00	£7.50	£6.60	£8.20
£9.80	£11.90	£11.20	£13.20
£18.10	£20.70	£19.30	£21.80
£25.70	£28.70	£25.70	£28.70
£0.80	£0.80	£0.80	£0.80

Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am- 7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
£2.40	£2.90	£2.60	£3.10
£3.90	£4.90	£4.70	£5.70
£6.00	£7.50	£6.60	£8.20
£9.80	£11.90	£11.20	£13.20
£18.20	£20.70	£19.30	£21.80
£25.70	£28.70	£25.70	£28.70
£0.80	£0.80	£0.80	£0.80

2020/21 from 2019/20			
Comparisons % Change			
Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.0%	3.3%	3.6%	3.0%
2.0%	1.7%	1.9%	1.6%
2.7%	1.1%	1.3%	2.1%
0.9%	2.4%	1.6%	1.4%
1.0%	1.7%	1.8%	1.7%
1.1%	1.7%	1.8%	1.6%
0.0%	0.0%	0.0%	0.0%

Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
6.2%	4.8%	6.2%	0.0%
3.1%	2.4%	3.1%	2.4%
2.3%	1.7%	2.3%	1.7%
1.9%	1.4%	1.9%	1.4%
1.4%	2.1%	1.4%	1.1%
1.9%	1.5%	1.0%	1.5%
0.7%	1.7%	1.4%	1.7%
0.0%	0.0%	0.0%	0.0%

Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.3%	3.6%	4.0%	3.3%
2.5%	2.0%	2.0%	1.7%
1.7%	1.3%	1.5%	2.4%
2.0%	1.7%	1.8%	1.5%
1.1%	1.5%	1.1%	1.4%
0.8%	1.8%	1.6%	1.8%
0.0%	0.0%	0.0%	0.0%

Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.3%	3.6%	4.0%	3.3%
2.6%	2.1%	2.2%	1.8%
1.7%	1.4%	1.5%	2.5%
1.0%	1.7%	1.8%	1.5%
1.1%	1.5%	1.6%	1.4%
1.6%	1.4%	1.6%	1.4%
0.0%	0.0%	0.0%	0.0%

Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.3%	3.6%	4.0%	3.3%
2.6%	2.1%	2.2%	1.8%
1.7%	1.4%	1.5%	2.5%
1.0%	1.7%	1.8%	1.5%
1.7%	1.5%	1.6%	1.4%
1.6%	1.4%	1.6%	1.4%
0.0%	0.0%	0.0%	0.0%

SURFACE CAR PARKS				
<b>ADAM AND EVE STREET</b> Monday to Friday 8am to 7pm Saturday 9am to 7pm Sunday 10am to 5pm	Pay and display			
Maximum stay 2 hours	2019/20	2020/21	% change	Evenings and overnight
Charges	80p for 20 mins (£2.40/hr)	80p for 20 mins (£2.40/hr)	0.0%	Free

<b>CASTLE HILL CAR PARK</b> Monday to Friday 8am to 7pm Saturday 9am to 7pm Sunday 10am to 5pm	Pay and display			
Charges	2019/20	2020/21	% change	Evenings and overnight
Up to 2 hours	£2.60	£2.60	0.0%	Free
2-4 hours	£4.90	£5.00	2.0%	
over 4 hours	£8.20	£8.30	1.2%	
Sunday - all day charge	£4.10	£4.20	2.4%	
Weekly ticket (7 days)	£35.80	£36.40	1.7%	

<b>GWYDIR STREET CAR PARK</b> Monday to Friday 8am to 7pm Saturday 9am to 7pm	Pay and display			
Maximum stay 2 hours	2019/20	2020/21	% change	Evenings and overnight
Charges	90p for 30 mins (£1.80/hr)	90p for 30 mins (£1.80/hr)	0.0%	Free
<b>RIVERSIDE CAR PARK</b> Monday to Friday 8am to 7pm Saturday 9am to 7pm	Pay and display			
Maximum stay 8 hours	2019/20	2020/21	% change	Evenings and overnight
Charges	60p for 30 mins (£1.20/hr)	60p for 30 mins (£1.20/hr)	0.0%	Free

SEASON TICKET CHARGES - Business Permits					
Park Street, Queen Anne and Grafton Centre car parks	Quarterly fee inclusive of VAT (19/20)	Quarterly fee inclusive of VAT (20/21)	% change	20% Discount for low emission [Group A] vehicles 20/21	Discounted fee (20/21)
'Night Owl' 7 days 5pm-8am (one car park*)	£230.00	£236.00	2.6%	£47.20	£188.80
24/7 Premium (Grafton car parks, Park St, Queen Anne)	£890.00	£911.00	2.4%	£182.20	£728.80
Monday-Friday 24 hour access (one car park*)	£680.00	£696.00	2.4%	£139.20	£556.80
Monday-Friday 8am -6pm (one car park*)	£540.00	£553.00	2.4%	£110.60	£442.40

Note \* excluding Grand Arcade car park

#### DISABLED BADGE HOLDERS

First three hours parking free, on production of a valid Blue Badge to the City Council at the **Grand Arcade, Park Street, Grafton East, Grafton West and Queen Anne Terrace car parks**.  
At multi storey car parks durations of stay in excess of three hours the normal car park charges will apply as if from the first hour, i.e. the fourth will be charged as if it were the first  
Two hours free parking during charging hours when a valid Blue Badge and time clock is displayed at **Adam and Eve and Gwydir Street car parks**.  
Three hours free parking when a valid Blue Badge and time clock is displayed at **Castle Hill and Riverside car parks**.

## Finance & Resources

### Mooring Fees

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Mooring Fees*</b>			
Tariff Class 30 - vessel up to 5 metres	822.00	£842.00	2.4%
Tariff Class 32 - vessel under 3 metres	822.00	£842.00	2.4%
Tariff Class 33 - Vessel 3 to 5 metres	822.00	£842.00	2.4%
Tariff Class 34 - Vessel 5 to 7.5 metres	877.00	£898.00	2.4%
Tariff Class 35 - Vessel 7.5 to 10 metres	933.00	£955.00	2.4%
Tariff Class 36 - Vessel 10 to 12.5 metres	988.00	£1,012.00	2.4%
Tariff Class 37 - Vessel 12.5 to 15 metres	1,042.00	£1,067.00	2.4%
Tariff Class 38 - Vessel 15 to 20 metres	1,097.00	£1,123.00	2.4%
Tariff Class 39 - Vessel over 20 metres	1,207.00	£1,236.00	2.4%
Tariff Class 51 - Any other vessel	1,207.00	£1,236.00	2.4%
* Tariff as used by Cam Conservators for River Navigation Licensing			
** The agreed fee increase for the 2019/20 financial year is as per the Review of Moorings Policy (March 2017) - RPIX for September 2018 - 3.3%			

### Guildhall Lettings

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Conference/exhibition letting charges for Guildhall Daily Lets:-</b>			
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	141.16	143.99	2.0%
Evening/Weekends/Bank Holidays (per hour)	141.16	143.99	2.0%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	282.30	287.94	2.0%
Evening/Weekends/Bank Holidays (per hour)	169.37	172.76	2.0%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	141.16	143.99	2.0%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	53.78	54.86	2.0%
Evening, after 5pm (per hour) + day rate	53.78	54.86	2.0%
<b>Standard letting charges for Guildhall Daily Lets:-</b>			
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	87.38	89.13	2.0%
Evening/Weekends/Bank Holidays (per hour)	87.38	89.13	2.0%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	141.16	143.99	2.0%
Evening/Weekends/Bank Holidays (per hour)	87.38	89.13	2.0%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	141.16	143.99	2.0%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	53.78	54.86	2.0%
Evening, after 5pm (per hour) + day rate	53.78	54.86	2.0%

\* All charges are subject to VAT.

## Finance & Resources

### Land Charges

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Land Charges</b>			
LLC1 Official Search in respect of one parcel of land	22.00	25.00	13.6%
<b>Residential Search *</b>			
CON29R	125.00	116.00	(7.2%)
LLC1 and CON29R (Full Residential Search)	N/A	141.00	NEW
Additional Parcels of Land	12.00	17.00	41.7%
<b>Commercial Search</b>			
CON29R	125.00	175.00	40.0%
LLC1 and CON29R (Full Commercial Search)	N/A	200.00	NEW
Additional Parcels of Land	12.00	28.00	133.3%
<b>Additions</b>			
Additional Enquiries *	12.00	12.00	0.0%
<b>CON290 (Optional Enquiries) *</b>			
Q4 - Road Proposals	8.00	5.00	(37.5%)
Q5 - Advertisements	8.00	9.50	18.8%
Q6 - Completion Notices	8.00	6.00	(25.0%)
Q7- Parks & Countryside	4.00	6.00	50.0%
Q8 - Pipelines	0.00	0.00	0.0%
Q9 - House in Multiple Occupation	8.00	6.00	(25.0%)
Q10- Noise Abatement and other Nuisances	4.00	6.00	50.0%
Q11 - Urban Development Areas	4.00	6.00	50.0%
Q12 - Enterprise Zones	8.00	6.00	(25.0%)
Q13 - Inner Urban Development Areas	4.00	6.50	62.5%
Q14 - Simplified Planning Zones	4.00	6.00	50.0%
Q15 - Land Maintenance Notices	8.00	6.00	(25.0%)
Q16 - Mineral Consultation Areas	4.00	5.20	30.0%
Q17 - Hazardous Substance Consents	8.00	4.50	(43.8%)
Q18 - Environmental & Pollution Notices	8.00	6.00	(25.0%)
Q19 - Food Safety Notices	8.00	6.00	(25.0%)
Q20 - Hedgerow Notices	8.00	6.00	(25.0%)
Q21 - Flood Defence and Land Drainage Consents	4.00	5.20	30.0%
Q22 - Common Land, Town and Village Greens	8.00	10.00	25.0%
<b>Discretionary services (including Pre-application work and Planning and Performance Agreements (PPAs)) will be charged for on a case by case basis. This charge will be based on full recovery of the cost of delivering the agreed work. Officer time will be charged at the following rate according to the officer band:</b>	<b>Hourly Charge (£)</b>	<b>Hourly Charge (£)</b>	
City Band 2	N/A	42.00	NEW
City Band 3	N/A	51.00	NEW
City Band 4	N/A	58.00	NEW
City Band 5	N/A	64.00	NEW
City Band 6	N/A	73.00	NEW
City Band 7	N/A	86.00	NEW
City Band 8	N/A	91.00	NEW
City Band 10	N/A	119.00	NEW
The full direct cost of any external consultants, contractors or agency staff incurred by the Planning Service in the delivery of the discretionary service will also be included in any fees charged for the work done.			

#### Notes

\* Includes VAT

Q16, Q21 and Q22 are answered by Cambs County Council. Fees are subject to change for 2018/19 (last amended April 2016)

Q4 is now answerable from the Planning Service database, hence the proposed fee.

Q7, Q10, Q11, Q13, Q14 currently have standard responses, hence the proposed fee reduction.

## Licensing

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Skin Piercing</b>			
Skin Piercing – Premises	143.00	146.00	2.1%
Skin Piercing - Practitioners	55.00	56.00	1.8%
<b>Sex Establishments</b>			
Sexual Entertainment Venues (new & variation)	3,010.00	3,070.00	2.0%
Sexual Entertainment Venues (renewal)	891.00	909.00	2.0%
Sexual Entertainment Venues (transfer)	891.00	909.00	2.0%
Sex Shop / Sex Cinema (new & variation)	2,787.00	2,843.00	2.0%
Sex Shop / Sex Cinema (renewal)	891.00	909.00	2.0%
Sex Shop / Sex Cinema (transfer)	891.00	909.00	2.0%
<b>Taxi Licences CONSULTATION TAKING PLACE</b>			
<b>Drivers</b>			
Disclosure & Barring Service Check (DBS) *	44.00	40.00	(9.1%)
Knowledge Test	67.00	68.40	2.1%
New Licence Fee	245.00	250.00	2.0%
Annual Renewal Fee	82.00	84.00	2.4%
3 Yearly Renewal Fee	225.00	230.00	2.2%
Replacement Badges	20.00	20.50	2.5%
DVLA Data Check * (New service provider)	9.00	4.60	(48.9%)
Change of Details	15.00	15.40	2.7%
Replacement Licence	10.00	10.20	2.0%
<b>Vehicles</b>			
Hackney Carriage Licence (new)	275.00	281.00	2.2%
Private Hire Licence (new)	275.00	281.00	2.2%
Hackney Carriage Ultra Low Emission Vehicle (new)	137.50	140.00	1.8%
Private Hire Ultra Low Emission Vehicle (new)	137.50	140.00	1.8%
Hackney Carriage Zero Emission Vehicle (new)	0.00	0.00	0.0%
Private Hire Zero Emission Vehicle (new)	0.00	0.00	0.0%
Hackney Carriage Licence Renewal	240.00	245.00	2.1%
Private Hire Licence Renewal	225.00	230.00	2.2%
Hackney Carriage Ultra Low Emission Vehicle (renewal)	120.00	122.40	2.0%
Private Hire Ultra Low Emission Vehicle (renewal)	112.50	115.00	2.2%
Hackney Carriage Zero Emission Vehicle (renewal)	0.00	0.00	0.0%
Private Hire Zero Emission Vehicle (renewal)	0.00	0.00	0.0%
Plate Deposit	50.00	51.00	2.0%
Replacement Plate	25.00	26.00	4.0%
Change of Ownership	72.00	73.50	2.1%
Crest - self adhesive	6.00	6.10	1.7%
Crest - magnetic	8.00	8.20	2.5%
Replacement Licence	10.00	10.20	2.0%
Change of Details	15.00	15.50	3.3%
<b>Operators Licence</b>			
Private Hire Operators Licence (New)	286.00	292.00	2.1%
Private Hire Operators Licence (Renewal - 1 Year)	214.00	218.00	1.9%
Private Hire Operators Licence (renewal - 5 Year)	877.00	895.00	2.1%
Replacement Licence	10.00	10.20	2.0%
Change of Details	15.00	15.40	2.7%
<b>Training</b>			
Fee for Customer Awareness: Safeguarding, Equality & Protection Training	52.00	53.00	1.9%
BIIAB Level 1 Award in Responsible Alcohol Retailing	67.00	68.00	1.5%
BIIAB Level 2 Award for Personal Licence Holders	102.00	104.00	2.0%
<b>Licensing Act 2003 (Statutory Set)</b>			
Personal Licence	37.00	37.00	0.0%
New Premises Licence (or full variation)	Various	Various	
Annual Fee	Various	Various	
Minor Variation	89.00	89.00	0.0%
Temporary Event Notice	21.00	21.00	0.0%
Change of Designated Premises Supervisor	23.00	23.00	0.0%
<b>Gambling Act 2005 (Statutory Set)</b>			
Bingo Club (New)	2,625.00	2,625.00	0.0%
Bingo Club (Annual Fee)	900.00	900.00	0.0%
Small Society Lottery (New)	40.00	40.00	0.0%
Small Society Lottery (Annual)	20.00	20.00	0.0%
Betting Premises (New)	2,250.00	2,250.00	0.0%
Betting Premises (Annual Fee)	540.00	540.00	0.0%
Family Entertainment Centre (Annual Fee)	500.00	500.00	0.0%
Adult Gaming Centre (New)	1,500.00	1,500.00	0.0%
Adult Gaming Centre (Annual Fee)	900.00	900.00	0.0%

Charge Type and description	Charges 2019/20 £	Proposed Charges 2020/21 £	% Increase 2020/21
<b>Animal Licensing</b>			
Zoo	580.00	592.00	2.1%
Dangerous Wild Animals	344.00	351.00	2.0%
<b>Exhibiting animals:</b>			
Fees on application	76.00	77.50	2.0%
Initial rating or re-rating fee	129.00	132.00	2.3%
Maintenance fee (3 years)	375.00	382.50	2.0%
Variation of a licence requiring a re-inspection	129.00	132.00	2.3%
Copy of licence or change of details not requiring an inspection	10.50	11.00	4.8%
<b>Selling animals as pets:</b>			
Fees on application	76.00	77.50	2.0%
Initial rating or re-rating fee	215.00	219.00	1.9%
Maintenance fee: one year	125.00	127.50	2.0%
two years	250.00	255.00	2.0%
three years	375.00	382.50	2.0%
Variation of a licence requiring a re-inspection	215.00	219.00	1.9%
Copy of licence or change of details not requiring an inspection	10.50	11.00	4.8%
<b>Riding Establishment:</b>			
Fees on application	76.00	77.50	2.0%
Initial rating or re-rating fee ( plus additional vets fee not included)	43.00	44.00	2.3%
Maintenance fee: one year	125.00	127.50	2.0%
two years	250.00	255.00	2.0%
three years	375.00	382.50	2.0%
Variation of a licence requiring a re-inspection (plus vets fee not included)	43.00	44.00	2.3%
Copy of licence or change of details not requiring an inspection	10.50	11.00	4.8%
<b>Dog Breeding:</b>			
Fees on application	76.00	77.50	2.0%
Initial rating or re-rating fee ( plus additional vets fee not included)	43.00	44.00	2.3%
Maintenance fee: one year	125.00	127.50	2.0%
two years	250.00	255.00	2.0%
three years	375.00	382.50	2.0%
Variation of a licence requiring a re-inspection (plus vets fee not included)	43.00	44.00	2.3%
Copy of licence or change of details not requiring an inspection	10.50	11.00	4.8%
<b>Animal Boarding:</b>			
Fees on application: up to 10 animals	76.00	77.50	2.0%
Initial rating or re-rating fee	129.00	132.00	2.3%
Variation of a licence requiring a re-inspection	129.00	132.00	2.3%
Fees on application: 11- 30 animals	172.00	175.00	1.7%
Variation of a licence requiring a re-inspection	172.00	175.00	1.7%
Fees on application: 31-60 animals	215.00	219.00	1.9%
Variation of a licence requiring a re-inspection	215.00	219.00	1.9%
Fees on application: 61-99 animals	258.00	263.00	1.9%
Variation of a licence requiring a re-inspection	258.00	263.00	1.9%
Fees on application: 100 or more animals	301.00	307.00	2.0%
Variation of a licence requiring a re-inspection	301.00	307.00	2.0%
Maintenance fee: one year	125.00	127.50	2.0%
two years	250.00	255.00	2.0%
three years	375.00	382.50	2.0%
Copy of licence or change of details not requiring an inspection	10.50	11.00	4.8%
<b>Street Trading</b>			
12 month food licence pitch	2,886.00	2,886.00	0.0%
12 month retail licence pitch	2,727.00	2,727.00	0.0%
8 month food licence pitch	2,165.00	2,165.00	0.0%
8 month retail licence pitch	2,045.00	2,045.00	0.0%
4 month food licence pitch	722.00	722.00	0.0%
4 month retail licence pitch	682.00	682.00	0.0%
* These charges are shown net of VAT			
** Externally set fees and charges			
<b>Please note that all licensing fees not set by statute will be approved at Licensing Committee on 27th January 2020</b>			

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Item

## **LIBERAL DEMOCRAT GROUP AMENDMENT TO: Budget-Setting Report (BSR) 2020/21**

### **To:**

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

### **Report by:**

Caroline Ryba, Head of Finance

Tel: 01223 - 458134 Email: [caroline.ryba@cambridge.gov.uk](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**

### **Foreword to the Liberal Democrat Group Amendment**

Our amendment focuses on what is wanting in the budget brought forward by the Labour administration. As in previous years, the points that we are highlighting underline that, while the council is ambitious in its rhetoric, it is weak on delivery and consistency.

Nowhere is this more obvious than the maintenance of huge unused sums in the council's reserves, greatly in excess of the target to cover assessed risk. The financial return for holding this money is at an all-time low and there is an abundance of ways it could be invested to the benefit of the city. We are proposing to mobilise it for housing in two particular ways: to assist the return of homeless people into mainstream housing and to enlarge the supply of homes for key public service workers, using the model of 'living rents' based on household income.

The King's Parade Barrier represents poor judgement by the council leadership. We are providing for an immediate review of it, enabling a start on the development of a new custom-designed arrangement: proportionate to risk, functionally safer for cyclists and pedestrians, more efficient for essential vehicles, and sympathetic to its important heritage location – all of which could have been put in hand in the time the current barrier took to implement.

We are proposing to ensure that two important social issues are taken into the scope of the council's plans, as evidence suggests they should be. First, there is widespread concern that knife crime, which has until recently seemed like a problem mainly for bigger cities, has now emerged in Cambridge. Best practice suggests that a wider social and community approach, in addition to good

policing, is the most effective response. Second, rather than creating another uncommitted and opaque fund to address poverty, we are proposing that this fund should be mobilised for single parents on benefits, a group which has grown significantly in the city on recent figures.

Longer term strategy to tackle pollution from traffic is being developed by the Greater Cambridge Partnership. But this council's strategy to improve air quality at source, despite being described as a priority, still lacks short term action to promote behaviour change, to which urban councils elsewhere have committed. We are proposing a campaign to educate and discourage the unnecessary idling of vehicle engines and to use mobile monitoring equipment to improve the evidence base for regulatory interventions around sensitive locations, such as schools.

The administration's budget utilises income from fixed penalty notices to reduce the cost of keeping the city clean. Coming soon after a major cutback of the Streets and Open Spaces budget, we believe the priority with this income is to improve the level of service. So we propose to use it to increase staffing, enabling a particular focus on clearing leaves, which are a significant hazard for elderly, disabled and less mobile people, as well as cyclists.

Previous assurances that water fountains would emerge all over the city, aimed at reducing the consumption of sugary drinks from single use containers, have not been realised. We are therefore again proposing a programme for this to be achieved.

We are proposing to reverse two savings proposed by the administration, which contradict policies that are vital for the city's future. First, the administration proposed last year (but hasn't yet implemented) a reduction in the number of planning decisions taken in public by committee, and a narrowing of the proactive notification of neighbours about planning applications near them. We strongly disagree with this because the involvement of residents is vital as the city faces change from development pressures. Second, they are now proposing savings from grants to support cycling and walking. We think cycling and walking need support like never before and the priority should be to promote the grants.

We are providing for the introduction of a series of bee hives on council rooftops or other appropriate locations. This is an important and so far missing element in the council's biodiversity strategy. It is aimed at supporting the pollination of plants within the urban environment and the diversity within the bee population itself.

The deployment of needlessly under-utilised funds also makes it possible for the council to accomplish more in terms of capital projects. We are bringing forward schemes for the replacement of the neglected toilets on the Chesterton Recreation Ground, updated play equipment on the Scotland Road Recreation Ground, succession tree planting on Parker's Piece, and signage for "Happy to Chat" benches – all involving public consultation.

As Liberal Democrats we would not be starting from here: our priorities and methods are very different from Labour's. We will set out our approach to leading the city council at the elections in May. In the meantime this amendment will make the best of the budget that has been proposed.

**Councillor Tim Bick, *Leader of the Liberal Democrat Group***

**Councillor Jamie Dalzell, *Liberal Democrat Group Spokesperson on Finance and Resources***

## 1. Executive Summary

- 1.1 This report sets out amendments proposed by the Lib Dem group to the overall set of budget proposals in the Budget Setting Report to be considered by the Executive at its meeting on 3rd February 2020, for recommendation to the Council on 13th February 2020.

### **Through the Liberal Democrat Group Budget amendment:**

- 35 homes will be acquired to let to key public service workers at local living rents
- Provision of shared housing to help homeless individuals quickly back on their feet will be increased through the purchase of a further 5 houses
- An immediate review of the King's Parade Barrier will be undertaken to urgently replace it with more satisfactory arrangements
- The council will work with the Police and other agencies to stem growing knife crime in the city
- Increasing opportunities for single parents will be adopted as a target for uncommitted anti-poverty funding
- Monitoring of air quality will be enabled at sensitive locations around the city to assess the need for further action
- An education campaign will be initiated to discourage drivers from leaving their engines idling in stationary vehicles that are out of traffic
- Income from fixed penalty notices will be used to restore some of the funding for the Streets and Open Spaces service cutback in 2018 and instead targeted on improved leaf clearance
- 10 public water fountains will be provided across the city
- There will be no cutback in notification of residents in the vicinity of planning applications, nor in the determination of applications by elected councillors in public
- Grant funding to support cycling and walking will be promoted and not eliminated
- A partnership will be established to provide and care for beehives on civic rooftops or other appropriate public locations
- Signage for selected "Happy to Chat" benches will be provided across the city to promote engagement and mitigate loneliness
- Capital schemes will be developed for the replacement of the neglected toilets on the Chesterton Recreation Ground, updated play equipment on the Scotland Road Recreation Ground and succession tree planting on Parker's Piece – all involving public consultation

## 2. Recommendations

Changes to recommendations are highlighted *in italics* referring to the recommendations of the Executive to this Council, as being presented at their meeting on 3 February 2020, subject to any Executive Amendment agreed by The Leader at this committee or the Executive are further amended as follows:

The Leader is recommended to:

**For the existing recommendation “2: Recommendations”, add:**

**General Fund Revenue Budgets: [Section 5, Page 20 refers] add:**

- ***Together with the changes in the attached Appendix 1 - Lib Dem Budget Amendment to Appendices [C (b), (c)]***
- Incorporate and replace the tables shown in ***Appendix 4 - Lib Dem Budget Amendment at the pages so annotated***

**Capital: [Section 6, page 22 refers]**

- For the existing recommendation 2 e) After ***“Agree any recommendations to the Executive add “together with the changes in the attached Appendix 2 - Lib Dem Budget - Budget Amendment to Appendix [D(a)]”, specifically to recommend that Executive Councillor for Finance & Resources Invests in housing by utilising the £11.9m resources (Proposal CAP0003 refers).***
- Incorporate and replace the tables shown in ***Appendix 4 - Lib Dem Budget Amendment at the pages so annotated***

**General Fund: Expenditure and funding 2019/20 to 2024/25: [Section 7, page 28 refers]**

- Incorporate and replace the tables shown in ***Appendix 4 - Lib Dem Budget Amendment at the pages so annotated***

**Risks and Reserves: [Section 8, page 38 refers]**

- Incorporate and replace the tables shown in ***Appendix 4 - Lib Dem Budget Amendment at the pages so annotated***

**Equality Impact Assessment [Appendix F, Page 98 refers]**

- Append ***Appendix 3 - Lib Dem Budget Amendment Appendix G Equality Impact Assessment to the existing Equality Impact Assessment***

**Section 25 Report [Section 10, Page 52 refers]**

- Replace in Section 10 ***Appendix 5 - Lib Dem Budget Amendment***

### 3. Council Tax

- 3.1 No changes are being proposed by the Lib Dem Group.

### 4. Capital Plan

- 4.1 The Lib Dem Group are proposing items identified ***“Lib Dem Budget Amendment to [D(a) Capital proposals]”***.

### 5. Implications

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

#### (a) Financial Implications

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2020/21, ***as amended by [Lib Dem Budget Amendment]***.

#### (b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2020/21.

#### (c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, ***as amended by [Appendix 3 - Lib Dem Budget Amendment]***. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

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

#### (d) Environmental Implications

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

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.

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

## **(e) Procurement Implications**

Any procurement implications will be outlined in the BSR 2020/21, **as amended by [Lib Dem Budget Amendment]**

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

Any Community Safety Implications will be outlined in the BSR 2020/21, **as amended by [Lib Dem Budget Amendment]**.

## **6. Background papers**

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

- Budget Setting Report 2020/21 **updated (as appropriate) for Strategy and Resources Scrutiny Committee and the Executive on 3 February 2020, and for the [Lib Dem Amendment]**.
- Medium-Term Financial Strategy (MTFS) October 2019
- Individual Equality Impact Assessments

## **7. Appendices**

***Lib Dem Budget Amendment:***

***Appendix 1 - Amendment to Appendix [C (b), (c)] Revenue Budget proposals***

***Appendix 2 - Amendment to Appendix [D (a)] Capital Budget proposals***

***Appendix 3 - Appendix [F] Equality Impact Assessment***

***Appendix 4 - Replacement of relevant tables in the BSR***

***Appendix 5 - Section 25 Report***

## **8. Inspection of papers**

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

Authors' Names:

Caroline Ryba

Authors' Phone Numbers:

01223 - 458134

Authors' Emails:

[caroline.ryba@cambridge.gov.uk](mailto:caroline.ryba@cambridge.gov.uk)

## Appendix 1: Lib Dem Budget Amendment - Revenue Summary

Proposal Type	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Total
<b>Part A: time limited budget proposals funded from GF development Fund (via GF reserves)</b>						
Bids	139,000	114,000	155,000	40,000	40,000	488,000
Savings	-	-	-	-	-	-
<b>Net Change to use of GF reserves</b>	<b>139,000</b>	<b>114,000</b>	<b>155,000</b>	<b>40,000</b>	<b>40,000</b>	<b>488,000</b>
<b>Part B: base budget proposals</b>						
Bids	225,000	225,000	225,000	225,000	225,000	1,125,000
Savings	(337,000)	(337,000)	(337,000)	(337,000)	(337,000)	(1,685,000)
<b>Net</b>	<b>(112,000)</b>	<b>(112,000)</b>	<b>(112,000)</b>	<b>(112,000)</b>	<b>(112,000)</b>	<b>(560,000)</b>
<b>Net Change to use of GF reserves</b>	<b>(112,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(112,000)</b>
<b>Reduce Annual Savings target</b>	<b>-</b>	<b>(112,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Impact of Lib Dem Budget proposals</b>						
Bids	364,000	339,000	380,000	265,000	265,000	1,613,000
Savings	(337,000)	(337,000)	(337,000)	(337,000)	(337,000)	(1,685,000)
<b>Net</b>	<b>27,000</b>	<b>2,000</b>	<b>43,000</b>	<b>(72,000)</b>	<b>(72,000)</b>	<b>(72,000)</b>
<b>Net Change to use of GF reserves</b>	<b>27,000</b>	<b>114,000</b>	<b>155,000</b>	<b>40,000</b>	<b>40,000</b>	<b>376,000</b>
<b>Reduce Annual Savings target</b>	<b>-</b>	<b>(112,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## 2020/21 Budget – GF Bids and Savings

Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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## Appendix [C (b) – GF – Pressures &amp; Bids]

## Part A: Time Limited budget proposals funded from GF reserves

## Bids

<b>B0006</b>	<b>Air quality – Engine Idling Education Campaign</b>	50,000	50,000	50,000	0	0	Positive/ Low Impact	No Impact
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An immediate 3-year public education campaign to discourage vehicle drivers from allowing their engines to idle while stationary and out of traffic. This will support longer term air quality strategy by promoting wider public understanding the need for subsequent longer-term measures. In addition to the general public, its particular potential audiences will include: the taxi trade, bus companies and drivers, the employees of major city organisations, users of council car parks and schools. The final year of the project will include evaluation of a follow-on phase to this potentially with an enforcement element.

Jo Dicks

The bid provides for an Air Quality Projects Officer at City Band 6, signage and promotional media.

<b>B0007</b>	<b>Air quality - Mobile monitoring station</b>	20,000	20,000	20,000	0	0	Positive/ Negligible Impact	No Impact
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Cambridge comprises a number of known air quality hotspots and it is already established that the major contributor to these is motor traffic, especially diesel-powered vehicles. The relationship of poor air quality to early deaths, particularly among the young and elderly, is understood and is agreed to be the basis for intervention on public health grounds. This budget item seeks to provide funding for the hire of an additional air quality monitoring system which could be relocated between sites of interest such as schools on a 3-4 monthly basis and would be sufficiently sensitive to pick up diurnal variance in air quality, such as at the time of the school run. This data would be used by the Air Quality Projects Officer to provide evidence to action local change and as an educational stimulus.

Jo Dicks

<b>B0008</b>	<b>King's Parade Barrier</b>	25,000	0	0	0	0	Not Applicable	No Impact
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An immediate review of the recently introduced barrier in King's Parade, with a view to its urgent replacement by new custom-designed arrangements which are safe for cyclists, sensitive to the heritage location and proportionate to the security threat. Funding provision is made to source professional design guidance and conduct stakeholder consultation.

Suzanne  
Hemmingway

<b>B0014</b>	<b>Civic Beekeeper (grant to local group)</b>	4,000	4,000	0	0	0	Nil	No Impact
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Partnership with Cambridgeshire Beekeepers Association (CBKA) or similar external body for the provision and care of beehives on civic rooftops or other appropriate locations, plus educational talks on urban biodiversity gain. Wildflower meadows and other flora are only part of the equation when it comes to addressing the biodiversity emergency. Pollinators are also vital, particularly bees. But since 1900, the UK has lost 13 species of bee and a further 35 are considered under threat of extinction. Across Europe, nearly 1 in 10 wild bee species face extinction.

Alistair  
Wilson

Funding provides for grant support to the council's partner.

<b>2020/21 Budget – GF Bids and Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
<b>B0020</b>	<b>Youth Liaison Officer – remit to include knife crime</b>	0	0	45,000	0	0	Not Applicable	No Impact

Amend BSR item B4619 (a) to widen the scope of the proposed Youth Liaison Worker to specifically include gathering intelligence regarding knife crime and facilitating co-ordination between other agencies to enhance the existing work in this area; and (b) to extend the project for a further year, until 2022/23.

Lynda  
Kilkelly

Cambridge has reported a knife crime surge, with knife possession offences rising by 114% from 2013 to 2018. This is connected to an increase in drug dealing and county lines activity, but also reflects an increase in the number of people carrying knives to help protect their own safety.

<b>B0021</b>	<b>Support for lone parents in/at risk of poverty</b>	0	0	0	0	0	Not Applicable	Positive High Impact
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Amend B4622 to re-purpose its financial provision for the development of a project or projects to support the needs of lone parents at risk of or living in poverty. The City Council's Mapping Poverty Report, last completed in 2017, identified that while the number of benefits claimants has decreased since the 2013 report, most notably amongst pensioners where the number in receipt of benefits has decreased by 6%, the number of lone parents in receipt of benefits has increased by 4%.

Jo Dicks

This amendment seeks to respond to this identified need by allocating funds already proposed in the BSR.

<b>B0023</b>	<b>Reinstate savings in the planning process approved in the 2019/20 BSR</b>	40,000	40,000	40,000	40,000	40,000	Not Applicable	No Impact
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Removal of proposed reductions in transparency in the planning process which were provided for in last year's BSR, but have not yet been implemented. These would (1) reduce the extent to which planning decisions are taken by the Planning Committee in public session and (2) curtail the extent of proactive notification of residents in the neighbourhood of a planning application

Stephen  
Kelly

Total Bids & Reduced Income Part A	139,000	114,000	155,000	40,000	40,000
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<b>2020/21 Budget – GF Bids and Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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**Part B: Base Budget Proposals****Reduced Income**

<b>RI0004</b>	<b>Loss of Treasury Income [Linked with CAP0003, II0005]</b>	172,000	172,000	172,000	172,000	172,000	Not Applicable	No Impact
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Reduction of Treasury Income due to investment in housing company specified in C0003.

Caroline  
Ryba

**Bids**

<b>B0013</b>	<b>Enhanced leaf clearance</b>	31,000	31,000	31,000	31,000	31,000	Nil	No Impact
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Increased staffing of street cleaning operations to enable a higher level of leaf collection on public footpaths. Leaf litter creates a major fall hazard for people of all ages and abilities, particularly the elderly and disabled. While the use of powered leaf blowers in public parks injures or kills small animals and insects, damaging habitats and biodiversity.

This bid would provide an additional FTE operator at Grade 3. The new Alloy computerised maintenance system will rebalance staff time to enable this increased focus, reducing the use of wind blowers in parks and returning to traditional rakes where possible. After the cutbacks in Streets & Open Spaces budget in 2018, the bid utilises the penalty income identified in B4546 to improve service standards instead of to make a further saving.

Don Blair

<b>B0015</b>	<b>Run Water Fountains [Linked with CAP0011]</b>	5,000	5,000	5,000	5,000	5,000	Nil	No Impact
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Annual revenue costs for maintenance of water fountains in C0011.

Alistair  
Wilson

<b>B0016</b>	<b>Reverse cuts to cycle and walking grants (B4541)</b>	17,000	17,000	17,000	17,000	17,000	Positive/ Low Impact	No Impact
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While the council is seeking to encourage walking and cycling both for reasons of personal health and wider transport strategy, the under-utilised grant funding should be promoted instead of eliminated.

Alistair  
Wilson

Total Bids & Reduced Income Part B	225,000	225,000	225,000	225,000	225,000
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Bids & Reduced Income Total	364,000	339,000	380,000	265,000	265,000
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<b>2020/21 Budget – GF Bids and Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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## Appendix [C (c) – GF – Proposals - Savings]

## Part A: Time Limited budget proposals funded from GF reserves

## Part B: Base Budget Proposals

## Savings

S0001	Inflation adjustment	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	Not Applicable	No Impact
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Correction of overprovision for inflation based on latest treasury information (p7 of BSR)

Caroline  
Ryba

## Increased Income

I10002	Trade waste surpluses	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	Not Applicable	No Impact
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A more ambitious target surplus from the trade waste service than proposed in the BSR (I14555), which will now total £35,000 pa.

Trevor Nicoll

## Housing

I10005	Housing Company Net Return [Linked with CAP0003, RI0004]	(237,000)	(237,000)	(237,000)	(237,000)	(237,000)	Not applicable	No Impact
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Net return from housing company as specified in C0003.

Caroline  
Ryba

Total Savings Part B	(337,000)	(337,000)	(337,000)	(337,000)	(337,000)
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Savings Total	(337,000)	(337,000)	(337,000)	(337,000)	(337,000)
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All portfolios – Net Impact of Lib Dem Amendment Total	27,000	2,000	43,000	(72,000)	(72,000)
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<b>2020/21 Budget – GF Bids and Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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**Housing**

<b>CAP0003</b>	<b>Housing company capital [Linked with I10005, R10004]</b>	11,900,000	0	0	0	0	Negligible/ Low Impact	Positive High Impact
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Cambridge continues to be a very difficult market for people seeking to buy and rent residential property. As at August 2019, the median rent for a two bedroom property in Cambridge (£1,350 per month) was twice the English national average (£675). At the same time, there are no additional allowances for teachers or nurses working in the city so that it is increasingly difficult for key workers to be able to live and work in the city. It is also a struggle for people who become homeless because of a temporary situation to find a stepping stone back into a tenancy.

The City Council, as a key stakeholder in the city is in a position to assist in addressing this issue. The proposal involves the loan of £6.25m and a similar equity investment from treasury to purchase residential properties across the city to be held in a new housing property company for rental.

(a) 35 of the properties would be available to rent to public sector workers such as teachers and nurses. An adjustment of rent based on an adjustment of household income would only occur if household income moved by 10% over a 12 month period. Rental will be on a living rent basis (i.e. approximately one third of a household income in the bracket £15,000 - £40,000) - this is approximately 35% of the households in Cambridge. In addition, all rents would increase annually on an inflation basis. The scheme would be based on household income rather than market rents.

(b) 5 of the properties (3 bed in size) would be prioritised for homeless individuals (requiring minimal support) to rent on a shared basis through the council's Town Hall Letting Agency (at a housing benefit level of rent) as part of the effort to address the homeless crisis in the city.

[Funded from Internal Borrowing]

Caroline  
Ryba

**Capital Bids**

<b>CAP0009</b>	<b>Chesterton Rec Public Toilet Rebuild</b>	150,000	0	0	0	0	*	No Impact
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A scheme to demolish and rebuild public toilets at Chesterton Recreation Ground to an accessible, modern, high standard. Current provision is in a poor condition, constantly a source of complaints and was especially problematic at last year's otherwise excellent Chesterton Festival.

\*Assuming rebuild is the desired pathway, as suggested via the bid, the climate rating is dependent on the carbon related to construction and operation of rebuild.

Anthony  
French

<b>CAP0010</b>	<b>Scotland Road play equipment</b>	60,000	0	0	0	0	Nil	No Impact
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A scheme to provide new play equipment at the Scotland Road Recreation Ground where existing provision needs updating. Local consultation would focus on how people want to use the space and how best to enhance it.

Anthony  
French

<b>2020/21 Budget – GF Bids and Savings</b>
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Reference	Item Description	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	Climate Effect	Poverty Ratings & Contact
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<b>CAP0011</b>	<b>Public Water Fountains (buy) [Linked with B0015]</b>	35,000	0	0	0	0	Positive/ Low Impact	No Impact
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10 new public water fountains across the city, giving access to free, clean fresh water. This is complementary to the council's participation in the Refill scheme where businesses offer to refill water bottles, but which leaves out most of the city's parks and green spaces where there are no businesses close by. The objectives are to provide an alternative to high sugar drinks in single use plastic containers. Locations to be determined with input from residents' groups and area committees, taking account of feasibility and benefit to people taking part in activities such as running routes, trim trails, football and using all-weather pitches. The fountain on Parker's Piece provides a good model.

Alistair  
Wilson

<b>CAP0012</b>	<b>Succession Tree Planting on Parkers Piece</b>	46,000	0	0	0	0	Positive/ Low- medium Impact	No Impact
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Project to design, consult on and implement a scheme for the planting of a series semi-mature trees on Parker's Piece without impinging on the use of the open space for sport and events. The scheme would support the council's commitment to increase the volume of tree cover throughout the city and the council's recent declarations on climate and biodiversity emergencies. It would also support the Parker's Piece Conservation Plan which calls for succession planting (providing for the time the existing ageing trees fail) and increased shade for users of the space. The funding provides for soil assessment, engagement of capacity to deliver, and 50 semi-mature trees. The scheme harnesses a citizen campaign for additional tree planting on Parker's Piece in a manner which is timely and consistent with the particular open space.

Matthew  
Magrath

<b>CAP0017</b>	<b>"Happy to chat" benches</b>	5,000	0	0	0	0	Nil	No Impact
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Signage of three existing benches per ward as "Happy to chat benches", for local members to select with input from residents' groups. Signs will be made from a sustainable material. The "Happy to Chat" bench is a phenomenon sweeping the UK, where community organisations and charities provide signs to hang on benches to indicate that the people sitting there are happy to engage in conversation. This has been a valuable strategy to help prevent loneliness and isolation.

Anthony  
French

<b>All Portfolios – Net Impact of Lib Dem Amendment on available use</b>	<b>296,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>All Portfolios – Net Impact of Lib Dem Amendment to Capital Plan:</b>	<b>12,196,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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## Cambridge City Council Equality Impact Assessment (EqIA)

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

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

<b>1. Title of strategy, policy, plan, project, contract or major change to your service</b>
Liberal Democrat budget proposals 2020/21

<b>2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)</b>
Click here to enter text.

<b>3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
<p>The Liberal Democrats budget amendment makes a number of alternative budget proposals to those set out by the ruling group in the Budget Setting Report. This EqIA has been carried out by Council officers to provide Councillors with an assessment of the potential equality impacts of the Liberal Democrat budget proposals at the point when they are being asked to make a decision, as required by the Public Sector Equality Duty under the Equality Act 2010.</p> <p>Some proposals in the Liberal Democrat budget amendment will have very small or neutral impacts on equality and therefore have not been included in this EqIA. For other proposals there is not enough information at this stage on the proposal to be able to assess equality impacts.</p> <p>The proposals that could have more significant impacts related to equality include:</p> <ul style="list-style-type: none"><li>• B0006 Air quality – Engine Idling Education Campaign</li><li>• B0007 - Air quality - Mobile monitoring station</li><li>• B0013 - Enhanced leaf clearance</li><li>• B0020 Youth Liaison Officer – remit to include knife crime</li><li>• B0021 Support for lone parents in/at risk of poverty</li><li>• CAP0010 - Scotland Road play equipment</li></ul>

- CAP0017 - "Happy to chat" benches
- CAP0003 – Housing company capital [Linked with I10005, R10004]

#### 4. Responsible service

The Finance service manages the budget process, but a range of Council services would be responsible for the individual proposals included in this EqlA, if they were implemented.

#### 5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?

(Please tick all that apply)

- ☒ Residents
- ☒ Visitors
- ☒ Staff

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

[Click here to enter text.](#)

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

- ☒ New
- ☒ Major change
- ☒ Minor change

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

- ☒ Yes
- ☐ No

If 'Yes' please provide details below:

This is an assessment of proposed amendments to the Budget Setting Report and therefore covers many Council services. The budget also affects some of the Council's partnership working.

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

The Liberal Democrat budget proposals will go to Council on 13 February 2020



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

Cambridgeshire County Council, 2017, Community Safety Strategic Assessment: Violence – Weapons and Vulnerability <https://www.cambridge.gov.uk/media/7553/community-safety-strategic-assessment-violence-weapons-and-vulnerability-2017-07.pdf>

Cambridge University Hospital Trust, 2018, Gender Pay Gap Report - <https://www.cuh.nhs.uk/about-us/our-responsibilities/equality-and-diversity/cuh-gender-pay-gap-reports>

**10. Potential impacts**

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

**(a) Age**

**B0013 Enhanced leaf clearance** – This proposal would provide an additional staff member for leaf clearance and reduce the use of leaf blowers. If this leads to increased leaf collection, this would reduce fall hazards on public footpaths. This could have a positive impact for older people, who are more vulnerable to falls.

**B0020 Youth Liaison Officer – remit to include knife crime** – If this proposal helps to reduce knife crime in Cambridge through helping to coordinate activity across agencies, this could have a positive impact on young people in Cambridge, who may be more likely to be the victims of knife crime. The 2016 Health-Related Behaviour Survey, developed by the Schools Health Education Unit, found that 5% of children in South Cambridgeshire and Cambridge City had been threatened with a weapon in the past month for at least a year.

**CAP0010 - Scotland Road play equipment** – This proposal could have a positive impact for children and young people it leads to the provision of improved play equipment at Scotland Road Recreation Ground.

**CAP0017 "Happy to chat" benches** – The proposal to provide “happy to chat” benches could help address loneliness and isolation by providing an opportunity for lonely people to meet others and engage in conversation. Whilst all age groups can experience loneliness, this could have a positive impact on older people, who are more likely to be lonely and socially isolated due to contributing factors such as ill-health and bereavement. However, it will be important to ensure that people using “happy to chat” benches are not targeted by people who are seeking to exploit vulnerable people.

**(b) Disability**

**B0006 Air quality – Engine Idling Education Campaign and B0007 Air quality - Mobile monitoring station** The proposed public education campaign to reduce vehicle idling and the associated provision of additional air quality monitoring equipment could help improve air quality. This would have a positive impact for those with existing health conditions, especially those with cardiovascular problems, as they are more likely to be negatively impacted by poor air quality.

**B0013 Enhanced leaf clearance** – This proposal would provide an additional staff member for leaf clearance and reduce the use of leaf blowers. If this leads to increased leaf collection, this would reduce fall hazards on public footpaths. This could have a positive impact for some disabled people, who may be more vulnerable to falls.

**(c) Gender reassignment**

No specific impacts were identified for this protected characteristic

**(d) Marriage and civil partnership**

No specific impacts were identified for this protected characteristic

**(e) Pregnancy and maternity**

**B0006 Air quality – Engine Idling Education Campaign and B0007 Air quality - Mobile monitoring station** The proposed public education campaign to reduce vehicle idling and the associated provision of additional air quality monitoring equipment could help improve air quality. This could have a positive impact for women who are pregnant, as there is evidence that exposure to air pollution can lead to potential effects on foetal growth, premature birth and low birth weight.

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

No specific impacts were identified for this protected characteristic

**(g) Religion or belief**

No specific impacts were identified for this protected characteristic

**(h) Sex**

**B0021 Support for lone parents in/at risk of poverty** – The proposal to amend the anti-poverty responsive budget to focus on single parents could have a positive impact on women, if any emergency or unanticipated needs are identified for single parents during the course of 2020/21. National research shows that women are more likely to be single parents than men, and that most recent Mapping Poverty report in 2017 shows that the majority of families who are claiming benefits in Cambridge are single-parent families.

**(i) Sexual orientation**

No specific impacts were identified for this protected characteristic

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

**B0006 Air quality – Engine Idling Education Campaign and B0007 Air quality - Mobile monitoring station** The proposed public education campaign to reduce vehicle idling and the associated provision of additional air quality monitoring equipment could help improve air quality. This could have a positive impact on people with low incomes, as there is evidence that people with a low income are more likely to be affected by air pollution, because they are more likely to have existing medical conditions and live in areas with poorer air quality (for example nearer to busy roads).

**B0021 Support for lone parents in/at risk of poverty** – The proposed amendment to the anti-poverty responsive budget could have a positive impact on single-parents, if any emergency or unanticipated needs are identified for single parents during the course of 2020/21. The most recent Mapping Poverty report shows that the majority of families who are claiming benefits in Cambridge are single-parent families. However, the amendment would limit the Council's ability to respond to any emergency or unanticipated needs that may be identified during 2020/21 for other groups of people in poverty.

**CAP0003 – Housing company capital [Linked with I10005, R10004]** – The proposal for five of the properties purchased by the housing company to be for homeless people would help support people with low incomes and address homelessness issues in the city.

The proposal for 40 of the properties purchased by the housing company to be available at a 'living rent' would benefit key/public sector workers such as teachers and nurses with household incomes of between £15,000-£40,000. This could have a particular impact on people with some protected characteristics. For example, available data on the gender pay gap suggests this measure would particularly benefit female hospital staff in Cambridge. Overall, 74% of Cambridge University Hospital Trust employees are women, with this pattern being reflected in lower and lower-middle pay ranges within the workforce. 73% of employees within the lower quartile of earnings at Cambridge University Hospital Trust are women, and 76% of staff within the lower middle quartile of earnings are women.

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

No actions have been identified

**12. Do you have any additional comments?**

None

**13. Sign off**

Name and job title of lead officer for this equality impact assessment: David Kidston, Strategy and Partnerships Manager

Names and job titles of other assessment team members and people consulted: Helen Crowther, Equality and Anti-Poverty Officer

Date of EqlA sign off: 24 January 2020

Date of next review of the equalities impact assessment: N/A

Date to be published on Cambridge City Council website: [Click here to enter text.](#)

**Section 5 General Fund Revenue Budgets**  
**Performance against savings target (BSR, page 21)**

<b>Savings Targets</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>	<b>Total £'000</b>
<b>MTFS 2019 Current Savings Target (new savings each year)</b>	<b>980</b>	<b>1,355</b>	<b>1,420</b>	<b>1,530</b>	<b>1,620</b>	<b>6,905</b>
Remove indicative pressures included in MTFS	(1,000)	(832)	(864)	(899)	(933)	(4,528)
<b>Revised savings target</b>	<b>(20)</b>	<b>523</b>	<b>556</b>	<b>631</b>	<b>687</b>	<b>2,377</b>
Unavoidable revenue pressures	783	832	832	882	882	
Reduced income	584	347	326	300	300	
Bids	1,218	628	421	354	354	
Savings	(841)	(1,064)	(1,064)	(1,064)	(1,064)	
Increased income	(841)	(613)	(536)	(686)	(686)	
Programme	250	520	0	0	0	
<b>Net bids and savings</b>	<b>1,153</b>	<b>650</b>	<b>(21)</b>	<b>(214)</b>	<b>(214)</b>	
Reductions in forecast for business rates income		752	714	690	683	
Council tax - £5 increase in 2020/21 and higher tax base	(87)	(90)	(93)	(97)	(100)	
Council tax - collection fund surplus	(30)					
Uncommitted NHB used to fund in-year spend	(1,024)					
Reductions in NHB available to fund revenue and direct revenue funding of capital			928	2,424	2,424	
Contribution to reserves	8					
<b>Impact of Lib Dem Budget Proposals</b>		<b>(112)</b>	<b>(112)</b>	<b>(112)</b>	<b>(112)</b>	
<b>Net bids, savings and funding changes</b>	<b>20</b>	<b>1,200</b>	<b>1,416</b>	<b>2,691</b>	<b>2,681</b>	
<b>Revised savings target / savings (new savings each year)</b>	<b>0</b>	<b>1,703</b>	<b>772</b>	<b>1,906</b>	<b>677</b>	<b>5,058</b>

## Section 6 General Fund Capital Budgets

### General Fund Capital Funding and Spend (BSR, pages 26 & 27)

Generally available capital funding	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Funding available and unapplied (MTFS Oct 2019)</b>	<b>(1,393)</b>	<b>(1,738)</b>	<b>(1,756)</b>	<b>(1,786)</b>	<b>(1,786)</b>
Impact of savings proposal S4523		220	220	220	220
Capital bids requiring funding (see above)	1,698	941	466	466	466
Additional revenue funding allocated to capital	(305)				
<b>Impact of Lib Dem budget proposals - capital bids requiring funding</b>	<b>296</b>				
<b>Additional funding from GF reserves</b>	<b>(296)</b>				
<b>Net Funding Available</b>	<b>0</b>	<b>(577)</b>	<b>(1,070)</b>	<b>(1,100)</b>	<b>(1,100)</b>

Capital plan spending	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Spend MTFS Oct 2019</b>	<b>42,584</b>	<b>22,093</b>	<b>3,350</b>	<b>30</b>		
Approved since MTFS Oct 2019 - Section 106 (with funding)	1,360					
<b>Capital Plan total before new proposals</b>	<b>43,944</b>	<b>22,093</b>	<b>3,350</b>	<b>30</b>	<b>0</b>	<b>0</b>
New proposals see Appendix D (a)		11,869	27,462	19,000	29,862	7,639
<b>Impact of Lib Dem Budget Proposals</b>		12,196				
<b>Total Spend</b>	<b>43,944</b>	<b>46,158</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

Capital plan spending	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Programmes	7,789	1,088	546	496	466	466
<b>Impact of Lib Dem Budget Proposals - Projects</b>	<b>32,539</b>	<b>44,254</b>	<b>30,206</b>	<b>18,534</b>	<b>29,396</b>	<b>7,173</b>
<b>Sub total</b>	<b>40,328</b>	<b>45,342</b>	<b>30,752</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>
Provisions	3,616	816	60			
<b>Total Spend</b>	<b>43,944</b>	<b>46,158</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

<b>Capital plan funding</b>	<b>2019/20 £'000</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>
<b>External support</b>						
Developer Contributions	(1,543)					
Other Sources	(733)	(50)				
Prudential borrowing		(9,744)	(26,521)	(18,534)	(29,396)	(7,173)
<b>Total – External Support</b>	<b>(2,276)</b>	<b>(9,794)</b>	<b>(26,521)</b>	<b>(18,534)</b>	<b>(29,396)</b>	<b>(7,173)</b>
<b>City Council</b>						
Direct Revenue Financing (DRF) – GF services	(175)					
Direct Revenue Financing (DRF) – in-year allocation of revenue funding	(5,615)	(2,066)	(989)	(496)	(466)	(466)
<b>Impact of Lib Dem Budget proposals - Direct Revenue Financing (DRF) - use of GF Reserve Balance</b>		<b>(296)</b>				
Earmarked Reserve – capital contributions	(4,693)					
Earmarked Reserve – Climate Change Fund	(326)					
Earmarked Reserve – Repairs and Renewals Fund	(1,043)	(427)				
Earmarked Reserve – OAS	(473)					
<b>Internal Borrowing – temporary use of balances.</b>	<b>(24,646)</b>	<b>(33,575)</b>	<b>(3,242)</b>			
Usable Capital Receipts	(4,697)		(60)			
<b>Total – City Council</b>	<b>(41,668)</b>	<b>(36,364)</b>	<b>(4,291)</b>	<b>(496)</b>	<b>(466)</b>	<b>(466)</b>
<b>Total Funding</b>	<b>(43,944)</b>	<b>(46,158)</b>	<b>(30,812)</b>	<b>(19,030)</b>	<b>(29,862)</b>	<b>(7,639)</b>
<b>Capital Plan</b>	<b>43,944</b>	<b>46,158</b>	<b>30,812</b>	<b>19,030</b>	<b>29,862</b>	<b>7,639</b>

**Section 7 General Fund: Expenditure and funding 2019/20 to 2024/25**  
**General Fund Projection (BSR, page 28)**

Description / £'000s	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Expenditure</b>						
Strategy and external partnerships	5,115	4,957	4,810	4,712	4,656	4,567
Finance and resources	(5,015)	(5,339)	(4,379)	(4,603)	(4,696)	(4,548)
General Fund housing	3,297	3,404	3,432	3,580	3,730	3,867
Climate change, environment and city centre	5,655	5,700	5,822	6,059	6,286	6,458
Planning policy and open spaces	4,391	4,449	4,383	4,404	4,508	4,621
Communities	6,948	7,257	6,994	7,130	7,268	7,424
Transport and community safety	189	263	670	562	436	452
<b>Revenue Budget proposals (before allocation to portfolios) updated for Lib Dem budget proposals</b>		<b>27</b>	<b>2</b>	<b>43</b>	<b>(72)</b>	<b>(72)</b>
<b>Revised net savings requirement updated for Lib Dem Budget Proposals</b>	<b>-</b>	<b>-</b>	<b>(1,703)</b>	<b>(2,475)</b>	<b>(4,381)</b>	<b>(5,058)</b>
<b>Net service budgets</b>	<b>20,580</b>	<b>20,718</b>	<b>20,031</b>	<b>19,412</b>	<b>17,735</b>	<b>17,711</b>
Capital accounting adjustments	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)	(6,353)
Capital expenditure financed from revenue	3,074	2,091	1,566	1,566	1,566	1,566
Contributions to earmarked funds	3,017	2,046	1,074	1,149	1,699	2,180
<b>Net spending requirement</b>	<b>20,318</b>	<b>18,502</b>	<b>16,318</b>	<b>15,774</b>	<b>14,647</b>	<b>15,104</b>
<b>Funded by:</b>						
Settlement Funding Assessment (SFA)	(4,179)	(4,203)	(4,272)	(4,721)	(4,847)	(4,959)
Locally Retained Business Rates – Growth Element	(800)	(6,104)	-	-	-	-
New Homes Bonus (NHB)	(5,504)	(4,913)	(2,983)	(1,496)	-	-
<b>Appropriations from earmarked funds - impact of Lib Dem time-limited budget proposals</b>	<b>0</b>	<b>(139)</b>	<b>(114)</b>	<b>(155)</b>	<b>(40)</b>	<b>(40)</b>
Council Tax	(8,627)	(9,031)	(9,335)	(9,688)	(10,046)	(10,391)
Contributions to / (from) reserves - updated for Lib Dem Budget proposals	(1,208)	5,776	386	286	286	286
<b>Total funding</b>	<b>(20,318)</b>	<b>(18,614)</b>	<b>(16,318)</b>	<b>(15,774)</b>	<b>(14,647)</b>	<b>(15,104)</b>



**Section 8 - Risks and Reserves**  
**General Fund Reserves (BSR, page 46)**

Description	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Balance as at 1 April b/fwd (2019/20 subject to audit confirmation)</b>	<b>(15,415)</b>	<b>(16,053)</b>	<b>(16,755)</b>	<b>(11,369)</b>	<b>(7,183)</b>	<b>(6,897)</b>
Contribution (to) / from reserves per MTFS 2019	286	286	286	286	286	286
Business rates surplus per MTFS 2019	(1,300)	(1,600)				
Adjustment to reflect revised business rates surpluses	376	(4,504)				
Contribution to the Climate Change Fund (NCL4667)		50	100			
Contribution to reserves		(8)				
<b>Illustrative use of balances for investment purposes after Lib Dem capital bids - whilst maintaining target level of reserves</b>		<b>4,890</b>	5,000	3,900		
<b>Lib Dem - use of Reserves for capital proposals</b>		<b>296</b>				
<b>Impact of Lib Dem Budget proposals - base budget</b>		<b>(112)</b>				
<b>Balance as at 31 March (c/fwd)</b>	<b>(16,053)</b>	<b>(16,755)</b>	<b>(11,369)</b>	<b>(7,183)</b>	<b>(6,897)</b>	<b>(6,611)</b>

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## Appendix 5 – Lib Dem Budget Amendment - Section 25 Report

These budget amendments would not require any substantive changes to the existing Section 10 – Section 25 Report. **[Section 10, Page 52 refers]**

There are two types of amendment:-

- General Fund (GF) revenue amendments – spending proposals or reductions in savings and income are matched by funding generated with a small on-going saving generated in 2020/21. The funding comes from a variety of sources including:
  - Updating the inflation rate used to reflect the most recent forecasts
  - Increasing the surplus from trade waste operations and generating net income from a new housing company
  - Reducing the earmarked reserve (GF Development Fund) created from interest income earned from loans provided to fund development at the former Mill Road depot and at the Cromwell Road site by £488k over five years, thereby reducing the level of contingency funding available for these and other Cambridge Investment Partnership (CIP) projects.

These proposals represent a reprioritisation of existing funding with the addition of some increases in income and the use of other available resources. As such they do not compromise the deliverability of the council's overall budget. It should be noted that some of the proposals support feasibility and development work that may give rise to future bids for funding.

- Capital bids – a proposal for £11,900k is financed from internal borrowing, with a number of smaller proposals totalling £296k financed from GF reserves.

The proposal to invest in the provision of affordable housing at Living Rent the council's cash balances to invest £11.9m into a new housing company to buy and manage 40 residential properties. Interest rate returns of 1.4% will be foregone as a result. The expected 2% return on the proposal exceeds current returns on the council's cash investments by about £65k per year, but if interest rates rise, as expected in the medium term, this saving will be eroded and could fall below the returns that can be achieved on cash.

Uncertainties relating to Brexit may impact the housing market, increasing the risk of falls in the value of properties. The timing of any property purchases will be significant both in relation to possible changes in capital value and when income from rents commences. For example, it is considered unlikely that a full year's income will be achievable within 2020/21.

The affordable housing scheme has been financially assessed at current year prices with estimates made in line with those used for the 23 properties owned and managed by the council's existing housing company. However, it is intended that existing properties of various ages and locations around Cambridge will be purchased, rather than new build properties located on one or a small number of developments. There is

therefore a risk that management, maintenance and capital costs will be higher than estimated. Rent income has been calculated assuming that across the properties an average rent will be achieved, based on the incomes of tenants. However, a mix of tenants with incomes at the lower end of the range would reduce the rental income of the scheme. The expected return will also be subject to differential inflation rates on pay and expenditure, such as maintenance costs.

Overall, the scheme is considered to be of marginal viability, with a low level of return that cannot be guaranteed due to the risks noted above and this level of return would leave little scope to cover normal operational risks. More detailed modelling is required to fully understand the risks and how they might be mitigated.

**I therefore consider, in relation to the budget resulting from the application of these amendments, the estimates for the financial year 2020/21 to be sufficiently robust and the financial reserves up to 31 March 2021 to be adequate. I draw attention to the financial risks associated with the low level of projected return from the proposed housing scheme.**

**Caroline Ryba**  
**Head of Finance and S151 Officer**

## CIVIC AFFAIRS

29 January 2020

5.30 - 6.15 pm

**Present:** Councillors McPherson (Chair), Sargeant (Vice-Chair), Chadwick, Dalzell, Davey and Thornburrow

### FOR ADOPTION BY THE COUNCIL

#### 20/6/Civ Draft Pay Policy Statement 2020/21

**Unanimously resolved** to recommend to Council:

- i. the draft Pay Policy Statement 2020/21 attached as Appendix 1 of the Officer's report.
- ii. to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2020/21 should a chief executive and/or chief officer and/or NJC pay award be agreed.
- iii. that a pay award mechanism is introduced with effect from 1 April 2020 for staff on Cambridge Live terms and conditions of employment, based on comparison to the NJC pay award and authority is delegated to the Head of Human Resources to implement any future pay awards, following consultation with the Chief Executive and Executive Councillor for Finance and Resources.

The Committee also unanimously agreed:

- iv. To note an oral update regarding any progress on national pay awards for chief executives or chief officers or employees covered by the NJC, with effect from 1 April 2020.
- v. To note that a review of senior officer salaries has been undertaken in 2019 and that no change to the current pay levels of the Chief Executive, Strategic Directors and Heads of Service was recommended as a result of that review.
- vi. To ask the Head of Human Resources to undertake a further review of the Chief Executive pay level in 2020 and to include reference to this review in the Draft Pay Policy Statement 2020/21.

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## Item

### Draft Pay Policy Statement 2020/21

**To:**

Civic Affairs 29 January 2020

**Report by:**

Deborah Simpson, Head of Human Resources

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

**Wards affected:**

All

## Open

### 1. Introduction

- 1.1 This report sets out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31<sup>st</sup> March each year.
- 1.2 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, strategic directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.

- 1.3 In 2018 two-year national pay awards (1 April 2018 to 31 March 2020) were agreed for Chief Executive's and for Chief Officers (relating to Strategic Directors and Heads of Service). Both awards were for 2% in 2018 and 2% in 2019. The pay scales shown in the Pay Policy Statement 2019 show salary levels following these two pay awards.
- 1.4 In April 2018 a two-year national pay award (1 April 2018 to 31 March 2020) was also agreed for employees covered by the National Joint Council for Local Government Services (NJC), affecting pay Bands 1-11 at Cambridge City. The award was also for 2% from 1 April 2018 and 2% from 1 April 2019 and included changes to the national pay scale with effect from 1 April 2019, to be implemented locally by each council. It was necessary to redesign the Council's pay scale to enable the introduction of the NJC pay scale changes and following consultation with staff and the trade unions these changes were implemented with effect from 1 April 2019.
- 1.5 There has been no agreement to date on national pay awards for chief executives or chief officers or employees covered by the NJC with effect from 1 April 2020. If there is any update on this by the time of the Civic Affairs Committee on 29 January it will be reported at the meeting.
- 1.6 The Council is an accredited Real Living Wage employer (£9.30 per hour with effect from November 2019) and pays a Cambridge Weighting supplement in addition to salary and the Real Living Wage supplement, to bring the hourly rate to an equivalent of £10.00 per hour.
- 1.7 Following the transfer of staff from Cambridge Live to the Council on 1 April 2019 under TUPE (Transfer of Undertakings (Protection of Employment) Regulations) we now need to consider how to determine pay awards for staff on Cambridge Live terms and conditions of employment. Prior to the transfer this had been a matter for determination by the Cambridge Live Board. As there is no equivalent body within Cambridge City Council it is proposed that we adopt a new mechanism for determining pay awards for staff on this set of terms and conditions.
- 1.8 The Civic Affairs Committee are asked to note that the Pay Policy Statement 2020/21 contains reference to the 2019 pay review of senior officer salaries: chief executive, strategic director and heads of service and further information is set out below.



- 1.9 This report presents the Council's Pay Policy Statement 2020/21 for consideration by Civic Affairs and Council.

## **2. Recommendations**

### **The Civic Affairs Committee is asked to:**

- 2.1 Consider and recommend to Council the draft Pay Policy Statement 2020/21 attached as Appendix 1.
- 2.2 To receive an oral update at the Civic Affairs Committee meeting regarding any progress on national pay awards for chief executives or chief officers or employees covered by the NJC, with effect from 1 April 2020.
- 2.3 Note that a review of senior officer salaries has been undertaken in 2019 and that no change to the pay levels of the Chief Executive, Strategic Directors and Heads of Service is recommended as a result of that review.
- 2.4 To recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2020/21 should a chief executive and/or chief officer and/or NJC pay award be agreed.
- 2.5 To recommend to Council that a pay award mechanism is introduced with effect from 1 April 2020 for staff on Cambridge Live terms and conditions of employment, based on comparison to the NJC pay award and authority is delegated to the Head of Human Resources to implement any future pay awards, following consultation with the Chief Executive and Executive Councillor for Finance and Resources.

## **3. Background**

### **National Pay Awards**

- 3.1 Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief Officers and the National Joint Council for Local Government Services (NJC) for staff on Bands 1-11.

- 3.2 With effect from 1 April 2018 there were nationally negotiated two year pay awards affecting staff on Bands 1-11, Directors, Heads of Service and Chief Executives. The pay awards cover the period 1 April 2018 to 31 March 2020 and include for 2% on basic salary with effect from 1 April 2018 and 2% on basic salary with effect from 1 April 2019. The NJC pay award included implementation of a revised national pay scale.
- 3.3 At the time of drafting this report there has been no agreement on national pay awards with effect from 1 April 2020.

## **2019 PAY REVIEW**

- 3.4 The Council has an agreement that senior officer pay scales will be reviewed every three years. The three year pay review has been undertaken for 2019 by the Head of Human Resources, using a range of pay benchmarking data including:
- Local Government Association research report - Chief Executive and Chief Officer pay survey
  - 'Epaycheck' benchmarking data for chief executives, directors and heads of service level posts. This is a national data base of salary data used for benchmarking purposes. Data was submitted by 146 councils on a voluntary basis. The benchmarking comparison size varies by type of post, authority and region. Data was compared by:
    - all councils
    - all councils in the East of England region
    - districts and boroughs
    - districts and boroughs in the East of England
- 3.5 The current benchmarking of senior salaries suggests the pay levels for our chief executive, strategic director and heads of service grades are broadly in line with our comparator authorities.
- 3.6 As a result of analysing the benchmarking pay comparison data there is no recommended increase or reduction in the pay grades for these posts. There is no recommendation to reduce or increase the number of points in the pay grades for these posts, currently four.
- 3.7 The outcome of this review is the recommendation that the current pay grade structure for the posts of Chief Executive, Strategic Director and

Heads of Service on grades remain unchanged as a result of the review as follows:

- Chief Executive - £115,299 to £130,013
- Strategic Directors - £88,942 to £99,476
- Head of Service - £69,043 to £76,062

3.8 The pay points within the grades are however still subject to nationally agreed pay awards with effect from 1 April 2020 and would increase in line with any nationally agreed percentage.

3.9 The next three year review will be in 2022.

### **Cambridge Live Pay Awards**

3.10 Following the transfer of staff from Cambridge Live to the Council on 1 April 2019 under TUPE (Transfer of Undertakings (Protection of Employment) Regulations) we have two implementation dates for the Real Living Wage and two sets of employment terms and conditions.

3.11 Pay awards for staff on Cambridge Live terms and conditions of employment had prior to the transfer been a matter for determination by the Cambridge Live Board. As there is no equivalent body within Cambridge City Council and therefore no mechanism for determining pay awards, it is proposed that we adopt a new mechanism for staff on this set of terms and conditions. The Cambridge Live pay arrangements do not have pay scales in the same way as the City Council.

3.12 The proposal is to use the equivalent percentage pay award of the nationally negotiated NJC award. Staff within Cambridge Live are employed on salaries within a similar range to City Council Band 1 to Band 11 pay rates. Pay awards for this range of City grades are covered by the NJC pay awards.

3.13 The Council's budget setting process includes provision for pay inflation, currently 2.5% for 2020/21 and 2% thereafter and provision for any pay award to Cambridge Live staff is included within this.

- 3.14 By using the equivalent percentages of the NJC pay awards we will have a recognizable pay award mechanism and one within our budget provision. It will also be equivalent to that awarded to staff on Cambridge City terms and conditions.
- 3.15 As nationally agreed pay awards can have variable percentages on different pay points, there is often some form of bottom loading, (higher percentage awards at the bottom of the pay scale) and Cambridge Live did not have a directly comparable pay scale, it is recommended that delegation is given to the Head of Human Resources, following consultation with the Chief Executive and Executive Councillor for Finance and Resources to determine the exact pay percentage awards for Cambridge Live salary points with effect from 1 April 2020.
- 3.16 The trade unions and staff of Cambridge Live will be consulted on the proposal to use the nationally negotiated NJC pay award as a mechanism for determining future pay awards for staff on Cambridge Live terms and conditions.

## **4. Implications**

### **a) Financial ImplicationsPage: 6**

The Council has made budget provision in the Medium-Term Financial Strategy for 2.5% pay inflation in 2020/21. This includes provision for staff on Cambridge Live terms and conditions of employment.

### **b) Staffing Implications**

This report relates to the pay, terms and conditions of staff.

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

An equality impact assessment has not been undertaken for this report.

Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

**d) Environmental Implications**

The proposal has no climate change impact.

**e) Procurement Implications**

The Living Wage Policy as it relates to contractors is included in the Pay Policy Statement.

**f) Community Safety Implications**

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

**5. Consultation and communication considerations**

- 5.1 The Chief Executive, Strategic Directors, Head of Legal Practice, Head of Finance, Payroll Manager, Democratic Services Manager, Equality and Anti-Poverty Officer and Strategic Procurement Manager have been consulted on this report and the attached draft Pay Policy Statement.
- 5.2 The Executive Councillor for Finance and Resources have been consulted on the outcomes of the senior pay review. The Opposition Spokesperson will be consulted on the published report.
- 5.3 Senior Officers and the trade unions have been updated on this report and the senior pay review.
- 5.4 The Strategic Director, Head of Community Services and Executive Councillor for Finance and Resources have been consulted on the proposed pay award mechanism for staff engaged on Cambridge Live terms and conditions of service.
- 5.5 The trade unions and staff of Cambridge Live will be consulted on the proposal to use the nationally negotiated NJC pay award as a mechanism for determining future pay awards for staff on Cambridge Live terms and conditions.
- 5.6 This pay policy statement once approved by Full Council will be published on the Councils website. The Pay Policy Statement will be

updated following any agreed national pay award changes which affect the council's pay scales.

## **6. Background papers**

Background papers used in the preparation of this report:

- Pay Policy Statement 2019/20
- Provisions of the Localism Act relating to chief officer pay statements
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012 and Supplementary Guidance February 2013.
- Local Government Association Localism Act: Pay Policy Statements Guidance (November 2011) and Supplementary Notes 1 and 2.
- City Council Pay scales
- Epaycheck benchmarking data
- Local Government Association research report - Chief Executive and Chief Officer pay survey

## **7. Appendices**

- Appendix 1- Pay Policy Statement 2020/21

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact: Deborah Simpson, Head of Human Resources, Tel: 01223 458101, email: [Deborah.Simpson@cambridge.gov.uk](mailto:Deborah.Simpson@cambridge.gov.uk).





## Pay Policy Statement 2020/21

### Scope

This pay policy statement covers the posts of the chief executive, strategic directors and heads of service.

The Council is an accredited Real Living Wage Employer and this statement incorporates the Council's policy on the Real Living Wage. This statement also incorporates the Cambridge Weighting which is paid as a pay supplement to bring the minimum council pay rate to £10.00 per hour.

Following the transfer of staff from Cambridge Live to the Council on 1 April 2019 under TUPE (Transfer of Undertakings (Protection of Employment) Regulations) we have two implementation dates for the Real Living Wage and two sets of employment terms and conditions. This is referred to below in the section on the real Living Wage, Cambridge Weighting and pay ratios.

The Council has a number of apprenticeship opportunities and there is a statement relating to apprenticeships.

### Salary

The salary scales for the chief executive, strategic directors and heads of service, following the nationally agreed pay award with effect from 1 April 2019, are shown below.

Progression through the pay band (a four-point scale) is subject to a range of criteria that are currently assessed via the annual performance review.

Post	Point 1	Point 2	Point 3	Point 4
<b>Chief Executive</b>	£115,299	£120,197	£125,086	£130,013
<b>Strategic</b>	£88,942	£92,455	£95,963	£99,476



<b>Director</b>				
<b>Head of Service</b>	£69,043	£71,394	£73,710	£76,062

## **Review of Salary levels**

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with current median level pay. A review of senior officer salaries has been undertaken in 2019.

The outcome of this review is the recommendation that the pay levels for the posts of Chief Executive, Director and Heads of Service remain unchanged.

The pay points within the grades are however still subject to nationally agreed pay awards with effect from 1 April 2020 and would increase in line with any nationally agreed percentage.

The next three year review will be in 2022.

## **Pay Awards**

Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers.

In 2018 two-year national pay awards were agreed for Chief Executive's and Chief Officers (relating to Strategic Directors and Heads of Service), covering the period 1 April 2018 to 31 March 2020. Both awards were for 2% in 2018 and 2% in 2019. At the time of drafting this pay policy there have been no pay awards with effect from April 2020.

## **Terms and Conditions of Employment**

The terms and conditions of employment for the chief executive, strategic directors and heads of service within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

## **Remuneration on Recruitment**

Recruitment to the posts of chief executive and strategic director is undertaken by a committee of councillors appointed by Council. In the case of the chief executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee. Recruitment to posts of strategic director is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the current salary range for these posts at that time.

Recruitment to posts of head of service is undertaken by the chief executive or a strategic director. The salary on recruitment will be within the current salary range for these posts at that time.

There are occasions when the salary determined by the grading for a post results in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas due to fluctuations in the labour market supply. These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

There may be occasions when due to recruitment and retention difficulties within a specific service area or role, it may be more appropriate to use a recruitment and retention package approach than a market supplement. Such an approach offers a fixed lump sum payment for new appointments or to the staff in identified roles at a given date. The payment is tied to a defined retention period (two years) and must be repaid in full if the person leaves the employment of the Council within the designated period. The aim of this approach is to recruit new staff and retain existing staff where there is evidence of both types of difficulty and a market supplement approach is assessed as less effective.

Rules governing the recruitment of the chief executive, strategic directors and heads of service are set out in the council’s constitution in section; Part 4i, Officer Employment Procedure Rules.

## **Bonuses**

There are no bonus arrangements payable to the chief executive, strategic directors or heads of service.

## **Performance Related Pay**

Performance and progression through the pay band is assessed annually in line with the Council's performance review schemes. For the chief executive and strategic directors, performance is assessed by a panel of Councillors, the Chief Officer Performance Review Working Party. For heads of service, performance is assessed by their strategic director.

There is no performance related pay scheme outside of the performance review scheme, which determines the salary point of an officer, within the salary scale set out above.

## **Salaries over £100,000**

The post of chief executive is the sole post which carries a salary range of over £100,000.

## **Publication of salary data**

Salary data for the chief executive, strategic directors and heads of service is published on the council's website, in Open Data, Transparency in local government, senior salaries.

This pay policy statement once approved by Full Council will be published on the Councils website.

## **Expenses**

The expenses which may be payable to the chief executive, a strategic director or head of service include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imbursement of travel and subsistence
- one professional subscription per annum
- payments under the eye sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

## **Severance Payments**

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years' service will be entitled to redundancy pay in line with local government guidelines and statutory provisions.

Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual weekly pay. Cambridge City Council will not apply the statutory weeks pay definition.

Employees in the pension scheme and who are over age 55 are entitled to immediate onset of pension benefits based on actual reckonable service if:

- They are over 55 at the termination date
- They meet the two years vesting period in the Local Government Pension Scheme (LGPS)

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the date of the redundancy and the offer of the new job has been made before the end of the original contract.

The chief executive, monitoring officer and chief finance officer can only be dismissed by the Full Council. All other directors and heads of service can only be dismissed in accordance with the Councils constitution, Part 4i, Officer Employment Procedure Rules.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.

## **Pension and Pension Enhancements**

The employees within the scope of this pay policy are entitled to and receive pension contributions under the Local Government Pension Scheme (LGPS). This is a contributory scheme and they currently contribute between 9.9% and 11.4% of their pensionable pay to the scheme.

The employer contribution rate is currently 17.4% i.e. the council contributes 17.4% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.4% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries. Review has been undertaken in 2019, with the outcome effective for 2020/21.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2019. This policy was approved by the Civic Affairs Committee on the 30 January 2019. The policy is reviewed every 3 years and/or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council).

## **Pay Ratios, Real Living Wage, Cambridge Weighting and Apprenticeships**

Set out below are the Council's pay arrangements with regard to the Real Living Wage, the Cambridge Weighting, apprenticeships, and the highest paid council staff.

The table below shows a number of pay ratios.

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

### **• Apprentices**

The Council has engaged a number of apprentices in apprenticeship roles. These roles provide development opportunities and do not replace existing

posts. They are outside of the Real Living Wage and Cambridge Weighting policies.

We pay apprentices in line with the National Living Wage/Minimum Wage Rates in their first year of apprenticeship.

The current lowest rate for apprenticeships is £7.70 and this pay rate has been used in the ratios.

The apprentice rates with effect from 1 April 2020 will be: for apprentices under 18 to £4.55; apprentices aged 18-20, £6.45; apprentices aged 21-24, £8.20 and for apprentices aged 25 and over, £8.72.

- **Lowest paid staff**

The lowest paid staff within the Council's pay structure are on Band 1. We have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy. The current lowest pay point is £17,711.

Cambridge City Council is an accredited Real Living Wage employer and also pays a Cambridge Weighting supplement. This means that the minimum pay level for staff engaged on Cambridge City terms and conditions of employment is £10.00 per hour, equivalent to £19,294.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Pay policies which apply to Band 1 employees include:

- car/bicycle/motorcycle mileage at HMRC rates
- re-imbursement for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye sight tests scheme
- Travel scheme (where applicable)

- **Median average of employees**

The current median average salary is £29,636.

- **Real Living Wage**

The Council has adopted a Real Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

There are currently two implementation dates for the Real Living Wage; November (for staff engaged on city council terms and conditions of employment) and April (for staff engaged on Cambridge Live terms and conditions of employment).

The Council will pay the Real Living Wage rate for staff engaged on city council pay rates by way of a supplement to pay rates.

The Council will pay the minimum of the relevant Real Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will require contractors engaged through the Council's procurement processes to pay at least the Real Living Wage to all their staff who work on the Council's premises (or land maintained by the Council) for two or more hours on any day of the week for eight or more consecutive weeks. The only contracts that will be excluded from the requirement to pay the Real Living Wage are:

- contracts where it would be unlawful to require the payment of the Real Living Wage
- contracts where, following evaluation, it is considered inappropriate to impose the requirement.

With effect from November 2019 the Real Living Wage has increased from £9.00 per hour to £9.30 per hour.

- **Cambridge Weighting**

The Council implemented a Cambridge Weighting with effect from 1 April 2018, paid to employees and agency workers earning less than £10 per hour. For employees on city council terms and conditions the weighting is paid in addition to salary and the Real Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour (£19,294). For agency workers engaged on city council equivalent posts the weighting

applies in addition to current hourly rates and the Real Living Wage arrangements. The weighting is variable, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.

We are currently investigating the potential for payment of the Cambridge Weighting (£10.00 per hour) to staff and agency workers engaged on Cambridge Live terms and conditions of employment.

- **Chief Executive**

The highest paid officer of the council is the chief executive, with a current salary of £130,013.

- **Pay Ratios**

	<b>Annual Salary</b>	<b>Ratio to Chief Executive salary/Highest pay point</b>	<b>Explanation</b>
Apprentice rate of £7.70	£14,855	1:8.76	The Chief Executive/Highest pay point and lowest apprenticeship rate
Real Living Wage Rate of £9.00	£17,362	1:7.49	The Chief Executive/Highest pay point and real Living Wage rate of £9.00
Lowest council pay scale point (£9.18)	£17,711	1:7.34	The Chief Executive/Highest pay point and lowest council pay scale point
Real Living Wage Rate of £9.30	£17,943	1:7.25	The Chief Executive/Highest pay point and real Living Wage rate of £9.30
Cambridge Weighting – minimum £10.00	£19,294	1:6.74	The Chief Executive/Highest pay point and £10



			hour Cambridge Weighting
Median Average salary	£29,636	1:4.39	The Chief Executive/Highest pay point and current median salary
Chief Executive/Highest pay point	£130,013	-	Chief Executive's current salary and highest pay point

## **Election Fees**

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The Chief Executive is the council's Returning Officer.

The fees for Parliamentary, Police & Crime Commissioner, Euro Elections and national referenda are set by the Government. The fees for County Council elections are set by the County Council. The fees for the Combined Authority Mayoral election are set by the combined authority. The fees for Parliamentary and European Elections are pensionable.

Fees for district elections are set locally and current fees were agreed by the Civic Affairs Committee in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties.

## **Tax Avoidance and IR35**

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the

basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

In addition workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income Tax and National Insurance contributions deducted and paid over to HMRC.

The Council will continue to advice employment agencies for each role, whether the role has been assessed to be within scope of IR35, or not.

### **Re-engagement of ex City Council staff within the scope of this policy**

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex city council member of staff within the scope of this policy outside of these arrangements.

**January 2020**

## CIVIC AFFAIRS

29 January 2020

5.30 - 6.15 pm

**Present:** Councillors McPherson (Chair), Sargeant (Vice-Chair), Chadwick, Dalzell, Davey and Thornburrow

<b>FOR ADOPTION BY THE COUNCIL</b>
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### **20/7/Civ     Amendment to Council Procedure Rules**

**Unanimously resolved** to recommend to Council a change to Council Procedure Rule 10 and the Scheme for Annual Statements as set out in this report.

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Item

## Amendments to Council Procedure Rules



**To:**

Civic Affairs Committee 29/01/20

**Report by:**

Democratic Services Manager, Gary Clift

Tel: 01223 - 457011 Email: gary.clift@cambridge.gov.uk

**Wards affected:**

None directly affected

### 1. Introduction

- 1.1 The report seeks approval to change the rules for Council Meetings regarding (i) the duration of the meetings (ii) the length of time allocated to Group Leaders for introducing Annual Statements.

### 2. Recommendations

- 2.1 To recommend to Council a change to Council Procedure Rule 10 and the Scheme for Annual Statements as set out in this report.

### 3. Background

- 3.1 An informal discussion between Group Leaders, Chair and spokes of Civic Affairs Committee and the Mayor took place early last autumn. Under discussion were issues concerning Council meetings, two topics were resolved by this Committee at its meeting on 9 October. The other topics discussed at the time but not reported to the October committee are reported now.

## **Council Procedure Rule 10-duration of the meeting**

- 3.2 It is proposed to alter the wording of Council Procedure Rule 10 to encourage a finish time of no later than 11pm. If the Committee recommends the change to Council it should note that if approved it would not take effect at the budget meeting on 13 February but the next scheduled meeting.

### **Current procedure rule:**

#### 10. Duration of meeting

10.1 When a meeting of the Council, on a Thursday evening, lasts to 10.30 pm a vote shall be taken as to whether or not the meeting be adjourned; on a decision to adjourn the adjournment shall be until 6 pm on the following Monday.

### **Proposed procedure rule:**

10.1 When a meeting of the Council lasts to 10.30pm, the Mayor will announce that, if the meeting has not finished by then, a vote will be taken at 11.00pm on whether to close the meeting and (if it is a reasonable request given the remaining workload) urge members to assist in completing the remaining business by 11pm.

10.2 At 11.00pm, the Mayor will ask the Council if the meeting should close. Unless any member present dissents, the Mayor will then proceed to close the business of the meeting and go straight to the vote on any outstanding items without further debate.

- 3.3 The Committee should note that this proposal was not consensual when discussed last autumn.

## **Scheme for Annual Statements**

- 3.4 To amend the time allocated to Group Leaders to introduce Annual Statements at the Annual Council Meeting from 15 minutes each to 10 minutes each (paragraph 3 of the Scheme would be changed to reflect this).

#### **4. OPTIONS**

The informal discussions also considered an officer proposal of reducing all Member contributions at Council meetings from 3 minutes to 2 minutes, but this was not supported by either Group.

#### **5. Implications**

**(a) Financial Implications** - none

**(b) Staffing Implications**-none

**(c) Equality and Poverty Implications**- Long late night council meetings can be challenging for those with disabilities or health conditions or caring responsibilities. They are also challenging for those who have to be at work early the next day or are reliant on public transport to get home. Not tackling this issue could impact on the ability for the council to recruit and retain officers and elected members from those groups and risk our reputation as an equal opportunities employer. It also makes it harder for members of the public from these groups to engage effectively with the full business of council meetings.

**(d) Environmental Implications** - none

**(e) Procurement Implications** - none

**(f) Community Safety Implications** - none

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

The Chief Executive and Group Leaders were consulted on this report.

#### **6. Background papers**

There were none.

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