



Cambridge City Council
Strategy and Resources Scrutiny Committee

Date: Monday, 11 July 2022

Time: 5.00 pm

Venue: **The Clay Farm Community Centre, Hobson Square CB2 9FN** [Clay Farm Centre - Cambridge City Council](#)

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

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes (Pages 5 - 10)
- 4 Public Questions
- 5 To Note Record of Urgent Decision Taken by the Executive Councillor for Finance, Resources and Transformation
- 5a ROD Acquisition of Nursery, Timberworks (Cromwell Road), Cambridge (Pages 11 - 20)
The appendix to the report relates to information which following a public interest test the public is likely to be excluded by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 ie. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Decisions for the Leader of the Council

- 6 Annual Performance and Customer Feedback Report 2021/22 (Pages 21 - 118)
- 7 Combined Authority Update (Pages 119 - 130)

Decisions for the Executive Councillor for Recovery, Employment and Community Safety

- 8 Cambridge Business Improvement District (BID) Third Term Ballot (Pages 131 - 148)

Decisions for the Executive Councillor for Finance, Resources and Transformation

- 9 Update on the Our Cambridge Programme Including the Direction of the Future Council as Part of the Wider Cambridge System (Pages 149 - 268)
- 10 Council Tax Reduction Local Scheme April 2023 to March 2026. (Pages 269 - 278)
- 11 Cambridge City Housing Company (CCHC) Expansion (Pages 279 - 352)
The appendix to the report relates to information during which subject to a public interest test the public is likely to be excluded from by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. – ie. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 12 Independent Review of the Budget Setting Process and Wider Governance Issues (Pages 353 - 380)
- 13 Annual Treasury Management Outturn Report 2021/22 (Pages 381 - 402)
- 14 2021/22 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances (Pages 403 - 434)
- 15 New Site Acquisition (Pages 435 - 446)

The report contains information which the public is likely to be excluded from following a public interest test by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. – ie. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Strategy and Resources Scrutiny Committee Members: Robertson (Chair), S. Smith (Vice-Chair), Bennett, Bick, Herbert, Payne, Scutt, Smart, Sweeney, Davey (Executive Councillor), Gilderdale (Executive Councillor) and A. Smith (Executive Councillor)

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- Email: democratic.services@cambridge.gov.uk
- Phone: 01223 457013

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE

28 March 2022

5.00 - 5.29 pm

Present: Councillors Robertson (Chair), H. Davies (Vice-Chair), Dalzell, Healy and S. Smith

Executive Councillors: Davey (Executive Councillor for Finance and Resources), Herbert (Executive Councillor for External Partnerships) and A. Smith (Executive Councillor for Communities)

Also present (virtually): Councillors Bick and A Smith (Executive Councillor for Communities)

Officers:

Strategic Director: Fiona Bryant

Committee Manager: Claire Tunnicliffe

Meeting Producer: Boris Herzog

Other Officers Present Virtually:

Assistant Chief Executive: Andrew Limb

Head of Finance: Caroline Ryba

Head of Property Services: Dave Prinsep

Principal Property Surveyor: Clare Mitchell

FOR THE INFORMATION OF THE COUNCIL

22/13/SR Apologies for Absence

No apologies were received.

22/14/SR Declarations of Interest

No declarations were declared.

22/15/SR Minutes

The minutes of the meeting held on 07 February 2022 were confirmed as a correct record and signed by the Chair.

22/16/SR Public Questions

There were no public questions.

22/17/SR Update on the Work of Key External Partnerships

The report provided an update on the work of the following partnerships:

- The Cambridgeshire and Peterborough Combined Authority (including the Business Board)
- Greater Cambridge Partnership
- Fast Growing Cities
- Innovation Corridor (London-Stanstead-Cambridge Consortium)
- Cambridge – Milton Keynes – Oxford Arc.

The report highlighted the considerable amount of activity that was taking place in tackling some of the “big challenges” that the city was facing. It also outlined the ongoing joint working between partners and government to help meet these challenges. This year had included responding to the pandemic, which involved partners findings ways to pull together to both ameliorate and find solutions to its impacts.

Decision of Executive Councillor for External Partnerships

- i. Noted the achievements and progress of the strategic partnerships that the City Council is engaged with, outlined in the Officer’s report.

Reason for the Decision

As set out in the Officer’s report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee considered a report from the Assistant Chief Executive.

In response to a question concerning the Oxford to Cambridge Arc the Executive Councillor advised that this was not a Central Government priority. However, the City Council was keen to develop broader relationships with those councils along the Arc and to secure East West Rail.

The Committee discussed the Fast-Growing Cities referenced in the report, the returns on the financial contributions these cities made to national Government

and how strategic lobbying of government was needed to support fast-growing cities.

The Assistant Chief Executive responded that over the last ten years the Council had secured a large amount of Government funding, referencing examples from the Government funded City Deal (the most generous deal per head per population of any City Deals done at that time), the Combined Authority funding including £70million for 500 council houses in Cambridge, and the potential £200+million for the relocation of the waste water treatment plant from North East Cambridge. But despite these grants and future funding the city faced economic, environmental, and social challenges.

The Executive Councillor highlighted the work that the Centre for Cities think tank had completed, including a report on the impact of COVID on cities. Although the Council did not agree with all the suggestions put forward, the need for affordable housing and highlighting the inequality throughout the city strengthened the requirement for continued funding.

In answer to a question concerning the projects that had been put forward for funding from the Combined Authority's medium-term budget, the Executive Councillor stated normally there would have been greater engagement with members for their input, but this had not been possible due to the deadline set had meant additional work for officers during the budget setting period and other major works.

The City Portrait (p20) referenced in the report was part of the language used in doughnut economics; a relatively low-cost project to produce a summary analysis of equality, climate, and environmental impacts in the city.

Noted the comment that the work had been undertaken on the Local Plan and emerging Greater Cambridge Local Plan which was an opportunity to link this work and City Portrait work together.

Agreed that the Combined Authority should encourage all Councillors and the public to have an input in future projects and works.

The Assistant Chief Executive advised there were various sources of gathering data which the Council could explore. The Combined Authority-funded City Portrait project could determine if these research methods were applicable which may help inform balanced and rounded decision making understanding the interplay between the social, environmental, and economic factors.

The Committee **unanimously resolved** to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

22/18/SR General Fund Revenue Carry-Forwards

Matter for Decision

This report presented details of anticipated variances from budgets, where resources were requested to be carried forward into the 2022/23 financial year in order to undertake or complete activities anticipated to have taken place in 2021/22.

Decision of Executive Councillor for Finance and Resources

- i. Agreed the provisional carry forward requests, totalling £579,010 as detailed in Appendix A of the Officer's report, recommended to Council to approve, subject to the final outturn position.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee considered a report from the Head of Finance.

In response to a question on the underspend on Finance General (p39, appendix A) and whether that meant that services had not been delivered as budgeted, the Head of Finance advised this information would be provided outside of the meeting as the cost centre was a mix of different corporate amounts and she would have to look at the detail.

The Committee unanimously resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

22/19/SR Sale of 11 Thorpe Way

Matter for Decision

The report referred to the leaseholder's request of 11 Thorpe Way to buy the freehold of the property.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Approved the freehold transfer of 11 Thorpe Way to the current leaseholder.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee considered a report from the Head of Property Services.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 5.29 pm

CHAIR

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Cambridge City Council

Acquisition of Nursery, Timberworks (Cromwell Road), Cambridge

Decision of: Councillor Davey, Executive Councillor for Finance and Resources

Reference: 22/URGENCY/SR/05

Date of decision: 14.3.22 Date Published on website: 28.3.22

Decision Type: Key

Matter for Decision: Acquisition of Nursery, Timberworks (Cromwell Road), Cambridge

Why the Decision had to be made (and any alternative options): As a property acquisition, it is necessary to act quickly to secure opportunities and progress the acquisition in a timely way. Approval as soon as possible enables legal processes to commence without delay and completion at the earliest opportunity.

The Executive Councillor's decision: To approve the purchase of the property.

Reason for the decision: As detailed in the Officers report which is considered exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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

Report: The Officers report is considered exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Conflict of interest: None.

Comments: None.

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

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ANNUAL PERFORMANCE AND CUSTOMER FEEDBACK REPORT 2021/22

To:

Councillor Anna Smith, Leader of the Council
Strategy & Resources Scrutiny Committee 11/07/2022

Report by:

Andrew Limb, Assistant Chief Executive
Tel: 01223 - 457004 Email: Andrew.Limb@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

1.1 This report covers the Annual Report against the Corporate Plan 2021/22 and associated key performance indicators; the Annual Complaints and Customer Feedback Report 2021/22; and a State of the City profile.

1.2 The Corporate Plan 2019-22 set out the objectives the Council has been planning to achieve over the past three years, grouped under three key themes. The Annual Report attached at Appendix A provides a summary of progress against those objectives during 2021/22. Appendix B provides the latest available figures for the key performance indicators in the Corporate Plan 2019-22.

1.3 The Annual Complaints and Customer Feedback Report 2021/22 at Appendix C provides an overview and summary of complaints, compliments and feedback received during 2021/22.

1.4 The State of the City profile at Appendix D provides a brief analysis of how Cambridge measures up on a range of social, economic and environmental factors. This provides a broad overview of the context in which the council and its partners operate. It is intended that a fuller analysis will be developed over the coming year to provide a richer “City Portrait”, which would then be replicated, developed and reported each year.

2. Recommendations

2.1 The Executive Councillor is recommended to:

Note the contents of the Annual Report against the Corporate Plan 2021/22, the Annual Complaints and Customer Feedback Report 2021/22, and the State of the City profile.

3. Background

3.1 The Council’s Corporate Plan 2019-22 set out the council’s priority objectives under three themes:

- Tackling poverty and inequality and helping people in the greatest need
- Leading Cambridge’s response to the climate change emergency and biodiversity crisis
- Delivering quality services within financial constraints whilst transforming the council

3.2 The Annual Report 2021/22 at Appendix A provides a summary of progress against the detailed objectives under those themes, as well as a context-setting introduction. It covers objectives for services across the council, including many of our shared services (rather than those needing to produce separate annual reports).

3.3 Appendix B provides the latest available data for the key performance indicators in the Corporate Plan.

3.4 The Annual Complaints and Feedback Report 2021/22 at Appendix C includes:

- A summary of complaints received, their trends and action taken
- Details of compliments and comments
- Complaints escalated to the Local Government Ombudsman
- Complaints relating to conduct of councillors

3.5 As well as complaints the Council also received 131 compliments and 3,507 positive comments about the Council's services and staff through the GovMetric system, out of a total of 7,475 comments received via this channel. A section on compliments is included in the report because in terms of providing a good service to residents, knowing where things are working well and are appreciated is as important as knowing where things are not working well.

3.6 The report shows that the total number of complaints recorded (973) returned broadly towards pre-pandemic levels (1100+ in 2018/19 and 2019/20) after falling during 2020/21, when the council's ability to deliver some services was constrained by the coronavirus pandemic and various lockdown restrictions. For context, the Customer Service Centre received 245,000 contacts phone or electronic contacts during 2021/22.

3.7 Taken together on the same agenda as the Council's financial outturn report, these reports provide a picture of the council's performance, how far it achieved its priority objectives, the service performance levels attained, and the quality of service achieved (as indicated by the level of complaints). Bringing this suite of reports to committee is an important part of the council's transparency and accountability framework.

3.8 The key points arising from the financial outturn report (also on this committee agenda) are summarized as:

3.9 In 2021/22 the Council spent just over £65m on General Fund services. This was funded by £21m of council tax, business rates and grants from central government, including nearly £2.7m of COVID-related grants and furlough income.

3.10 The balance of £44m was made up of income from fees and charges. During the year, the council spent £3.5m less than originally budgeted due to services being disrupted and delayed by COVID restrictions, and difficulties in recruiting and retaining staff. However, £2.1m of this underspend will be carried forward to support the delivery of the delayed work in 2022/23.

3.11 Alongside this, the council collected £44m of rents and service charges through the Housing Revenue Account. This was used to provide services to the council's housing tenants and leaseholders and to support the construction of new council housing and improvements to existing properties.

4. Implications

a) Financial Implications

No financial implications of this report.

b) Staffing Implications

No staffing implications of this report.

c) Equality and Poverty Implications

There are no equality or poverty implications arising from this report. (A separate annual report on the Council's Single Equalities Scheme is on the agenda for Environment & Communities Scrutiny Committee).

d) Net Zero Carbon, Climate Change and Environmental Implications

There are no net zero carbon, climate change or environmental implications arising from this report.

e) Procurement Implications

Officers have procured a professional designer to produce a designed version of the report for publication on the website, from a single quote (value less than £500).

f) Community Safety Implications

No community safety implications from this report.

5. Consultation and communication considerations

The appendices to this report will all be published on the council's website, including a "designed" version of the annual report. An infographic of key statistics and information from the report will also be produced and published. A press release will be issued, and internal communications produced.

6. Background papers

Corporate Plan 2019-22

7. Appendices

Appendix A	Annual Report 2021/22 on the Corporate Plan
Appendix B	Key Performance Indicators from the Corporate Plan
Appendix C	Annual Complaints and Feedback Report 2021/22
Appendix D	State of the City profile

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Andrew Limb, Assistant Chief Executive, tel: 01223 - 457004, email: andrew.limb@cambridge.gov.uk

Corporate Plan Annual Report 2021/22

Introduction

Cambridge City Council's Corporate Plan for 2019-22 set out the key activities the Council planned to undertake over that three-year period to work towards its strategic objectives and its vision of "One Cambridge, fair for all".

This annual report shows what was achieved during 2021/22 under the following priority themes:

- Tackling poverty and inequality and helping people in the greatest need
- Leading Cambridge's response to the climate change emergency and biodiversity crisis
- Delivering quality services within financial constraints whilst transforming the council

2021/22 – overview & context

The year 2021/22 was another year in which council services were disrupted by the impacts of the global coronavirus pandemic. Restrictions waxed and waned over the course of the year – some services continued largely unaffected, others (such as the Corn Exchange and other live cultural events) were not able to operate "normally" until later in the year.

Even when services were allowed to operate normally, the continuing presence of coronavirus in the community meant that a number of council staff had period of sick leave and isolation, reducing the council's capacity to deliver some services at times.

In addition to Covid-19, Britain experienced the social and economic impacts of the UK's departure from the European Union. This contributed to some indirect impacts on city council services, such as the nationwide shortage of HGV drivers leading to a number of waste vehicle drivers taking up jobs in the private sector. The combination of covid sickness absence and driver shortage required the Greater Cambridge Shared Waste Service to suspend green waste collections for a period, to focus on general rubbish and recycling collections.

As we moved through the year, the council continued to work closely with partners and communities to minimise and mitigate the impact of covid on communities, for instance promoting vaccine take-up (including making the Guildhall available for use as a temporary vaccine centre) and administering around £36m of Covid business grants and rates relief.

The Council also turned its attention to promoting a green and sustainable recovery from the economic and social impacts of coronavirus, producing a draft recovery strategy in the autumn.

The Council also entered a period of change and transformation during 2021/22, with the arrival of a new Chief Executive, Robert Pollock, and the election of a new Leader, Cllr Anna Smith. The Council also initiated an ambitious programme of transforming and modernising the way it works, the Our Cambridge Programme. This will deliver a more customer-focussed and efficient approach to service delivery, and a systems-based approach to delivering the council's vision of "One Cambridge, Fair for all" in partnership with communities and a wide range of partners and stakeholders.

At the end of the year, the war in Ukraine presented new challenges for the council in ensuring refugee guests from Ukraine were welcomed and safely housed. And the emerging cost of living crisis raised the prospect of our many residents in the city facing further economic hardship in the months ahead. While the COP26 Climate Change conference highlighted the ongoing and urgent need to tackle the planet's greatest threats.

Set against this context of global challenges and national and local change, this report reflects the progress made by Cambridge City Council in delivering the objectives set out in its Corporate Plan, 2019-22.

Where appropriate, reporting on the Council's main shared services is also reflected in this report, rather than through separate ones, whilst the individual services remain subject to their Councillor-led steering groups.

In 2021/22 the Council spent just over £65m on General Fund services. This was funded by £21m of council tax, business rates and grants from central government, including nearly £2.7m of COVID-related grants and furlough income. The balance of £44m was made up of income from fees and charges.

During the year, the council spent £3.5m less than originally budgeted due to services being disrupted and delayed by COVID restrictions, and difficulties in recruiting and retaining staff. However, £2.1m of this underspend will be carried forward to support the delivery of the delayed work in 2022/23.

Alongside this, the council collected £44m of rents and service charges through the Housing Revenue Account. This was used to provide services to the council's housing tenants and leaseholders and to support the construction of new council housing and improvements to existing properties.

Alongside the financial outturn reports and statement of accounts, and the council's Annual Complaints & Feedback Report this report is part of a suite of information that the council publishes to promote transparency and accountability to taxpayers, electors and all those who live, work or study in Cambridge.

In addition to the outputs and impacts reported here, a number of council teams and services also received awards or recognition through, for instance, national professional awards schemes.

This year, for the first time, we are also publishing a short “state of the city” profile to present a picture of the wider social, environmental and economic picture in Cambridge. In the coming years we plan to develop this into a fuller “city portrait” with stakeholders and aim to share this each year to reflect how Cambridge is changing.

We welcome your feedback on this report.

Cambridge City Council

June 2022

Tackling poverty and inequality and helping people in the greatest need

We said we would deliver or fund projects and mainstream services that help reduce the impacts of poverty on residents and communities in Cambridge.

This year, in addition to ongoing mainstream service delivery across a wide range of services including housing and homelessness, benefits, fuel and water poverty and community services we have:

- worked with Peterborough Environment City Trust to provide energy advice to 178 households using funding from UK Power Networks “Power Partners” Scheme.
- Provided a wide range of free or discounted sport and leisure activities to people experiencing the greatest need, including young people, people with mental ill-health, people with disabilities, those experiencing homelessness and the long-term unemployed. Activities have included swimming, ice-skating, skateboarding, tennis, climbing and more.
- Facilitated the free Healthy You Virtual Festival in January – engaging with over 350 people offering 111 sessions
- Offered 18 structured physical activity or nutrition programmes (72 sessions) free of charge through Healthy You
- Introduced a new ‘Streets to Home’ service to help tackle rough sleeping in the City
- Secured £1.6m of funding including support-in-kind, for the Cambridgeshire and Peterborough Region of Learning (RoL) programme to improve participation, employability and career aspirations of young people from less advantaged or low-income backgrounds to address the long-term causes of poverty.

Region of Learning:

- supported 55 young people (aged 15-24) furthest from the labour market who are economically inactive, at risk of NEET, or unemployed.
- delivered basic skills and transferable skills assessments, training and employability skills assessments, one-to-one career guidance sessions to identify skills gaps, improve career progression and reduce poverty.
- worked with 10 organisations on developing pathways to wellbeing for young people, including NHS,

During the year we:

Provided energy advice to **178** households

Engaged over **350** people in the free Healthy You festival

Helped secure Regional of Learning programme funding worth **£1.6m**

to improve awareness and access to services and activities that improve mental or physical health outcomes.

- developed the Ignite programme with Shift Momentum to support young people from low-income backgrounds to develop pathways to self-employment and business.
- worked with 32 learning providers to start developing digital micro-credentials and pathways to the local offer of formal, informal and non-formal learning and skills to improve essential skills, knowledge and employability.

We said we would 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.

This year we have:

- Committed to offering bespoke support to customers on Universal Credit by making permanent a temporary post in our Income Management Team
- Achieved new Housing Benefit claims processing times (10.95 days) in the upper quartile nationally (19 days national average), with exceptionally low instances of processing errors.

We said we would support mutual aid networks and wider projects supporting individuals and households, including thematic citywide partnerships and anti-poverty projects.

This year we have:

- Distributed £100,000 funding to local food aid projects
- Continued to support community groups supporting their residents with covid-recovery and financial uncertainty
- Supported individuals in need to access Household Support Fund funding

We said we would 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 2023.

This year we have:

- Introduced new policies on Build to Rent, Clustering of Affordable Housing, Affordable Rents and First Homes

Paid **£24.4m** in
Housing Benefit

Paid **£8.2m** in
Council Tax Support

Supported food hubs to
distribute over **204**
tonnes of
food through a total
of **21,210** visits to
food hubs

- Produced a draft framework Local Lettings Plan for housing providers to use
- Secured approval of the Draft Reg 19 plan for North East Cambridge Area Action Plan
- Launched the North East Cambridge Core Site website and commenced community engagement on the vision and values for the core site.

We said we would 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; Bring forward a Homelessness and Rough Sleeping strategy 2021-26; Prevent homelessness and reduce rough sleeping for as many in Cambridge as possible.

This year we have:

- Prevented homelessness for 396 households (government definition)
- Placed 308 households into good quality temporary accommodation to avert homelessness.
- Found 14 rough sleepers on our official street count in November (down from 16 last year). The total number of individuals sleeping rough across the year remains high but is reducing at 203 (down from 241 last year)

We said we would develop permanent, self-contained housing for homeless people with complex needs ('Housing First').

This year we have:

- Delivered 7 new Housing First properties for people who have previously slept rough through a combination of local authority, private sector and housing association provision.
- Delivered 6 modular homes for rough sleepers taking the total number delivered to 16.

We said we would 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, consistent with an updated Sustainable Housing Design Guide.

This year we have:

Provided

£695,770 in grants and contracts to deliver homelessness prevention

Prevented homelessness for

396 households

Delivered **7** Housing

First tenancies and **6** modular homes for rough sleepers

Achieved "started on

site" **546** new council homes

- Completed 66 new Council homes, including our first homes handed over at Cromwell Road, all meeting/exceeding the Councils Sustainable Housing Design Guide.
- Reached “start on site” for a cumulative total of 546 affordable net new council homes and reached a completed total of 302.
- Delivered a further 6 modular homes for the homeless in partnership with Jimmy’s and Hill.
- Started on site with 24 net new Council homes and secured planning permission for a further 83 new homes, including a *passivhaus* pilot scheme.

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

In 2020/21 (the year for which most recent data is available) we:

- Secured 47% affordable housing on sites of 15 or more dwellings where the 40% affordable housing policy applies. This high level was due largely to three Cambridge Investment Partnership schemes that will deliver 100% affordable housing.

We said we would provide sub-market intermediate housing that also generates a financial return through Cambridge City Housing Company (CCHC); facilitate move-on accommodation for rough-sleepers previously accommodated temporarily by the Council in hotels & B&Bs.

This year we have:

- Managed 23 properties for sub-market rent with low levels of voids, arrears and anti-social behaviour. Received a financial return of £151,000 through interest payments from CCHC

We said we would review the CCHC to explore potential for business expansion where opportunity allows, including any opportunity for the provision of homes on mixed tenure sites in conjunction with the HRA.

This year we have:

- Worked with Social Finance to explore opportunities to expand the housing company to provide more housing on a sub-market rent basis.

Gained approval for a further **83** new council homes

30 new affordable homes completed on strategic growth sites

66 new affordable (council) homes completed on other sites

We said we would invest in the quality and energy-efficiency of the Council's housing stock in line with the housing asset management strategy.

This year we have:

- Carried out £15.8 million of planned capital and revenue work that included kitchen, bathroom and heating replacements, electrical testing, fencing, cyclical painting and servicing
- Put in place contracts and delivered energy saving improvements (including cavity wall insulation to 100 properties and external wall insulation and solar panels to 80 properties in the Arbury area.
- Installed over 445 energy-efficient boilers and over 730 heat detectors and 340 smoke detectors.
- Designed and developed contracts to carry out essential structural repairs to blocks of flats in the South Arbury area, completed 190 loft insulation projects, replaced 81 roofs ,512 external doors, 228 fire doors, installed new triple-glazed windows at 128 properties and completed external repairs and redecoration at over 900 properties as part of our cyclical maintenance programme.
- Commissioned a report to establish a high-level cost estimate for retrofitting existing Council properties to be net zero carbon. We gained approval for a pilot project to retrofit up to fifty Council properties to establish the actual cost of achieving net zero carbon in existing Council properties.

We said we would provide a high performing repairs and planned maintenance service for our tenants that gives value for money.

This year we have:

- Gone "live" with a self-appointing repairs system to allow tenants to book and schedule their own appointments for certain repairs. We reduced the back log of repairs that was caused by the impact of the pandemic.
- Carried out over 12,000 responsive repairs jobs
- Completed 293 voids and re-let them
- Reduced the average cost per repair and reached the target by year-end.
- Completed over 7,700 planned maintenance jobs and 6,000 planned maintenance inspections.
- Carried out refurbishment work for commercial buildings/tenants (including Dales Brewery and Gwydir Street)

Carried out
£15.8m of
planned capital and
revenue work on council
homes

Delivered energy saving
improvements to **100**
council homes

Carried out over
12,000
responsive repairs

We said we would administer and enforce the mandatory HMO (House in Multiple Occupation) Licensing scheme to improve standards.

This year we have:

- Investigated 136 complaints relating specifically to HMOs
- Issued 132 mandatory HMO licences;
- Issued 8 HMO mandatory licence Variation Notices
- Revoked 18 mandatory HMO licences
- Issued 1 Temporary Exemption Notice, exempting a property from HMO licensing for up to 3 months

We said we would work with tenants to agree priorities and invest in environmental improvements to our estates and communal areas.

This year we have:

Increased delivery of estate improvement initiatives three-fold in year 3 compared with average delivery across years 1 and 2. The projects delivered have contributed to the Estates Improvement Scheme's wider aims of:

- Constantly improving fire safety in the design of council estates
- The Council's 'Zero Tolerance' of items stored in communal areas, where they cause fire risk, trip hazard and anti-social behaviour
- Promoting cycling, to benefit the city's environment and residents' health
- Building a perception of safety and community through improved demarcation of spaces that are private to an estate, with secure, attractive new railings
- Improving biodiversity on the estates

We said we would take action against Council tenants who create harm or disturbance for others.

This year we have:

- Worked with external partners through avenues such as the Cambridge City Problem Solving Group to deliver a multi-agency approach, where needed, to tackle issues of nuisance and anti-social behaviour.
- Referred and signposted tenants to appropriate support services, when a need was identified and took enforcement

Investigated **136**

HMO complaints

Issued **132**

mandatory HMO licences and revoked

18

Completed **33** estate improvement projects

action in the most serious of cases, ensuring that the enforcement measure is proportionate.

- Delivered enforcement action by serving:
 - Acceptable Behaviour Contracts,
 - Warning Letters,
 - Tenancy Undertakings,
 - Notices of Seeking Possession served on grounds of ASB,
 - Notices to terminate or extend introductory tenancies,
 - Anti-Social Behaviour Injunctions
- Evicted 3 households from Council accommodation for perpetrating anti-social behaviour

We said we would work, including with other agencies, community organisations and neighbourhood mutual aid groups, to provide support for communities, including through community centres, outreach and grant funding.

This year we have:

- Opened the new fully accessible Akeman Street Community Centre in one of the highest need communities in the city.
- Completed technical design for three other new community centres: the new Meadows Community Centre, Campkin Road Community Centre and Mill Road Community Centre, engaging with the community and key user groups in this process.
- Project managed and delivered on the National Vaccine Champion Programme; supporting covid vaccination programme, developing health champions, tackling health inequalities and improve vaccine access.
- Awarded over £43,000 of Community S106 funds to local group and centres
- Provided support to community groups such as NCCP, Abbey People, CUCT, Orchard Park, Trumpington Resident Association to provide activities to young people in their communities.
- Secured funding to provide a Grassroots Physical Activity & Sports Awards grant scheme to local families facing financial difficulty.

We said we would review the range of community development provision across Cambridge to ensure it

Taken

**enforcement
action** against anti-

social behaviour

Completed technical

design for **3** new
community centres

Awarded over

£43,000 of s.106

funds to community
groups & centres

supports individuals and communities with the greatest need.

This year we have:

- Worked alongside communities, groups and other organisations to try to make sure people who most needed support during the pandemic, received it.
- Continued to adapt our community development provision to work in partnership to best support the most vulnerable in our communities including those recovering from the pandemic, coping with the cost of living crisis and arriving from Ukraine as refugees.

We said we would strengthen community capacity via Community Grants and support for the voluntary sector

This year we have:

- Allocated £1.066m of Community Grants to over 80 organisations delivering over 130 projects and activities to reduce social and economic deprivation in Cambridge City.
- Funded projects included the provision of free advice from Citizen's Advice for residents; a training, advice and information service for community groups; a capacity building service for the Black, Asian and Minority Ethnic voluntary sector in Cambridge to meet the needs of their members; digital skills and access to devices and data; activities to improve health and wellbeing and work to explore the impacts of Covid on health, financial hardship and communities.
- Provided an array of volunteering opportunities throughout the year across all sport and recreation projects
- Supported volunteers with the offer of Time Credits for all hours volunteered
- Supported the successful application of many sports and physical activity organisations as part of the community grants awards, including applications from voluntary and charitable organisations.

We said we would continue to develop links and co-operative working arrangements with partner organisations and agencies to ensure delivery of the appropriate services for resettled families.

This year we have:

- Expanded our co-operative working arrangements as families resettle from both Afghanistan and Syria. The team developed new relationships with the Workers Educational

Allocated

£1.066m of
community grants

Supported volunteers by
offering them **time
credits**

Association and continued existing partnerships with Cambridge Refugee Resettlement Campaign and Cambridge Regional College to expand and facilitate a blended educational model for both in-person and virtual English to Speakers of Other Languages (ESOL) courses.

- Continued partnerships with Cambridge Ethnic Community Forum, Cambridgeshire County Council, South Cambridgeshire District Council, the Department of Work and Pensions and NHS English to deliver services to resettled families.
- Developed new partnerships with the Brampton Hub which included support Afghan families that worked alongside the British Armed Forces.
- Enhanced our internal support offer, with a Farsi and Dari speaking Family Support Worker.
- Delivered a variety of activity taster sessions at Clay Farm, Cambridge Central Library and the Arbury Community Centre for resettled women
- Started working across the council, with the county and all districts to deliver services as part of Government's new Homes for Ukraine and Family Visa schemes.

Worked in partnership to
resettle
families from
 Afghanistan and Syria

Leading Cambridge's responses to the climate change emergency and biodiversity crisis

We said we would produce Sustainable Design and Construction planning guidance to help shape new low energy/carbon private sector development.

This year we have:

- Implemented the Sustainable Design and Construction Supplementary Planning Document to ensure that new development contributes to meeting the challenges posed by our changing climate including:
 - Contributing to carbon reduction targets and reducing fuel poverty
 - Ensuring that new development is adaptable to our changing climate
 - Ensuring that new development makes efficient use of resources
 - Ensuring that new development contributes to the health and wellbeing of new and existing residents

We said we would 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.

This year we have:

- Installed a further 5 fast and rapid chargers for EV taxis across 4 sites. There are now 15 operational chargers available to EV taxis in the city.
- Secured funding for on street charge points and currently in the implementation phase to have 40 chargers installed in 2022.
- Monitoring particulate levels in the city to influence future work activity

We said we would make our streets and open spaces and communities more resilient to the impacts of climate change.

This year we have:

- Continued to develop the Cambridge Canopy Project to protect and enhance tree canopy cover across the City. We have:
 - Planted 594 individual trees in our streets and parks

Deployed a further **5** fast and rapid chargers for EV taxis

- Planted 2 small, wooded areas at Logans Meadow and 5 Trees, Chesterton (~860 trees)
- Given away 360 through our Free Tree for Babies and Neighbourhood Canopy Campaign schemes
- Inspected and maintained ~5000 Council managed trees
- Secured ~£50,000 in external funding
- Served 38 Tree Preservation Orders to protect trees of high amenity value and processed 508 tree work applications.
- Worked with the Community Engagement Team to run 9 public tree planting events to raise awareness about the importance of tree cover.

We said we would manage Cambridge's streets and open spaces for the benefit of both wildlife and people by ensuring that biodiversity protection and enhancement is taken in to account in all development decisions and management practices.

This year we have:

- Changed the frequency and reduced cutting grasslands in parks, open spaces and along verges; and, as a result, now have an additional 9.2ha of streets & open spaces managed for biodiversity.
- Increased plant diversity attracting insects and other invertebrates (including butterflies, bees, spiders and millipedes), birds and mammals. A summary of the key outputs is included below:
 - 5740m² new perennial native wildflower meadow
 - 320m² new native woodland bulbs
 - 230m beetle bank
 - 10 bee banks
 - 4 insect homes
 - 11 bat boxes
 - 1 kestrel box
 - 2 freshwater ponds
 - 30m² 'green roofs'
 - 80m native honey suckle trellis
 - 82,000m² managed as long grass
- Worked with volunteers, including local residents, businesses and community groups such as On The Verge Cambridge, Abbey People and Friends of Lammas Land.
- Secured grants from the Heritage Lottery Green Recovery Fund, Natural England and the Combined Authority to deliver new wetlands, a community tree planting event and trial grassland restoration techniques on the Commons.

Planted over
1,400
trees

Increased the
area of open
spaces managed
for biodiversity
by **9.2ha**

Created
5740m²
new perennial
native wildflower
meadow

- Consulted on and adopted a Biodiversity Supplementary Planning Document to guide all planning applications to protect existing habitats and species and provide measurable biodiversity net gain.

We said we would invest in energy efficiency and generation projects as set out in our Carbon Management Plan.

This year we have:

- Progressed the installation of air source heat pumps and solar photovoltaic panels at Abbey and Parkside pools (using the £1.7m Government grant secured last year), installed energy efficient boilers in the Corn Exchange and made energy efficient improvements to the ventilation system of Grand Arcade car park.

We said we would develop and implement the Commercial Property Energy Efficiency Plan to invest in energy efficiency measures that improve the performance of the portfolio over time.

This year we have:

- Completed an assessment of the environmental performance of the directly managed commercial property portfolio with Energy Performance Certificates available for all.
- Undertaken an asset review of the whole commercial property portfolio in order to develop clear plans for each property including how to improve environmental performance to meet statutory and corporate requirements.
- Encouraged tenants to apply for Green Business Grants with a successful grant application for one of our tenants.

We said we would reduce the amount of waste generated, by supporting and educating residents to reduce, reuse and recycle more.

This year we have:

- Undertaken several campaigns to support and educate residents on waste reduction, to recycle correctly (reducing contamination in the blue bins) and increase the amount of food waste they recycle.
- These included a multiple phased 'Love Food Hate Waste' Campaign to reduce food waste in the black bin, and expansion of the food waste collection trial to try and capture and compost more of what is thrown away.
- Teamed up with RECAP and multiple suppliers of reusable nappies and wipes to deliver a scheme whereby residents receive a discount to purchase their products.

Used

£1.7m

Government funding to deliver heat pumps, additional solar PV and other energy efficiency measures at Parkside and Abbey Pools

<ul style="list-style-type: none"> We have secured funding to expand collections for small electrical appliances and, working in partnership with Cambridge Carbon Footprint, have introduced small appliance collections from Repair Cafes where items cannot be fixed. <p>We said we would take enforcement action, including prosecution where appropriate, against those damaging the environment.</p> <p>This year we have:</p> <ul style="list-style-type: none"> Undertaken 1805 public realm environmental crime investigations across the city, including: <ul style="list-style-type: none"> 354 involving abandoned vehicles 835 involving domestic waste (including fly tipping and duty of care issues) 128 involving commercial waste (including fly tipping and duty of care issues) 52 involving dog control issues (including dog fouling and dog attacks) 104 involving littering (including littering on foot and from a motor vehicle) 9 unauthorised encampments Issued 465 fixed penalty notices and 40 statutory notices to residents and businesses; and seized 30 stray dogs (of which 87% were claimed by their owners). Undertaken over 700 Environmental Health complaint investigations across the city, including: <ul style="list-style-type: none"> 686 involving alleged noise nuisance from residential/ commercial property 45 involving alleged smoke nuisance 28 involving alleged light nuisance 13 involving alleged commercial / industrial odour nuisance 47 involving alleged nuisance accumulations, including waste Undertaken the following Environmental Health service enforcement action: <ul style="list-style-type: none"> 9 abatement notices served 2 formal warning letters issued in respect of noise nuisance 1 seizure of noise making equipment 1 Noise Abatement Notice 3 Hygiene Improvement Notices 1 Remedial Action Notice 2 Hygiene Emergency Prohibition Notices/ Orders. Investigated a wide range of breaches of planning regulations dealing with many through negotiation but also issuing 19 notices. 	<p>Undertaken 1,805 public realm environmental crime investigations</p> <p>Carried out over 700 Environmental Health complaint investigations</p>
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We said we would work with community organisations to promote sustainable food practices.

This year we have:

- Selected a permanent site for a food distribution hub, which will support work to tackle food poverty and promote sustainable food in Cambridge.
- supported the Cambridge Sustainable Food (CSF) network, which attained the Silver Award from Sustainable Food Places for Cambridge in July 2021
- Grant funded a sustainable food project which promotes affordable, good food; a sustainable local food economy; waste reduction and healthy diets.
- Amongst other things, the funding resourced a holiday lunch programme across the city for low-income families and included cookery workshops for families.
- Started work on meanwhile use for the North East Cambridge site with proposed provision for sustainable food facilities.

We said we would develop the new joint Greater Cambridge Local Plan in partnership with South Cambridgeshire District Council and the relevant delivery partners and focus on both the needs to be addressed and the capacity for growth.

This year we have:

- Carried out, late in 2021, the Greater Cambridge Local Plan First Proposals consultation. This sought views on the development needs of the area and how they should be met, including potential sites for development.
- Shaped policy ideas around the big themes of climate change, biodiversity and greenspace, wellbeing and social inclusion, and great places.
- Agreed a Draft Submission version of the North East Cambridge Area Action Plan to help deliver a healthy, inclusive, walkable, low-carbon new city district with a vibrant mix of high quality homes, workplaces, services and social spaces.
- Published a new Greater Cambridge housing trajectory and five year housing land supply calculations on our website. The housing trajectory shows anticipated delivery of new homes across Cambridge and South Cambridgeshire up to 2041 and demonstrates that jointly for Greater Cambridge we have 6.5 years of housing land supply for the 2022-2027 five-year period.
- Launched the Greater Cambridge Design Review Panel, covering Cambridge and South Cambridgeshire, to raise the quality of development by identifying where designed can be improved.

Supported
Cambridge
Sustainable
Food to attain
**Silver
Award**
status for
Cambridge

We said we would, through our membership of the Greater Cambridge Partnership and Combined Authority, develop and implement projects that support sustainable economic growth by tackling congestion & improving connectivity.

This year GCP have:

Invested in tackling congestion and improving connectivity, including:

- £8.5m to progress the GCP's four major corridor schemes, linking growing communities to the north, south east, east and west of Greater Cambridge, progressing Cambridge South East Transport scheme Phase 1 (CSET1) and holding consultations on Eastern Access and Waterbeach to Cambridge.
- £6.2m on cycling and active travel schemes, including progressing the design of the Greenways routes and delivering Phase 1 of the Chisholm Trail; and
- £10.2m on further schemes to improve public transport and sustainable travel options, including the now completed Histon Road scheme and investing £2m in specific public transport schemes and other measures to encourage sustainable travel through the City Access project.

We said we would, with our partners, seek to influence regional and national agencies to prioritise additional investment in the infrastructure needs of Greater Cambridge.

This year we have:

- Bid for funding for a range of projects to support sustainable and inclusive growth in Cambridge from the Cambridgeshire & Peterborough Combined Authority budget round.
- Joined colleagues from partner Local Authorities, private and voluntary sectors to establish a new Economic and Skills Growth Strategy, approved by the CPCA's Board in 2022
- Established a new economic development function within the City Council and are using the development of the Recovery Strategy to help inform the City's future needs
- Secured £2.1m of developer contributions through section 106 agreements as part of the development control process.

With our GCP partners, invested

£8.5m to

improve connectivity in Greater Cambridge

Invested

£6.2m in

cycling and active travel schemes

Delivering quality services within financial constraints while transforming the council

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

This year we have:

- Maintained a consistent performance for meeting target timescales for planning applications. The service is currently undergoing a service review to ensure resources are sufficient and deployed effectively to meet targets with the aim to improve performance in future years. The number of applications received this year reached higher than normal levels.

We said we would collect Council Tax and Business Rates efficiently.

This year we have:

- Returned collection rates close to 'pre-covid' levels at 97.2%, following reduction in enforcement activity whilst maintaining a focus of customer care and clear understanding of vulnerability issues and assisting those facing severe financial pressures.
- Delivered over £36m in Covid Business Grants and rate relief schemes to eligible businesses primarily in Retail, Hospitality and Leisure sectors have helped support businesses most impacted by trading restrictions and lockdowns.

We said we would keep our streets and open spaces clean, green and safe by: supporting communities to assist us in caring for their streets and open spaces; and tackling littering, fly-tipping and graffiti.

This year we have:

- Continued to recruit to and support our Streets and Open Spaces volunteer programme and expanded the number of organised volunteer events across the city to include works on wildflower meadows, tree planting and tree maintenance.
- Took part in the Great British Spring Clean, hosting 7 clean up events in March and April 2022.
- Continued to work with existing Friends Groups and support them with open space related work activities.
- A breakdown of our annual operational performance on managing litter, fly tips and graffiti is as follows

Dealt with
2,859
planning
applications

Collected
£82.3m in
council tax from
59,129
households

Collected
£91m in
business rates
from 4,418
businesses

Administered
£36m in
Covid business
grants & rate relief

Collected
1,248.5

- Fly-tips attended and cleared – 2347 cases
- Offensive graffiti removed – 125 cases
- Detrimental graffiti removed – 536 cases
- Responded to 439 reports of dangerous waste (needles, broken glass, faeces and bodily fluids).

We said we would carry out risk-based food safety standard inspections of food businesses, including in the context of exiting the EU.

This year we have:

- Completed 269 food business inspections, in accordance with the Food Standards Agency's Recovery Plan.

We said we would 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.

This year we:

- Provided 62 Street Aid grants totalling £26,174 to people who are or have been on the city's streets helps them find accommodation and move off the streets.
- Worked with partners through the Street Life Working Group to provide supportive, and where needed, enforcement interventions to the most persistent and problematic street life individuals. This involved working with the wider community including businesses in the City Centre on behaviours such as begging, drug related activity and rough sleeping. All individuals discussed at the group were offered support and accommodation. 7 ASB injunctions and 1 court undertaking were obtained to address the harm caused to the community.
- Carried out multi-agency targeted interventions to tackle anti-social behaviour in areas including Barnwell, Arbury and Trumpington.
- Raised awareness about domestic abuse by delivering on our White Ribbon action plan and working towards Domestic Abuse Housing Alliance (DAHA) re-accreditation.

We said we would collect recyclables and waste from residents and businesses in the city efficiently.

This year we have:

tonnes of litter and bin waste from our parks and open spaces

Cleared **2,347** cases of fly-tipping

Inspected **269** food businesses

Attracted over **£32,000** of donations to the Street Aid Fund to keep people off the street

Collected waste from over **50,000** bins, missing only **0.2%** of bins

Collected over **43,000**

<ul style="list-style-type: none"> • Collected waste from over 50,000 bins in the city each week, collecting 99.8% of bins as scheduled and missing only 0.2% of bin collections. • As of the end of Quarter 3 (December 2021) we had diverted over 50% of household waste from landfill and collected 43,000 tonnes of materials for recycling and composting <p>We said we would 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>This year we have:</p> <ul style="list-style-type: none"> • Continued to adapt the bereavement service to a world that is living with COVID, ensuring that no bereaved family have had a funeral cancelled. • Developed a management system that will minimise the energy usage of the cremator and established a strategy to provide heat reclamation from the cremator to the main building, reducing the carbon footprint of the service. <p>We said we would 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>This year we have:</p> <ul style="list-style-type: none"> • Seen our car parks used on around 2.3m occasions, with over 99.99% of customers satisfied with the service provided. • Partnered with an EV charging infrastructure supplier to provide around 600 chargers in the coming years. <p>We said we would manage our garage in a way that meets the needs of private vehicle owners an expanded range of commercial fleets.</p> <p>This year we have</p> <ul style="list-style-type: none"> • Increased the workforce allowing for an increase in maintenance on private vehicles and supporting the growth experienced during lockdown as our commercial client base grew. • Laid the foundation and prepared for the decarbonisation and electrification of the vehicle fleet. <p>We said we would grow income-generating services including planning services & building control, open space hire, trade waste, and wider service charges to help cover costs.</p> <p>This year we have:</p>	<p>tonnes of materials for recycling and composting</p> <p>Saw 2.3m visits to our car parks</p>
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- Optimized the value of the remaining and new customers of the Trade Waste service and increased profitability of the business (the surplus for the Service increased by 20% in 2021/ 22 compared to 2020/21 figures);
- Continued to offer 3C Building Control consultancy, resulting in an income of circa £8,000.
- The 3C Building Control team has also developed its training offer to partners such as the Fire Brigade resulting in an income of £1,600.
- Achieved a net income of £923,465 from the Shared Commercial Waste service

We said we would provide a diverse and thriving programme of events and activities that offer citizens opportunity to participate in the cultural life of the city through the Cambridge Corn Exchange, Cambridge Folk Festival and City Events.

This year we have

- Delivered a series of new Winter Brights events including installing lighting in Arbury Court, Wulfstan Way and Corn Exchange, as well as a large-scale Projection event on the Guildhall and a second year of Window Wanderland.
- Delivered Music in the Parks across August and September to 7 local parks. Mayors Day Out was improvised for a local trip including Cream Tea with the Mayor for senior citizens with trips to Kings College and Botanic Gardens.
- Delivered a strong reopening programme at The Corn Exchange since the first post-lockdown show on August 31st 2022. Thanks to strong sales, good bar receipts and Arts Council funding the venue managed to return a surplus to the City Council.
- Cancelled the Cambridge Folk Festival again for the second year due to the Covid pandemic. However, despite no ticket sales the budget broke even with the help of Arts Council CRF funding.

We said we would; publish clear standards for our services and ensure services are delivered to them; ensure residents and businesses enjoy an efficient service, with queries responded to in a timely and professional manner; give service users a say on changes through consultation, as appropriate, and deal with complaints effectively when we get things wrong.

We said we would; publish clear standards for our services and ensure services are delivered to them

This year we have:

Achieved a net income of
£923,465
from the shared Commercial Waste service

Nearly
104,000
people attended our cultural and entertainment events

- Used Tenant Information Packs to provide our tenants with more information about their properties and the wider estate or building in which it is part. Worked with our tenants to manage impact of Covid 19 as we returned to 'normality'.
- Monitored housing repair customer service standards in the contractual meetings. Customer Satisfaction were at an average of 98% and 95% with our two main contractors.

Ensure residents and businesses enjoy an efficient service, with queries responded to in a timely and professional manner.

This year we have:

- Streamlined processes and reduce application processes
- Formalised response times for customer queries
- Automated indexing of email queries to speed up response times for Council Tax queries

Give service users a say on changes through consultation, as appropriate.

- Carried out 20 corporate consultations including on Romsey recreation ground community orchard and Jesus Ditch biodiversity enhancements.
- Consulted with residents at the Hanover and Princes Court Estate and Kingsway Estate about issues and options for their future.
- Completed local public consultations for new schemes at Aylesborough Close, Arragon and Sackville.
- Held resident update meetings on development sites at Meadows, Mill Road and Cromwell Road. An email survey was carried out to gather information on customer access channel preferences
- Consulted with leaseholders on Section 20 notices issued when carrying out work that is rechargeable to the leaseholder. When planning and designing work through our estate improvement work considerable consultation is undertaken with the residents
- Provided activities suggested by young people through feedback from teachers and community youth workers
- Consulted with mental health professionals and service users on activity programmes they would like added to the Invigorate offer.

Deal with complaints effectively when we get things wrong.

Carried out **20**
corporate
consultations

- In 2021 – 2022 Cambridge City Council received 973 complaints, 88% of which were responded to with our 10-day target, in 2020 -2021 our response rate was 85%
- 95 complaints (9% of those received) were escalated to stage 2
 - 12 customers escalated their complaints to the LGO of these 12, 6 were closed with no action taken, 3 were not upheld and 3 were upheld

We said we would 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 online.

This year we have:

- Procured a supplier to deliver user led recommendations which will inform the strategic approach. The portal development and promotion has been re-sequenced to follow this work.

We said we would implement a new online housing management information system.

This year we have:

- Gone live with the self-appointing repairs functionality in the on-line portal for our Housing Management System, allowing tenants to report a number of routine repairs for their home and book an appointment to get the repair completed. Both tenants and leaseholders can also report some repairs in the communal areas of flat blocks.

Implement the Environmental Health and Streets & Open Spaces service reviews, including adoption of new technologies and ways of working, to improve customer service and operational performance.

This year we have:

- Implemented improvements to our Environmental Health out of hours noise service, including adoption of new technologies, such as the noise app and noise monitoring equipment. These improvements are enabling us to gather evidence and deploy resources more efficiently and effectively and maintain the delivery of a responsive service to residents.
- Implemented a new digital management system across our Streets and Open Spaces service, allowing customers to report service requests and track their status through to resolution online.

149,613
council
transactions were
conducted over
the internet

We said we would implement a new online planning system with improved customer self-service functionality

This year we:

Implemented a system whereby pre-applications can now be submitted and paid for online, using the councils' portals. Revised guidance has been produced, which allows to customer to self-serve, leading to a reduction of approximately 14% of calls.

We said we would 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.

This year we have:

- Continued to deliver, as part of our Corporate Learning and Development programme, short online MS 365 training sessions covering a range of MS 365 applications.
- Recruited a network of internal Digital Transformation Champions whose role is to support activity to seek innovative approaches to work; embrace new technology and take responsibility to improve future ways of working.

We said we would invest in our staff and implement our Organisational Development Strategy.

This year we have:

- Continued to invest significantly in skills, career and personal development training for our employees. Our Corporate Learning & Development Programme saw an overall course attendance of 840, from a total of 110 courses during 2021/22. Staff also engaged in a range of flexible self-learning modules completing a total of 1,662 e-learning courses.
- Launched a new Reward & Recognition scheme to recognise excellent achievements and held our inaugural Staff Award Ceremony, where we recognised some outstanding achievements of colleagues and teams over the past two years.

We said we would support and create opportunities for apprenticeships in line with our Apprenticeship Strategy.

This year we have:

- Enrolled a further 4 people onto apprenticeship programmes during 2021/22 and have seen 7 successful apprenticeship

Delivered

1662 short
online training
sessions to help
enhance digital
skills

840 staff

attended **110**
learning and
development
courses

achievements. As of 31 March 2022, we had a total of 25 apprentices on our Apprenticeship Scheme.

We said we would implement actions arising from Investor in People review 2018 and from our staff survey in 2019.

This year we have:

- Successfully retained our Investors in People status, gaining our highest level of accreditation to date.

We said we would provide advice and guidance to support staff through the coronavirus crisis and the advent of mass remote working.

This year we have:

- Continued to provide regular and timely advice and guidance for our staff to embed our supportive approach to the coronavirus crisis, including EAP and Occupational Health support.
- Addressed coronavirus specific issues arising from the workplace, working from home or flexible working through the provision of practical guidance and training focussed on working and managing remotely.

We said we would develop a long-term strategy and plan for transformation which will enhance the services the Council delivers for and with communities while helping to meet the financial challenges the Council faces.

This year we have:

- Developed the “Our Cambridge” programme, which seeks to reshape and redesign our Council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners and deliver agreed savings targets.
- Agreed the Our Cambridge Strategic Business Case in October 2021
- Mobilised the Transformation Team and projects as part of Our Cambridge and developed effective delivery governance

We said we would invest in our transformation, project and programme management capabilities and capacity.

This year we have:

- Allocated £3.9m to fund the skills, capacity and infrastructure to transform the council over the lifetime of the programme into a more

modern, collaborative and efficient organisation ready to lead the city's recovery.

- Delivered "Basics of Project Management" training for both Transformation and wider services staff and more advanced, accredited training for relevant staff.

We said we would implement the Shared Planning Service to optimise the potential of new ways of working, including digital technological transformation, to improve service quality and productivity.

This year we:

- Performed a system audit to ensure that that system is working effectively to improve the customer journey. Emails are now sent from Uniform at each key stage of the process, giving customers progress updates.
- Started work on reducing the number of applications awaiting decisions (work in progress). To date this has seen a reduction of around 1,000 cases (a reduction of a third from previous levels). A fast-track process is being developed, to move simple applications through the process quickly. This will improve our service and free up officer time to deal with the more complex applications.
- Secured over £100,000 funding from central Government to support work in trialling new and innovative digital tools and methods for planning.

We said we would develop the Shared Waste Service business plan including through partnership working with other councils and organisations.

This year we have:

- Collaborated with several organisations and other councils to achieve our aims including Yotta to develop our commercial waste service, Resource Futures to deliver a waste analysis and Valpak for a collection of electrical items and continued to work with the RECAP waste partnership.

We said we would explore the scope for further collaboration or sharing of other services.

This year we have:

- Established, as part of the Our Cambridge transformation programme, the Organisation Design project which will explore the

Reduced planning applications awaiting decision by around
1,000

scope for further collaboration or sharing of other services as part of the wider design for the Council

We said we would carry out strategic reviews of key services including Car Parking, Human Resources, Community Services and Customer Services and other services.

This year we have:

- Completed the Customer Services review
- Completed the Building Control shared service review growth strategy
- Implemented the consumption model for charging for Legal Services
- Initiated the Organisation Design project which will set the framework for subsequent reviews of these and other services.

We said we would generate income, capital receipts and value through extra investment in commercial property following completion of a comprehensive asset review.

This year we have:

- Completed an asset review of the whole commercial property portfolio and progressing commercial property redevelopment programme.
- Managed income for the Council by close working with our tenants and Finance to minimise the impact of Covid-19, manage cash flow and support tenants.
- Restarted lease renewal and rent review negotiations if paused during Covid.
- Received Receipts of c£8.7m.
- Commenced Park Street car park redevelopment in January 2022.

We said we would 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.

This year we have:

- Seen flexible working and hybrid working arrangements embedded and embraced by staff during the pandemic continuing as we come out of lockdowns. Consolidation into Mandela House has allowed new ways of working to be tested and reduce office costs

Received receipts from the disposal of property assets totalling
c£8.7m

where possible. Ongoing work as part of the Our Cambridge business transformation programme will further assess office requirements based on this and inform future requirements. This will allow future decisions to be made about longer term requirements in 2022/23.

We said we would 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.

This year we have

- Introduced the Request for Quote (RfQ) as a simpler process for procurements above the advertising level of £25k and below threshold currently £177k has led to an increase in procurements with strong audit trails as well as opening up the market to more local suppliers.

We said we would continue to develop the My Cambridge Cultural Education Partnership.

This year have

- Undertaken research to establish the feasibility of a flexible apprenticeship offering for the local creative industries, that would benefit small to medium sized enterprises by generating a talent pipeline as well as providing industry skills and social capital for the apprentices.

We said we would provide opportunity for young people to participate in local decision making through Agenda Days and Takeover Days.

This year we have

- Led a youth forum project, bringing together young people from across the city, working collaboratively to better understand and take action on topics to them including climate change, pandemic recovery and period poverty.

We said we would work with partners (including the police) in the Community Safety Partnership to increase safety in Cambridge.

This year we have:

- Led the multi-agency 'Cambs Against County Lines' campaign funded by the Office of the Police and Crime Commissioner to raise awareness amongst young people and adults of the risks around county lines drug dealing and to help young people and members of

the community to recognise the signs of the related grooming process. A bespoke Cambridge-centred video was commissioned and a resource pack made available for schools and the local community.

- Led the Community Safety Partnership Cambridge Cycle Crime Prevention Task and Finish Group created to respond to increasing concerns about cycle crime. The group focusses on:
 - Education, through the 'Save Our Cycles' campaign led by Camcycle
 - Infrastructure, by identifying cycle stands in the city and opportunities for safety and security improvements
 - Enforcement, led by the Police who prosecute people committing bike theft and use theft data to improve CCTV locations
- Supported the new police online community engagement model which resulted in over 400 engagements until Feb 2022, provided pinpointed data and a listening ear for policing to be able to respond to harm on the street.
- Worked across the city and county to ensure we were working in line with the Domestic Abuse Act 2021.
- Delivered initiatives that targeted offenders of violence against women and girls (VAWG) as part of a successful bid from the Home Office "Safer Streets Fund" Round Three.

We said we would work with Cambridge BID and Fitzwilliam Museum (Enterprises) Ltd, to establish a destination management organisation for Cambridge city in order to support the recovery and development of a sustainable visitor economy.

This year we have

- Worked with Cambridge BID, Fitzwilliam Museum Enterprises and King's College to progress the establishment of a new destination management organisation (DMO) for the city.
- Using funding secured from the Combined Authority, we have worked with partners to launch a new tourism website for the city – www.visitcambridge.org – and deliver a programme of public realm improvements for city centre visitors to enjoy, including new public seating and picnic tables and ambient lighting displays.

We said we would work collaboratively with Cambridgeshire County Council, and other partners in the Local Health & Wellbeing Board, to support our communities to be healthy and resilient.

This year we have:

Supported the police in making
400
community engagements

- | | |
|--|--|
| <ul style="list-style-type: none">• Provided Covid Booster Vaccine Centres and drop in sessions at Clay Farm Centre, and provided a Covid Test centre at the Abbey Pool Overflow Car Park• Continue to deliver the Healthy You contract (Year 2)• Partnered with Holiday Activity Fund lead, providing key local deliverers in the City, to offer a varied programme of free spaces on holiday activity camps for all young people on free school meals• Secured funding from Public Health to deliver on a Healthy Weights project, aimed at increasing physical activity levels.• Secured funding from Public Health to deliver a strength & balance project, aimed at reduced the prevalence of fall admissions.• Secured funding from Government to develop, with partners, a national pilot Health & Work Strategy.• Provided instructors to deliver exercise taster sessions at Cambridge Central Mosque for the Wellbeing/diabetes prevention day, and training for volunteer walk leaders, Led Mindfulness walks• Delivered Invigorate activities for residents with serious mental illnesses and wellbeing activities for all. | |
|--|--|

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Corporate Plan Performance Indicators 2021/22

Tackling poverty and inequality and helping people in the greatest need

Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
The basket of indicators in our Anti-poverty Strategy	CT supported cases were 6217 cases, which represents 11% of domestic CT households	CT supported cases were 6512, which represents 11.3% of domestic CT households	CT supported cases were 7,128, which represents 12.2% of domestic CT households	CT supported cases were 6,736 which represents 11.4% of domestic CT households
Average number of days taken to process new housing benefit (HB) and Council Tax Reduction (CTR) claims	11 days (HB)	7.25 days (HB)	8 days (HB) 23 days (CTR)	11 days (HB) 25 days (CTR)
Number of different individuals found sleeping rough in Cambridge City in a single financial year	158	166	241	203
Number of rough sleepers found on the bi-monthly and official annual count (November)	23	30	16	14
Number of homelessness preventions where a homelessness duty is owed	261	415	449	396
Use of temporary accommodation: Number of families starting a placement in B&B	28	60	28	23
% customer satisfaction for tenants of their homes	94%	95.25%	74% general Needs 89% Sheltered 73% Leaseholders	[<i>data not updated this year</i>]

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Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
% resident satisfaction with the neighbourhood	80.6% from last satisfaction survey in 2014.	Next satisfaction survey to be carried out in Sept 2020.	72% general Needs 90% Sheltered 60% Leaseholders	[<i>data not updated this year</i>]
Number of council housing starts	9	12	58	24
Number of Affordable Housing completions (all social housing providers)	34	140	169	96 66 through council's own delivery programme; and 30 by L&Q on Darwin Green
Financial return to the Council from CHC activities	£151,500 interest provided on loan	£151,500 interest provided on loan	£151,500 interest provided on loan	£151,500 interest provided on loan
Number of residents reporting lower fuel bills as part of 12month survey in relevant developments		Survey delayed, new start date to be assigned	No survey carried out this year	40%
Number of housing schemes started on site by Cambridge Investment Partnership, including council housing and others	77 build complete	572 on site	526 on site	152 homes completed by CIP
Financial return to the Council of the CIP (land, development and equity loans)	£183,857	£460,722	£928,761	£1,114,199 (interest) Plus receipt of payment for land at Mill Road
Number of new (HDA) homes that comply with the Cambridge Sustainable Housing Design Guide	60	12	115	66 (100%)
Number of visits to community centres	160,682	166,932	20,520	68,193

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Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
% of income target achieved for community centres	106%	109%	Centres closed or repurposed for most of year	44%
Number of Universal ChYpPs sessions	738	917	154	108
Number of child visits to Universal ChYpPs sessions	25,319	25,046	1,758	2,172
Numbers of entries to Council-owned leisure facilities by people holding concession membership	113,032	73,268	12,317	46,644
Number of refugees attaining ESOL "elementary" standard	Training not available	15 of the 27 adults attending CRC attained "Elementary" standard	Training not available as project completed.	15 of the 18 refugees attend ESOL achieved a level improvement
Number of homes completed (Annual Monitoring Report)	868	460	417	<i>Data available Autumn 2022</i>
Number of applications for community chest grants for start-up activities in new communities	13	14	2	11
Feedback from Residents' surveys on development of new communities	No surveys carried out this year	County carried out in the southern fringe in new communities and the NWC development has done their own survey of residents in Eddington.	No survey carried out this year.	No survey carried out this year.
Awards for the quality of new developments	20	27	14, some awards suspended	21

Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
% of all journeys undertaken by bicycle, public transport and on foot (to assess projects aimed at alleviating congestion)	169,713 ¹ Cars 11,996 Cycles 4,529 Pedestrians 3.25m P&R 4.23m Busway	173,289 ^[1] Cars 12,200 Cycles 4,790 Pedestrians 3.50m P&R 4.00m Busway	133,601 ^[1] Cars 8,856 Cycles 4,205 Pedestrians 0.552m P&R 0.821m Busway	145,114 Cars 9,731 Cycles 4,933 Pedestrians 1.935m P&R 2.075m Busway

¹ Numbers crossing the radial cordon

^[1] Numbers crossing the radial cordon

^[1] Numbers crossing the radial cordon

Leading Cambridge's response to the climate change emergency and biodiversity crisis

Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
Number of air quality monitoring points exceeding NO2 legal limit	5 out of 61	No monitoring points exceeding limit	No monitoring points exceeding limit	No monitoring points exceeding limit
Number of low emission taxis	55	HCV: Low emission / hybrid: 43 Ultra-low: 2 Zero emission: 35 PHV: Low emission/ hybrid: 18 Ultra-low: 1 Zero emission: 1		HCV: Low emission/hybrid: 44 Ultra-low: 6 Zero emission: 40 PHV: Low emission/hybrid: 17 Ultra-low: 9 Zero emission: 5
% of insect-friendly wildflower meadows and long grass areas	0.2	0.2	1.12	2.2
Volume of glyphosate-based herbicide used	860 litres	860 litres	740 litres	740 litres
% of City Council owned and managed parks and open spaces actively designated and / or managed for biodiversity	46.8	46.8	51	51.6%
EPC Rating by Total Floor Area (Sq m) assessed annually	A 2,088 3.9% B 3,612 6.8% C 30,170 56.5% D 9,815 18.4% E 4,635 8.7% F 832 1.6% G 2,232 4.2%	A 2,088 2.8% B 5,302 7.1% C 37,036 49.5% D 19,835 26.5% E 8,188 10.9% F 350 0.5% G 2,046 2.7%	A 2,088 2.8% B 5,302 7.0% C 36,767 48.7% D 20,168 26.7% E 8,661 11.5% F 0 0.0% G 2,519 3.3%	SQ M % A 2,088 2.8% B 5,464 7.2% C 36,526 48.2% D 19,939 26.3% E 9,260 12.2% F 0 0% G 2,568 3.4%
tCO2 from council assets and activities	6,011	5,721	4,478	(A lag applies to this indicator).
Council's fuel usage (Kwh)	1) 513,886 2) 14,445,596	1) 582,237 2) 14,268,657	1) 495,706 2) 9,781,861	(A lag applies to this indicator).

Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	2021/22 figure
1. Council's fuel (diesel, petrol & gas oil) usage (litres) 2. Gas consumption (kWh) 3. Electricity consumption (kWh)	3) 6,227,576	3) 6,103,221	3) 5,444,670	
% black bin waste	48.93%	49.01%	49.09%	49.50%
% Blue bin recycling rate	23.29%	23.5%	24.34%	21.94%
% Bin contamination	7% average	6.78% average	6%	6.19%
Waste volumes & recycling rates	51.07%	50.99%	50.92%	50.50%
Number of Fixed Penalty Notices (FPN) issued for littering	392	273	140	84

Delivering quality services within financial constraints while transforming the council

Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	
% planning applications processed within target timescales	90%	70% (Major/Minor/Other)	76% (Major/Minor/Other)	73% (Major / Minor / other)
Business Rates collection rate	98.7%	98.6%	98.34%	97.2%
Council Tax collection rate	98%	97.6%	96.7%	97.2%
% of streets achieving Grade A cleanliness standard	99.48%	97.49%	98.8%	98.6%
Number of open spaces with active friends' groups	Not available.	9 groups ²	12 groups	12 groups
Number of volunteer hours contributed to maintaining streets and open spaces	Not available.	5,474	7,921	<i>Not available</i>
% of food businesses rated as broadly compliant	93%	94.24%	97.6%	98.1%
Number of community safety prevention initiatives in place	36	32	20	18
Number of awareness raising events for domestic abuse	4	4	4	3
% successful waste collections	99.5%	99.82%	99.50%	99.72%

² We don't have that many recognised FoGs, rather we have a lot of open space groups that we liaise with

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Corporate Plan Pls 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	
% customer satisfaction with repairs service	99.6%	99.1%	99.9% but limited data	<i>Not currently being collected due to covid restrictions</i>
Energy and environmental performance of our housing stock (RdSAP)	Not available	70.25	70.25, lagging, to be updated	<i>TBC following implementation of new asset software</i>
% resident satisfaction with the neighbourhood	80.6% from last satisfaction survey in 2014.	Next satisfaction survey to be carried out in Sept 2020.	72% general Needs 90% Sheltered 60% Leaseholders	<i>[not gathered this year – next survey due later in 2022]</i>
Share of total crematorium Cambridgeshire market by volume	37.64%	42.51% - over rolling 3-month period	40.76%	35.58%
% of crematorium budget achieved	50.6%	41.04%	190.34%	86.8%
% of customers paying by card at car parks	74%	83%	91%	91%
% of card payments done via the contactless system at entrance and exit point in car parks	5.86%	11.79%	24.15%	N/A <i>(This system is no longer available)</i>
% of contracts which are PCR compliant	All Procurements that have been through the corporate approval channel are 100% compliant with both Contract Procedure Rules and the PCR 2015	All Procurements that have been through the corporate approval channel are 100% compliant with both Contract Procedure Rules and the PCR 2015	All Procurements that have been through the corporate approval channel are 100% compliant with both Contract Procedure Rules and the PCR 2015	All Procurements that have been through the corporate approval channel are 100% compliant with both Contract Procedure Rules and the PCR 2015
Number of electric vehicles in the council's fleet	10	11	13 including Mayoral car (hybrid) and PHEV Transit	13 including Mayoral car (hybrid) and PHEV Transit

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Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	
Number of major HGV clients for our garage services	3	3	3	3
Residents' Survey overall satisfaction with the Council	76% of residents said they were satisfied with how the council runs things ³	No survey carried out this year.	No survey carried out this year.	No survey carried out this year
Customer contacts made online, including via the portal	36,962	43,178	132,905	149,613
Number of registered portal accounts (cumulative)	1,330	4,986	12,224	18,751
Operational unit cost to maintain streets and open spaces		£3,643,760	£3,794,910	£4,355,560
% of planning responses & submissions received online	Data not available	82.5%	88.73%	85.8%
% of workforce who are apprentices	2.5% apprentices (22 actual) in workforce as at 31 March 2019	4.6% apprentices (actual 38) in the workforce as at 31 March 2020	4.6% apprentices (actual 38) in the workforce as at 31 March 2021	3.5% apprentices (actual 25) in the workforce as at 31 March 2022
Outcome of Investor in People (IiP) review (2021)	Standard Accreditation Awarded	Annual review meeting held 27 November 2020.	Annual review meeting held November 2020.	The Council's best ever IiP outcome: Standard Accreditation with Silver achieved in 3 IiP Indicators in November 2021
Workforce profile (% staff and number of job applicants who	As at 31/03/2019 BAME 7.59%	As at 31/03/2020 BAME 6.53%	As at 31/03/2021 BAME 7.71%	As at 31/03/22

³ Resident satisfaction last tested in 2016 and then prior to that in 2011, when it rested at 58%

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Corporate Plan PIs 2019-22	Baseline 2018/19 figure	2019/20 figure	2020/21 figure	
declare a disability; %who declare themselves as BAME Black, Asian and Minority Ethnic	Disability 6.37%	Disability 7.13%	Disability 7.21%	[No longer using BAME] Ethnic Minority – 8.32% Disability – 8.15%
Annual income from commercial property portfolio	£9,984,000	£9,603,000	£9,315,000	£8,478,000
Number of young people completing ACTIVATE programme	30	16	181	Nil [programme completed]
Number of people participating in the healthy lifestyle programme	527	419	311, but delayed start to contract	886
Number of medium & high risk ASB cases responded to within the service standard	523 (90%)	577 (97%)	584 (100%)	710 (100%)
Number of people with action plans in place at Street Life Working Group	53	51	Not available	41
Footfall levels in Cambridge city centre	8,825,726	10,492,758	4,778,359	Not available on like-for-like basis
Average visitor spend in indicator city centre business outlets		Not available as previously collected by Visit Cambridge.	Not available as previously collected by Visit Cambridge.	Not available as previously collected by Visit Cambridge.



Cambridge City Council

Annual Complaints and Feedback Report 2021 - 22

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Cambridge City Council's Annual Complaints & Feedback Report - Introduction

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

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

Why we produce this report

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

Our Complaints Procedure

What is a complaint?

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

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

Customers complain to the Council if they:

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

Cambridge City Council has a two stage complaints process:

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

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

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

Complaints to Cambridge City Council in 2021-22: summary

Total number of complaints received

In 2021-22, the total number of complaints received was 973, which is an increase of 182 (23%) from the previous year's total of 791.

The council received 1145 complaints in 2019/20 and 1161 in 2018/19.

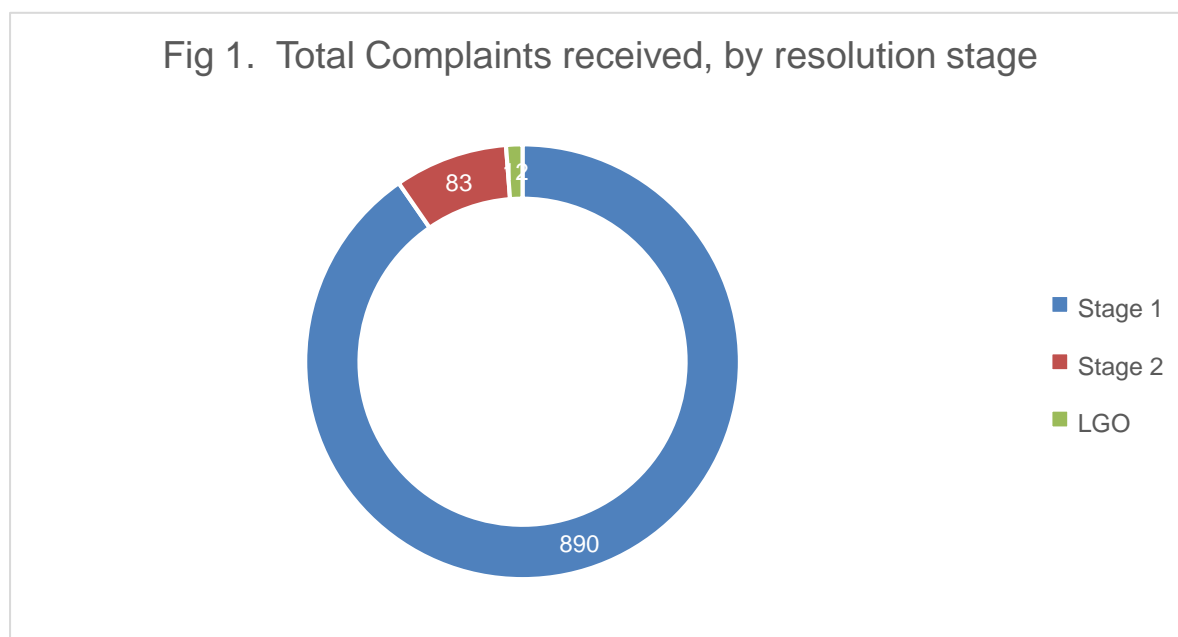
Proportion resolved at stage 1 and stage 2

Of those 973 complaints, 91% were resolved successfully at the first stage without need for escalation. This compares with 93% in 2020-21, and 92% in 2019-20.

83 complaints were escalated to stage two, which is 28 more than the 55 in the previous year. These complaints were mainly escalated due to the fact that the complainants did not feel their complaint had been fully resolved at stage 1. See Fig 1.

Proportion resolved within the target timescale

Across all complaints submitted, 88% were resolved within the target time of ten working days. This represents a further improvement on recent years, where 85% were responded to within time in 2020-21, and 81% in 2019-20.



Stage 1	Stage 2	LGO
890	83	12

Overview of complaint trends

207 (21%) of all complaints received by the Council were for Waste Services. This represented a slight decrease of 16 from the 223 complaints received in 2020-21 which represented 28% of that year's total.

As with previous years, the majority of these complaints were raised as a result of a missed bin. Despite having the highest number of complaints in the year, the service continued to receive a number of compliments relating to the service being provided.

Whilst Waste Services saw a decrease in the number of complaints received when compared with the previous years, some other services saw the number of complaints received increased compared to the previous year. This wasn't totally unexpected as restrictions relating to Covid-19 began to be lifted. The two services with the largest increases were Commercial Services and Community Services, both of which had a much-reduced service during the pandemic. As residents began to use car parks, and Cambridge Live venues again for instance, they also began to raise complaints about these service areas.

Housing Maintenance & Assets, Planning and Housing Services also saw an increase in complaints compared to the previous year. The Housing Maintenance and Assets increase came in the Responsive Repairs area due to a backlog of work which was impacted by covid related illness or isolation requirement in the team. The increase in the Housing service related to Home-Link application processing time, and work has been done to streamline this process.

The impact of Covid-19

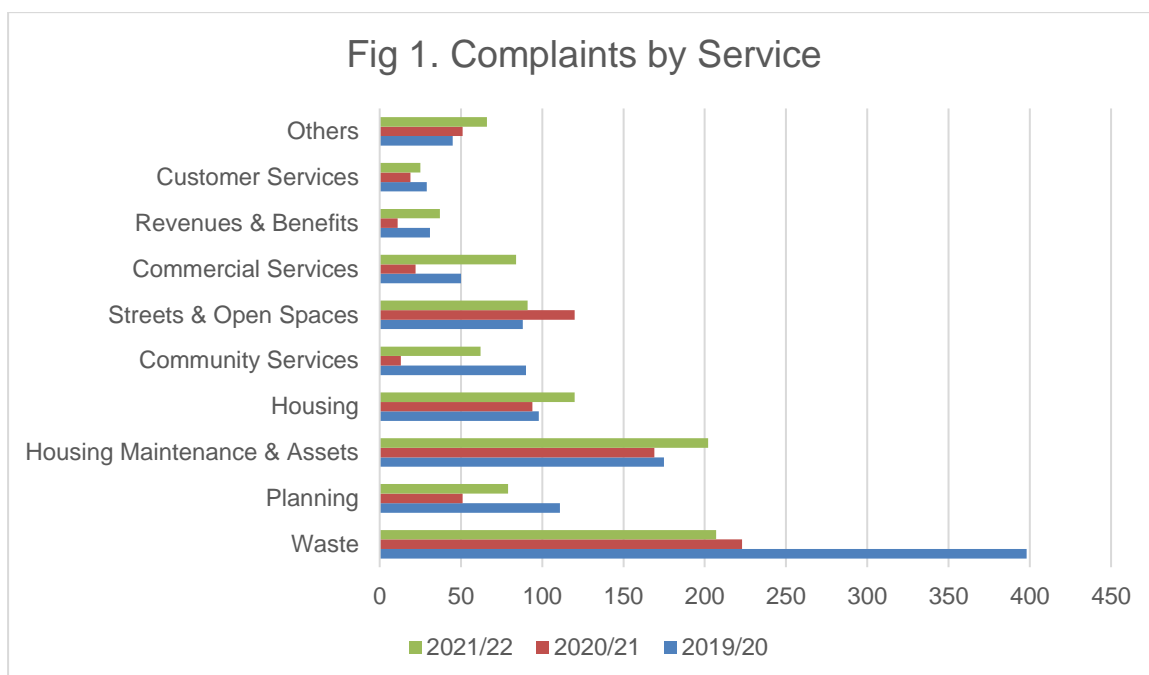
The easing of restrictions relating to the Covid-19 pandemic undoubtedly had an impact on the amount of feedback received. As services began to shift back to a normal, or as normal as possible service offering, complaints were likely to increase.

Community Services saw a sharp increase from 13 complaints in 2020-21 to 79 this year. This is largely because following the easing of restrictions, venues were opened up again, and events took place. The data supports this by showing the majority of this increase were complaints relating to show issues at the Corn Exchange, or other members of the audience at shows.

Customer Services reopened the Customer Service Centre to customers and have seen a small increase. The CSC have offered a new face-to-face service offering with an emphasis on encouraging customers to use digital options to self-serve, and as such have seen a reduction in the number of face-to-face appointments.

The Streets & Open Spaces team saw an increase in the use of public parks and spaces, which inevitably meant that the Street Cleansing operatives saw their workloads increase as they had to deal with high volumes of littering and an increase in domestic fly tipping across the city. This is also shown in the data as Street Cleansing was the highest area of complaint for the Streets & Open Spaces service with 36 complaints.

However, the ongoing impact of Covid on staff availability, particularly in front-line services such as housing repairs, does appear to have contributed to services finding it hard to meet customer expectations in some instances.



	2019/20	2020/21	2021/22
Others	45	51	66
Customer Services	29	19	25
Revenues & Benefits	31	11	37
Commercial Services	50	22	84
Streets & Open Spaces	88	120	91
Community Services	90	13	62
Housing	98	94	120
Housing Maintenance	175	169	202
Planning	111	51	79
Waste	398	223	207

Local Government Ombudsman (LGO)

12 complaints were made to the Local Government Ombudsman. Of these, six were progressed to be investigated by the LGO, and of those, three were upheld. (See pages 37-40 of this report for more detail).

Reporting, monitoring and driving service improvement

The City Council’s managers work hard to understand the reasons for the complaints, and where a consistent theme or issue has been established, have taken action to prevent the poor service that triggered those complaints from being repeated. We continue to work hard

to deliver high quality services to all residents and customers and welcome all feedback on our services and suggestions for improvement.

The Lead Complaints Officer has continued to review data on a monthly and quarterly basis to establish themes and trends.

This data is reported on a quarterly basis to Directors and Heads of Service to prompt reflection on what services need to do to improve, change or prevent a reoccurrence. Particular attention is focused on responding appropriately to complaints first time and reducing complaints being escalated to the higher stages.

This reporting has led to some constructive discussions with Senior Management, and as a result we have been able to take feedback and apply it across many areas of the complaints process.

Customer Service contacts with the City Council - overview & context

During 2021-22 over 245,000 telephone and electronic contacts were received by Advisors in the Customer Service Centre. The CSC only recorded 60 face to face appointments due to the centre only being open for emergency appointments.

Around 63,000 contacts were handled by the Council's Interactive Voice Response system. Of these, over 20,000 contacts had their enquiry resolved by the system. The number of complaints is relatively low in relation to the overall volume of customer contacts received by Council services.

We also received 7,475 instances of feedback through GovMetric, our customer satisfaction rating system. See the section on GovMetric below for further detail.

Review of complaints process and improvement activity in 2021-22

The Business & Development team within Customer Services have continued to provide training and support to Officers within the Council, with a strong focus on Customer Service to ensure that a consistently good level of customer service is provided to the customer. Following feedback from Senior Management Team meetings, further training was also provided to Customer Services Advisors.

These advisors are often the first point of contact for customers, and as such have the opportunity to resolve issues for potential complainants before a complaint is raised. The training focused on differentiating between a complaint and a service request, and how the advisors could think holistically to offer a resolution to the customer without the need to raise a complaint case.

How complaints were received

Year	Email & Web	Telephone	Face to Face	Letter
2021-22	92%	6%	<1%	1-2%
2020-21	93%	6%	0%	1%
2019-20	89%	8%	2%	1%

The majority of complaints were received via a digital channel, predominantly via customers submitting their complaints themselves. 82% of complaints were logged by members of the public using the web form to report directly into the Council's Complaints Tracker, which is a further increase from 79% last year.

The face-to-face customer service offering continued to be an appointment-only emergency service early in the year, but then moved to a service which assisted customers to self-serve using digital options. Four complaints were submitted using this contact method.

Compliments

In 2021-22 the Council received 131 compliments across all services via Complaints Tracker, which is an increase of 34 (35%) compared to 2020-21.

Estates & Facilities, Housing Services, Customer Services and Streets & Open Spaces received the highest number of compliments, with the majority relating to helpful staff members, and the council's teams continuing to provide public services throughout the Covid-19 pandemic.

Officers are encouraged during training to formally record compliments as well as complaints, as managers had mentioned more than once that the number of compliments formally recorded was lower than expected.

GovMetric - Customer Feedback System

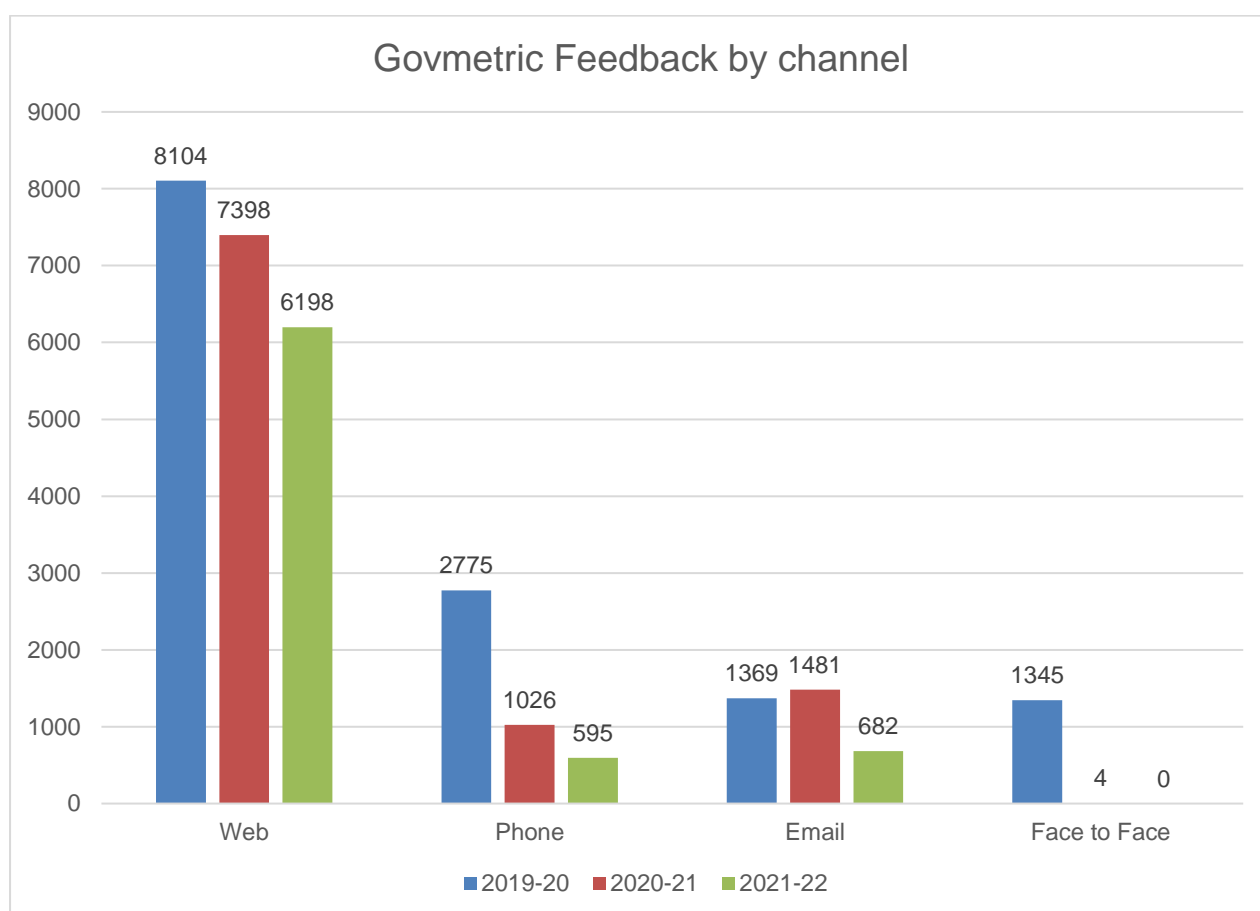
GovMetric was introduced by Customer Services as a way in which to gather customer feedback from a variety of different channels. This feedback tool allows us to review and track how customer feedback is submitted by the selection of three smiley faces: good, average or poor.

Once they have chosen their preferred smiley, the customer can then provide more specifics about their feedback, including the service area and have the opportunity to enter more details about their interaction with the council.

At the Customer Service Centre located at Mandela House, there is a Govmetric kiosk in the reception to allow customers to submit feedback, and emails and incoming telephone calls to the Customer Service Centre are also monitored using the Govmetric surveys.

Total Feedback via GovMetric 2019-2022

The graph below provides an overview of the feedback received by the communication channels in comparison to the past two years. The table on the following page provides more of a breakdown of these numbers and the percentages of good, average and poor feedback.



GovMetric feedback ratings by channel, 2019 – 2022

Channel	Date	Total	Good %	Average %	Poor %
Phone	2021-22	595	90%	8%	2%
	2020-21	1026	92%	7%	2%
	2019-20	2775	29%	9%	2%
Face to Face	2021-22	0	N/A	N/A	N/A
	2020-21	4	25%	50%	25%
	2019-20	1345	77%	10%	13%
Email	2021-22	682	54%	20%	26%
	2020-21	1481	57%	21%	22%
	2019-20	1369	61%	16%	22%
Web	2021-22	6198	42%	12%	46%
	2020-21	7398	49%	11%	40%
	2019-20	8104	45%	13%	42%

GovMetric Feedback received at the Customer Service Centre

Feedback via Govmetric has decreased significantly in 2021-2022 for a number of reasons, reception services being closed for a period of the year, reduced visits by customers and Advisors managing multiple changes in processes and high numbers of systems has resulted in a reduction in the number of customers being transferred for feedback.

A review of Govmetric as a mechanism for customer feedback is being undertaken in 2022-2023 with the aim of improving the level and quality of customer satisfaction Cambridge City Council receives in the future.

GovMetric Feedback received via the council's website

Comments from Esther Pickard, Digital & Web Manager

The web team check Govmetric comments, to see where we may need to make improvements to the website. From feedback, we make content improvements and fix any broken links that may not have been picked up elsewhere. The comments have only just started to be received again by the web team, after a long gap without them.

As with previous years, negative feedback often is service related rather than relating to the website itself, e.g. notifying us about missed bins through this route. We do still also get comments about ease of contacting us.

Service-by-Service Complaint Trends and Management Response

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

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

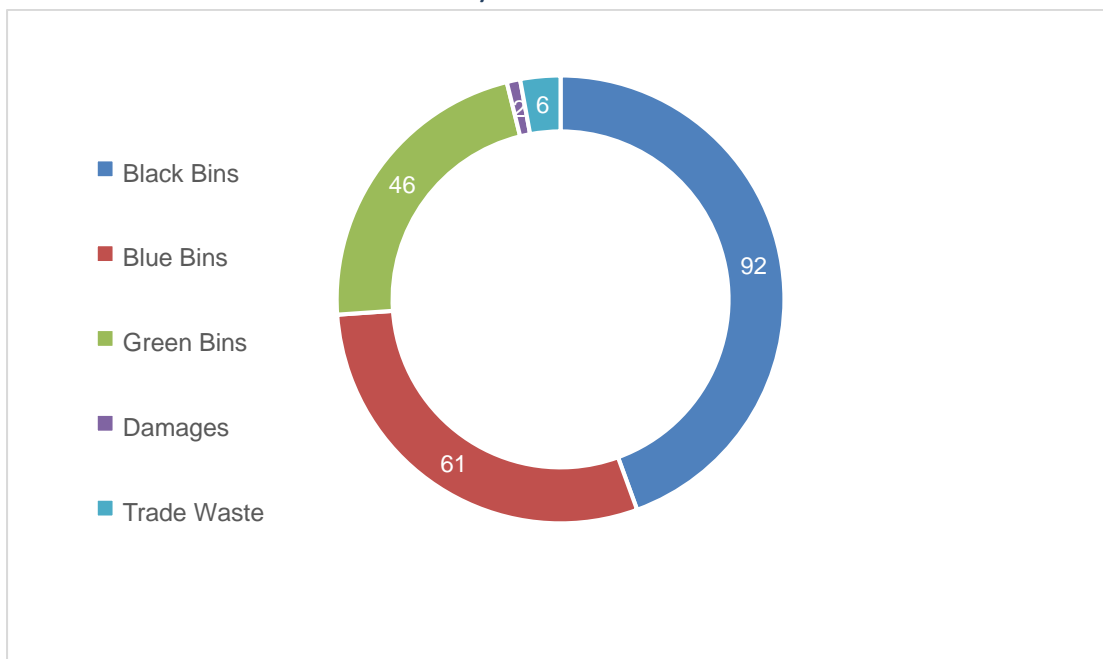
Complaints by sub-service are identified in the pie chart, this is how a service is broken down into the individual service request areas within. The bar graph displays resolution themes, or where these themes are too diffused and a trend cannot be identified, the bars will display root causes.

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

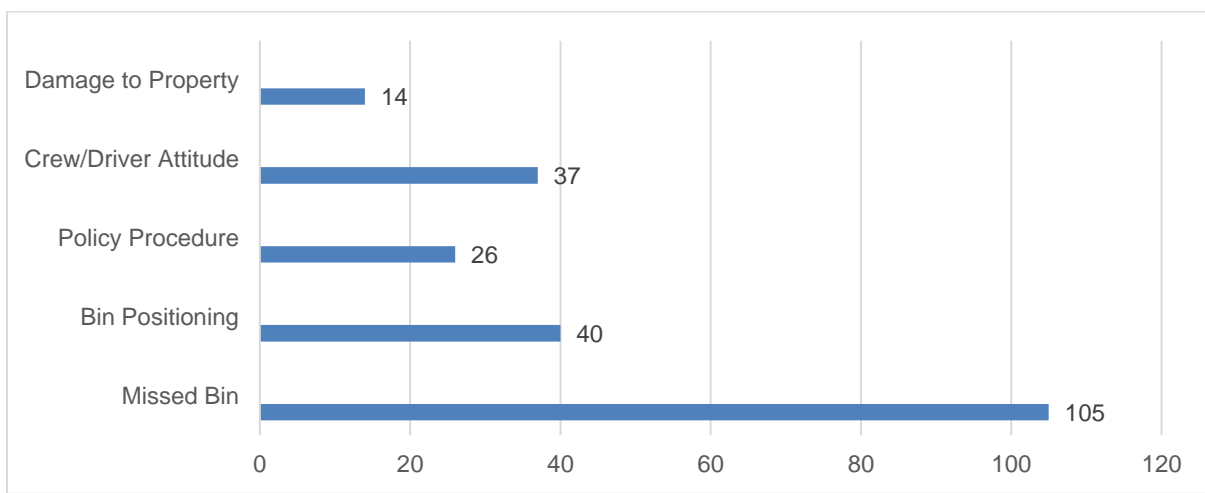
Cambridge City Council services as delivered by Greater Cambridge Shared Waste Service

Waste	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	207	10	76%	5	16
2020-21	223	12	83%	1	4
2019-20	398	16	82%	9	13

Waste Services: Cases by sub-service



Waste Services: Resolution Theme



Waste - Service Comments

From Bode Esan, Head of Greater Cambridge Shared Waste Service:

The Shared Waste Service undertakes in the region 690,000 collections per month, collecting 3 bins per household per fortnight, or approximately 396,000 bin collections per month within the City. The service has maintained the number of successful collections to over 99.72%

In 2021-22 the service recorded 10,386 bins in the city that were not collected on schedule for various reasons – at least 6,021 of these were outside the control of the service such as blocked roads, vehicle breakdowns, bad weather, etc. However, these are normally collected within 24 hours.

The total number of recorded complaints for the service (including complaints relating to bin collections) fell from 223 in 2020-21 to 207 in 2021-202. This was achieved against the continued pressures of Covid-19 which led to staff shortages and service suspensions. The impact of covid has continued into 2021-22 but the number of complaints has continued to drop and indeed the number of compliments has risen. We feel that some residents are increasingly appreciative of the efforts we have made to keep the services running.

The service has worked hard to reduce the number of complaints and increase the speed in resolving comments over the last year, but the rate of response within time has dropped. This is a reflection on the pressure and workload of service managers during the times of disruption.

The most common complaint is about missed collections which is the same picture as last year, with a slight increase. Given the service disruption to green bin collections during the first quarter of the year as a result of prioritising statutory/mandatory collection of blue and black bins over garden waste collections (non-statutory) during a period of acute resources shortage due to sickness), holiday and continued challenges with recruiting, and how quickly the change happened this is perhaps not surprising, with some residents perhaps not fully understanding the severity of the impact on the service - despite the impact on green bins collections, majority of the complaints related to black bins, as there seems to be less tolerance for missed collections relating to this service, than others.

The background context to the above is twofold:

The number of complaints responded to in target in 21-22 was down from 83% to 76% with figures from Q3 (Oct to Dec) bringing the overall average figure down – this lower response rate would likely have been due to the vacant Team Leader position (key staff member that addresses complaints), which was not filled until the end of December 2021, further compounded by the extremely busy Christmas period and high levels of sickness due to COVID peak (i.e. other Team Managers were out providing cover for sick crew members on the day-to-day services delivery);

Overall, year 21-22 has been especially challenging in terms of manpower resources – the service has continued to struggle to fill HGV (refuse truck) driver and loader vacancies (exacerbated by the competition from the private sector due to the nationwide HGV driver shortage post-Brexit), in addition to facing high levels of staff absences due to sickness (COVID and other illness).

As an example, in the middle of March 2022, there were a total of 48 absences (out of the total 150 operatives and Team Leaders), due to vacancies, sickness and annual leave.

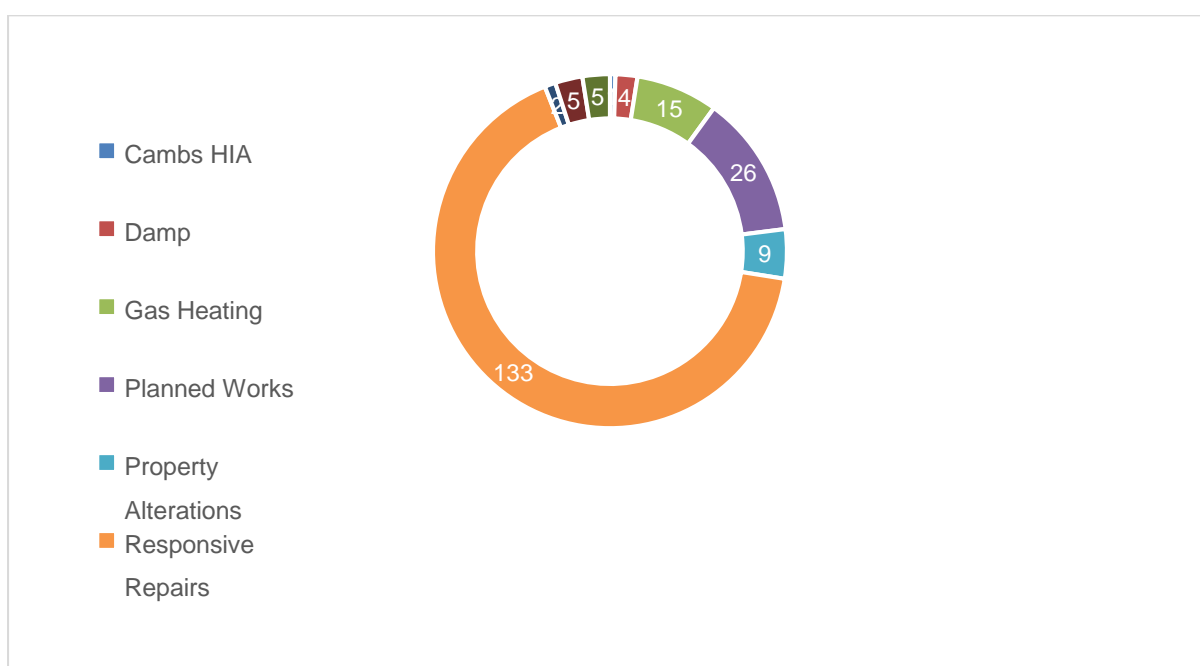
GCWS regularly gathers data relating to collections and reviews the missed collection reports monthly to identify trends in the service and repeated instances to stop issues as early as possible and keep our collection rates high.

Furthermore, the service will undertake more regular reviews of complaints data and feedback such as quarterly reporting rather than yearly: this will inform any changes to procedures, policies or operations that can be put in place to avoid the risk of a repeated error and result in enhanced management of complaints handling on a day-to-day basis.

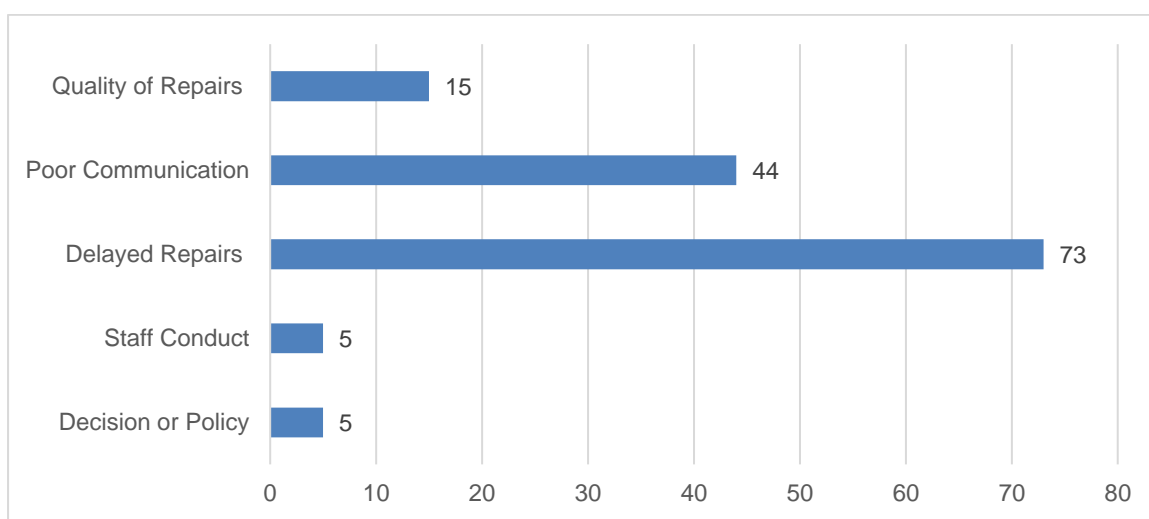
Housing Maintenance & Assets

Waste	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	202	10	78%	13	18
2020-21	169	12	86%	12	18
2019-20	175	14	95%	11	12

Housing Maintenance: Cases by sub-service



Housing Maintenance: Resolution Theme



Housing Assets & Maintenance - Service Comments

From Lynn Thomas, Head of Service:

The Housing Assets and Maintenance Team are responsible for the repair and maintenance of over 7,000 houses, 20 administrative buildings, 14 car parks and 144 commercial properties. During the year 21/22 we completed over 12,800 responsive repairs, 7,700 planned maintenance jobs, 6,000 planned maintenance service inspections and repair work to relet almost 300 properties. Therefore, we received complaints for 0.75% of the jobs we completed, which demonstrates that we get things right far more often than we get it wrong. The important thing is to learn from the complaints. To this end, over the next few months, we will be working with the Our Cambridge team to see where we can make improvements to our processes and systems to enable us to provide the best possible customer experience. In doing this we will be reviewing our complaints to enable us to learn where things have not worked for the customer.

The number of complaints received for the sub-service areas remained steady in all service areas except the increased number of complaints in responsive repairs.

Complaints about the quality of repairs and decision/policy have reduced but the number relating to delayed repairs and poor communication has risen. Delays increased following the changes to the level of repairs and planned works we were able to undertake during certain times in the past year due to the pandemic. This resulted in a back log of work that we have been working through which may have caused some of our tenants a level of frustration. The level of service we have been able to provide has also been impacted at times with staff being unavailable for work due to covid related illness and/or isolation requirements.

I advised in last year's report that we had introduced the Tenant Liaison Officer (TLO) role, and that one of their objectives was to study the complaints made about poor communication and look for procedural improvement where possible. The priority we intended to attach to this work was affected by the previous Operations Manager leaving the organisation in April 2021. From April 2021 to January 2022 the TLO was dealing with the entire Operations team's complaints so has not been able to give communications complaints the focus intended. This is reflected in the volume of complaints recorded under the resolution theme for communications. Now we have appointed to the role of Operations Manager this task will have further priority for the TLO again this year.

Another area of work I advised of last year was the TLO's analysis of those complaints that had been escalated to stage 2. The aim was to establish some practical learning that could be provided to staff that deal with complaints at stage 1 to reduce escalation and resolve earlier for the customer. There has been an improvement here, there has been a reduction in the proportion of complaints escalated to stage 2.

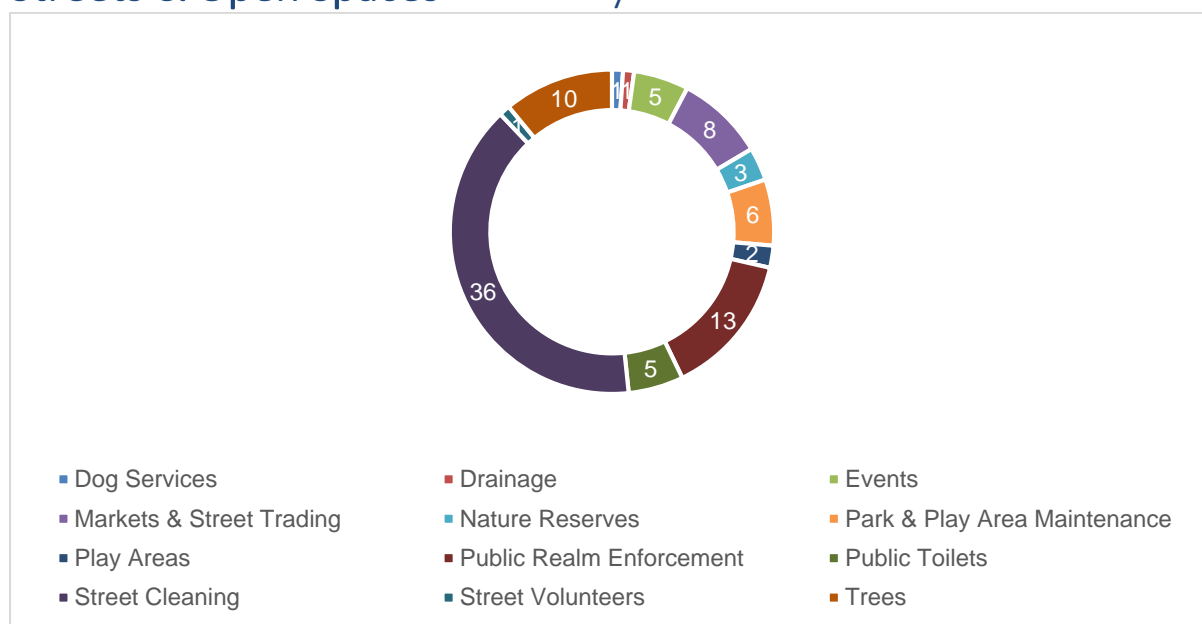
The percentage of complaints completed within target has reduced slightly for 2021/22, as there were some complaints raised during the year that remained open at year end. Where extensions have been obtained by the case owner, these are not included within the cases resolved on target. As a service we will complete refresher training with all case owners on the process of

investigating complaints and requesting a target date extension when these investigation and resolutions require them

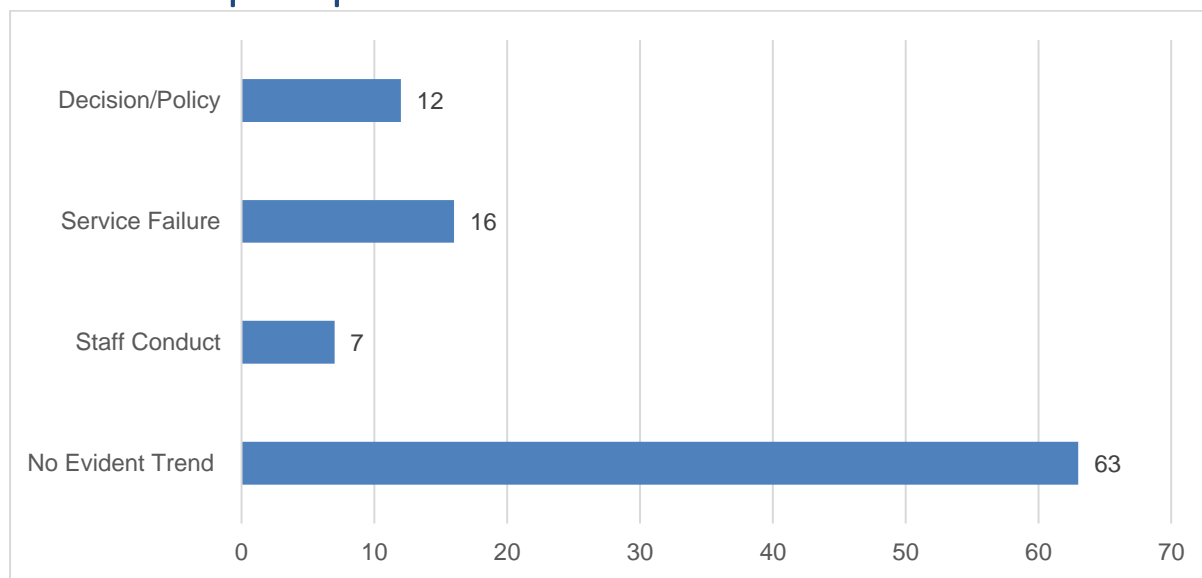
Environmental Services – Streets & Open Spaces

Streets & Open Spaces	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	91	6	85%	4	16
2020-21	120	3	85%	1	21
2019-20	88	6	76%	9	37

Streets & Open Spaces: Cases by sub-service



Streets & Open Spaces: Resolution Themes



Streets & Open Spaces - Service Comments

From Joel Carre, Head of Environmental Services:

Our Streets and Open Spaces (S&OS) service employs 130 staff and is responsible for managing the city's streets and parks and open spaces (300 hectares), including public tree stock (c33,000), play areas (c107); public toilets (c13), allotments (c26) and 7 day per week market and street trading pitches; and providing daily cleansing, grounds maintenance and street enforcement services.

Despite the continuing impacts of the COVID pandemic on the city, the S&OS service has been able to maintain a near 'business as usual' operation.

As a result of people's desire to get out and enjoy our open spaces during and after the COVID pandemic (once restrictions were lifted), we have seen a significant increase in community use and enjoyment of our fantastic parks and green spaces for informal leisure and recreation. On the negative side, our Street Cleansing service has had to deal with high volumes of seasonal littering, especially from summer evening and night-time use of the main city parks, such as Jesus Green, and also year-round high volumes of predominantly domestic fly tipping across the city.

Despite the afore-mentioned operational management challenges brought about by the pandemic, the S&OS service received a total of 91 complaints (compared to 120 in 2020/21). Of these 91 cases, the areas of service with significantly high case numbers were: Street Cleansing (including Grounds Maintenance): 36 (2020/21 – 21); Trees: 10 (2020/21 – 17) and Public Realm Enforcement: 13 (2020/21 – 16). The remaining areas of service complaint each accounted for 6 or less cases. It is also worth noting that the S&OS service has been able to sustain a consistently high 'Complaints in Target' response rate of 85%, ie. the same as the previous year.

The service area with the single highest number of cases (36) was the Street Cleansing/ Grounds Maintenance service. This large frontline operational area employs c70 operatives, who provide a 365 day a year, city wide operation, including emptying c1,000 public litter bins each day, cleaning all the city's streets and pavements and cutting the city's open space grass. Given the significant scale of the operation and the afore-mentioned service demands arising from the ongoing pandemic, the 36 complaints equate to less than one case per week and with no particular complaint type or underlying causal theme.

The service area with the second highest number of cases (13) was the Trees service, which is responsible for managing the Council's tree stock; and, on behalf of the County Council, the city's Highway trees – a total of c33,000 public trees. In 2021/22 the service responded to 888 tree service requests and carried out 'tree surgery' management on up to 11,000 trees.

An analysis of the 13 cases received in 2021/22 shows there was no particular complaint type or underlying causal theme.

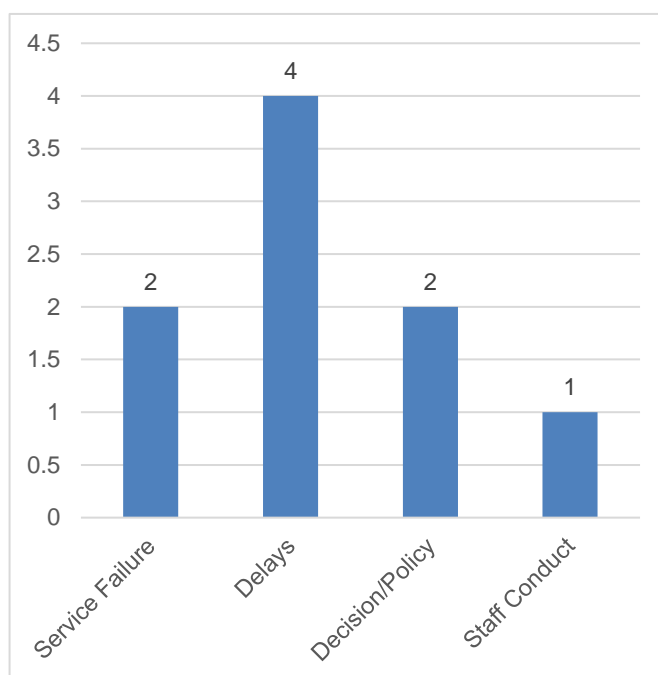
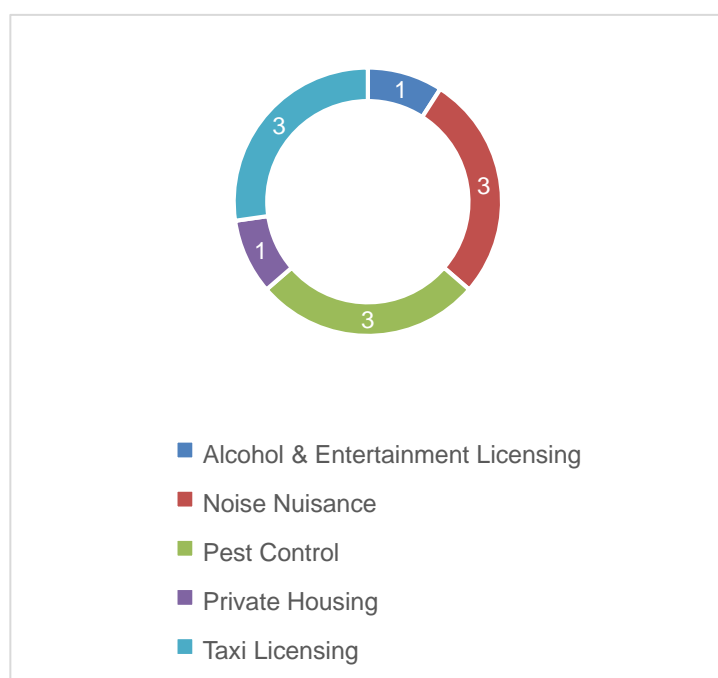
The service area with the third highest number (16) was the Public Realm Enforcement service, which is responsible for investigating and taking enforcement action against environmental crime in the city, including littering, fly tipping and dog fouling. In 2021/22 the service undertook 1807 enforcement investigations and issued 265 fixed penalty notices (FPNs) (2020/21 – 156 FPNs; 2019/20 – 634 FPNs), including 82 for littering (2020/21 – 64; 2019/20 - 371) and 37 for fly tipping (2020/21 – 25; 2019/20 - 72). Although the rates have increased on the previous year's (2020-21), which is in line with the lifting of COVID lock-down restrictions and the return to our pre-COVOD enforcement approach, they are still significantly down on the 2019-20 pre-COVID rates.

Over the year, we have been completing the final stages of deployment of a new digital management system across S&OS. This new system will enable our frontline staff to receive and close service request and to report streets and open space maintenance issues in real time, using their handheld or in-cab device; and for customers to also digitally report issues and view their resolution status in real time. These changes will transform how our frontline services work and enable them to deliver a better and more efficient customer service going forward.

Environmental Services – Environmental Health

Environmental Health	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	11	1	73%	2	2
2020-21	17	5	94%	8	2
2019-20	12	3	67%	2	2

Environmental Health: Cases by sub-service & Root Causes



Service comments from Joel Carre – Head of Environmental Services

Environmental Health (EH) service employs c45 staff and is responsible for taxi and premises licensing, food safety, health and safety and infectious disease control. The service also provides technical input to Planning on all aspects of EH, including air quality, noise and contamination. It also provides services to improve the private rented sector through education, enforcement, licensing of houses in multiple occupation and bringing empty homes back into use and energy efficiency. It also provides a pest control service.

The EH service has continued to lead the Council’s response to the COVID pandemic, including community test and trace, local outbreak management and public and business compliance with Government restrictions. The service has also worked closely with Cambs and Peterborough Public Health colleagues to coordinate and support the wider county’s public health response to the pandemic, including sharing local community intelligence and providing mutual aid to deal with community outbreaks across the county.

Following the lifting of national lock down restrictions last summer and the recruitment of a dedicated COVID response team (funded through Public Health), the EH service has been able to return to a near 'business as usual' basis; and over the course of 2021/22, has delivered the following:

- 161 Private Sector Housing Inspections
- 269 Food Safety Inspections
- 21 Licensing Inspections
- 625 Pest Control cases
- 1020 Planning consultations
- 1550 Licensing Applications processed
- 2200 Service Requests, including PS housing, food safety, health and safety, licensing, taxis, noise nuisance

In the context of this scale of operation, as outlined above, the EH service received a total of 11 complaints in 2021/22, which is broadly comparable with the previous year's total of 17. Of the 11 cases received, the EH service areas with the highest numbers were respectively: Noise Nuisance (3); Pest Control (3) and Taxi Licensing (3). An analysis of each of the associated cases shows there was no particular complaint type or underlying causal theme.

Although there was a drop in the 'Complaints in Target' response rate to 73% (from 94% the previous year), given the overall low total number of cases (11), this is not considered statistically significant.

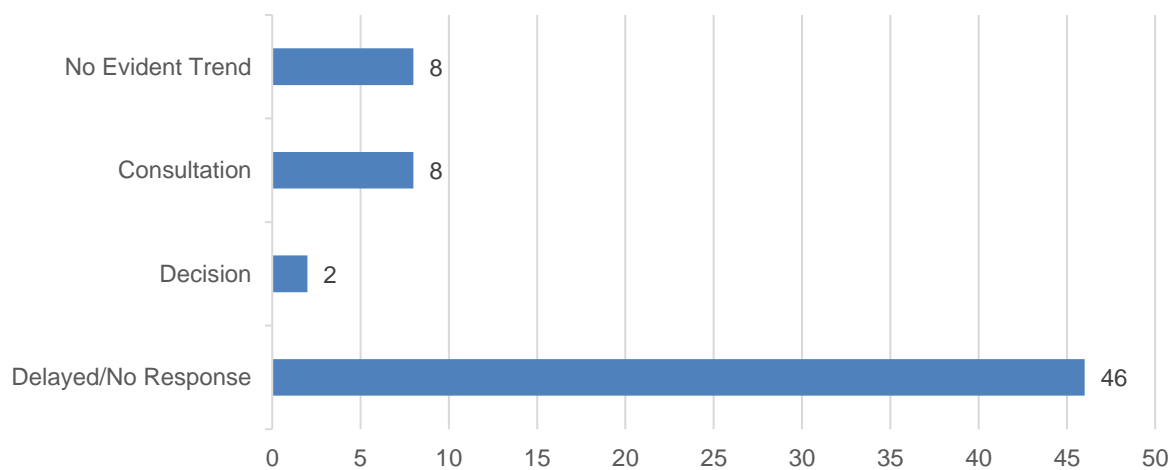
Greater Cambridge Shared Planning Service

Planning Services	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	79	14	56%	2	2
2020-21	51	6	22%	-	-
2019-20	111	11	41%	2	-

Planning: Cases by sub-service



Planning: Resolution Themes



Greater Cambridge Shared Planning Service - Service Comments

From Stephen Kelly, Joint Director of Planning

Whilst the overall number of complaints received in 2021/22 has increased from 51 to 79 compared to 2020/21, this reflects the fact that the Development Management part of the service was still experiencing high numbers of staff vacancies and recruitment challenges during the first six months of 2021/22 in particular. Since then successful recruitments have taken place into planner and senior planner roles and these new staff have started within the service and had a positive impact on reducing overall workloads. In addition, work is ongoing within the service with our consultants and the DM teams to reduce the outstanding applications backlog and this is progressing positively. The team are prioritising householder applications in the backlog which trigger a lot of the complaints so it is anticipated that all of these measures /outcomes will have a positive impact on reducing the overall number of planning applications-related complaints in the medium-term.

There has been a significant improvement in response times within target compared to 2021-22 from 22% to 56%, and the number responded to within target has more than doubled. This has mainly been due to increased use of a more standardised approach to Stage 1 complaints and the benefit of having had a dedicated complaints resource for a short period. The service has been focusing on reducing response times as a priority and further work will be continuing on this.

The focus of complaints changed slightly compared to 2020/21. Whilst planning applications complaints remain relatively similar with a slight increase from 42 to 48, the number of Policy related complaints has increased from 1 in 2020/21 to 10 in 2021/22. This is very unusual and probably reflects the stage that the Local Plan process has been at during this period, with public consultation happening. In addition, four out of the 10 Policy complaints were from one individual.

Planning enforcement related complaints have also increased from 5 to 18. The increase in the number of planning enforcement complaints, including Stage 2s, is an issue that has been recognised within the planning service and is currently being addressed. As part of the service transformation process, a review of the enforcement service is being carried out by an external consultant. This has recently started. One of the most important objectives of the review is to automate as much of the largely manual existing enforcement processes as possible and to streamline procedures to enable a more responsive enforcement service, including provision of improved information on the website. In addition, the team is looking at ways to improve the provision of updates in relation to ongoing investigations. The operational management of the team has also recently been changed to improve the deployment of enforcement staff. Further changes are likely to come forward as part of the review process.

Customer Services

Customer Services	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	25	-	100%	2	11
2020-21	19	-	89%	6	10
2019-20	29	2	93%	8	29

Customer Services - Service comments

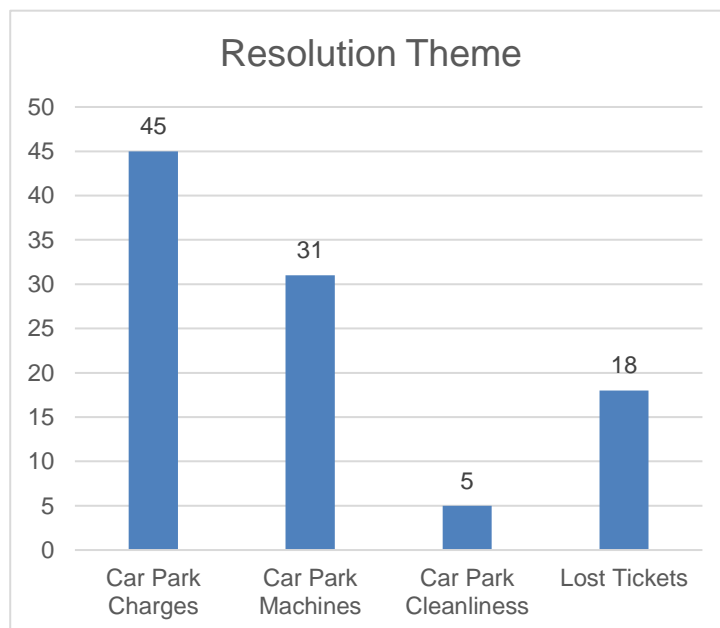
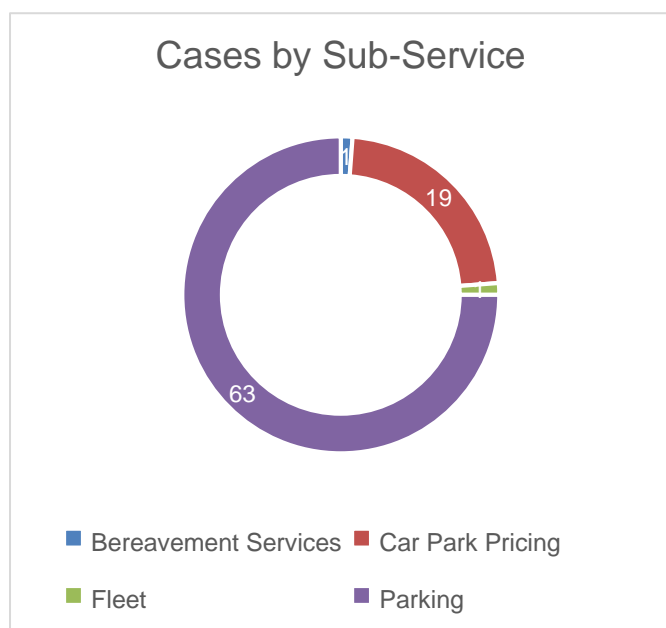
From Clarissa Norman, Customer Services Operations Manager

In 2021-2022 Customer services handled in excess of 245,000 contacts via telephone, email and face to face and received 25 complaints, a slight increase from 2020-2021. Complaints continue to be very low in relation to the amount of contacts received, 0.01%. During 2021-2022 the Customer Service team continued to support the rapid changes the Council needed to adopt in response to the Covid-19 pandemic, ensuring the residents of Cambridge continued to have access to council services irrespective of the level of national restrictions in place. In 2021-2022 Reception services were re-opened in a Covid safe way while Advisors continued to support customers to do things digitally, additionally Customer Services worked collaboratively with Estates and Facilities team to launch the online repairs reporting portal, adding a valuable new digital option for tenants. Customers wishing to apply to go on the housing register for Cambridge City Council now have an improved experience after joint working with colleagues in Homelink ensured that actions were taken to reduce the application process. Customers also now receive regular updates on the status of their application reducing unnecessary contacts. The migration to a new contact centre system in February 2022 has opened up more options for customers to receive information about services and to have weblinks to self-service options texted to them without the need to speak to an advisor. The system also has increased business continuity options improving the service we can deliver to customers when there is system downtime.

100% of complaints received in Customer Services were responded to within target, and for the second year running the service had no stage 2 complaints. 52% of the complaints received were attributed to advice given/staff conduct. With the level of change happening across the Council in 2021-2022, Advisors found it difficult to keep track of the regular changes to processes and this did result in incorrect advice being given. A review of the impact of repeated and adhoc changes required in customer services as a result of changes made by departments was undertaken. Agreement was reached with services to ensure that, unless critical, changes to processes will take place once a month to allow customer services adequate time to brief advisors and update reference guides. The team also received 11 compliments recorded in tracker over the past year, and 876 positive comments captured via Govmetric, considerably more than the number of complaints raised.

Commercial Services

Commercial Services	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	84	9	94%	1	6
2020-21	22	5	100%	1	1
2019-20	50	2	41%	-	5



Commercial Services – Service Comments

From James Elms, Head of Commercial Services

This financial year has seen an increase in complaints from the previous year, although it should be borne in mind that the car parks were effectively closed for significant periods during the lockdowns in 2020/21, and that less usage generates fewer complaints.

All but two of the complaints received by the service are related to car parking. The City Council’s car parks are used on around 2.3m occasions in a year. The 84 complaints recorded last year equate to 0.0038% of those visits generating a complaint.

In keeping with previous years, the majority of complaints focus on charging, particularly at the Grand Arcade car park (charges here are similar to those one would expect to pay in central London).

Issues with ticketing machines that generated around 30 complaints in the last year are being addressed by an enhanced machine cleaning and maintenance regime.

The other notable driver for complaints this year has been the more consistent approach to enforcing the lost ticket policy. 6589 people lost their tickets last year. The policy requires them to pay the full charge from 9am. A fraction of people required to pay this charge have lodged a complaint. One case was referred to the Ombudsman but their decision was that the case did not justify an investigation. Lost ticket complaints have begun to fall over the latter part of this financial year, perhaps as users have become more familiar with the approach we adopt.

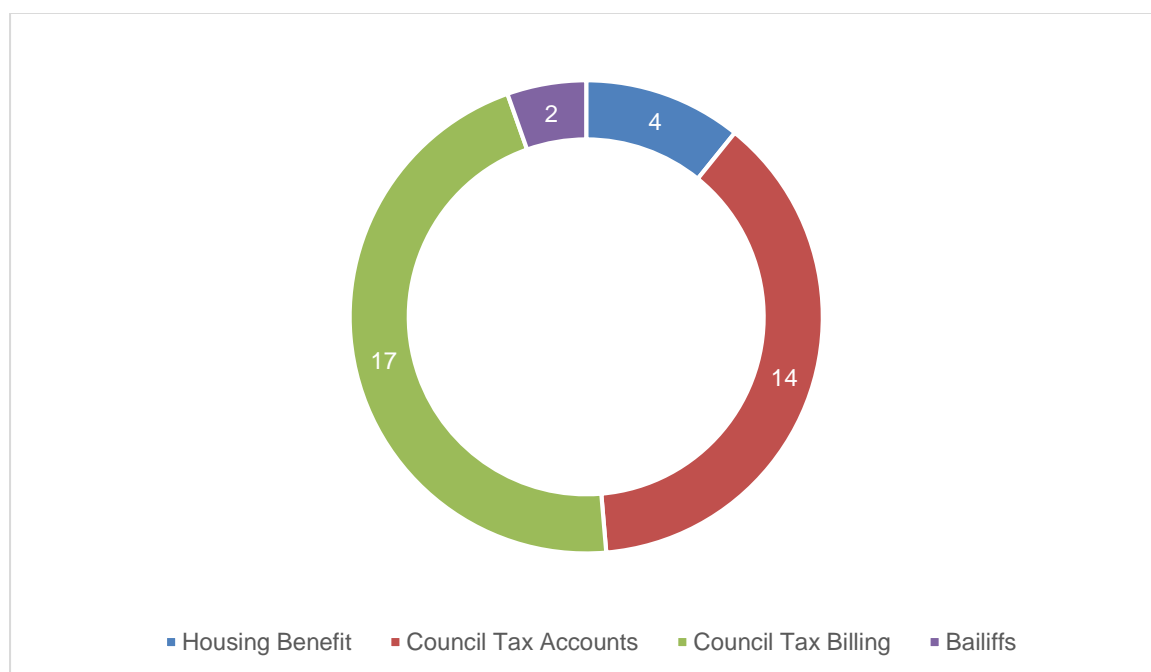
Car Park cleanliness complaints were about Park Street car park which was closed at the end of 2021 and is now being redeveloped.

Five cases were responded to out of target. One of the reasons was related to the level of detail generated by parking equipment reports. The standard team report lacked the level of detail required to by the supplier to solve the problem causing confusion and multiple engagements with the supplier before being resolved (leading to delay in responding to the complainant). The form has been redesigned greatly reducing the solution delivery timeframe.

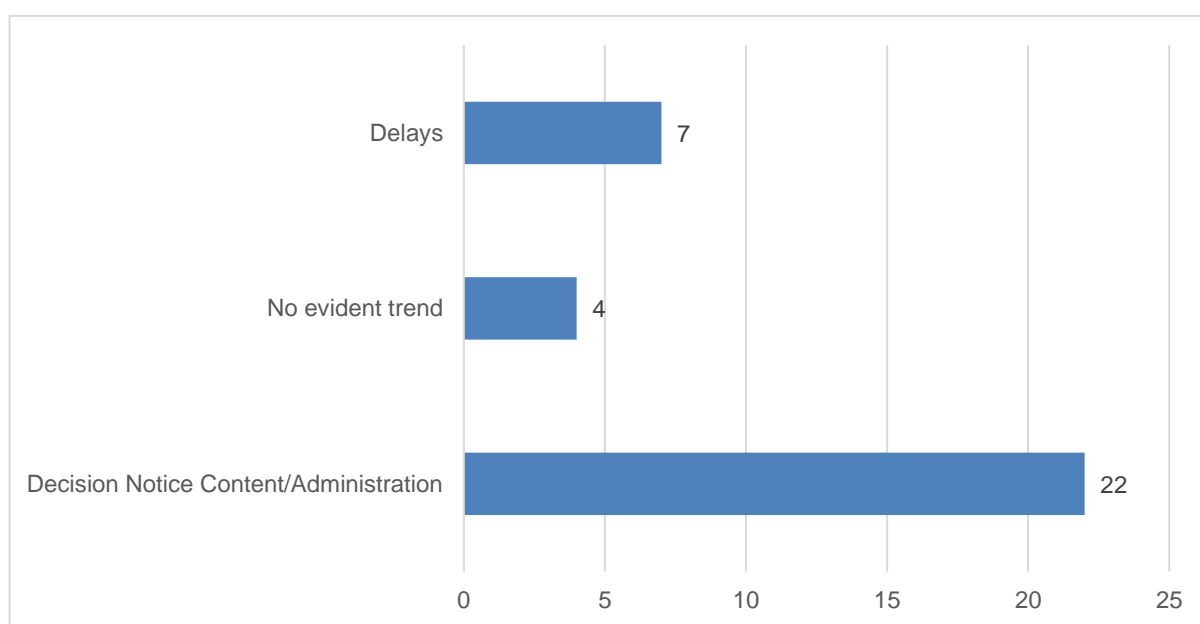
Revenues & Benefits

Revenues & Benefits	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	37	2	100%	2	17
2020-21	12	1	100%	-	26
2019-20	31	4	100%	2	18

Revenues & Benefits: Cases by Sub-Service



Revenues & Benefits: Resolution Themes



Revenues & Benefits – Service Comments

From Caroline Ryba, Head of Finance

During 2021/22, the total number of documents sent from the Revenues and Benefit teams was over 220,000, including:

- For Council Tax: 158,000 documents sent including council tax bills, reminders, final notices and summons.
- For Business Rates: 6,500 documents.
- For Benefits: 47,000 decision notices sent, including
- 5,000 Housing Benefit overpayment letters seeking recovery of overpaid Housing Benefit.

A significant proportion of the documents issued are in pursuance of the recovery of unpaid Council Tax, Business Rates or Housing Benefit, therefore the potential for complaints arising from those activities is high. However, the number of complaints received remains consistently low and demonstrates the sensitive way the team handles this area of work.

Following a pause of some of the Council Tax enforcement processes during 2020/21, recovery action began to get back to normal last year. Inevitably this meant that volumes of recovery notices issued, and cases being taken to Court were significantly higher than in the previous year as we began to catch up with normal level of recovery action. This in turn has led to an uplift in the number of complaints received when compared to the previous year, although the numbers received are similar those received in the years prior to 2020/21. However, given the sheer volume of transactions and changes made to accounts and the increase level of enforcement action the number of complaints remains remarkably low which is testament to the quality of the work being carried out by the team, where issues raised are dealt with quickly before a customer needs to resort to raising formal complaints.

The team continue to remain responsive to complaints with 100% responded to within target again this year.

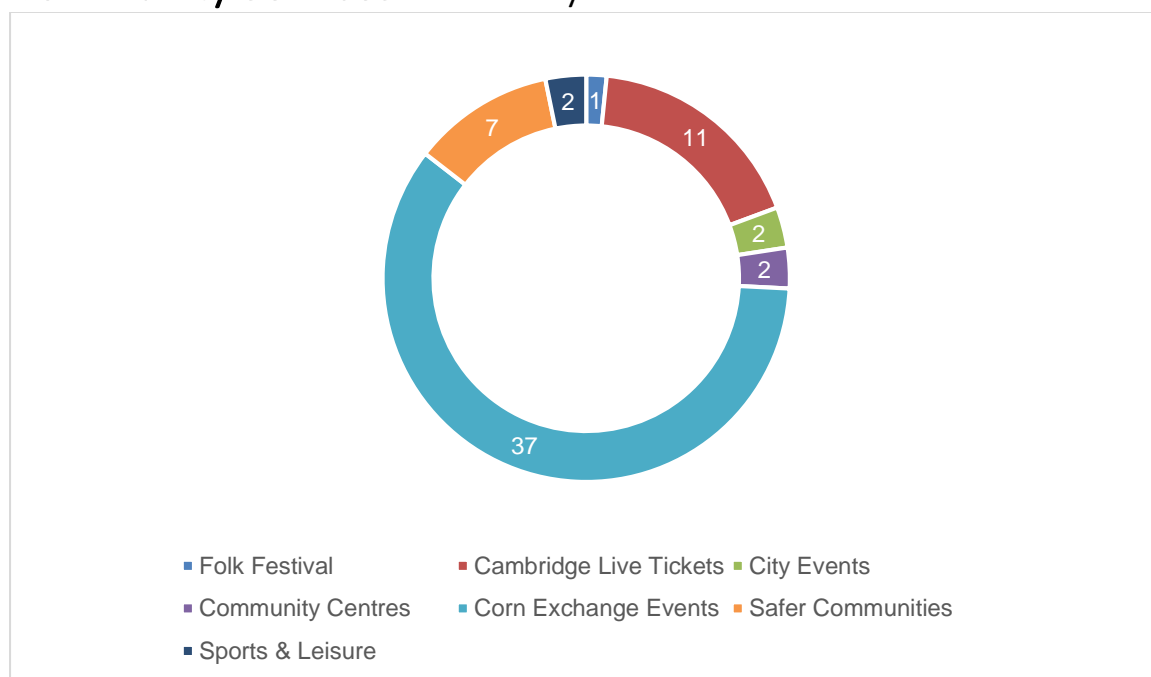
Trends identified are often linked to enforcement procedures which are driven by a statutory process. The team has received complaints from customers unhappy about receiving reminders and summonses for non-payment of council tax, wherever possible we have worked with those customers to find amicable solutions which does mean that few complaints proceed any further than stage 1.

There have been a small number of complaints linked to processing delays which we did experience last year, this was primarily attributed to additional work pressures placed on the teams dealing with Covid Business Grant schemes and the Self-Isolation Grant scheme. We do have systems in place to suppress accounts from recovery action where we have outstanding work and this has meant that complaints about delays are extremely low.

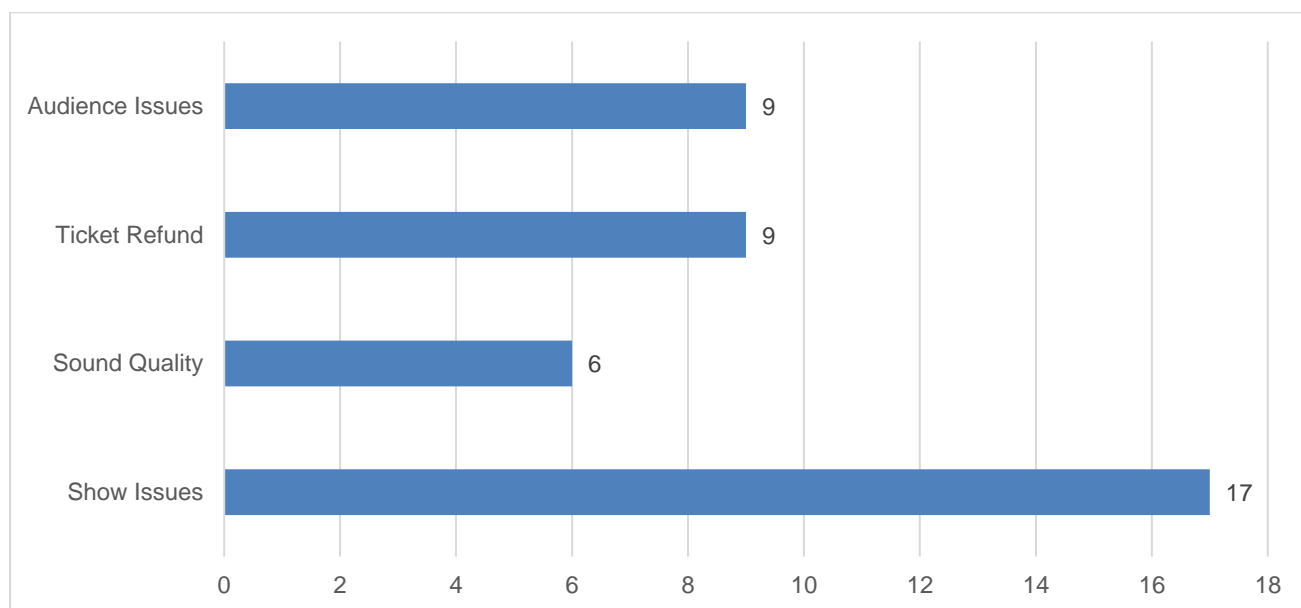
Community Services

Community Services	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	62	2	93%	5	7
2020-21	16	3	81%	1	9
2019-20	90	4	89%	4	15

Community Services: Cases by Sub-Service



Community Services: Resolution Themes



Community Services - Service comments

From Debbie Kaye, Head of Community Services

Well over 80% of complaints received by Community Services relate to the cultural and events service. The number of complaints received during the year returned towards pre-covid levels as the Corn Exchange re-opened half way through 2021-22.

Cambridge Corn Exchange and Guildhall Halls:

Complaints that we receive regarding the Corn Exchange and Guildhall Halls, are dealt with and replied to promptly. Examples of the range of issues mentioned include:

Queues at the bar – this was a problem when we first reopened the Corn Exchange after Covid in September. As part of the national recruiting crisis it was very difficult to recruit bar staff and stewards. However, we now have a much larger team to provide a good service to all customers and these concerns have subsided.

Timings and pricings – these concerns can arise occasionally. We often need to explain that whilst we are diligent in our care to all our customers, some decisions are outside of our control, two of which are the price promoters set the tickets to be on a hired show, and the performance timings that are advertised from the promoter, which can at times come too late for us to advise customer on the website or via email in advance. We also responded by putting up extra signage on timings within the venue.

Chilly venue – this was mentioned again after reopening following Covid. We maximised the ventilation system to use as much fresh air within the venue as part of the covid safety measures. We responded by explaining this on the website and giving people advance warnings on ticket emails.

Community Safety

With regard to complaints arising in relation to community safety, all related to anti-social behaviour (ASB). The primary theme was residents complaining about the ASB they were experiencing and requesting support from the Council as opposed to a complaint about how the ASB was handled by the team.

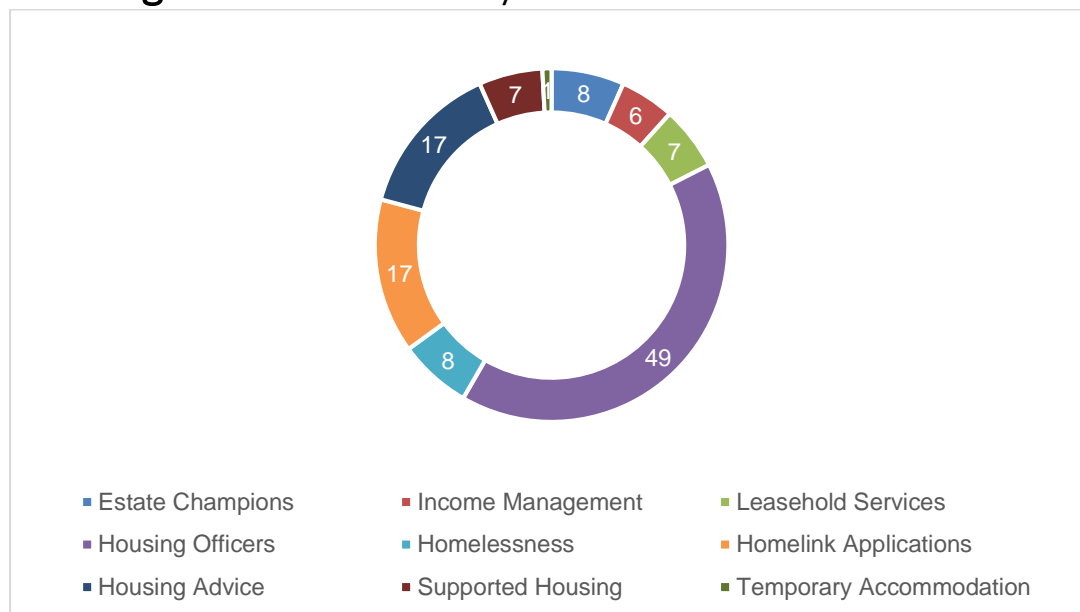
Of those who complained about the service received this was due to the complainant disagreeing with the approach taken by the team. This is common with anti-social behaviour cases as complainants may wish for different action to be taken by the Council, but the Council must be sure that whatever action is pursued is proportionate, in line with evidence and would be accepted by a district Judge.

When working with residents on ASB complaints the Council communicates clearly about the most appropriate action to take and the timescales of enforcement action to help manage expectation of the ASB enforcement process.

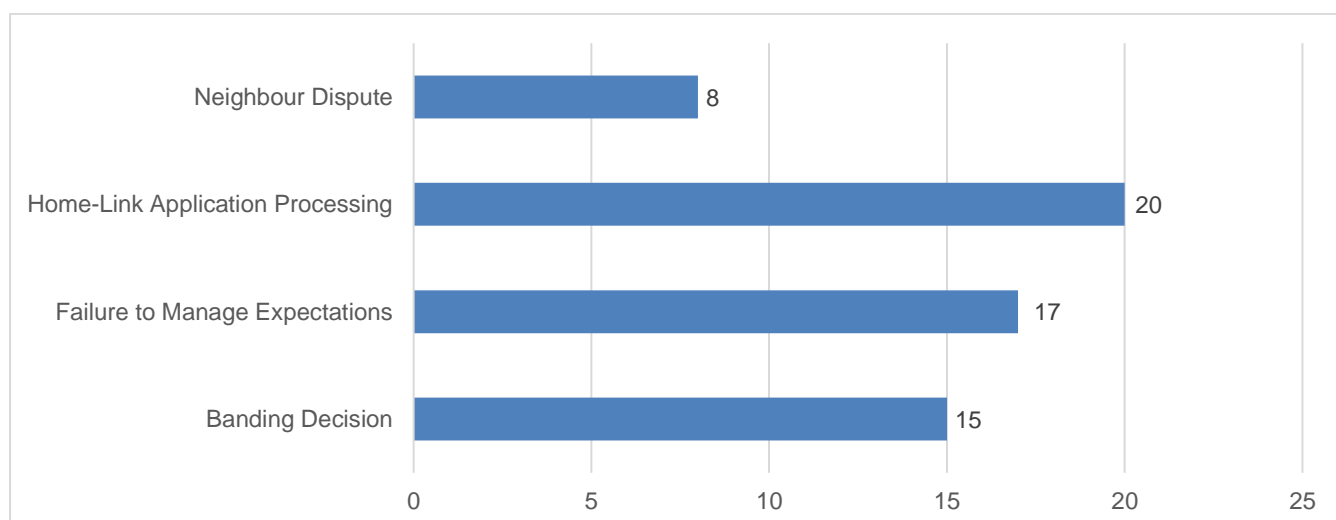
Housing Services

Housing Services	Total Complaints	Stage 2 Complaints	Complaints in Target	Multi-Service Complaints	Compliments
2021-22	120	16	85%	12	28
2020-21	94	10	83%	18	29
2019-20	98	10	85%	14	29

Housing Services: Cases by Sub-Service



Housing Services: Resolution Themes



Housing Services – Service Comments

From David Greening, Head of Housing

The Housing service manages close to 8,450 properties within the City and has placed 308 households into temporary accommodation during the year. We have also handled 849 homeless applications, had 1,476 new applicants join the Home-Link register and opened 1,159 housing advice cases in the year.

Analysis

City Homes

The top two complaint themes during 2021/22 were as follows:

- ‘failure to manage customer expectations’
- ‘neighbour dispute – behaviour’

The number of neighbourhood disputes dropped significantly from the previous year. This is partly due to the impacts of lockdown in 20-21, which created pressure on neighbour relations. Equally, though, City Homes committed to providing more information to tenants about their rights and responsibilities. This has included the introduction of the new Engagement, Education and Enforcement Officer, a role that has helped reduce instances of items left in communal areas – a frequent source of neighbour dispute – through raising awareness and asking tenants to remove items that breach our *Zero Tolerance Policy*.

A number of complaints relating to a ‘neighbour dispute’ involve fencing or boundary issues. However, when this involves a non-Council owned boundary the Council is not responsible for maintaining or repairing these boundaries and fences.

Housing Advice

Last year’s annual report highlighted that Home-Link application processing times were slow. The net effect of this was frustration for customers, missed opportunities to prevent homelessness and high numbers of complaints.

Whilst this was eventually addressed, we failed to address the problem for most of 2021-22. In fact, waiting times from application to the point at which applicants could bid did, at one stage, reach 16-18 weeks. It is no surprise, therefore, that complaints to the Housing Advice Service went up 39% last year. By 27th April 2022 processing times have been brought down to 7 weeks and the percentage of complaints for Home-Link in the last two quarters were lower than for the first half of the year.

There were a number of Home-Link complaints that could have potentially been assessed through Home-Link appeals process, rather than through the complaints procedure (which

would have brought the total number of complaints recorded down). This was estimated to be 9 complaints out of a total of 18 for Home-Link and 43 for Housing Advice Service for the year.

Learning

City Homes

In terms of managing customer expectations, the most common root cause is poor communication.

Neighbour disputes – the Engagement, Education officer role is proving to be effective in reducing the number of neighbour disputes. Secondly, as a result of our commitment to creating procedures in response to neighbour disputes, City Homes has increased the use of the anti-social behaviour triage system, working jointly with Community Services and signposting tenants to the Neighbour Resolution Panel. These actions have helped reduce the occurrence of issues being channelled through the complaints process

Housing Advice

Home-Link processing – we have streamlined some processes and taken more of a risk-based approach to verification which seems to have vastly improved performance in this area.

Actions

1. Managing customer expectations is a broad category and Housing Services are reviewing the categorisation of complaints so that we can better understand the root causes
2. Housing Services has a complaint handling code and, in an attempt to address the poor communication theme, officers have been reminded of some of the key principles of the code, such as:
 - Case managers being expected to contact the complainant via telephone, if possible, at the outset to explain the remedy being sought and to help manage expectations
 - Clearly communicating what *will* and *will not* be a matter considered as a complaint, and provide detail around when chasing a service request becomes a complaint
3. Continue to monitor the success of the Neighbour Resolution Panel

4. In relation to boundary or fencing issues City Homes and Estates & Facilities have developed a procedure outlining responsibilities and a process for contacting the freeholder and tenant to explain that the Council cannot enforce any action and if they wish to take the complaint further it must be considered a civil matter.
5. We are developing an *Estates Plan* – One of the aims of developing this plan is to identify any place-specific factors - considering the information gleaned through repeated complaints in a locality and assessing how these could be remedied. This is a longer-term project
6. In 2022-23 Housing Services will be monitoring Home-Link processing times very closely to ensure that these improvements are maintained.

A Band Review Request Form is linked in the Home-Link Welcome Pack and customers are requested to supply appropriate evidence to support the review.

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

Property Services

Property Services received one stage one complaint which was resolved within target.

3C ICT

One complaint was received relating to Information Governance at stage one. It was responded to within target time

Finance

Finance received three stage one complaints. Two of which were resolved within target. One case remains in progress as it was raised close to the end of the year.

Human Resources (including Business Support)

Human Resources & Business Support received four stage one complaints, one of which was escalated to stage 2. All were resolved within target.

Building Control

Building Control received four complaints at stage one, three of which were resolved within target.

Multi-Service Complaints

Multi-Service Complaints	Total Complaints	Stage 2 Complaints	Complaints in Target
2021-22	29	5	84%
2020-21	23	3	83%
2019-20	33	3	79%

Multi-Service complaints tend to be more complex and involve more officer time to investigate, which in previous years has contributed to a low number of complaints responded to within target. This year has seen a further improvement in this measure, which is encouraging and highlights that the way of working implemented in previous years has continued to be effective..

There has been a slight increase in the number of multi-service complaints, which is in line with the overall rise in complaints this year.

As with previous years, the most common areas involved in multi-service complaints are Housing Maintenance & Assets (13), and Housing Services (12). This is to be expected as Housing Maintenance & Assets complaints can often involve officers from the Housing

service if the complaints concern decisions made by that service. The majority of the multi-service complaints involved a Housing Service as complaints had often been raised to a Housing Officer initially, but they have had to involve other services to find a resolution for the complainant.

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

Non-Cambridge City Council

In addition to cases received relating to City Council services, ten cases were raised relating to issues for authorities or services not provided by the City Council. This is a reduction from 70 in 2020-21, which shows that the guidance we placed on the complaints web page to signpost customers to other authorities if appropriate has reduced the submission of these cases.

Local Government and Social Care Ombudsman (LGSCO)

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

In 2021-22 the Local Government and Social Care Ombudsman received 12 complaints relating to Cambridge City Council. Of these, 6 were treated as complaints where a decision was applicable. As a result of the LGO's detailed investigations, 3 were upheld and the remaining cases were not upheld.

The LGSCO were satisfied that 100% of their recommendations from 2021-22 cases were implemented by the Council.

Department	No of Complaints Received	Decision
Environmental Services & Public Protection & Regulation	2	2 Closed after initial enquiries
Housing	1	<i>1 Not upheld</i>
Planning & Development	3	<i>1 Not upheld</i> 1 Closed after initial enquiries 1 Upheld
Land	1	1 Upheld
Trees	2	2 Closed after initial enquiries
Other	3	1 Closed after initial enquiries <i>1 Not upheld</i> 1 Upheld
Total	12	3 Upheld

The information above relates to the number of complaints received and considered by the LGSCO. The total number of enquiries made to the Ombudsman will not be known by the Council until the Ombudsman sends the annual letter in July. Once received, this letter will be published to the City Council website alongside this report.

LGSCO Upheld Case summaries

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

Environment & Regulation

Complaint: 20 008 600 - 14/10/21

The complainant claimed that the Council used a rat poison at their home during a pest control appointment in April 2020 which incurred veterinary bills after their dog consumed the poison. The complainant also claims that the Council failed to provide details of the poison used and an emergency contact number causing distress. The complainant initially complained to the Council that:

- The Council was wrong to consider the bait was not harmful to cats or dogs
- There was a risk that the bait would be transferred outside of the trap by rodents and that a small dog could get their nose/tongue into the trap
- There was a lack of information on the box which caused further issues for the vet
- Some bait had been laid loose in the decking of a neighbouring garden which could have been dragged into the complainants garden.

Following their investigation, the Ombudsman found that when the complainant asked for a refund of veterinary bills, the Council should have forwarded this request onto their insurers, rather than attempting to resolve the issue via the Complaints procedure.

The LGSCO recommended the following actions

- Forward the details of the complainants claim of the cost of vets bills to the Council's insurers to be considered for a refund.
- Pay the complainant £100 to acknowledge the time and trouble they were put to because of the fault.

As a result of this complaint, internal guidance was updated to inform complaint investigators that any requests for compensation should be forwarded immediately to the insurers to be considered.

The above actions were completed by the Council in early November 2021.

Planning Services

Complaint: 20 008 628 - 24/08/21

The complainant raised this complaint because they believed that the Council failed to properly consider the impact on their privacy and amenity when it granted planning permission to their neighbour. The complainant further complained that the Council failed to properly exercise its enforcement powers without delay to ensure compliance with the planning permission it had granted. The complainant said this fault has led to significant reduction in their privacy, increasing the overlooking from their neighbours resulting in her family adjusting how they live in and use their home. To address the impact the complainant wanted the Council to use its powers to ensure their neighbour installs obscured glass in one of the windows approved in the planning permission. Further the complainant wanted the Council to use its discretionary powers of enforcement to ensure compliance with the

planning permission and to remedy the lost privacy, distress, time, and inconvenience caused to the complainant.

The LGSCO recommended the following actions

The Council agrees to apologise to the complainant, pay them £3,000 and send them future proposals for further screening for consideration within four weeks of the final decision. The LGSCO are satisfied that all recommendations were complied with.

Planning Services

Complaint: 20 010 732 - 08/07/21

The complainant complained about the Council's actions in relation to a longstanding dispute about a boundary. They also said that the Council had trespassed and damaged their property. In the complaint to the Ombudsman, the complainant also raised the following issues:

- poor record keeping
- failure to take action and to explain delays
- failure to follow procedures or the law
- poor and delayed communication
- giving misleading information
- failure to investigate complaints and offer a full written response
- failure to act fairly and proportionately with impartiality, courtesy, accountability and transparency
- breaches of data protection
- wrongly labelling him as a persistent complainer

The complainant also claimed that the Council had caused unnecessary and avoidable alarm, distress and inconvenience for which the complainant sought remedial action.

The Ombudsman did not investigate the parts of the complaint relating to the boundary dispute, and the allegation of criminal damage. This is because both of these issues are outside of the LGSCO's jurisdiction and should be determined in court.

When investigating the case, The Ombudsman found fault with the Council's application of its policy for 'Unreasonable and Unreasonably Persistent Complainants'. Although the Council explained to the complainant what the restrictions were, and the reasons for imposing them, it failed to:

- advise how long the restrictions would be in place for; and
- provide the complainant with details of how to request a review of the decision

The LGSCO recommended the following actions

- Within four weeks of the decision, the Council should write to the complainant to clarify how long the restrictions will be in place and provide details for requesting a review of those restrictions.

- Within six weeks of the decision, the Council should review its 'Unreasonable and Unreasonably Persistent Complainants' policy and consider whether it requires updating to ensure consistency with the Ombudsman's 'Guidance on managing unreasonable behaviour'.

No remedial action to the complainant was recommended as part of the resolution. Following the decision, the Council reviewed and uploaded its Unreasonable and Unreasonably Persistent Complainants Policy to the City Council website. The complainant was written to in line with this policy to outline the restrictions and how long they would last.

Number of LGSCO cases, yearly comparisons 2019 – 22

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

Year	Total Enquiries Received	Cases Investigated	Cases Upheld
2021-22	12	4	3
2020-21	9	4	3
2019-20	13	3	2

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

Housing & Social Care Ombudsman

Complaints about the Council's Housing service can be referred to the Housing & Social Care Ombudsman. In 2021/22, two complaints were referred to the HSCO. One was investigated and not upheld. In the other case the complaint was from a council housing tenant and related to the council's handling of repairs at the tenant's property, their request for an adaptation to the bath, concerns around asbestos in the property and reports of vermin in the loft.

The Ombudsman made a determination in accordance with paragraph 54 of the Housing ombudsman scheme there was a service failure on the first three aspects of the complaint but not maladministration in respect of the handling of the reports of vermin.

The housing ombudsman ordered the Council to award compensation to the tenant for the delays in repairs and bath adaptation. The ombudsman also required the Council to offer an apology for its miscommunication with regard to asbestos in the property and to share the

most recent asbestos report with the tenant. The Council complied with these requirements and recommendations within the timescales set out by the Ombudsman.

Complaints under the Councillors' Code of Conduct

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

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

Councillor Conduct Complaints, 2021/22

During 2021-22 the Council received four complaints about Councillors.

Two complaints were dismissed. One complaint was upheld following an investigation. After consideration by the Monitoring Officer and Independent Person and review by a member sub-committee no further action was taken following an apology by the subject member. The final complaint remains under consideration.

There were nine complaints in 2020-21 and three complaints in 2019/20.

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

Cambridge State of the City report 2022

Introduction

Cambridge is an economically successful city, with a rapidly-growing cluster of knowledge-based industries often connected to the city's ancient and world-leading University. Cambridge is relatively prosperous overall, ranking amongst the least deprived third of all local authorities in the country (based on its average score in the Indices of Deprivation¹). However, not everyone in the city shares in its prosperity and there are marked inequalities between different places and groups of people in the city.

Cambridge covers a relatively small urban area (measuring 3 miles by 5 miles), that has seen rapid housing and population growth² over the past ten years. The Census 2021 recorded a usual resident population of 145,700 people in March 2021, with the number of homes reaching 56,000.

The population of Cambridge has increased by 17.6%, and the number of homes by 14% over the past ten years, as new communities have been established around the fringes of the city. It is forecast that population and housing growth will continue at a similar rate over the next few years.

The city's population is characterised by considerable migration and churn, with around 15,000³ people moving to and leaving the city each year from within the UK. This can in part be attributed to the nearly 20,000 full time students that are present in the city attending our world class university colleges.

Cambridge has a relatively youthful population with a median age of 30.2⁴ years, with a fifth of people aged 17 to 24. Older people and children make up a smaller proportion of the city's population than the national average.

Cambridge is a place of diversity, with over fifty languages spoken in the city. According to Census 2011, just over one in ten residents were EU born nationals, nearly two thirds of births in the city are to non-UK born mothers and nearly one in five residents first language at home is a language other than English⁵. People from around the world are attracted to study and work in Cambridge, with international students making up just over a third⁶ of all higher education places in the city.

¹ [Indices of Deprivation 2015 and 2019 \(communities.gov.uk\)](https://communities.gov.uk)

² [Cambridgeshire Insight – Population – Local Population Estimates and Forecasts](#)

³ [Internal migration: by local authority and region, age and sex - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁴ [top ten youthful local authorities](#)

⁵ Local data on migrants [The Migration Observatory Local Data Guide \(ox.ac.uk\)](https://ox.ac.uk)

⁶ [The Migration Observatory Local Data Guide \(ox.ac.uk\)](https://ox.ac.uk)

Human, social and knowledge capital

Human capital - The health and skills of the population

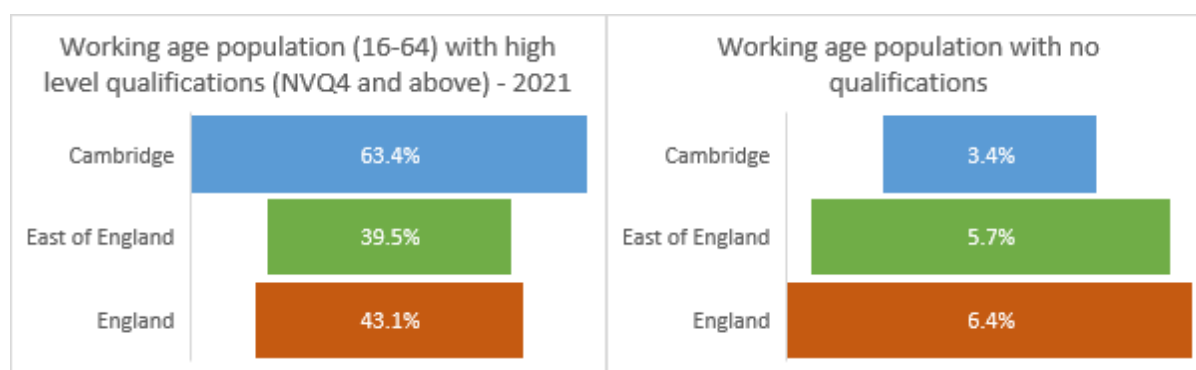
Social norms - Trust, social norms and community cohesiveness

Knowledge capital - accumulated 'best practices' and 'ways of doing things'

Education and skills

Cambridge has one of the highest skilled workforces in the country, with 63.4% of working people having qualifications of NVQ Level 4 and above, compared to the national average of 43.1%. Only 3.4% of residents in Cambridge have no qualifications, compared to 6.4% of people nationally.

However, while the Cambridge population is more qualified than the national average, social mobility is an issue. Cambridge ranks 275th out of 324 local authorities across England and Wales in the Social Mobility Index. Social mobility is particularly low for young people from poorer backgrounds in the city, with Cambridge having the fifth lowest score of any local authority for youth social mobility⁷.



Health and well-being

Overall, Cambridge has better than average health and wellbeing outcomes. Average life expectancy at birth was slightly higher in Cambridge (80.9 years for men and 84.9 years for women) than the England average (79.4 years for men and 83.1 years for women) in 2019⁸. According to ONS Wellbeing Scores⁹, residents in the city have high levels of life satisfaction and happiness, low levels of anxiety and feel that life is worthwhile.

Obesity levels in Cambridge are lower than the national average. In Year 6, 26.5% of children are classified as overweight, better than the average for England (32.5%). Estimated levels of excess weight and obesity in adults (aged 18+) and physically active adults (aged 19+) are also better than the England average.

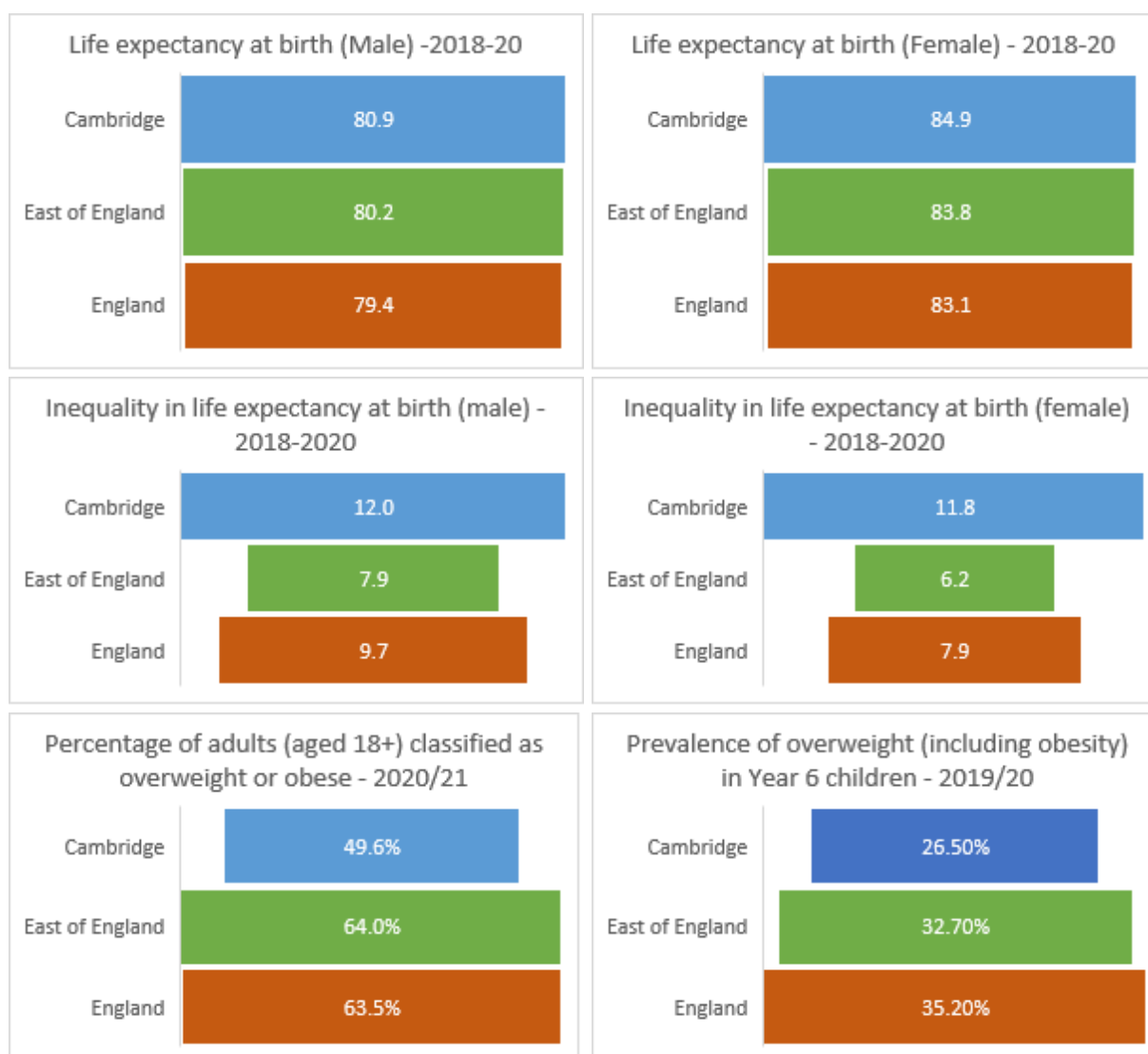
⁷ [Social_Mobility_Index.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

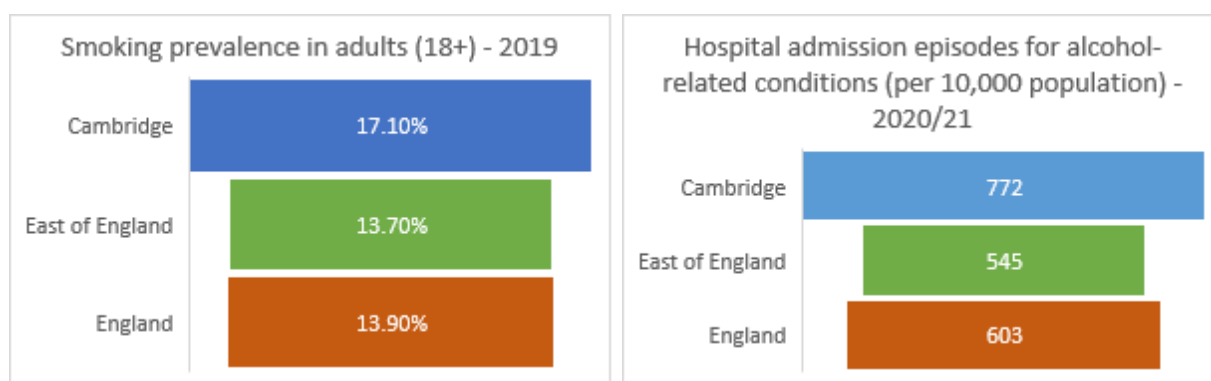
⁸ PHE Local Authority Health Profile [E07000008 \(phe.org.uk\)](https://phe.org.uk)

⁹ [measuring-wellbeing-inequalities-in-britain-march2017.pdf \(wordpress.com\)](https://wordpress.com)

However, on other key health indicators Cambridge performs worse than the national average. The rates for smoking prevalence, alcohol-related harm hospital admissions, self-harm hospital admissions, new sexually transmitted infections, new cases of tuberculosis and serious road accidents are worse than the England average.

There are also significant health inequalities between different places in Cambridge. Average life expectancy at birth for men living in the most deprived areas in the city is 12 years lower than for men living in the least deprived areas of the city, with a similar life expectancy gap of 11.8 years for women. This gap is significantly greater than the national and East of England averages for both men and women.

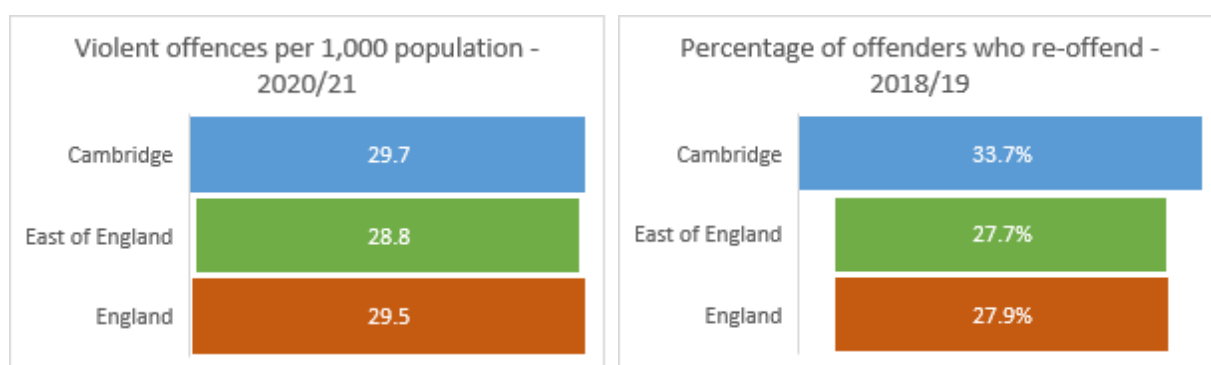




Crime

Overall, recorded crime rates in Cambridge are comparable to the national average. Last year, total recorded crime decreased by -2%¹⁰ compared to the previous year. The number of violent offences in the city (29.7 per 1,000 population) is similar to the national average (29.5%) and the rate of violent sexual offences is the same as nationally (3.3 per 1,000 population).

However, some places in Cambridge, such as the city centre experience higher levels of crime, especially violence and theft, and cycle theft is a significant issue in the city. Re-offending rates are also higher in Cambridge (33.7%) than the England average (27.9%)

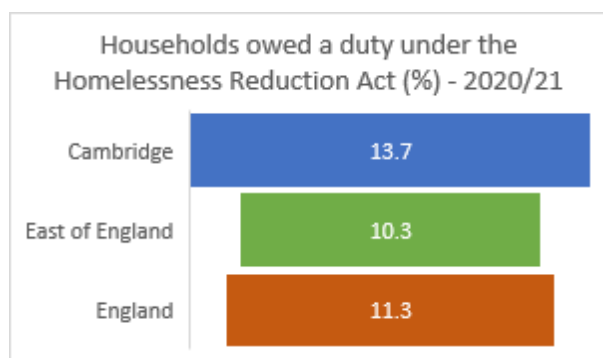


Homelessness

Levels of homelessness are higher in Cambridge than the national average, with 13.7% of households owed a duty under the Homelessness Prevention Act compared to an average of 11.7% in England. In 2021/22, 396 households in the city were prevented or relieved from homelessness, but the number of individuals verified as sleeping rough during the same period was 271¹¹, which was worse than the England average.

¹⁰ [Recorded crime data by Community Safety Partnership area - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹¹ 2021 Council Annual Report [Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council](#)



Economic, Physical and Institutional Capital

Physical capital - infrastructure, homes, machines and equipment, and ICT

Institutional capital - The quality and reliability of governance

Business and innovation

Overall, Cambridge has a strong, successful economy, driven by a combination of its world-renowned Universities and a globally significant cluster of hi-tech and bio-technology businesses. In the wider Greater Cambridge sub-region there are over 5,000 knowledge intensive companies with more than 61,000 employees and a combined revenue of over £15.5bn¹².

Cambridge is also an attractive tourist destination, with people from around the world visiting the city's historic centre. 7.6 million people in total visited the area annually pre-Covid, generating over £2 billion for the local economy¹³. Whilst the tourism sector was heavily affected by Covid-related travel restrictions in the past year, Cambridge was the tenth most popular international travel destination in 2020 in the UK, with 450,000 international visitors¹⁴ in 2020.

The city is a centre for innovation and is a leader in the number of patent applications submitted (308 per 100,000 population). According to Oxford Economics forecasts, productivity growth in the city has been 24% ahead of the national average and is now close to the London average. The gross value added per hour worked was £34 in 2019.

The number of business start-ups in 2020 in Cambridge was the same as the national average (53.6 per 10,000 population)¹⁵, while the number of business closures in the city (43.6 per 10,000 population) was lower than the UK average (47.2).

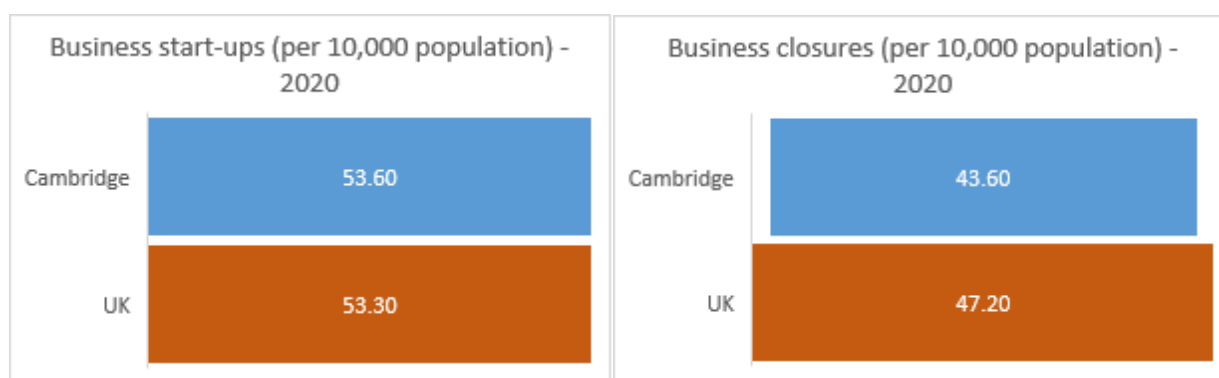
¹² University of Cambridge, September 2019, Cambridge Innovation in Numbers

https://www.cam.ac.uk/sites/www.cam.ac.uk/files/inner-images/innovation_in_numbers_sep_2019.pdf?ucam-flow=business-and-enterprise

¹³ [Home - Visit Cambridge](#)

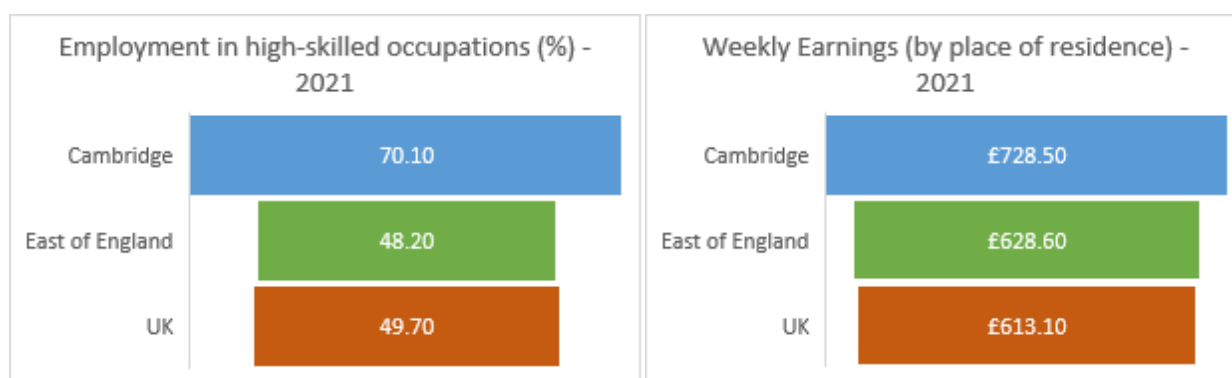
¹⁴ [UK tourism statistics \(finder.com\)](#)

¹⁵ [City Monitor | Centre for Cities](#)

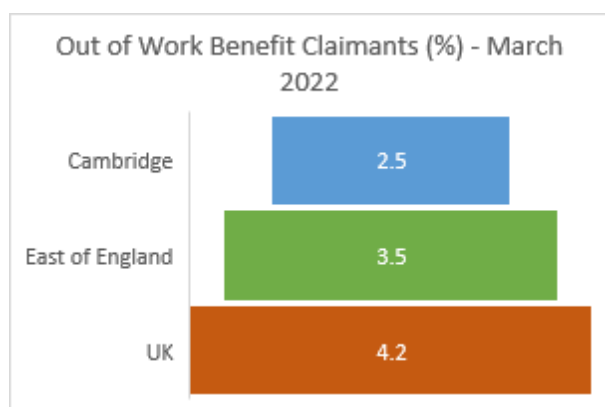


Jobs, employment and earnings

Cambridge is an attractive place for people to work and has a high proportion of good, well-paid jobs in professional, scientific and technical activities, and the information and communication technology sectors. In 2021, just over 70% of jobs were in high-skilled occupations (Standard Occupational Assessment Groups 1-3: Managers, Directors and Senior Officials; Professional Occupations; Associate Professional and Technical).¹⁶ Average earnings are higher for Cambridge residents (£728.5) than the UK average (£613.10).



A high proportion of the working age population (those aged 16-64) are employed in Cambridge (80.5%) and only 2.5% of people in Cambridge are claiming out of work benefits (2.5%) compared to the national average.



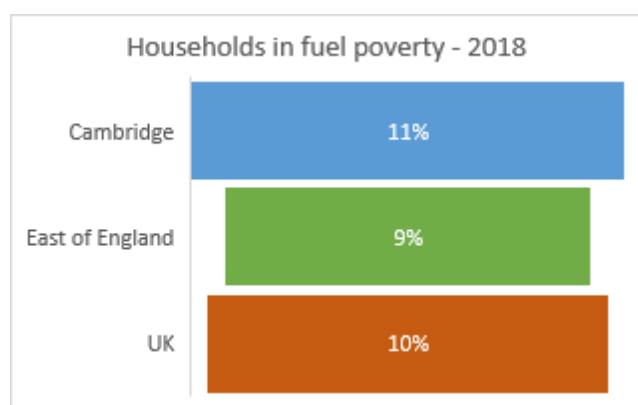
¹⁶ [Labour Market Profile - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk)

Inequality and poverty

While the Cambridge economy is successful and the city is prosperous overall, there is significant inequality in the city. In 2017, Cambridge was identified as the most unequal city in the UK by the Centre for Citiesⁱ, using a measure which takes into account data on wages, pensions, benefits and other income. In 2019, the Nuffield Foundations English Atlas of Inequality¹⁷, ranked Cambridge as the 36th most unequal of all English local authorities, based on the income range of communities.

There are a number of affluent communities in the city, with 26 out of 78 of small areas (Lower Super Output Areas consisting of about 600 households) falling within the 20% most wealthy areas in the country in the income domain of the Index of Multiple Deprivation (IMD). However, there are also concentrations of deprivation, with 3 of Cambridge's LSOAs (2 in Abbey ward and 1 in Kings Hedges ward) in the most deprived 20% of LSOAs in the country in the IMD¹⁸ in 2019.

A significant proportion of people in the city are on low incomes and are currently struggling. In 2020/21, 9% of working age households were claiming Council Tax Support and the fuel poverty rate in Cambridge (11% of households) is higher than the national average (10%). Average weekly earnings for the lowest 10% of earners were £162 per week in 2018, which is 3.5 times less than the average for all Cambridge employees (£555 per week)ⁱⁱ.



Housing, affordability and cost of living

The attractiveness of Cambridge as a place to live has led to a high cost of living for residents. The average house price in the city is £440,600, ranking second in the UK 20 City Index. Lower quartile prices are 13.9 times greater than lower quartile incomes in Cambridge, which can make it difficult for low-income residents and key workers to afford homes in the city. These households often

¹⁷ [English Atlas of Inequality challenges assumptions of rich and poor areas - Nuffield Foundation](#)

¹⁸ [Indices of Deprivation 2015 and 2019 \(communities.gov.uk\)](#)

have to find accommodation outside of the city itself, leading people to commute significant distances to work in Cambridge and contributing to congestion at peak times¹⁹.

Cambridge has a high proportion of private-rented accommodation, with the latest estimates suggesting that 42%²⁰ of all households in the city live in private-rented homes. Private sector rents in the city across all property sizes are the highest in the Eastern region and considerably above the England average. Renting accommodation in the private sector has particularly become less affordable for lower income households and key workers, with lower quartile monthly private rents in Cambridge increasing significantly from £563 in 2014 to £950 in 2018.

Natural and environmental capital

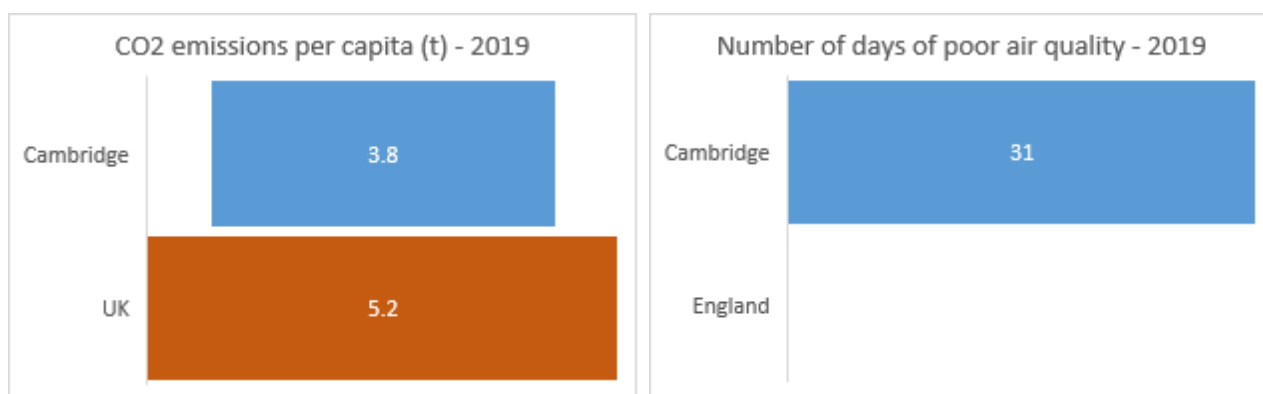
Natural capital - Environmental stocks and systems that generate benefits for people (including ecosystems, raw materials and a stable climate)

Cambridge is the local authority with the most sustainable growth over time, according to the Grant Thornton Sustainable Growth Index.²¹

Between 2005 and 2019, per capita greenhouse gas emissions in Cambridge fell from 6.7 tonnes of CO₂ equivalent per person to 3.8 tonnes per person. This was significantly below the UK average of 5.2 tonnes per person in 2019. During the same period, total greenhouse gas emissions in the city fell by 41%, despite the city's population increasingly significantly in this time.

However, much of this reduction was a result of national investment in greener energy sources. Greenhouse gas emissions will need to reduce at a much faster rate if Cambridge is to reach net zero carbon by 2030 and contribute its fair share to global emissions reductions targets.

In 2019, there were 31 days of poor air quality in Cambridge. However, over the past two years (2020 and 2021) none of our air quality monitoring points exceeded the NO₂ legal limit.



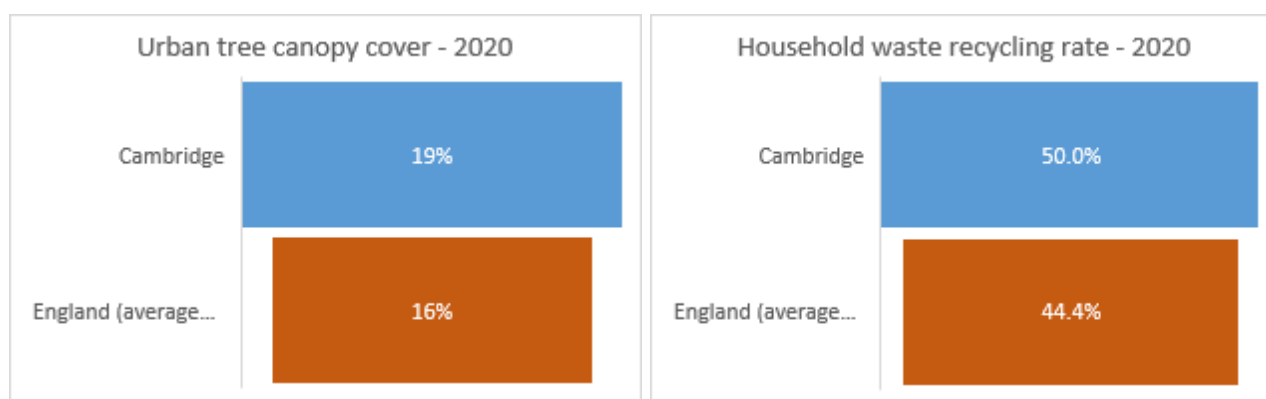
¹⁹Winter Edition 2021 [cambridge---thriving-on-innovation.pdf \(savills.co.uk\)](https://www.savills.co.uk/cambridge---thriving-on-innovation.pdf)

²⁰Page 14, Rental Opportunities, [cambridge---thriving-on-innovation.pdf \(savills.co.uk\)](https://www.savills.co.uk/cambridge---thriving-on-innovation.pdf)

²¹[Grant Thornton | Sustainable Growth Index](https://www.grantthornton.com/insights/sustainable-growth-index)

The proportion of insect-friendly wildflower meadows and long grass areas in Cambridge increased to 1.12% and in 2020 the tree canopy cover was 19% of the city's area, which was higher than the average tree canopy cover across 283 towns and cities in England (16%).

Just over 50% of household waste was diverted from landfill in 2021 and just over 52, 000 tonnes of materials for recycling collected.



Interpreting the data

The data in this report is generally given for Cambridge as a whole. We are conscious that the average for the place can mask variations between different parts of the city, or between different demographic groups.

We would hope in future iterations of this kind of report to be able to interrogate further, where the data allows, to understand more of those nuances, to better inform interventions and policy responses.

ⁱ Centre for Cities, 2017, Cities Outlook 2017

ⁱⁱ Office for National Statistics (ONS), 2018, Annual Survey of Household Earnings

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Item

Cambridgeshire and Peterborough Combined Authority - Update

To:

Councillor Anna Smith, Leader of the Council

Strategy & Resources Scrutiny Committee 11 July 2022

Report by:

Andrew Limb, Head of Corporate Strategy

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

Wards affected:

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

Not a Key Decision

1. Executive Summary

- 1.1 This is a regular report to provide an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) Board since 28 March 2022 meeting of Strategy & Resources Scrutiny Committee.

2. Recommendations

- 2.1 The Executive Councillor is recommended:

To provide an update, alongside the Council's representative on the Board (Cllr Herbert) on issues considered at the meetings of the Combined Authority Board held on 30 March, 20 May, 8 June and 27 June 2022.

3. Background

- 3.1 Decision records of the meetings of the Cambridgeshire and Peterborough Combined Authority Board are attached/will be circulated when available for the committee's consideration.

4. Implications

- (a) **Financial Implications**
- (b) **Staffing Implications**
- (c) **Net Zero Carbon, Climate Change and Environmental Implications**
- (d) **Procurement**
- (e) **Community Safety**

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

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

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

- (g) **Consultation and communication**

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

5. Background papers

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

6. Appendices

Appendix A decision sheet for CPCA Board meeting 30.03.22

7. Inspection of papers

If you have a query on the report, please contact: Robert Pollock, Chief Executive tel: 01223 457003, email: robert.pollock@cambridge.gov.uk.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Combined Authority Board Decision Summary

Meeting: Wednesday 30 March 2022

Published: Monday 4 April 2022

Decision Review deadline: Monday 11 April 2022

Each decision set out below will come into force and may be implemented after 5.00pm on the fifth clear working day after the publication of the decision, unless it is called-in [see note on call in below].

Part 1 - Governance Items

1.1 Announcements, Apologies for Absence and Declarations of Interest

There were no apologies for absence or declarations of interest.

1.2 Minutes - 26 January 2022 and Action Log

The minutes of the meeting on 26 January 2022 were approved as an accurate record and signed by the Mayor.

The Action Log was noted.

1.3 Petitions

No petitions were received.

1.4 Public Questions

No public questions were received.

Part 2 – Finance

2.1 Budget Monitoring Report – March 2022

It was resolved to:

- a) Note the financial position of the Combined Authority for the financial year to date.
- b) Approve the forecast slippage of unspent project budgets on the capital programme of £49.7m and on the revenue budget of £2,278k
- c) Approve the execution of the revised MoU, and associated repayment of £22m, for the Green Homes retrofit programme phase 2 (LAD2) with BEIS.
- d) Approve the additions to the capital programme and revenue MTFP as set out in section 6.

2.2 2022-23 Financial Strategies

It was resolved to:

- a) Approve the following financial strategies:

- i. The Capital Strategy 2022-23
- ii. The Investment Strategy 2022-23
- iii. The Treasury Management Strategy 2022-23

b) Approve the Minimum Revenue Provision statement for 2022-23

Part 3 – Combined Authority Decisions

3.1 Sustainable Growth Ambition Statement

It was resolved to adopt the Sustainable Growth Ambition Statement attached at Appendix 1.

3.2 University of Peterborough Phase 2 novation of a Design Contract between CPCA and Mace Ltd to PropCo2 (Peterborough R&D Property Company Limited)

It was resolved to delegate authority to the Director of Housing and Development (in consultation with the Monitoring Officer and Chief Finance Officer) to novate the design contract between CPCA and MACE Limited from CPCA to PropCo2 (Peterborough R&D Property Company Limited).

3.3 Combined Authority Office Accommodation

It was resolved to:

- a) Identify Pathfinder House, Huntingdon, as the preferred option for corporate office accommodation.
- b) Authorise the acquisition of a leasehold property interest and delegate authority to the Chief Executive to finalise tenancy terms in consultation with the Mayor.

- c) Authorise the acceptance of a tenancy at will to facilitate operational occupation until formal lease documentation can be finalised.
- d) Delegate authority to the Chief Executive to approve a preferred layout and design, and to incur associated expenditure to implement that design.

3.4 Climate Change Action Plan

It was resolved to agree the Climate Action Plan.

3.5 Market Towns Programme – Approval of Recommended Projects (Funding Call 8 - March 2022)

It was resolved to:

- a) Approve the project bid received under Market Towns Programme for the town of Soham in East Cambridgeshire to the sum of £330,000.
- b) Consider the request received from Huntingdonshire District Council and East Cambridgeshire District Council to extend the approval timeline to secure remaining programme budget allocations for Huntingdonshire (£802,150 for the towns of Huntingdon and St Ives) and East Cambridgeshire (£1m for the town of Littleport), and agree to:
 - i. Approve the request and extend the deadline for project bids to **31 March 2023**.

3.6 Transforming Cities Fund Report

It was resolved to:

- a) Note the contents of the Annual Transforming Cities Fund Report (Appendix 1) for submission to Department for Transport (DfT)

- b) Support the principle of utilisation of TCF Capital underspend to support Sustainable Transport schemes (Active Travel & Bus Improvements) as agreed in future budget reports.
- c) To delegate authority to the Chief Executive Officer to submit the Transforming Cities Fund Report to DfT

3.7 Skills Bootcamps Wave 3

It was resolved to:

- a) Accept the Grant offer of £4,891,985 from the Department for Education (DfE) to deliver Wave 3 Skills Bootcamps for the 2022- 23 financial year and approve the addition of a corresponding budget for delivery of the Bootcamps in the 2022-23 budget.
- b) Delegate authority to the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to:
 - i. Make awards to and enter grant agreements with existing training providers to deliver Skills Bootcamps where procurement rules allow.
 - ii. Make awards to and enter into grant agreements with new providers for Wave 3 following an appropriate appointment exercise.

By recommendation to the Combined Authority Board

Part 4 – Transport and Infrastructure Committee recommendations to the Combined Authority Board

4.1 A141 and St Ives

It was resolved to:

- a) Approve the drawdown of £2.3 million for the consultation and commencement of the St Ives Local Improvement Schemes.

- b) Delegate authority to the Head of Transport and Chief Finance Officer to agree a Grant Funding Agreement with Cambridgeshire County Council.

4.2 Demand Responsive Transport

It was resolved to note that the Demand Responsive Transport (DRT) trial has been extended from ending in April to ending in July. The service will be retendered to allow a seamless transition from original contract to new contract.

4.3 March Area Transport Study: Broad Street Scheme

It was resolved to:

- a) Re-purpose £586,205 of CPCA Future High Street Fund monies to undertake the initial phases of the March Area Transport Study Broad Street construction.
- b) Approve the drawdown of £3,780,387 for the construction of March Area Transport Study Broad Street scheme, in full, (subject to the independent evaluation and sign off of the Full Business Case by the Combined Authority Board at a future meeting).
- c) Delegate authority to the Head of Transport and Chief Finance Officer to enter into Grant Funding Agreements with Cambridgeshire County Council in relation to the March Area Transport Study.

4.4 E-Scooter Trial and E-Bike Update

It was resolved to:

- a) Approve the extension of the e-scooter trial to 30 November 2022.
- b) Approve market engagement and a procurement process to enable the expansion of the e-bike service region wide.

- c) Delegate authority to the Head of Transport in consultation with the Chief Finance Officer and Chief Legal Officer to enter a contract with the successful tenderer.

Part 5 – Skills Committee recommendations to the Combined Authority

5.1 Adult Education Budget Funding Allocations 2022/23 and Proposed Funding Policy Changes

It was resolved to:

- a) Approve the funding allocations for the 2022/23 academic year, from the devolved Adult Education Budget (AEB) to the grant-holders, set out in Table A to the report.
- b) Approve the funding allocations for the 2022/23 academic year from the delegated National Skills Fund for level 3 courses, to the grant-holders set out in Table A to the report.
- c) Delegate authority to the Interim Associate Director of Skills in consultation with Chief Finance Officer and Monitoring Officer, to enter into multi-year grant funding agreements with the grant holders set out in Table A to the report, for a three-year period.
- d) Approve the funding policy changes and flexibilities for the 2022/23 academic year.

Part 6 – Business Board recommendations to the Combined Authority

6.1 Local Growth Fund Management Budget

It was resolved to approve the reprofile of the Local Growth Fund's management budget into 2023/2024.

Part 7 – Governance Reports

7.1 Annual Report and Business Plan 2022/23

The 2022/23 Annual Report and Business Plan was not approved.

7.2 Performance Management of the Sustainable Growth Ambition Statement

It was resolved to:

- a) Adopt the approach to performance management summarised in section 4 of the report.
- b) Adopt its initial set of strategic indicators as shown in table 1, Appendix 1.
- c) Agree future reporting timescales set out in section 5 of this report, including the removal of the 'key projects' profile element of the Performance Dashboard.

7.3 Local Assurance Framework

It was resolved to approve the amended draft of the Local Assurance Framework and to delegate authority to the Monitoring Officer (in consultation with the Chief Finance Officer and Chair of the Audit and Governance Committee), to make the relevant changes to the Local Assurance Framework.

7.4 Forward Plan

It was resolved to approve the Forward Plan.

Notes:

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

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

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Item: 8

CAMBRIDGE BID (BUSINESS IMPROVEMENT DISTRICT) THIRD TERM BALLOT

To:

Councillor Alice Gilderdale, Executive Councillor for Recovery,
Employment and Community Safety
Strategy and Resources Committee

11/07/2022

Report by:

Joel Carré, Head of Environmental Services
Tel: (01223) 458021 Email: joel.carre@cambridge.gov.uk

Wards affected:

Market, Petersfield and Newnham

Key Decision

1. Executive summary

- 1.1 Cambridge BID's (Business Improvement District) second consecutive five-year term concludes on 31st March 2023.
- 1.2 Cambridge BID is seeking a third five-year term, to run from 1st April 2023 to 31st March 2028, which will be determined by a legally required ballot of non-domestic rate payers within the BID area, to take place between 14th October and 10th November 2022.

- 1.3 The third term ballot will be based on a proposed set of levy rules, which will apply to all non-domestic rate payers within the Cambridge BID area; and a five-year business plan, which will outline the key workstream activities the BID will invest the levy income in over its third term period.
- 1.4 The Council, as a non-domestic ratepayer, in respect of a number of Council owned properties within the BID area, will be liable for a proposed BID levy charge of c£300k over the third term period. The Council's charge represents c5% of the expected total levy income of c£6.5 million, which Cambridge BID will be raising via the levy over the third term period.
- 1.5 This paper outlines what Cambridge BID has achieved in its second term, and what it's seeking to achieve from its proposed third term.

2. Recommendations

The Executive Councillor is recommended:

2.1 To exercise the Council's voting entitlement in the forthcoming Cambridge BID third term ballot.

2.2 To support Cambridge BID's third term ballot.

3. Background

- 3.1 BIDs are business led partnerships, which are created following a ballot process, in order to deliver additional services and projects to local businesses over a defined period (up to a maximum five years). BIDs are a powerful tool for directly involving local businesses in local activities and to allow the business community and local authorities to work together to improve the local trading environment.

3.2 BIDs serve a defined geographical area in which a modest levy is charged on all qualifying non-domestic ratepayers, in addition to the non-domestic rates bill. A BID can only be established, and a levy charged, following approval of proposals setting out what the BID will do, via a ballot of those businesses liable to pay the levy. This levy is used to develop services and projects which will benefit businesses in the local area. There is no limit on what services or projects can be provided through a BID. The only requirement is that it should be activities that are in addition to services provided by local authorities.

Cambridge BID achievements

3.3 Cambridge BID is a not-for-profit organisation limited by guarantee with a Board of Directors representing key business sector interests from within the city centre BID area. The Council, as a non-domestic rate payer within the area, is represented on the Board by a nominated member of the Council's Executive, which, following the Council's 2022 AGM, is the Executive Councillor for Recovery, Employment and Community Safety.

3.4 Cambridge BID was established in 2013, following a successful first term ballot; and is now coming to the end of its second consecutive five-year term, which will end 31st March 2023. Over its second term, Cambridge BID has invested a total of c£5 million (raised through the BID levy) on a valuable programme of activities to support the city centre trading environment. These have included services to support the visitor experience, such as the City Ambassadors and Taxi Marshals; and events to animate and attract footfall, including the Christmas Lights and Market Square family film screenings.

3.5 Following the outbreak of the COVID pandemic in early 2020, Cambridge BID has played a key role, working closely with the Council and other key partners, to support the city's response and subsequent recovery. This has included launching a £150K Covid Business Support Grant and delivering the 2021 Cows about

Cambridge city-wide public art project. A copy of the BID's Annual Report for 2021/22 is included in appendix A.

Third term proposal

- 3.6 Cambridge BID has agreed to pursue a third five-year term to run from April 2023 to March 2028. In accordance with national legislation governing BIDs, to secure a third term, Cambridge BID must now go through a formal ballot process. The ballot will be open to non-domestic rate payers within the BID area and run from 14th October to 10th November 2022.
- 3.7 To inform the ballot, Cambridge BID has published a third term consultation plan (see appendix B), which sets out the proposed key objectives and associated targets for the third term, together with an outline of the key priority activities to achieve them. The consultation plan has been circulated to non-domestic rate payers within the BID area to obtain their feedback and so help shape the third term business plan. The business plan together with any proposed changes to the levy rules (eg. % charge rate and threshold rateable value (above which it will apply), will be published in September 2022, ahead of the ballot. Subject to a successful ballot, the proposed levy rules will apply to all non-domestic rate payers within the BID area. The third term levy is expected to deliver a total income of c£6.5 million, which Cambridge BID will invest in accordance with the third term business plan.
- 3.8 The third term business plan will build on Cambridge BID's first and second term achievements, with a focus on strengthening and sustaining the city's recovery (post pandemic) around two key objectives:
- Encouraging more residents, employees and students to make more of the city offer
 - Encouraging more visitors to extend their stay in the city and to stay overnight

3.9 Outlined below are some of the proposed new activities to form the basis of the third term business plan, listed under two new workstream themes - '*Welcome and Experience*' and '*Support and Connect*'. These are taken from the aforementioned consultation plan (see appendix B), which the BID is currently out to consultation on with non-domestic rate payers within the BID area.

Welcome and Experience

- a) Work with the Council, and other partners, to develop a Destination Management Plan for the city
- b) Develop bookable product to promote more visitors staying in the city, especially mid-week and for longer 3-4 night/ week-long stay; showcase Cambridge as a gateway to East Anglia and the coast.
- c) Deliver a second city wide art trail in spring 2024 and a third in spring 2026 or 2027, building on the huge success of the 2021 Cows about Cambridge trail
- d) Develop midweek promotions to target residents, workers and more overnight stays, including themes around Wellbeing Wednesday, spas, beauty and hair as well as food and drink.
- e) Continue to develop the Purple Flag accredited night-time economy partnership for the city
- f) Work with the Council to ensure city centre streets and open spaces are kept clean and safe and businesses are supported when dealing with issues like anti-social behaviour

Support and Connect

- a) Develop a loyalty programme for employees, residents and students (particularly based on walking and cycling)
- b) Support better digital connectivity and presentation of the city to give consumers a vibrant experience of the offer and encourage visits, stays and spend.
- c) Work with the Council and businesses on supporting environmental initiatives and objectives, including biodiversity, climate change and greening of the city centre public realm

3.9 In addition to the proposed new workstreams and associated activities, Cambridge BID is also proposing to continue to deliver its established core services over the third term period, including:

- a) Website and social media content
- b) City events and screenings
- c) Christmas Lighting display across the city
- d) City Ambassador Service, including mobile visitor information
- e) Supporting Cambridge Business Against Crime (CAMBAC)
- f) City centre performance monitoring and footfall information
- g) Love Cambridge Gift Card

4. Implications

a) Financial implications

4.1 Legally, the Council is responsible for organising and managing the BID ballot, including providing all relevant notifications, ballot papers, voting documentation and storage in line with the schedules. The cost to the Council of holding the third term ballot is likely to be c£4k and will be found from within the existing budget.

4.2 Based on the Council's rateable non-domestic properties within the BID area, the total Council levy charge for the third term period is c£300k, or 5% of the total expected levy income of c£6.5 million.

b) Staffing implications

4.3 There is currently one Council employee working on secondment for Cambridge BID. Subject to a successful third term ballot, Cambridge BID has confirmed, in principle, its intentions to formally take on this individual staff member's contractual employment with their permission. Should the third term ballot be unsuccessful, the individual staff member's secondment to the BID will formally end and their situation managed in accordance with the Council's Organisational Change Policy.

c) Equality and poverty implications

4.4 Given Cambridge BID's proposed third term strategic focus on continuing to strengthen and sustain the city's economic recovery, the proposed third term business plan has been assessed as having a net positive equality and poverty impact.

d) Net Zero Carbon, Climate Change and Environmental Implications

4.5 Given Cambridge BID's proposed third term commitment to work with the Council and other partners to develop a Destination Management Plan for the city, focused on encouraging longer stay visits; and, also to work with the Council and businesses on supporting environmental initiatives and objectives, including biodiversity, climate change and greening of the public realm, the proposed third term business plan has been assessed as having a net low positive carbon, climate change and environmental impact.

e) Procurement Implications

4.6 There are no procurement implications.

f) Community Safety Implications

4.7 Given Cambridge BID's third term commitment to continue to develop the Purple Flag accredited night-time economy partnership and to ensure city centre streets and open spaces are kept clean and safe and businesses are supported when dealing with issues like anti-social behaviour, the implications of the proposed third term business plan has been assessed as having a net positive community safety impact.

5. Consultation and communication considerations

5.1 To inform the proposed third term business plan, the BID has undertaken significant primary research, including a city centre business and visitor survey; and, since March 2022, a series of face-to-face consultation workshops.

5.2 The consultation undertaken to date and proposed third term ballot process, to be undertaken between now and the end of the ballot on 10th November 2022, is in accordance with the BID's legal requirements.

6. Background papers

None

7. Appendices

Appendix A: Cambridge BID Annual Report 2021/22

Appendix B: Cambridge BID third term consultation plan

8. Inspection of papers

Should you have any queries on the report, please contact:

Joel Carré, Head of Environmental Services

Tel: 01223 458021

Email: joel.carre@cambridge.gov.uk

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CAMBRIDGE BUSINESS IMPROVEMENT DISTRICT (BID)

Final Consultation Document

2023-2028

cowsaboutcambridge.co.uk #cowsaboutcambridge



CREATING A WORLD-CLASS EXPERIENCE FOR ALL WHO VISIT, LIVE, AND WORK IN CAMBRIDGE, A GLOBAL CITY

Cambridge Business Improvement District (BID) is a collaboration of **1,200 businesses**, working together to create a world-class experience for all who visit, live, and work in Cambridge, a global city.

Launched in April 2013, the organisation received a mandate in November 2017 to continue its work for a second five-year term, following a Renewal Ballot in which 80 per cent of voters gave their backing to the Business Plan for 2018-2023. In the process, the BID Area was extended to incorporate the CB1 area and Station Square; the threshold above which businesses pay a levy was also increased from **£20,000 to £30,000**.

During this second term, almost £5 million of private sector funding is being invested in the city through Cambridge BID. This underpins existing projects - delivered under the Welcome, Experience and Support workstreams - and enabled new initiatives that will attract new talent and business, while raising the city's profile still further on the global stage. This term has also seen the Covid-19 pandemic that had a profound effect on all global cities and Cambridge was no exception. For almost two years, visitors avoided crowded places,



businesses were severely restricted or forced to close, and home working and study prevailed. Cambridge BID have worked hard to ensure the city bounces back quickly and safely.

During this period, we provided much needed assistance to city centre businesses by -

- 1) Continued our business support functions in 2020 and 2021
- 2) Launched our £150k Covid Business support grant in May 2021
- 3) Delivered our Cows about Cambridge city wide public art project in the summer of 2021 just as the city began to open up.

With footfall now back to 2019 levels Cambridge is proving how robust it is and the bounce-back is being sustained. As part of that strengthening recovery there is a need to reconnect people - with the city; not just to restore old habits but to encourage new patterns of

**1,200 BUSINESSES,
WORKING TOGETHER**



➤ THAT IS WHY THE KEY OBJECTIVES FOR THE NEXT 5-YEARS OF THE CAMBRIDGE BID WILL BE:



TO ENCOURAGE MORE VISITORS TO EXTEND THEIR STAY IN THE CITY AND TO STAY OVERNIGHT

If **10% more visitors** to Cambridge were to stay overnight, that would mean an **extra £34million** spent in BID businesses.

TO ENCOURAGE MORE EMPLOYEES, STUDENTS, AND RESIDENTS TO MAKE MORE OF THE CITY

If **10% more employees, students and residents** in Cambridge spent an extra hour a week in the city, that would mean an **extra £5million** spent in BID businesses.

This document outlines how we plan to achieve these ambitious targets using both current projects and services together with new proposals that result from consultation with and feedback from our business community.

We have combined the project areas of Welcome and Experience and added a connect workstream to create Support and Connect as our two project themes. Cambridge BID term 3 will deliver around £1.25m a year with 3% inflation resulting in a total income over 5 years of around £6.5m

Work has started on developing our business plan for our Third Term (April 2023-2028) and this will be published in

September. This final consultation document pulls together all the strands of research we have carried out over the last few months and outlines the direction you believe the BID should be heading in.

From 14 October 2022 levy payers will be able to vote for a further five years of BID support. The BID has ambitious plans to be part of ensuring Cambridge is and continues to offer a world class experience for all who visit, live, and work in the city.



YOU SPOKE, WE LISTENED

Our door is always open and the BID team work with businesses on a daily basis, but over the last few months we have been gathering more specific feedback through a variety of consultation methods to hear your thoughts about the next five years

> OUR CITY AMBASSADORS

Our City Ambassadors carry out several business visits each week which are reported back to the team, they are the eyes and ears of the BID.

> FACE-TO-FACE

Throughout March we held a series of Consultation Workshops inviting businesses to come along and contribute to project discussions. Working with a cross section of the city, it enabled us to understand the priorities for the various sectors.

> ANNUAL SURVEY

Each January we conduct an annual survey in partnership with The Retail Group where we ask a large proportion of BID businesses to complete a questionnaire. This gives us an understanding of how your business is performing, how you feel the city is performing and your thoughts on the work that we are delivering. This information has enabled us to fine tune our project delivery each year.

> ANNUAL CONSUMER SURVEY

In February over 2,000 consumers completed this survey helping us understand how they perceive the city, our BID projects and what improvements could be made. This information is then used to determine project priorities.

> AGM JULY 14TH 2022, GRADUATE HOTEL 6PM

All BID businesses are invited to attend our AGM and Summer Business Event where you can meet the team and hear from our CEO and Chairman who give an overview of the previous year's activity as well as an insight into how our work will benefit you over the year ahead.

This year we are delighted to have two guest speakers, firstly Robert Pollock, Chief Executive of Cambridge City Council will talk about the benefits of Public/Private Partnerships and then Andrew Carter Chief Executive of the Centre for Cities, will talk about how cities are recovering post pandemic and what their future looks like.

[» REGISTER YOUR SPOT HERE](#)

> PROJECT FEEDBACK

We seek feedback following completion of many of our projects, which gives us valuable information to help shape future projects.



LOOKING AHEAD

2023-2028

Looking ahead to Term 3 of Cambridge BID, you have said:

‘How do we encourage people to explore the city more, move people around to places they would not usually go to’

‘Cambridge should be buzzing after work, how can we get that European feel in the twilight hours’

‘There’s so much going on, how do we encapsulate that and tell more people’

‘There’s obvious off-peak days for many businesses, how do we spread the customers out more evenly throughout the day/week’

‘The office sector is a growing one, we need the people who work in the city to enjoy the city’

‘Small businesses need help with how to do their bit for the environment’

‘Who can speak up for the business community when it comes to things like public transport and parking issues’



➤ We have assessed the feedback and our two future themes include projects identified as being most important to you along with some existing projects that you are keen we keep delivering:

EXPERIENCE & WELCOME

Key priorities:

VISITOR STRATEGY

- Work with partners to develop a Destination Management Plan (DMP) for the city.
- Develop bookable products to promote more visitors staying in the city, especially mid-week and for longer 3-4 night and week-long stays. Showcase Cambridge as the gateway to East Anglia and its coast.
- Work closely with Visit Britain, Visit England and other industry partners, in particular Travel Trade and Meetings, Incentive, Conference and Exhibitions (MICE) specialists..
- Represent Cambridge by attending key tourism and travel events.
- Develop our research capability to be able to measure and monitor the effectiveness of campaigns. Track visitor data with tools such as The Cambridge Model volume and value reports, STR data, T-stats, tourism sentiment indexes and our own footfall and other data sources.
- Wider use of social media influencers.

CITY ANIMATION

- Building on the huge success of the 2021 Cows about Cambridge trail we will work with our key partners to deliver a second city wide art trail in spring 2024 and a third in spring 2026 or 2027.
- Deliver a new city-wide Christmas lights programme and in doing so ensure they are carbon neutral.

LIGHT THE CITY

- Working with partners seek to develop more lighting and projection type events in the city that drive footfall.

MIDWEEK CAMPAIGN

- Develop midweek promotions to target residents, workers and more overnight stays. This will include developing a Wonderful Wednesday's project to include themes around Wellbeing Wednesday, spas, beauty and hair as well as food and drink Wednesdays to encourage people to visit and ideally stay in the city centre on midweek evenings.

SAFER CITY CENTRE COMMUNITY

- Develop our 'safe city' Purple Flag project to include staff training on customer welfare.
- Work with Cambridge City Council on ensuring our streets are kept clean and safe and that businesses are supported when dealing with issues like anti-social behaviour .

And of course, we will continue to deliver our existing project portfolio:

- Investment in social media & website content to promote the city and its businesses
- City events and screenings.
- Visitor guides, maps & magazines.
- Christmas lighting display across the city.
- City Ambassador service.
- Supporting Cambridge Business Against Crime (CAMBAC) and other projects that address anti-social behaviour



SUPPORT & CONNECT

Key priorities:

RETAIN SPEND IN THE CITY

- Develop a loyalty programme for employees, residents and students (particularly based on walking and cycling), this will also encourage more usage of the city from these consumer segments.

DIGITAL CONNECTIVITY

- Better digital connectivity and presentation of the city to give consumers a vibrant experience (metaverse) of the offer here and encourage visits, stays and spend.

GREEN AGENDA

- Work with Cambridge City Council and businesses on supporting their environmental initiatives and objectives, including biodiversity, climate change and greening of the public realm and spaces.

- Look at implementing a commercial compostable bin service to support sustainability and recycling.

BUSINESS CONSULTATIONS

- Represent businesses in the myriad of transport and access consultations including the Market Square project and working with providers such as GCP, CPCA, Cambridge County Council and County Council.

As well as delivering the current portfolio:

- Performance Monitoring & footfall information
- Supporting local events & festivals
- Supporting our Independent sector with dedicated projects tailored for this important community
- Love Cambridge Gift Card



WE KEEP DELIVERING



NEXT STEPS

The consultation and project development will continue over the coming months, to ensure we meet the needs of the business community. On July 14th we will host our AGM and Summer Business Event at the Graduate Hotel Cambridge where we will cover our activity over the last 12 months and go through the next phase of activity in the lead up to the ballot. A business plan will be developed and launched in September and showcased at our annual awards event on September 29th at The Cambridge Union.

TIME TABLE



MEET THE TEAM

The team are always on hand to answer any questions, help with any issues that you might have. Contact details are below, we look forward to seeing you all soon.

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Item:

UPDATE ON PROGRESS OF THE OUR CAMBRIDGE TRANSFORMATION PROGRAMME

To:

Councillor Mike Davey Executive Councillor for Finance, Resources and Transformation
Strategy & Resources Scrutiny Committee, 11th July 2022

Report by:

Nick Kemp, Director of Transformation

Tel: 07875 700079

Email: Nick.Kemp@cambridge.gov.uk

Wards affected:

All Wards

Not a Key Decision

1. Executive Summary

1.1 This paper provides an update on the following areas:

- The progress made on preparing the council for transformation since the inception of the Our Cambridge Programme (OCP) in October 2021
- The programme's scheduled activity during the next 3 months that will establish the strategic design of future council services
- The current investment made in by the council in the OCP and an explanation of any variance against pre-programme forecast

1.2 The paper describes the evolution of the council's approach to execution of whole system transformation. This was reviewed during December 2021 and led to a more systemic and inclusive approach that reduced the risks that the programme would not achieve its intended benefits.

1.3 The revisions to the programme and the progress made during the subsequent five-month period are described in the initial sections of this

report. It describes how the changes have generated new opportunities for the council to take a ‘big picture’, strategic view of the opportunities available, leveraging the potential of partnerships and communities to work in a more joined up way with the council and to reduce the risk of not taking others on the change journey with them.

- 1.4 The later sections of this report set out the programme’s schedule for the period between this committee meeting and the S&R Committee Meeting in October 2022. This period will establish a future overarching design for how the council will operate in the future. The design will show how the council will deliver essential cost reductions while also how it intends to work alongside others to reduce duplication and create smoother more joined up services that meet the needs of residents both now and as they change in the future.
- 1.4 The final section of the report provides an appraisal of current spend against that the schedule anticipated in the MTFs appendix approved by members in October 2021. This part of the report also describes some of the challenges in moving the programme forward at the pace required by the council and its members. While these challenges are significant and real, the programme believes that a high-level future design is possible in time for the October S&R committee meeting.

2. Recommendations

- 2.1 The Executive Councilor is recommended to:
 - Note the approach and progress of the Our Cambridge Transformation Programme outlined in this report; and
 - Note the proposals for the development of the organisation design for presentation to S&R in October 2022.

3. Background and Inception

- 3.1 The City Council approved the commission of the Our Cambridge Programme within its Medium-Term Financial Strategy (MTFS) in October 2021 (Annex E). It described that the 'Our Cambridge' programme would be designed to enable our communities, the council, and our partners to work together to build a sustainable future for Cambridge, where 'One Cambridge – Fair for All' underpins all our work; that the programme would extend to every aspect of our work as a council and the outcomes we deliver, with and for the communities we serve.
- 3.2 The MTFS forecast the costs of transformation to be a total of £4.275 million across revenue and capital budgets, and a contingency. Scenarios were provided for the potential financial benefits that could be achieved, including a mid-point estimate of £4.7 million revenue improvement from 25/26.
- 3.3 Following council approval of the proposed transformation, the existing transformation team and its external partner PPL focused on securing delivery resources, developing early plans for functional change and engaging staff in the emerging process. This included the recruitment of a transformation team drawing upon the internal talent available, augmented by external, experienced transformation specialists recruited to the council on a fixed term basis.
- 3.4 Part of this process included the appointment of a New Transformation Director in December 2021 who worked with the small existing team to recruit and scale up delivery capacity. The Transformation Director also undertook a current state review of the programme structure and approach. This led to proposals for some adjustments to the programme that were discussed and approved by the leadership and transformation boards, and responsible Executive Councillor, during January and February 2022. These are described in sections 3 and 4.
- 3.5 At the beginning on January, a commitment was made to maintain the delivery of existing programme of digital works to ensure certain in-flight projects which were foundational to our next stage of work (Tascomi, Alloy and Orchard) were not missed. These projects, as well as the work around Office Accommodation and some new digital projects, are part

of the Transforming Delivery workstream as they are key to optimising our current services.

3.5 By mid-February there was sufficient progress on mobilising the delivery team to ‘stand down’ the councils transformation partner, PPL, and take on direct management of the programme.

4. Transformation Governance and Approach

4.1. The current state review of the programme in December 2021 identified opportunities for it to be realigned to better reflect the ambitions the Council set out within the MTFs.

4.2 The review established the scope and scale of transformation activities using the model shown in figure 1 that reflected the transformation narrative approved by the council in October 2021.

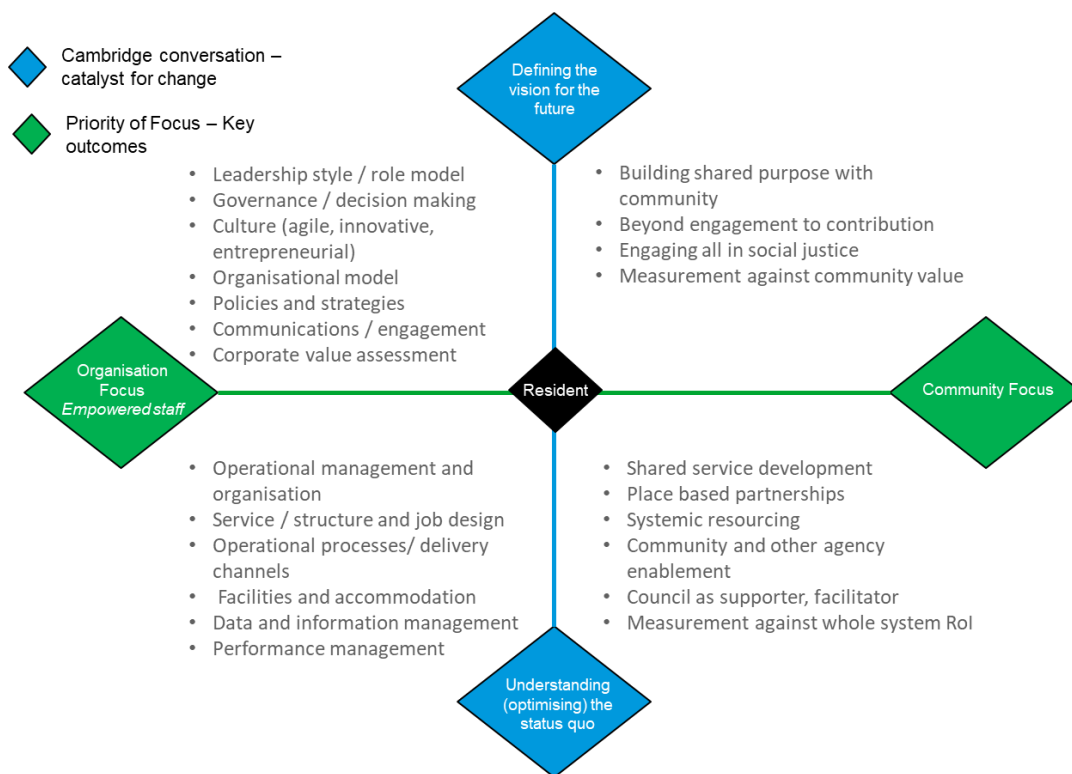


Figure 1: Transformation requirements aligned to council transformation themes (Dec 2021 review)

4.3 The review found that, while there has been some early work in reviewing and adopting new operational changes, particularly in-flight digital activities, there had been less focus on redefining the relationship between the council and its residents or achieving the social benefits

articulated in the initial commission. In addition, greater priority needed to be given to overarching organisational change, as much of the focus had been on project-based changes to services.

- 4.4 The programme governance that had been established at inception was relatively complex and risked work streams duplicating activities. Definition of projects often focused on what they would do, rather than what outcomes they would achieve. In addition, there was some ambiguity about what constituted 'business as usual' change and those changes within the transformation programme which needed to be clearer.
- 4.5 A new governance approach was developed and approved by the Transformation Board in February 2022. This included the establishment of an organisational change board that created the capacity to transforming services across the whole council rather than seek to change its separate functions independently of each other.
- 4.6 New governance arrangements also clarified the role of the Corporate Programme Office (CPO). The review established some simple principles that ensured appropriate level of governance was applied to all council projects based upon the level of risk; that transformation projects were appropriately aligned and managed within the transformation.
- 4.7 In order to best inform both our programme, as well as the future organisational model and design (further detail in Section 6), we have also been undertaking work to understand innovations and reforms in other councils. This includes Oxford City Council, which has very similar challenges, which kicked off in June 2022, to share lessons and insight about what works and problem solve across the two councils.
- 4.8 We intend to continue this exchange, both directly between equivalent counterparts and as a group. We also are currently in dialogue with councils such as Stevenage and Wigan, who are forerunners in co-operative council delivery, and intend to develop further relationships with comparable councils, such as Norwich. In addition, the council has an ongoing dialogue with South Cambridgeshire District Council about transformation at different levels across both organisations.

4.9 Further information on Transformation Approach and Governance can be found in APPENDIX 2.

5. Engaging the council and community in the change

5.1 The December 2021 review of the programme identified that there needed to be more focus on engaging the wider council and community in the process of transformation. This was highlighted as a significant risk, not to the delivery of the programme of transformational activity, but the extent to which the programme would ultimately result in real change being realised to costs or service measures of success. Transformational research has shown that over 70% of change failure is the result of change stakeholders failing to support the change at transition.

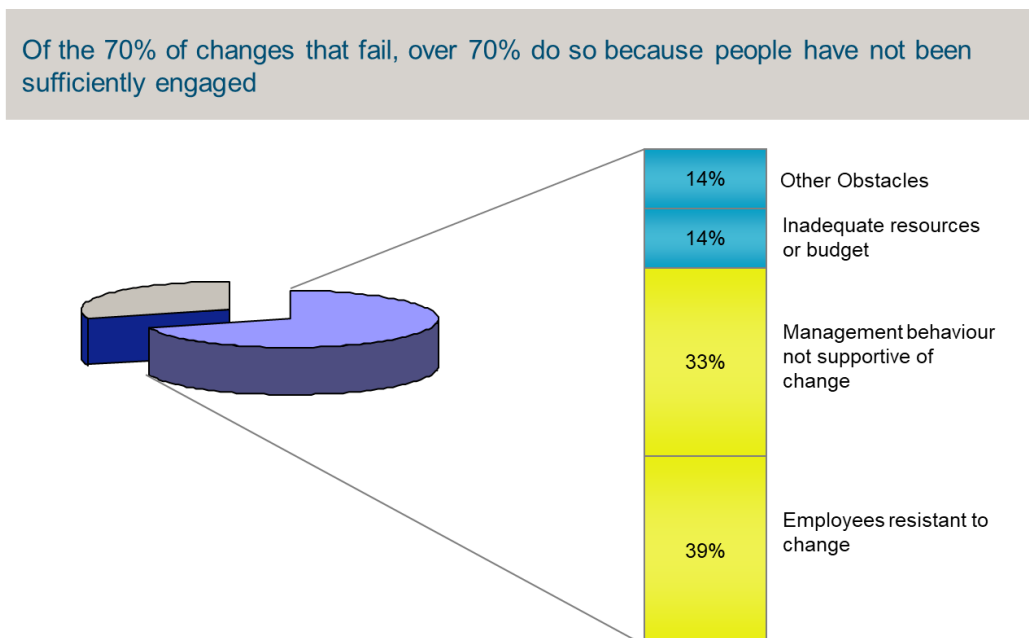


Figure 2: Diagram showing the primary causes for change failure (ref OD Change Consulting Ltd)

5.2 In response to this assessment, the programme has sought to reset its relationships with those groups who will ultimately determine the successful adoption of new ways of delivering services. At the heart of this activity has been a series of initiatives to develop a culture where change is not seen as being 'done to' the business to one where there is a growing demand that the changes are done 'with', 'through' and 'by' those officers and service partners who share a common vision of a city that provides better services to residents.

- 5.3 The realignment of the transformation programme has involved inviting individuals and teams to reconnect with their own contribution to the lives of the residents of Cambridge. This has been achieved through:
- Conversations about why people work and why they work in certain ways and in certain places. How that supports residents or their own wellbeing (i.e. their core purpose); and
 - Creating the space where both teams and individuals are empowered to take action to make the work better without the expectation that they need to seek permission from others to make simple, but significant local changes (individual and team empowerment)
- 5.4 The programme has delivered this through 'Making It Real', an initiative that has also helped identify some early changes and create the space and platform for the broader organisation design planned for the summer. The programme has been delivered by staff across all teams (titled, 'change leaders' and change makers')
- 5.5 There are currently 20 change leaders supported by a further 52 change makers from all areas of the council all of whom are running 'Make It Real' events with their local teams. The programme is providing on-going change leadership development, support and advice for this group who will continue to play a major part in the process of transforming the council over the coming months
- 5.6 The programme's operational governance changes have also created a closer alignment between the council's service teams and the process of change (see section 4 for details of changes to governance). This has been achieved by assigning leadership of the programmes work stream boards to service directors as well as ensuring that all service heads have a seat on a work stream board. The intention is to make change part of the current experience of operational leaders, as opposed to something the programme come and talk to them about, when required. As such the approach forms part of the cultural and leadership behavioural agenda required for transformation to be adopted and sustained.
- 5.7 The evolution of leaders' contribution to transformation is continuing with greater involvement of senior managers in transformation activities through SMT and leadership awaydays. More recently it has been

extended to the appointment of a smaller cadre of senior council officers to lead the council's future service design (see section 6 for more details). The programme has, in collaboration with HR, developed an emerging set of leadership values that will support transformation.

- 5.8 In recognition of the importance of active and direct involvement from our stakeholders, the programme has increased its provision for engagement activities beyond the usual communications / tell channels. While this is still developing, the programme has extended and updated its intranet site. The team have also launched a series of 'lunch and learn' sessions open to all staff to discuss more about how they can develop their change capabilities. These include dedicated sessions offered to all new entrants to create the opportunity to participate in future change activities.
- 5.9 During the summer there are plans in place to increase direct dialogue with all staff through a series of town hall events. The Transformation Director has also met with a number of teams during their regular team meetings to have more local, informal dialogue about what change means 'on the ground'.
- 5.10 The Director of Transformation and the Head of HR have established and maintained a close relationship with unions ensuring that they are sighted on current work and providing them with early insight about the upcoming activities. The approach seeks to develop and maintain an open dialogue that offers the opportunity for the programme to hear from staff side how changes are being received by staff. Staff representatives have been involved in the design of the Making It Real events (see 5.2) and it is intended that they will continue to have early sight of future plans on any on any significant change prior to any announcement from the council.
- 5.11 While at this stage, the programme's engagement has been directed towards council employees, the programme has run an initial partnership event with a number of public, private and community partners. Work has been undertaken within the partnership and community work stream to establish the inter-relationships between existing community engagement programmes that will contribute towards our ability to leverage greater value at a systemic level.
- 5.12 To ensure that our change journey reflects the interests of the whole community, the programme has commissioned work on creating a

shared vision for the city that reflects the lives of its residents, the role of the council, its members and other partners in responding to those needs. This will become a unifying narrative that is relevant to all those who have a stake in the future wellbeing and prosperity of Cambridge and its residents.

5.13 Additional projects are also taking place or planned which support our ambition of meaningfully engaging and involving our communities as part of outcome delivery.

- We have procured CitizenLab which will support a new approach to public consultation, engagement and policy development that will broaden access;
- Heating and Health is a project with the ICS to develop more face to face interaction with vulnerable residents and those that are most affected by cost of living;
- Community wealth building and how this may best serve our residents;
- Proposals with CPCA to develop a City Lifebelt portrait which will involve different communities and residents in the Autumn.

5.14 The full list of projects can be found in Appendix 2.

5.15 Finally, the transformation programme is working alongside the Leader, Executive and Chief Executive to consider how to take forward proposals to change corporate governance arrangements. This work draws upon and supports work commissioned on the budget setting process, Centre for Governance and Scrutiny and Independent Remuneration Panel. These changes can play an important role in supporting transformation, by creating the conditions and enabling behaviours that improve and modernise the way in which council decisions are formulated and approved, and provide greater clarity about the respective roles and responsibilities of members and officers.

6. Designing a new council

- 6.1 As described in section 4.3, the refocus of the programme has enabled the council to establish how it can optimise its value to the city and its residents, rather than solely considering how it can reduce its operating costs. This has created the opportunity to undertake an objective review of the council’s current design and investigate how the needs of the residents may be best met using the potential of the wider system.
- 6.2 In late March, the programme commissioned work towards a new organisation design and associated change process that will transition the council to a financially sustainable, resident centric organisation that can draw upon the capacity and capabilities across the city. The four phases are shown below.

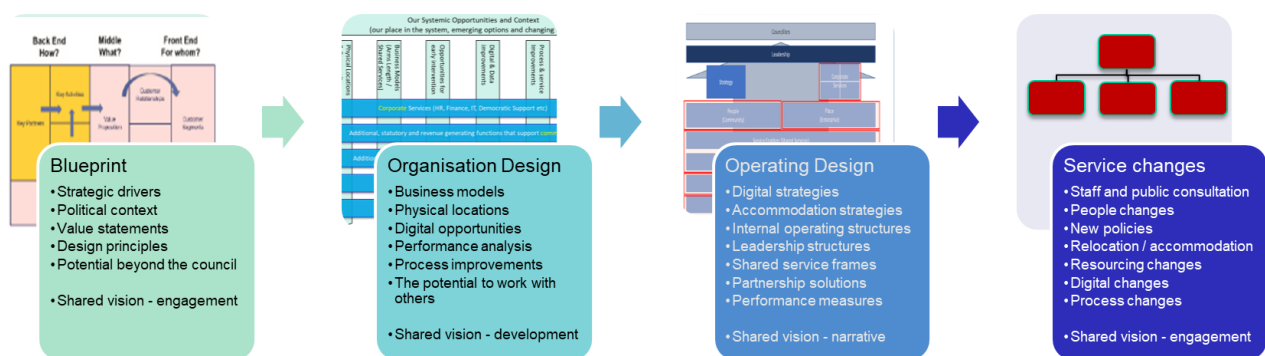


Figure 3: End to end organisational design and change process (March 2022)

- 6.3 Early work on the blueprint has focused on the type of council that Cambridge seeks to become. The work has included an exploration of a number of local authority design options adopted by similar councils and the benefits and constraints of each. It has included a series of meetings with members and senior officers to establish the political and cultural perspectives within Cambridge City Council and the unique circumstances within the city.
- 6.4 The work examined current services models and approaches and explored the potential for other agencies and conditions within the city and its hinterland to support or influence future design choices. From these conversations, the programme has established design principles for the future council. They may be subject to future iterations.

Design Principles for a future Council

1. **Achieve good outcomes for residents and the environment**
2. **Enable partners, communities and the council to achieve outcomes together**
3. **Use evidence and feedback to adapt and continuously improve**
4. **Make our customer and resident experience simpler, quicker and better**
5. **Offer sound value for money through efficient use of resources**
6. **Make best use of data and digital**
7. **Invest in our people capabilities and empower them to take the initiative**

Figure 4 – Design Principles – also in Appendix 2

- 6.5 From the beginning of June the design has entered the second phase of work that will draw upon this initial blueprint to establish the options for future service delivery for the council. This phase will investigate in more detail the ways in which services might be delivered to meet the needs of residents. It will test the current opportunities to work with others as well as investigate the value in investing in the community to reduce costs or optimise service provision in the future.
- 6.6 The organisation design work has been broken down into functional areas will be led by senior officers from the council. They will be supported by a dedicated team of transformation resource that can help research and analyse options and their potential value. A model for Phase 2 can be seen in Figure 6 below:

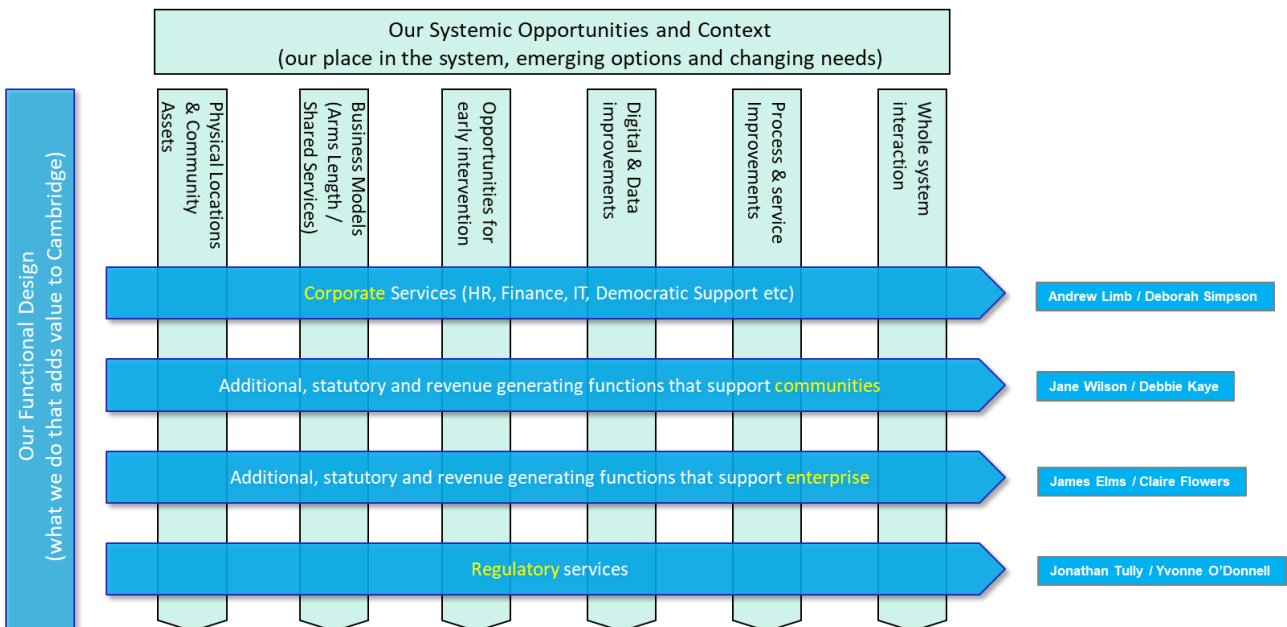


Figure 5: Organisational design structure showing senior officer leads (June 2022)

- 6.7 The programme intends that, by October, the council will be able to provide members with:

- An design for the future council
- A narrative that describes the stages in the journey towards the new design including any assumptions and identified risk
- Indicative benefits of each stage in the transformation, both in terms of operational savings and resident experience / wellbeing
- A plan for transition and the costs

6.8 The October advice will provide an informed estimate of the timing and benefits flowing from the implementation of most of the future design. The reason why we are expecting to only be able to produce high-level view of timings and benefits of the future design at this stage is based upon:

- The volume of the detailed analysis needed to produce a granular plan for change; and
- The need for specific changes that require the support or engagement of third parties or to embark upon public or legislative consultation to secure approval to some aspects of the change.

6.9 While this will be an estimate and require further work, there will be some aspects of the new design that might be adopted quickly and / or where the timing cost and execution of change can be relatively easily forecast. It is intended that these elements of the change are progressed during the final quarter of 2022 so that they have been defined in sufficient detail to form part of the 2023/24 budget proposal.

6.10 The programme intends to establish a formal programme of transformational delivery from January/February 2023 that will build upon and extend initial early commissioned changes. This will be managed through an incremental transformation plan that will evolve and be executed over the subsequent 3-24 months. As each element of the plan is further developed, approval from members will be sought and adjustments made to current and future year's capital and revenue forecasts as a result.

6.11 From a programme workstream viewpoint, much of the work will be delivered through the Transforming Delivery workstream. As such, while Transforming Delivery is currently focusing on the digital projects and

Office Accommodation, the remit will expand as the programme moves further into the delivery phase.

6.12 The programme is committed to tracking both savings benefits and measuring benefits to residents and the city, an activity that is provided for within current programme budgets.

7. Financials

7.1 Programme Budget and Spend

7.1.1 The Our Cambridge programme, over its entire lifespan, has a £4.275 million budget. This is broken down into a £3.1 million revenue budget, a £375k capital budget and a £800k contingency fund allocated for transition costs. These were approved as part of the Oct 2021 and the 2022 BSR process.

7.1.2 The original proposal for how the £3.1m revenue budget was to allocate 100% of the funding towards staffing costs, allocated by workstream with the only project-spend envisaged to come from the £375k capital budget.

7.1.3 Had the programme not reviewed and further developed its approach, the programme would have spent £1.203m at this stage – 28% of the total spend of the programme.

7.1.4 Instead of doing this, following the transition of the transformation governance and approach, the budget profile was redefined as per the following principles:

- Our Cambridge delivery team will extend to June 2024 (therefore into financial year 24/25) within the existing budget envelope.
- Use a smaller delivery team, which focuses on supporting teams to own and deliver change, as opposed to having change done onto them.
- Bring in short-term specialised support where there is a capability or capacity gap in the delivery team or Council as a whole.
- Maintain a contingency for projects and issues that emerge from conversations with communities and partners.

7.1.5 See Figure 6 for a breakdown of budget allocation in total and across the financial years. No capital spend has currently been allocated to projects. Following the approval of specific projects, the current £197k revenue and £375k capital underspends will be allocated to the execution of specific change projects.

	Full Programme	Q3 and Q4 2021 – 2022	Full Year 2022 – 2023	Full Year 2023 – 2024	Q1 2024 – 2025
Revenue Budget	£3.1m	£375k	£1.5m	£900k	£325k
Allocated spend	£2.903m	£375k	£1.384m	£835k	£308k
Capital Budget	£375k	-	£135k	£190k	£50k
Allocated spend	-	-	-	-	-

Figure 6: Revised Programme Budget, Broken Down by Financial Year (June 2022)

7.1.6 The programme has spent £575k since October 2021, representing a total of 13.4% of the total budget. A significant proportion of this spend was in support of the programme during its early initiation, prior to mobilisation, with £175k being used to support the programme development while the internal team was being mobilised. There has been no capital spend.

Category	Actual Spend, as of 31 May 2022	Q3 and Q4 2021 – 2022	April and May 2022
Budget	£605k	£375k	£230k
Staffing	£360k	£174k	£186k
Consultancies	£207k	£183k	£24k
Comms and Engagement	-	-	-
Supporting equipment, tools and administration	£7k	£0.5k	£6.5k
Organisation development and upskilling	£1.5k	-	£1.5k
Specific project spend	-	-	-
Total Spend	£575k	£357.5k	£218k
Variance against Budget	£29.5k underspend	£17.5k underspend	12k underspend

Figure 7: Actual Spend (as of 31 May 2022)

7.1.7 As the team has mobilised, spend per month on staffing has increased – an increase from approx. £71k in January to £93k in April. It is anticipated that the cost of the transformation to remain broadly at this level until after the organisational design phase.

7.2 Revenue Improvement – through savings and income generation

7.2.1 Figure 8 shows the anticipated revenue improvements forecast within the October 2021 MTFS.

Potential financial benefits: revenue improvement

Based on a joint review of current income and spend, the range of potential recurrent benefits realisable by 2024/2025 identified to-date are summarised below:

Potential recurrent income growth and revenue savings by workstream	Lower estimate	Mid-point estimate	Higher estimate
Customer	(£1.7m)	(£3.6m)	(£4.9m)
Partnerships	(£0.0m)	(£0.0m)	(£0.0m)
Community	(£0.0m)	(£0.0m)	(£0.0m)
Entrepreneurial	(£0.5m)	(£1.1m)	(£1.7m)
Organisational Change	(£0.0m)	(£0.0m)	(£0.0m)
Total	(£2.2m)	(£4.7m)	(£5.6m)

Figure 8: Original Revenue Improvement Estimates (Oct 2021)

7.2.2 In April, the Transformation Board agreed two key success criteria for the programme:

- Revenue improvement from Oct 2021 baseline of £5 million per year
- The organisation redesign must be delivered in such a way that ensures that further restructures or salami-slicing is not required in the short-term after the conclusion of Our Cambridge.
- The new design must be outcomes focused, financially sustainable, capable of quickly adapting to the changing needs of the city and its residents, and ongoing financial pressures and uncertainty expected due to reductions in government funding.

7.2.3 An initial view of the changes that will combine to deliver this target will be available following the Phase 2 organisation design process described in section 6.

7.2.5 Full Business Cases will be developed for all significant operational changes on a project-by-project basis. The full business cases will trigger

the development of a formal benefit definition, tracking and realisation plan that will form the basis of transformation monitoring from the beginning of 2023.

8. Planned next steps

- 8.1 As noted in the previous sections, the development of a future organisation design over the summer is an essential next step in our transformation. A critical enabler of this work is the programme's ability to bring together members, officers, partners, communities, and residents together to support this work within the frame of an emerging shared vision for Cambridge (see section 5.11).
- 8.2 The period between the time when this report is commissioned and the programme's next report to Strategy and Resources Committee in October is not without its challenges or risks.
- 8.5 Notwithstanding the time constraints of delivering a full, albeit high level, organisational design to the October Strategy and Resources Committee, the programme recognises members expectations that the programme makes rapid progress towards financial savings. Within the frame of the risks outlined in the appendix referenced above, the programme believes that it wholly feasible to provide an update that gives specific proposal for changes with some numbers attached within the timescales set out in this document.

9. Background papers

Background papers used in the preparation of this report: General Fund MTFS Oct 21.

10. Appendices

Appendix 1 – GF MTFS 21

Appendix 2 – Further Information on Our Cambridge

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact TORI CAMPBELL, PMO Manager, email: tori.campbell@cambridge.gov.uk.

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Version 2.0
21 October 2021
Council

General Fund Medium Term Financial Strategy

October
2021

2021/22 to 2030/31

Cambridge City Council

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

Introduction

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

Protecting our City through the Covid-19 pandemic and beyond

The pandemic continues to have a profound impact on the daily life of the people of Cambridge. The forecasting undertaken by the Council in May and June 2020 proved remarkably accurate and allowed us the scope to plan effectively throughout the last financial year, despite the uncertainty caused by repeated lockdowns. Our most significant costs were from loss of income from Car Parking Services and Cambridge Live, allied to increased spending on Housing and Homelessness. As reported at the BSR earlier in the year, despite central Government promises to ensure we were recompensed for losses incurred as a result of COVID, that did not prove to be the case. We were left 40% short of the overall costs met by the Council, leaving us with a shortfall of approximately £7m.

The impact on the City's economy have been significant yet varied. Whilst some of our companies, most notably AstraZeneca, have been at the forefront of the national and global fight against COVID, there has also been significant personal cost. There has been a rise of over 100% in unemployment claimants. The reduction in footfall in the City Centre by over 80% for significant periods of last year has had a major and negative impact upon the retail, tourism, and hospitality

sectors. At the time of writing (September 2021) there are encouraging signs of recovery, but these are early days, and we must ensure we work in partnership with businesses and other stakeholders to agree a Recovery Plan which will ultimately lead to a future vision of the City. This is all well and good but it is apparent that there has been a disproportionate impact upon our most deprived communities, and it is therefore vital we maintain a commitment to the core priorities of the Council, namely tackling poverty, and ensuring a sustainable carbon free future.

Shortfalls in Government Funding

Allied to the shortfalls in funding from central Government due to COVID there are further constraints that make accurate forecasting extremely problematic. Funding reform of Local Government has been anticipated for some years, however it is uncertain, when, if ever the Fair Funding Review will take place and the outcome Business Rates Review remains unclear. This has required us to make a series of assumptions which are outlined within the report. One thing is for sure however, the outlook for the next five years does not look positive, and we will have to plan to make savings. It is our estimation that these will amount to approximately £7.5m. In particular, post COVID, the financial years 2022-23 and 2023-24 look very challenging.

The Transformation Programme; “Our Cambridge”

In recognition of the financial challenges we face, the Council has embarked on an ambitious Transformation Programme, namely “Our Cambridge”. Rather than respond to the issues we face on an annual, reactive way, we are keen to build the Council we want to be in the future, aspiring towards ambitious goals, albeit within a financially sustainable plan. We will place working with our communities and our staff at the heart of this work. We aim to encourage an enhanced customer focus, strengthen strategic partnerships whilst encouraging an entrepreneurial approach to the work of the Council. This Programme will make us fit for purpose for the future, placing our core themes of tackling climate change and alleviating poverty at the heart of all that we do. This work will not come cheap, and we will have to invest now to succeed in time, which is why we propose spending £3.1 m from our reserves to fund the Programme.

Use of Reserves

This does not mean a fundamental change to our ongoing strategy of primarily using reserves for investment, but simply recognises the immediate and pressing need. We are in essence using our

reserves to invest in our Council. Whilst we are fortunate to have reserves available, this is due to responsible and prudent management in the past and we will continue to be guided by the mantra 'you can only spend reserves once'.

Because of the ongoing uncertainty work has been ongoing to identify a base line over the next 5 years and then a best- and worst-case scenarios. I would draw your attention to this work. It was our belief last year that the long-term economic impacts of Covid-19 will only start to be understood in this financial year 2021-22 and the implications will be long term. That view has not changed. As outlined in the BSR we remain keen to use Reserves for Green Investments, and in the near future we will require funds to be used for the replacement of the Depot.

Managing Brexit and other 'unknowns'

As if the above isn't sufficient, the challenge of managing the impact of leaving the EU remains and remains largely unknown. We are already aware of the impact of low staffing levels in certain sectors e.g., haulage and hospitality. This has had some, albeit manageable implications for the work of Cambridge Investment Partnership whereby some unexpected delays and costs have been felt. It is worth noting however that this Partnership has continued to deliver beyond expectations, and we have built the 500 Council homes we promised, and on time. This partnership with Hill has rightly been celebrated and is a wonderful example of what can be achieved by Local Authorities with innovative yet prudent management.

Finally, if the pandemic has taught us one thing, it is that we must be aware and responsive to unexpected challenges and as we enter the next 6 months the increase in energy charges and perhaps more significantly interest rates will need to be factored into our future financial planning.

Our Strategy

At the risk of reiterating what was said last year, this is the challenging and uncertain context within which we must deliver our financial plan. We remain unsure of what limited funding will be provided by the Government, so developing other income streams will become ever more important and it remains our stated ambition to continue to use Reserves as a tool for investment as opposed to offsetting short term immediate costs. This approach might need to be reviewed in the mid-term depending upon the outcome of central Government funding reviews.

The MTFS has identified the pressures we face in the years ahead and the way we will address those challenges. At the core of this work will be the Transformation Programme, which we believe will enable us to secure and enhance existing services and to make a Council fit for purpose and financially sustainable. Our primary goals remain consistent, namely, to fight poverty and to protect and enhance the environment of Cambridge, to help the economic development of our city, and to assist in moving it towards a net zero carbon position. Against this we will maintain our commitment to the most deprived areas of the City, and those most likely to be adversely affected by the ongoing impact of coronavirus.

The MTFS will also help us plan the Budget Setting Report for 2022/23 which will be published in January. It embraces the core financial objectives of this Council, namely sound and prudent financial management. We will continue to invest for the future and strive to create 'one city fair for all.'

Cllr Lewis Herbert - Leader of the Council

Cllr Mike Davey – Executive Councillor for Finance and Resources

Section 1

Introduction

Background

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

The MTFS sets out the council's financial strategy over the medium-term based on a range of assumptions and forecasts. This document takes the council's existing financial strategy and, if necessary, amends the key assumptions on which it is based. The previous year's 'direction of travel', as set out in the BSR, is revised in the light of factors such as national and local policy changes, current and forecast economic indicators and new legislation. Last year, consideration was given to the current and potential future financial impacts of the Covid-19 pandemic. These considerations continue to underlie the development of the financial strategy, with an emphasis on recovery and the creation of a 'new normal' for both the city and the council.

However, the most significant development is the extension of the strategy to cover ten years rather than five. This reflects ongoing concerns that funding for local government has fallen behind the costs of delivering services and that, as a result, some councils are becoming financially unsustainable. Indeed, a number of councils in this position have negotiated financial support from central government. Moving to a ten-year financial strategy will enable the council plan more effectively and show how it intends to address its financial challenges. In so doing, the council is also reflecting best practice and meeting the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code.

This MTFS identifies:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or budget process:
 - o The level of savings requirements over the next ten years
 - o Resources to be made available for funding the capital plan

- o The level of GF general reserves
- Risks to the delivery of the financial strategy and the levels of uncertainty, particularly in the later years.

Context and approach

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

In October/November 2021 the council will host events for local businesses and community representatives. The Leader will set out the vision and priorities for the Council within the context of the challenges we are facing. Subsequent questions, comments and discussions will be used to inform members of the nature of the debate and the feelings of the audience, so that these considerations can be taken into account as the council's budget is developed.

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

Timetable

Key dates and decision points are set out below.

Date	Task
2021	
11 October	Strategy & Resources Scrutiny Committee consider the GF MTFS for recommendation to Council by the Leader
21 October	Council considers both GF and HRA MTFS reports
2022	
4 January	Budget Setting Report (BSR) published
7 February	BSR and any budget amendment proposal considered by Strategy & Resources Scrutiny Committee
7 February	The Executive consider and recommend the BSR and Council Tax level to Council
24 February	Council approves Budget Setting Report and sets the level of Council Tax for 2022/23

Section 2

Policy context, priorities and external factors

Local policy context and priorities

Corporate Plan

The council's Corporate Plan was approved in February 2021 at the same time as the budget for 2021/22. It sets out three priority themes and the strategic objectives to deliver the council's vision of 'One Cambridge, Fair for All'. It describes what success will look like and includes performance indicators to measure progress. The priority themes are:

- Tackling poverty and inequality and helping people in the greatest need
- Leading Cambridge's response to the climate change emergency and biodiversity crisis
- Delivering quality services within financial constraints while transforming the council.

A number of significant, long term projects are set out within these themes, including the development of a joint Greater Cambridge Local Plan with South Cambridgeshire District Council, the delivery of the 500 new council homes, with plans for 1,000 more under development, the delivery of a new, low-carbon city quarter in North East Cambridge on the last significant brownfield site within the city, and developing a long-term strategy and plan for whole-council transformation to enhance the services the council delivers for and with communities while meeting the financial challenges the council faces.

The Leader's Foreword to this MTFS supplements the Corporate Plan by setting a direction of travel for the council which responds to the future financial outlook.

The current Corporate Plan expires at the end of the 2021/22 financial year, so is due to be reviewed and refreshed alongside the BSR.

Partnership working

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

The Greater Cambridge Partnership (GCP)

The City Council is working with Cambridgeshire County Council, South Cambridgeshire District Council, the University of Cambridge and the business community to deliver infrastructure, housing and skills targets as agreed with Government in the Greater Cambridge City Deal. The deal consists of a grant of up to £500m, to be released over a 15 to 20-year period, expected to be matched by up to another £500m from local sources, including through the proceeds of growth.

The City Deal provided £100m for the first five years, with future funding subject to a 'gateway review' in 2019/20 to unlock further funding up to £400m. The GCP successfully passed this government gateway so is considered to be 'on track' to deliver the commitments made as part of the City Deal.

The GCP's vision is 'Working together to create wider prosperity and improve quality of life now and into the future', specifically as shown below.

<p>£500 million</p> <p>Up to £500m from government, with local and private investment</p>	<p>33,500 Homes</p> <p>Accelerating delivery of new homes for all</p>	<p>44,000 Jobs</p> <p>Supporting jobs and apprenticeship growths in the region</p>
<p>Better Greener Transport</p> <p>Connecting people to homes, jobs, study and opportunity</p>	<p>Strong & Healthy Communities</p> <p>Improving quality of life for existing and new communities</p>	<p>Air Quality</p> <p>Addressing the damaging effects of air pollution</p>

The Partnership is currently developing proposals for transport improvements to enable people, goods and ideas to move more quickly, reliably and sustainably between centres of research, innovation and enterprise, and between places of residence, work and study. Ways will need to be found to manage congestion and generate revenue to support improved public transport services –

these may have impacts on City Council services and finances. The service and financial impact of such measures will be factored into the council's financial planning as the impacts become clearer.

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 (CPCA)

The CPCA is a Mayoral Combined Authority made up of a directly elected mayor and seven local authorities¹. It works with these councils, the Business Board, other local public services, government departments and agencies, universities and businesses to grow the local and national economy. Councillor Lewis Herbert represents the council on the CPCA. The key ambitions for the combined authority include:

- doubling the size of the local economy
- accelerating house building rates to meet local and UK need
- delivering outstanding and much needed connectivity in terms of transport and digital links
- providing the UK's most technically skilled workforce
- transforming public service delivery to be much more seamless and responsive to local need
- growing international recognition for our knowledge-based economy
- improving the quality of life by tackling areas suffering from deprivation

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

The city's economy should benefit from the additional investment and improved infrastructure in the local area that the CPCA brings. The delivery of the current 500 new council homes programme is supported by £70m of central government funding channelled through the CPCA, bringing an income stream to the Housing Revenue Account as those houses come on stream.

Cambridgeshire County Council

Following the change in political control at Cambridgeshire County Council, progress is being made towards a closer working relationship with that council, where the two councils' interests are complementary and particularly with a view to transforming service provision.

Shared services

The council shares some services with neighbouring councils, benefits include improvements in service delivery, efficiencies and greater resilience. The following services are delivered in two or three-way partnerships with South Cambridgeshire District Council (SCDC) and Huntingdonshire District Council (HDC):

With SCDC and HDC: 3C Building Control, 3C ICT, 3C Legal, Home Improvement Agency

With SCDC: Greater Cambridge Shared Waste Service, Greater Cambridge Shared Internal Audit, Greater Cambridge Shared Planning, Payroll

With HDC: CCTV

External factors

Covid-19 pandemic

The Covid-19 pandemic has had profound effects on daily life in the UK and worldwide. Starting in March 2020, travel bans, social distancing and self-isolation substantially reduced economic activity. Throughout the remainder of 2020 and 2021, lockdowns have been eased and reapplied in response to changes in infection rates, with high streets and workplaces operating with social distancing measures. Whilst the government sought to soften the financial impact on individuals and businesses to support the lock-down, there have been major financial consequences for councils arising from reduced income, service pressures and additional responsibilities. Whilst some funding was made available, the level of funding provided in 2020/21 only met about 60% of budgetary pressures. Some central government funding has continued into the first quarter of 2021/22, reflecting the expectation that the effects of the pandemic will have ceased by summer 2021.

The country is currently (July/ August 2021) experiencing an increase in infections due to the Delta variant. However, high rates of vaccination within the population appear to be controlling the severity of infections and restrictions were largely removed from 19 July 2021. However, risks remain that further variants may arise requiring the re-imposition of restrictions, levels of business activity

may not recover to pre-pandemic levels, and that household incomes of those on lower income levels will remain depressed.

As a result, there is considerable financial uncertainty for the council due to the cost of potential additional service demands and downward pressures on income streams, including business rates, council tax and car parking.

The European Union (EU)

The United Kingdom (UK) formally left the EU on 31 January 2020. Following a transition period, the EU-UK Trade and Co-operation Agreement came into force on 1 May 2021. Whilst significant negative impacts on trade between the UK and EU were seen initially, levels have recovered to some extent. Whilst many EU citizens living and working in the UK have returned to their countries of origin, more remain than originally expected. However, shortfalls of workers have been experienced in some sectors, including hospitality, logistics and social care. It has been noted that the overall impacts of Brexit are masked by the effects of the Covid pandemic so it is therefore difficult to assess the likely impact on the UK economy and on businesses more locally.

Inflation rates

The base rate of inflation used to drive expenditure assumptions in this MTFS is the Consumer Price Index (CPI). CPI has been volatile over the last 18 months, with rates ranging from 0.2% to 3.0%. The Bank of England's Monetary Policy Report of May 2021 forecasts a level of CPI in quarter 2 of each year at 1.7% for 2021, 2.3% for 2022, 2% for 2023 and 1.9% by 2024. The over-arching view is that inflation will return to the target of 2% later this year and will then fluctuate around the target level for the medium term.

The Office of Budgetary Responsibility (OBR), in their Economic and Fiscal Outlook in March 2021, forecast an increase in CPI during 2021, to return to nearer the target level of 2%, again fluctuating close to this level for the medium term.

Continued economic uncertainty, as a result of a combination of factors including the impact of exit from the EU and the longer-term effects of the coronavirus pandemic, make accurate predictions difficult. In addition, shortages of some goods such as building materials, and issues in recruiting to some roles are likely to lead to higher rates of inflation in these areas. Taking account of the views of the Bank of England and the OBR it is considered appropriate to retain the assumption that inflation will remain at the target level of 2% from 2022/23 onwards. Inflation rates will be reviewed

again for the BSR in February 2021 and if changes in forecasts are significant, adjustments will be made at that point.

For the purposes of this MTF5 and in light of the significant savings requirement identified in BSR 2021, no allowance has been made for non-pay inflation in 2022/23, except where costs are contractually driven. This will create a saving of approximately £279k in 2022/23, with further savings in future years due to the cumulative effect of this change. Thereafter, CPI is applied to these costs.

Interest rates on deposits

The council lends its cash balances externally on a short-term basis, with a view to generating a return that can be spent on delivering council services whilst managing both security and liquidity of the cash. The Bank of England base rate was reduced to 0.1% on 23 March 2020 and has remained at that level. The next review of the rate is due on 22 September 2021. The reduction in the base rate results in a reduction in the rates that the authority can expect to earn on its investments. However, through the use of a variety of investments as permitted by our investment strategy, we achieved average rates of return of 1.04% in 2020/21.

It is anticipated that interest rates will remain low for the foreseeable future, which will result in a near zero return on short-term investments and liquid cash. Coupled with this, the change to the way in which the council finances its capital expenditure going forward (see section 5) will lead to a significant reduction in the level of excess cash balances which are available for the council to invest over the longer term. It is assumed that the council will retain existing long-term investments only where these are delivering a return in excess of the council's external borrowing costs for the financing of new capital expenditure. This combination of factors is likely to see a significant drop in interest income from 2022/23 onwards.

The HRA is entitled to claim a proportion of interest earned on cash balances invested by the authority. The rate of interest assumed is based upon the HRA clawing back interest from the GF on investments with minimal risk. This recognises that the General Fund bears the risk, but also benefits from the reward, of the higher risk investments made by the council.

The actual average rate of interest earned on investments that benefited the HRA for 2020/21 was 0.60%, although this included some residual interest from older investments at higher rates that have now matured. The council is unlikely to achieve these rates in the current climate, and it has therefore been assumed that the HRA claws back interest at a rate of 0.2% from 2021/22 on an ongoing basis.

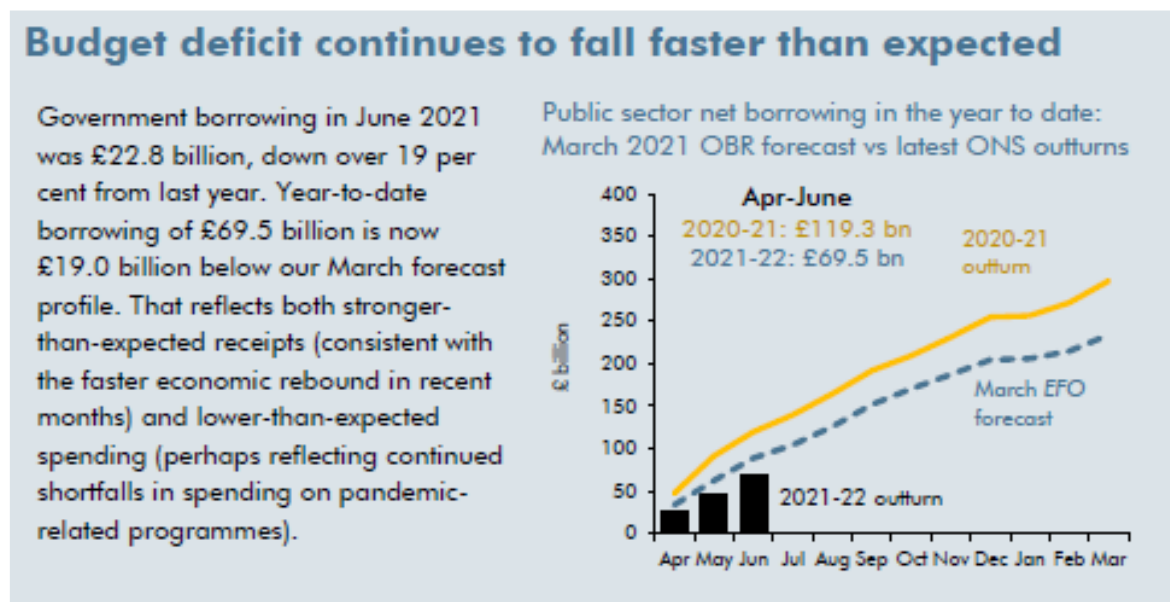
Interest rates on external borrowing

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

National policy context

Public sector finances

The OBR published its commentary on Public Sector Finances – June 2021 on 21 July, <https://obr.uk/monthly-public-finances-briefing/>, highlighting a more positive situation than forecast. Receipts, particularly Corporation Tax and PAYE/NICs, were higher than expected and provide firm evidence for the economic rebound.



On the same day, the Institute for Fiscal Studies (IFS) published a briefing note, 'What does the changing economic outlook mean for the Spending Review?' <https://ifs.org.uk/publications/15542>.

The IFS notes that, although the short-term picture is better than expected, 'the medium-term

outlook contains much less good news, as the pandemic is still expected to have done permanent damage to the economy’.

This means that the Chancellor could potentially afford some short-term spending increases in the Spending Review, assuming little or no additional Covid-related spending requirements. However, the IFS describes the Chancellor as having much more limited room for manoeuvre in the medium term, with no headroom against his target of a balanced budget in 2024-25 and 2025-26. Day-to-day spending is set to rise by 2.1% per year in real terms over the next four years – but these increases have already been allocated to the NHS, schools, defence and overseas aid, and there is a ‘cacophony of calls for additional spending’. The IFS estimates that ‘some unprotected budgets would be facing real-terms cuts of around 3% between this year and next’.

Government spending announcements

The Chancellor was expected to launch the Spending Review in the week commencing 19 July, just before the parliamentary summer recess. However, the formal launch was delayed until 7 September. It will be a multi-year spending review covering the years 2022/23 to 2024/25, providing details of overall government spending for those three years. It will conclude on 27 October alongside the Autumn Budget.

From a local government funding perspective, details about the package for local government in 2022/23 are unlikely to be known until later in November, or even in the provisional settlement in December 2021. Whilst the spending review will cover three financial years, it is not yet clear whether the local government finance settlement will be for one year or cover the whole three-year period.

Local government finance

2021/22 and future years

The government and the local government sector have undertaken considerable work on distribution mechanisms for local government funding including the Fair Funding Review (FFR), consideration of increasing the Business Rates Retention share to 75% and a Business Rates baseline reset. The outcome of this work was expected to be consulted on in summer 2020 and implemented for 2021/22. As a result of the pandemic implementation was suspended and a one-year finance settlement agreed for 2021/22.

No new implementation date has yet been confirmed and it is now widely anticipated that any reforms will be further delayed until at least 2023/24. In addition, the Chancellor has announced a

fundamental review of the business rates system and further uncertainty is introduced by the forthcoming autumn spending review.

During 2020/21 the government provided a number of un-ringfenced Covid-19 emergency grants to the council, alongside other grants to address specific cost pressures arising from the crisis. Whilst this support was welcome, it has been announced piecemeal and often with little warning, which makes financial planning challenging even over the short-term. Furthermore, the support provided was only sufficient to cover 61% of the total cost of the pandemic to the GF in year. Whilst some further one-off funding has been announced for 2021/22, the full extent and duration of this remains uncertain, and again it is unlikely to cover the full ongoing costs. For example, whilst the impacts of the pandemic on income streams such as car parking and Cambridge Live are still very much being felt, the government has to date only offered to partially compensate for this loss up until the end of June 2021.

The government also introduced a new Lower Tier Services Grant in 2021/22, to ensure that no council experienced a loss of spending power in the context of no indexation on lower tier services, and reductions in New Homes Bonus income. However, this was described as a one-off grant, and no announcement has yet been made on whether this funding will be repeated for another year should the FFR be further delayed.

The factors above make forecasting of the overall funding available to the council over the period of this MTFS extremely problematic. The working assumption is that funding reform (the FFR and business rates review) will be implemented in 2023/24 once a quantum of funding is known. Damping or other transitional arrangements are likely to be part of that implementation.

The base assumptions modelled in this MTFS are:

- There will be another one-year settlement for 2022/23, based upon a rollover of the 2021/22 settlement with CPI inflation
- The changes resulting from the FFR and business rates retention review are implemented in 2023/24, with a full business rates baseline reset in that year
- The local share of business rates is increased from 50% to 75%, with the District share retained at 40%
- Baseline Funding Levels (BFL) for district council services will not be indexed, allowing for increases in upper tier services such as Adults and Children's Social Care and Public Health

- Real terms year-on-year business rates growth of 1% per annum until 2025/26, with no further growth in business rates income assumed beyond this point due to the level of uncertainty around the future funding model

From the Council's perspective, the largest risk in relation to funding is that the business rates reset occurs a year earlier in 2022/23, or that an alternative mechanism is devised by government for the distribution of business rate surpluses in that year. This would result in a significant loss of business rates income which has been accumulated through growth since the last reset.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Baseline funding level (BFL) / Settlement funding assessment (SFA)	4,272	4,357	4,118	4,118	4,118	4,118
Release of provision for Material Changes in Circumstances (MCCs) no longer required	9,676	0	0	0	0	0
Growth element and other adjustments	71	2,017	883	1,138	1,405	1,405
Business rates income	14,019	6,374	5,001	5,256	5,523	5,523

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

New Homes Bonus

NHB was designed to incentivise housing growth. Amounts awarded in 2021/22 are expected to be the last awards under this scheme, alongside some legacy payments arising from previous years being receivable in 2021/22 and 2022/23, albeit at a reduced level from previous years.

The government consulted on the future of the NHB in Spring 2021, and the outcome of this consultation has not yet been published. Therefore, no receipts of any growth-related funding have been assumed beyond the current year.

Council tax

The impact of Covid-19 on the local economy has seen a significant increase in the volume of local council tax support claims, which has led to a corresponding reduction in the council tax base over

the past 2 years. As we enter the recovery phase, it is forecast that the council tax base will begin to grow again, although it may not return to pre-pandemic levels until 2023/24.

The base assumptions modelled in this MTFS are:

- Current referendum principles which allow district councils to increase their precept by the greater of £5 or 1.99% each year will continue for the foreseeable future, and the Council will continue to apply the maximum permissible increase each year
- Gross dwellings will increase in line with the Council's planned housing trajectory, with the mix of valuation bands remaining similar to that experienced in recent years
- The level of student exemptions will return to pre-pandemic levels in 2022/23 and will continue to grow in line with the housing trajectory, on the assumption that some of the new dwellings completed will be occupied by students
- The level of local council tax support claims, and the overall council tax collection rate, will return to their pre-pandemic levels over a two-year period starting in 2022/23

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Forecast tax base for council tax setting	43,530.5	43,983.7	45,343.7	45,699.8	46,077.2	46,393.4
Council precept (£)	207.50	212.50	217.50	222.50	227.50	232.50
Council tax income (£'000)	9,033	9,347	9,862	10,168	10,483	10,786

Section 3

Review of key assumptions

Budget forecasts presented in the February 2021 BSR were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and council tax levels.

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

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

Key area	Assumption	Comment / Sensitivity
Pay inflation	Pay progression cost estimate 1.0% (previously 1.5%) plus: 2022/23 and on-going - 2.0%	An additional 1% increase would cost the council approximately £260k
Employee turnover	4%	In general, employee budgets assume an employee turnover saving of 4.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.
General inflation (OBR/BoE)	2022/23 0% and after – 2.0% (previously 2.0% all years)	The same inflation factors are applied to Central and Support Services as for direct services.

Key area	Assumption	Comment / Sensitivity
Fuel/Utilities	2022/23 and after – 2.0%	Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments.
Major contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement
Income and charges	2.0%	Income and charges – general assumption of 2.0% ongoing, but specific reviews of all charges required by committees with the financial impacts of any recommended changes to be brought forward through the budget setting report in February 2022. Property rental income based on detailed projections and rent reviews.
Investment interest rate assumption	Investment specific	Due to changes to the approach to capital financing, only specific long-term investment balances will be held.
Interest paid on HRA cash balances	0.2%	Based on current projections
Council Tax increase	Greater of £5.00 or 1.99% in each year (previously 1.99%)	Assuming that current referendum principles remain unchanged for the foreseeable future. A 1% change in council tax represents about £90k p.a. for the council.
Council Tax Base	Per housing trajectory	Gross dwellings are increased in line with the forecast housing trajectory, with exemptions and local council tax support claims increasing in proportion following a 2 year Covid-19 recovery phase commencing in 2021/22. Collection rates are assumed at 96.9% for 2021/22, 97.8% for 2022/23 and 98.7% (pre-Covid levels) for 2023/24 and thereafter.

Section 4

Review of budgets and savings targets

2020/21 outturn

The Covid-19 pandemic had a significant impact upon the council's finances during 2020/21. In July 2020, an interim update to the MTFS was published which forecast additional net service expenditure of £9.8 million, the majority of which related to the loss of key income streams such as car parking and Cambridge Live. At the same time, mitigating measures of £1.5 million were agreed, so that the net impact on service budgets was £8.3 million.

In the event, the pandemic has lasted considerably longer than initially anticipated, and as a result the financial impact on the council has been much larger. Whilst some additional government support was provided, this has not covered the full costs incurred, and the final outturn was a further £1,785k adverse variance against the revised July 2020 budget on net service expenditure (after approved carry forwards). For comparison, a favourable variance of £2k was recorded in 2019/20.

After variances on government funding, capital accounting adjustments, contributions to/from earmarked reserves, the application of direct revenue funding for capital and statutory adjustments have been taken into account, the overall net effect was a decrease in the GF reserve of £669k (2019/20: increase of £1,486k).

2021/22 budgets and the impacts of the Covid-19 pandemic

Departmental budgets are regularly monitored and reported to the Senior Management Team and the Executive to ensure that the council and its services spend only what is necessary to deliver its aims and objectives. Where variances are identified, either positive or negative, investigations are

undertaken to ensure that there is a reasonable justification and whether the variance has a short or long-term impact.

The Covid-19 pandemic is continuing to have a significant impact on the council's finances, and although we are now entering the recovery phase, uncertainty remains around its longer-term impact. For example, with many people now working from home on a more regular basis, it is possible to car park usage may never return to pre-pandemic levels.

As at the end of June 2021, the council is forecasting an adverse variance of £1.5 million against its GF budget for 2021/22. This is largely driven by continuing Covid-19 related pressures on a number of service income lines. This will be partially mitigated by government compensation for sales, fees and charges, although the extent of this is not yet known.

In-year revenue proposals

In general, all revenue proposals are considered during the budget-setting process so that they can be prioritised, and a holistic view of additional spending requests can be taken. Revenue proposals are presented in the MTFS on an exceptional basis only, where essential additional in-year spending has been identified. The following proposals are presented for consideration:

Transforming the council's communications and engagement capacity (2021/22 £45k, 2022/23 and future years £125k)

Cambridge City Council delivers a wide and complex range of services to our communities and stakeholders. Communicating clearly what those services are, how residents can use them and how they are changing, as well as playing a community leadership role on our policy priorities, and engaging in meaningful two-way dialogue with our communities requires a range of communications skills and tools, and the capacity to use them effectively. The council has to date allocated far fewer resources to this area of activity than other comparable councils.

Building on our learning over the last 18 months and looking ahead to a period of transformation in the council and recovery and renewal across the city, the council needs to invest in transforming its communications capacity and capability. We will recruit additional communications professionals and use digital tools and techniques to modernise and manage more effectively the way the council consults and engages with its communities.

Costs of temporary accommodation for Colville III development (2021/22 and 2022/23 £120k per year)

The council is redeveloping commercial units and HRA housing on Colville Road in Cherry Hinton. The proposal covers the revenue costs of providing temporary accommodation for the council's commercial tenants during the redevelopment.

Set up costs of a new housing company and Registered Provider (RP) (2021/22 £73k)

The Council currently has two bodies that can own and let homes, the HRA and the Cambridge City Housing Company. There are restrictions within the HRA which mean that tenancies are let on an introductory and then secure basis and tenants have the right to buy. The housing company has been set up to deliver sub-market rental housing in which homes are let on a non-secure basis through assured short hold tenancy agreements, as in the private rental market. The housing company is not an RP so it is unable to attract funding through Homes England or other government sources and as currently structured cannot be accredited as an affordable housing provider.

A recent bid to Homes England included some rent to buy homes that would need to be let on an assured shorthold tenancy. Initial advice has been that rather using the existing housing company, the better option would be to set up a sister company as an RP. Other benefits would be flexibilities needed to respond to opportunities in relation to funding e.g. MHCLG homelessness funding. Set up costs are expected to consist of legal advice (£28k), tax and accounting advice (£15k) and project management (£30k).

Feasibility study to expand Cambridge City Housing Company (2021/22 £70k)

Cambridge City Housing Company (CCHC) is an independent company wholly owned by the City Council, which was established to alleviate some of the pressures on intermediate housing in Cambridge. During the pandemic CCHC expanded its business to offer accommodation to 10 residents previously sleeping rough. The recent scoping analysis suggests that CCHC could develop a programme to acquire homes, let them at affordable rents, and make improvements to those properties to move them towards net zero carbon. That programme could be financed with long term borrowings.

To assess the feasibility of such a programme more detailed analysis, financial modelling and programme design is necessary. Support from a specialist provider to co-design the programme with the City Council/CCHC will be required (£40k), including advice from treasury advisors (£10k) and property tax lawyers (£20k). The project will be managed in parallel with the project described above to improve value for money, reduce procurement costs and ensure compatibility.

Our Cambridge - Transformation and recovery programme

The council has embarked on a whole-council transformation and recovery programme to reshape and enhance the council and enable it to remain financially sustainable. This programme is a development of, and replacement for, the previous programme of standalone service reviews. We have identified and are using the following themes to direct our work:

- Enhanced customer focus – putting customers at the heart of services, making best use of digital technology to deliver more effectively and efficiently and focusing on what customers value
- Exploring entrepreneurial / commercial opportunities where appropriate, including reviewing our income streams post-Covid to ensure we are investing to support the delivery of our social goals and objectives
- Strategic partnerships including a strengthened relationship with communities building on the Covid-19 response
- Better working in neighbourhoods and communities, linking service delivery to local priorities
- Continuing to deliver cross-cutting policy priorities (anti-poverty, climate and biodiversity, meeting housing need)

In order to deliver the fundamental changes to ways of working and significant saving identified by the programme, a budget of £3.1m spread over the years 2021/22 to 2023/24 is required. In addition, a further contingency of £800k is requested. It is proposed that this is funded from GF reserves, as shown in the table in Section 7 and made available through an earmarked reserve to allow flexibility in the timing of expenditure.

Further consideration of the programme, its purpose, structure benefits and costs are covered in Section 8, Budget strategy.

Savings requirements

Applying changes to budget assumptions and allowing for expected ongoing pressures arising from the economic impact of the pandemic gives an indication of the minimum net savings requirements

by year for the next 5 years, assuming that savings are delivered in the year that the requirement is identified.

It should be noted that in calculating these savings requirements, several indicative unavoidable pressures have been modelled, which may or may not crystallise into budget proposals. There also remains significant uncertainty, particularly around future government funding levels. As a result, no adjustment has been made to smooth savings requirements across each year.

Applying revised assumptions, the net savings requirement before unavoidable items totals around £7.5m for the 5-year period. In particular, the savings requirement in both 2022/23 and 2023/24 is exceptionally challenging due to the expected continuation of significant Covid-related pressures.

Description	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Net savings requirement – new each year (BSR Feb 2021)	2,131	1,567	320	1,194	175	5,387
Approval sought as part of this MTFS:						
Additional communications posts and digital consultation platform (license fee)	125	125	125	125	125	
Additional costs of redevelopment of commercial units at Colville Road Phase 3	120	120				
	245	245	125	125	125	
Changes to assumptions and technical adjustments:						
Changes to business rates assumptions	(271)	(32)	(32)	(32)	(32)	
Changes to council tax assumptions	33	(130)	(97)	(418)	(722)	
Changes to inflation assumptions	(280)	(505)	(486)	(1,790)	(1,854)	
Indicative cost of revised capital financing strategy	40	180	320	460	600	
Detailed review of recharge and earmarked reserve budgets	(191)	(309)	(307)	(221)	(98)	
Additional Employers NI contributions	220	220	220	220	220	
Further adjustment to correct unallocated budget on earmarked reserves	(389)	(687)	(1,184)	(640)	(640)	
Net impact of funding changes, inflation and other assumptions	(838)	(1,263)	(1,566)	(2,421)	(2,526)	
Indicative unavoidable pressures – not yet proposals:						
Reduced income – car parks	517	1,695	2,208	2,717	3,220	
Reduced income – commercial property	390	610	560	510	460	
Additional costs – planning ¹	600	600	600	600	600	
Additional costs – waste	100	100	200	200	300	
Removal of Lion Yard MRP	(150)	(150)	(150)	(150)	(150)	
Other unavoidable pressures	108	(42)	8	83	83	
	1,565	2,813	3,426	3,960	4,513	
Net indicative changes to funding and expenditure	972	1,795	1,985	1,664	2,112	
Revised (MTFS) net savings requirement (new each year)	3,103	2,390	510	873	623	7,499

Note 1: This item reflects the level of overspend for 2021/22 forecast by the service and is the current best estimate of the indicative pressure. As there is review work ongoing, proposals coming forward for consideration during budget setting are likely to differ from this level.

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

Scenario Planning

As noted throughout this report, the financial situation of the council is currently subject to exceptional levels of uncertainty, with both pressures arising from the pandemic and future funding streams being major contributing factors. The table above is derived from a 'base case' set of assumptions. However, to assist with financial planning, we have considered two alternative scenarios, in order to assess the likely impact on the council's savings requirement should these crystallise.

Scenario 1 – Return to lockdown conditions

In this scenario, a new strain of Covid-19 emerges in early 2022. Whilst the characteristics of the disease have not changed, it is quickly discovered that existing vaccines are completely ineffective against the new strain, and with cases rising rapidly the UK government moves quickly to reinstate lockdown conditions similar to those seen in March 2020.

As before, the restrictions imposed are successful at controlling the virus, but at significant social and economic cost. The 2022/23 financial year closely mirrors 2020/21, with varying degrees of restrictions in place at different times of the year depending upon case numbers and hospitalisation levels. Vaccines are updated quickly, and by the spring of 2023 sufficient numbers have received a new vaccination to allow restrictions to be lifted once again.

Under this scenario, the following assumptions are applied:

- The council suffers loss of income and additional expenditure in line with that experienced in 2020/21. However, the extended nature of the pandemic has reduced central government's ability and willingness to support local authorities, and as such the council is only compensated for 50% of its additional net expenditure (compared with 58% in 2020/21).
- Recovery commences in 2023/24, but after such a long period of restrictions it takes 3 years for economic activity to return to pre-Covid levels.

- No increase in fees and charges income is assumed up to and including 2025/26, due to the residual effects of the lockdown in terms of reduced volumes and economic pressure on service users.
- General inflation assumptions are held at 0% for the same period as a result of continuing budgetary pressures on the council, before returning to 2% in 2026/27.
- The business rates multiplier is frozen until 2025/26, and business rates income continues to be affected by higher than usual levels of empty property relief. No business rates growth is assumed until 2025/26, and the fair funding review is further delayed until 2026/27.
- The number of local council tax support claims continues at its 2020/21 level until the end of 2022/23, before gradually returning to its pre-Covid levels by 2026/27. The council tax base is also affected by an average one-year delay to housebuilding within the city.
- All non-urgent capital projects are delayed for two years, both as a consequence of lockdown and in order to focus council resources on recovery efforts.

The impact of the above scenario on the council's savings requirement can be seen in the table below:

Description	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Net savings requirement – new each year (base scenario)	3,103	2,390	510	873	623	7,499
Scenario 1 impacts:						
Loss of sales, fees and charges income	0	9,000	3,000	1,000	500	
Additional expenditure	0	3,500	1,000	500	250	
Additional government support and compensation	0	(6,250)	(2,000)	(750)	(375)	
Changes to inflation assumptions	0	0	640	1,430	1,537	
Changes to business rates assumptions	0	(1,077)	856	682	852	
Changes to council tax assumptions	0	(96)	(227)	(143)	(86)	
Impact of changes to business rates assumptions on contribution to reserves	0	992	(702)	(439)	(517)	
Net impact of scenario 1	0	6,069	2,567	2,280	2,161	
Revised net savings requirement – new each year (scenario 1)	3,103	8,459	(2,992)	586	504	9,660

Scenario 2 – Economic shock

In this scenario, the UK recovers relatively quickly from the effects of Covid-19, with activity at pre-Covid levels by the end of 2022/23 (as per the base scenario). However, in 2023/24 there is a global economic shock similar to the financial crisis experienced in 2007, and the UK enters a recession. Economic recovery takes 3 years, although the government's initial response is to usher in a period of renewed austerity in public spending, leading to a permanent reduction in the spending power of local authorities.

Under this scenario, the following assumptions are applied:

- There is no change to the base scenario in 2021/22 or 2022/23. The business rates baseline reset proceeds as planned in 2023/24, before the recession takes hold.
- In 2023/24, the council suffers a 5% reduction in net collectable business rates, coupled with a drop in collection rates as businesses struggle to pay or enter insolvency. No further business rates growth occurs for a three-year period. Furthermore, the business rates baseline is frozen for 3 years starting in 2024/25, as is the business rates multiplier.
- Increased unemployment sees a sharp increase in local council tax support claimants (similar to that experience as a result of the Covid-19 pandemic). After a three-year period, the number of claimants gradually returns to normal over the course of 2 years. Council tax collection rates also experience a sharp drop with an extended recovery period, in line with the business rate assumptions above.
- The council tax base is further affected by a two-year average delay to housebuilding in the city.
- Income from key discretionary services such as car parking and Cambridge Live declines by 10% in 2023/24, staying at this level for 3 years followed by a two-year recovery period.
- Significant non-urgent capital projects are delayed due to the prevailing economic conditions.

The impact of the above scenario on the council's savings requirement can be seen in the table below:

Description	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Net savings requirement – new each year (base scenario)	3,103	2,390	510	873	623	7,499
Scenario 2 impacts:						
Changes to business rates assumptions	0	0	(1,090)	(1,344)	(1,612)	
Changes to council tax assumptions	0	0	(380)	(392)	(404)	
Loss of service income	0	0	1,570	1,800	2,030	
Impact of changes to business rates assumptions on contribution to reserves	0	0	883	1,138	1,405	
Net impact of scenario 2	0	0	983	1,202	1,419	
Revised net savings requirement – new each year (scenario 2)	3,103	2,390	1,493	1,092	840	8,918

These scenarios illustrate the risk that the net new savings requirement over the next five years could be 20-30% higher than the base case, putting considerable additional pressure on reserves. If either of these scenarios were to occur, or similar financial impacts were experienced due to other causes, it is likely that reserves would become depleted and the council would need to implement stringent cost controls to reduce spending to affordable levels.

Use of reserves to support savings requirements

The council's GF reserve balance is above the target levels required (See Section 7). At the time of writing, £188k of this balance will be used to fund the in-year revenue spending proposals set out above, with a further £618k likely to be used to address indicative emerging pressures. Further amounts over and above the target level could be used to smooth or delay the need to make savings. However, reserves can only be used once, whereas savings, once made, must recur year on year, i.e. use of reserves cannot permanently reduce the need to make savings.

Section 5

Capital plan

Capital strategy

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

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

The Strategy incorporates:

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

An updated capital strategy will be published in February 2022 alongside the Treasury Management Strategy Statement and the Budget Setting Report 2022/23.

Financing of capital

As approved through BSR 2021, revenue resources are no longer used to support capital expenditure. Instead, capital expenditure, where not funded from specific grants or contributions, will be funded firstly from capital receipts and then from internal and external borrowing. The mix of internal and external borrowing will be determined by the council's cash flows and treasury management considerations. Whilst this change has enabled over £3m of recurring savings to be recorded, it will create ongoing and increasing revenue pressures (interest and minimum revenue provision (MRP)).

To assess the affordability of this policy, 10-year forecasts of capital expenditure have been drawn up and the resulting costs modelled. Whilst there is considerable uncertainty surrounding these forecasts, the amount and timing of capital receipts, and the future costs of borrowing, the modelling indicates that a capital spending limit of £4.1m per year should be set for new capital proposals without specific grant or contribution funding. Limiting capital expenditure in this way will require potential schemes to be prioritised; some may need to be delayed until funding is available, and some may have to be rejected. The capital spending limit will be reviewed annually.

Replacement of the depot

The council must relocate its current depot facility at Cowley Road and is therefore planning to provide a comprehensive depot solution at a new location. The new depot must be able to support strategic and operational service objectives, both now and over the next 25 years. This project requires land acquisition and associated costs, design, planning, construction and associated costs, and consultant support both for the depot build and to support elements of service redesign key to the programme. The indicative cost of the scheme is £10m, but further work may reduce this capital requirement. A capital bid is expected to be made through the budget setting process.

Due to the indicative cost of the proposed scheme, alternative funding options will have to be considered. This could include some or all of the following:

- the removal of existing schemes from the capital plan and the reassignment of their capital funding
- funding allocated from GF reserves
- specific allocation of capital receipts, recognising that this either reduces the level of general capital spending to be allocated, or creates additional revenue pressures.

Capital plan

The capital plan was approved by council in February 2021. Since then the plan has been updated as follows:

- New projects funded from developers' contributions and external grants, see below - £2,596k, included within projects rephased from 2020/21 and minor adjustments, £49,323k
- Adjustment to the budget for Cromwell Road Redevelopment (GF) to reflect the amount remaining to be transferred to HRA - £5,516k

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	Approved since BSR Feb 2021:							
SC739	Abbey Pool improvements (S106) – adjustment to funding	(150)	-	-	-	-	-	(150)
SC740	Chesterton Rec pavilion (S106) – additional allocation	60	-	-	-	-	-	60
SC741	Nightingale Rec Ground pavilion (S106) – additional allocation	80	-	-	-	-	-	80
SC778	S106 Jesus Green ditch biodiversity improvements	60	-	-	-	-	-	60
SC780	S106 Darwin community centre equipment	25	-	-	-	-	-	25
SC781	S106 Coleridge Rec ground improvements	1	-	-	-	-	-	1
SC779	Parker's Piece tree planting	18	-	-	-	-	-	18
SC755	BEIS grant for Parkside pools decarbonisation works	989	-	-	-	-	-	989
SC756	BEIS grant for Abbey pool decarbonisation works	718	-	-	-	-	-	718

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
SC775	City centre recovery - Combined Authority grant funding	710	-	-	-	-	-	710
SC782	Livestream / hybrid meetings at Council Chamber and Committee Rooms	85	-	-	-	-	-	85
	Total Approved since BSR Feb 2021	2,596	-	-	-	-	-	2,596

A mid-year capital proposal of £1,485k is presented for approval below, along with a request for additional council funding to replace a third-party contribution that is no longer available. At this stage, no proposals for capital expenditure in relation to the Our Cambridge programme are included, although indicative capital spending of £400k on ICT and digital projects is expected over the life of the programme. The programme will include a review of the council's property portfolio of administrative and service-delivery buildings to ensure that they are appropriate and cost-effective for the transformed council. Further capital spending is expected as a result of this review, which may also generate capital receipts to support that spending. Proposals will be brought forward as the programme progresses.

Meadows Community Hub and Buchan Street retail outlet

Increase in costs to the GF following the re-evaluation of the split of costs between the community and commercial facilities and the HRA residential units.

Change in capital financing for the community extension to Cherry Hinton library (CHUB)

Replacement of third-party contribution with council funding, due to late withdrawal of the funding commitment. As this is a request for £210k of additional council funding to replace the third-party contribution, it does not increase the budget for the scheme, or the capital plan as a whole.

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	Proposals							
SC694	Meadows Community Hub and Buchan Street retail outlet	(1,224)	2,551	158	-	-	-	1,485
	Total proposals	(1,224)	2,551	158	0	0	0	1,485

The tables below show the impact of these changes on the overall capital plan and its financing. The resulting detailed capital plan is provided in Appendix A.

Capital plan / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Capital plan as approved at BSR Feb 2021	40,858	25,531	30,187	8,362	710		105,648
Changes approved and adjustments made in year	54,839						54,839
Current approved capital plan	95,697	25,531	30,187	8,362	710		160,487
Mid-year capital spending proposals	(1,224)	2,551	158				1,485
Revised capital plan	94,473	28,082	30,345	8,362	710		161,972

£'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Capital financing if new proposals are approved:							
Developers' contributions	(2,109)	(41)	(10)	(18)	(10)	0	(2,188)
Other capital contributions and grants	(2,849)	0	0	0	0	0	(3,059)
Earmarked Reserves	(777)	0	0	0	0	0	(777)
Capital receipts	(18,848)	(1,256)	(781)	(1,171)	(700)	0	(22,756)
GF Reserves	(2,112)	0	0	0	0	0	(2,112)
GF revenue underspend	(8)	0	0	0	0	0	(8)
Repairs and Renewals Fund – remaining balances	(1,394)	0	0	0	0	0	(1,394)
External borrowing - Park Street redevelopment	(35,700)	(18,534)	(29,396)	(7,173)	0	0	(90,803)
Internal and external borrowing - on-lending for capital purposes	(29,225)	(5,700)	0	0	0	0	(34,715)
Internal and external borrowing - other schemes	(1,451)	(2,551)	(158)	0	0	0	(4,160)
	(94,473)	(28,082)	(30,345)	(8,362)	(710)	0	(161,972)

Section 6

General Fund – Expenditure and funding

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

Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Expenditure											
Net service budgets - base and inflation	25,451	22,961	22,492	22,571	23,100	23,334	24,099	24,357	24,651	24,983	25,352
Allowance for unavoidable revenue pressures and reduced income	618	1,565	2,813	3,426	3,960	4,513	5,113	5,809	6,303	6,894	7,383
Savings delivered from prior years			(3,103)	(5,493)	(6,003)	(6,876)	(7,499)	(8,660)	(9,244)	(9,680)	(10,241)
Net service budgets	26,069	24,526	22,202	20,504	21,057	20,971	21,713	21,506	21,710	22,197	22,495
Capital accounting adjustments	(6,346)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)	(6,347)
Capital expenditure financed from revenue	1,458	0	0	0	0	0	0	0	0	0	0
Indicative cost of revised capital financing strategy	0	40	180	320	460	600	740	740	740	740	740
Collection fund deficit	25,465	889	888	0	0	0	0	0	0	0	0
Contributions to earmarked funds	1,822	(805)	(553)	319	302	302	302	302	302	302	302
Net spending requirement before in-year savings	48,468	18,303	16,370	14,796	15,473	15,527	16,409	16,202	16,405	16,892	17,190
In-year savings		(3,103)	(2,390)	(510)	(873)	(623)	(1,161)	(585)	(436)	(560)	(512)
Net spending requirement	48,468	15,200	13,980	14,286	14,600	14,904	15,248	15,617	15,969	16,332	16,678
Funded by:											
Settlement Funding Assessment (SFA)	(5,260)	(4,357)	(4,118)	(4,118)	(4,118)	(4,118)	(4,118)	(4,118)	(4,118)	(4,118)	(4,118)
Locally Retained Business Rates – Growth Element	(9,747)	(2,202)	(883)	(1,138)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)
New Homes Bonus (NHB)	(3,458)	(1,496)	0	0	0	0	0	0	0	0	0
Covid grant and furloughing income	(652)	0	0	0	0	0	0	0	0	0	0
Appropriations from earmarked funds	(26,323)										
Council Tax	(9,033)	(9,347)	(9,862)	(10,168)	(10,482)	(10,786)	(11,130)	(11,499)	(11,851)	(12,214)	(12,560)
Contributions to / (from) reserves	6,006	2,202	883	1,138	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Total funding	(48,468)	(15,200)	(13,980)	(14,286)	(14,600)	(14,904)	(15,248)	(15,617)	(15,969)	(16,332)	(16,678)

Section 7

Risks and reserves

Risks

During the year, the council undertook a financial resilience assessment, including a detailed review of risks to that resilience, based on consideration of financial risks arising from income, expenditure, funding, third parties, assets, people and projects. This review is presented in Appendix C for reference and is being used to inform financial risk management across council services. Whilst the council is exposed to risks and uncertainties which could affect its financial position, the assessment showed that it has governance and processes in place to ensure that the symptoms of financial stress are recognised and managed. The table below summarises the main external risks to the financial standing and sustainability of the council, using a High-Medium-Low assessment.

Risk	Probability (H, M, L)	Impact (H, M, L)	Overall assessment (H, M, L)	Mitigation
The economic impact of the Covid-19 pandemic (with further spikes of infection possible and a long, slow recovery) may impact some of the council's costs and income streams in future years. This could include the costs of homelessness, car parking income, commercial rents and planning fee income, with the degree of impact difficult to predict	H	H	H	Management overview and action with partners, further government funding
The implementation of proposals to tackle congestion in Cambridge may adversely impact car parking income and the delivery of services that rely on officers travelling around the city. The council may also become subject to a workplace parking levy	H	H	H	Engagement with partners, strategic planning to mitigate service delivery and financial pressures
Funding from central government (Settlement Funding Assessment, including the outcome of the Fair Funding Review and other grants) may fall below projections	M	H	H	Monitor developments, plan delivery of savings and additional income, consider limited use of reserves
Costs of transformational change exceed resources available and the resulting savings plans may not deliver projected savings to expected timescales	M	H	H	Regular programme monitoring and reporting. External, expert support obtained

Risk	Probability (H, M, L)	Impact (H, M, L)	Overall assessment (H, M, L)	Mitigation
The impact of 75% business rates retention, coupled with any additional responsibilities handed down to the council at that time and a reset of business rate growth may create a net pressure on resources	H	H	H	Monitor developments, plan delivery of savings and additional income, consider limited use of reserves
Business rates appeals, which may be backdated to 2010, may significantly exceed the provision put aside for this purpose.	L	H	H	Review provision regularly
The economic impact of the United Kingdom leaving the European Union may impact some of the council's income streams such as car parking income, commercial rents and planning fee income, with the timing and degree of impact difficult to predict. Impacts may be masked by or combined with impacts of the Covid pandemic	M	M	M	Management overview
The actual impact and timing of local growth on the demand for some services may not reflect projections used.	M	M	M	Management overview and use of up-to-date data and intelligence
The council may not be able to replace time-limited funding for commitments to maintain open spaces associated with growth sites, or implement alternative arrangements for their maintenance;	M	M	M	Review of savings delivery and co-design of services
Unforeseen expenditure, such as major repairs to offices and commercial properties, may be required	L	M	M	Property condition surveys, asset management planning and review of property use
Assumptions and estimates, such as inflation, pay increases and interest rates, may prove incorrect	L	M	M	Management overview and monitoring
Increases in council tax and business rates receipts due to local growth may not meet expectations	M	L	L	Management overview and monitoring
New legislation or changes to existing legislation may have budgetary impacts	L	M	L	Management overview and monitoring
The council may be impacted by spending cuts implemented by other agencies	H	L	L	Engagement with partners

Reserves

General Fund reserve

The GF reserve is held as a buffer against crystallising risks and to deal with timing issues and uneven cash flows. As such, the level of the reserve required is dependent on the financial risks

facing the council which will vary over time. Therefore, the prudent minimum balance (PMB) and target level of the GF reserve has been reviewed in the light of current risks, which include the continuation of heightened financial risks in relation to the Covid-19 pandemic and the increasing challenge of maintaining the financial sustainability of the council. As a result, a small increase in PMB is recommended.

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

General Fund reserves	£m
February 2020 BSR	
- Target level	7.59
- Minimum level (PMB)	6.33
October 2021 MTFS – Recommended levels	
- Target level	7.98
- Minimum level (PMB)	6.64

The table below shows current and projected levels of the GF reserve, incorporating estimates for the growth element of business rates. Whilst the growth element for 2021/22 is considered to be relatively secure, from 2022/23 the amounts included are subject to considerable downside risk and are included in reserves rather than being relied on for funding service delivery.

Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Balance at 1 April (b/fwd)	(16,594)	(18,700)	(20,717)	(21,600)	(22,738)	(24,143)
Contribution (to) / from reserves per BSR 2020/21	821					
Carry forwards	659					
Business rates growth – indicative increase in growth element	(8,292)	(2,017)	(883)	(1,138)	(1,405)	(1,405)
Use of reserves to support revenue spending in services – MTFS proposals	188					
Use of reserves to support revenue spending in services – in-year indicative pressures	618					
Funding and contingency for Our Cambridge transformation and recovery programme	3,900					
Balance at 31 March (c/fwd)	(18,700)	(20,717)	(21,600)	(22,738)	(24,143)	(25,548)

As noted above, the levels of risk to the financial sustainability of the council are considerable; economic uncertainty as a result of the possible speed and extent of recovery from the Covid-19 pandemic and ongoing Brexit impacts will impact the costs of and demand for council services and the ability to maintain or increase income levels. These uncertainties will also influence the amount of central government funding available to local government as a whole. These risks are further exacerbated by delays in the delivery of funding reforms. This council is fortunate to have reserves available to fund one-off transformational activity.

Earmarked and specific funds

In addition to the GF reserve, the GF maintains a number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose, see Appendix D for a summary of principal earmarked funds.

These funds are subject to annual review as part of the MTFS to ensure that agreed principles are applied: -

- Major policy-led funds, such as the Climate Change Fund, are ongoing
- Repairs and Renewals (R&R) Funds – for Bereavement Services only are ongoing
- Any other reserves will only be held as required for statutory or accounting purposes, to record balances held by the council for other organisations or partnerships or to reflect ring-fenced appropriations.
- Uncommitted balances will be moved to the GF reserve, and funds closed when all committed balances are spent.

Type of earmarked or specific fund	Balance at 31 March 2021 £000	Balance at 31 March 2020 £000
Major policy-led funds	2,187	2,661
Asset replacement funds (R&R)	2,079	2,100
Statutory and accounting reserves	6,744	4,332
Shared / partnership funds	7,221	7,341
Other – to be closed once committed balances are spent	32,947	1,179
Total	51,178	17,613

Our Cambridge Transformation Fund

It is proposed that £3.1m is placed in an earmarked reserve to fund the revenue costs of delivering the Our Cambridge Programme, as described in Section 8 and Appendix E. This will enable the funding to be used flexibly across the programme. The Head of Transformation, as the programme director for Our Cambridge, will be authorised to drawdown funding from the reserve, with reporting to the Transformation Board which has been set up to oversee the programme, and through normal budget management processes.

Our Cambridge Contingency Fund

A further £800k is requested as contingency funding to cover potential dual running or transition costs. It is therefore proposed to set up a second earmarked reserve for this purpose, to keep this funding separate from the estimated revenue delivery costs of the programme and to aid scrutiny of any spending funded from the reserve. Drawdowns from this contingency reserve will be authorised by the Transformation Board.

Section 8

Budget strategy

General Fund savings requirements

Description / £'000	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Net savings requirement (BSR Feb 2021)	2,131	1,567	320	1,194	175	5,387
Net impact of revenue proposals, changes in assumptions and indicative unavoidable pressures in this report	972	823	190	(321)	448	2,112
Revised (MTFS) net savings requirement	3,103	2,390	510	873	623	7,499

General Fund budget strategy

Budget process

The GF budget process for 2022/23 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet known financial pressures. The base model used to prepare this report has driven the recommendations in respect of the 2022/23 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MTFS has highlighted:

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

- Increasing pressure on council services as a result of Covid-19 and its impact on vulnerable residents, local businesses and visitors. This is aggravated by the continuing fluctuation in infection rates and the possibility of further restrictions over the coming autumn and winter
- An ongoing lack of clarity in the future direction of local government funding
- A need to take action to balance the budget in the short term and to ensure financial sustainability for the council in the long term

Our Cambridge - Transformation and recovery programme

BSR 2021/22 set out the need for a transformation and recovery programme to support the council to respond to the financial challenges of the future and the challenges and opportunities of the pandemic and recovery, while continuing to deliver the council's corporate priorities of:

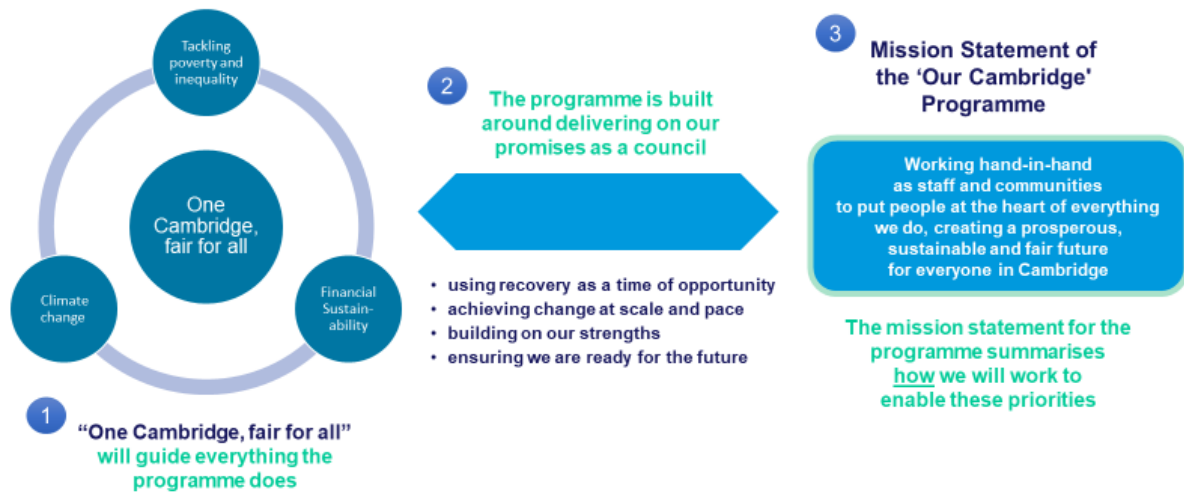
- tackling poverty and inequality and ensuring everyone shares in Cambridge's success
- tackling the climate and biodiversity emergencies
- helping everyone to have a home they can afford and enjoy
- planning for the future so that everyone participates in and benefits from Cambridge's success

Since publication of the BSR, substantial work has taken place to develop proposals for how this will be achieved through a programme titled 'Our Cambridge'.

The Our Cambridge programme will make "One Cambridge – Fair For All" the reality that underpins all of the council's work, by building on the assets that exist and what already works well; but also ensuring that, as the council adapts to the severe challenges that face us, we consistently put people at the heart of what we do. The council's ambition is to create a prosperous and sustainable future where people are able to get the help and support they need, when they need it; where our teams feel valued and part of a council that is investing in that future; and where our financial position enables our ambitions as a council and does not hold them back.

To do this, the programme will apply the learning we have achieved from the past 18 months, engage staff and communities in transforming the way we work and enhance how we collaborate with our partners, in order to improve outcomes for local people and develop a clear and shared vision for the future of Cambridge.

How does Our Cambridge relate to our council priorities?



The outcomes of the programme will be a council which is customer first, community focused, and empowers its people:

- **Customer first** – with a customer service model that puts residents at the heart of what we do and deliver the best service we can - in the most effective, innovative and efficient way
- **Community focused** – helping all communities to thrive by working with them to build community connections and strong partnerships, supporting sustainable economic development and the city's recovery from Covid
- **Empowered people** – creating an environment in which staff are supported and encouraged to be innovative and entrepreneurial, and developing an agile culture to help drive change and improvement.

Staff engagement and participation will be vital to making Our Cambridge a success, and to support this, as well as involving as many staff as possible in shaping and delivering the programme, a key workstream will focus on organisational development and on the support staff need to adopt new ways of working.

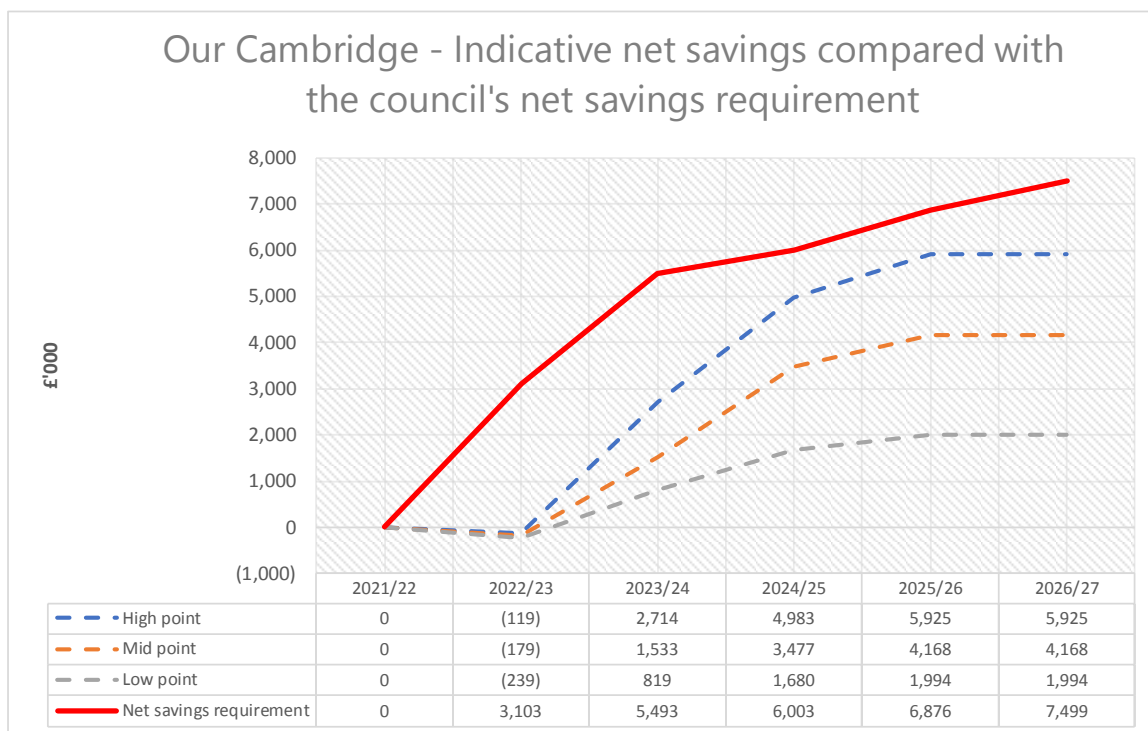
Further information about the structure, benefits and resourcing of the programme is set out in Appendix E to this report.

Financial implications

The programme is forecast to begin delivering financial benefits from 2023/24 onwards and will aim to achieve recurrent income growth and revenue savings of £4.7m (net) by 2025/26 with £4.2m of this attributable to the GF and £0.5m to the HRA. These financial benefits are indicative at this stage

and will go through further validation as the Our Cambridge programme develops, as well as being subject to policy decisions as specific proposals come forward.

The net savings profile of the programme has been forecast at three levels; low, mid and high points, to give an indication of the range of possible outcomes. These are shown in the graph below, alongside the council's net savings requirement as presented in Section 4 of this report.



To achieve these benefits within the timescales needed to meet the MTFS challenge, additional resource will be needed in addition to the existing transformation team to accelerate the scale and pace of change and ensure we can deliver transformation alongside existing work and the ongoing response to the pandemic. These roles will include:

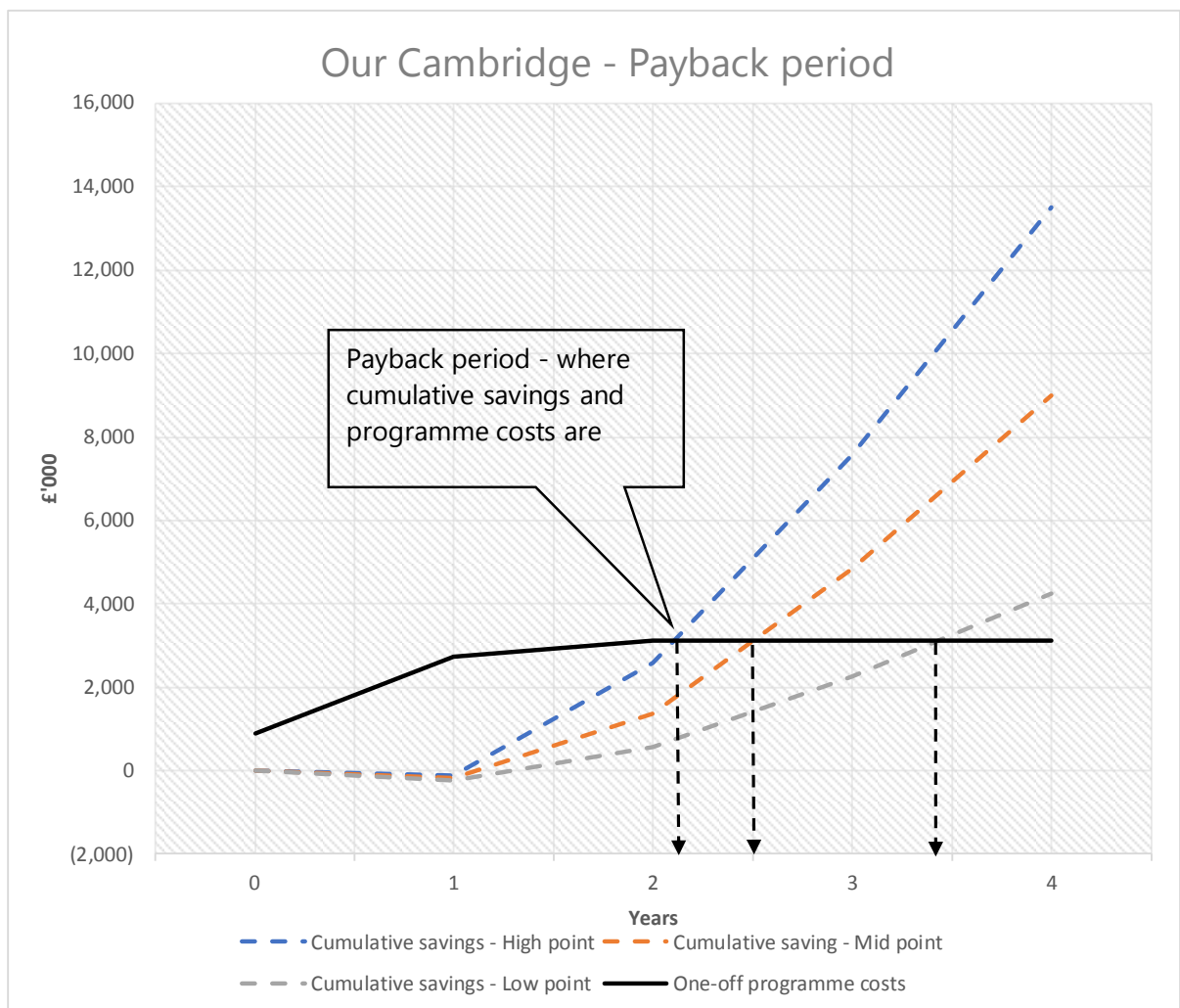
- A core team covering programme management, data analysis, communications and engagement, HR and finance capacity
- Project managers and business analysts

It is expected that these resources will include a mixture of fixed term contracts, internal secondments and backfilled roles with a small amount of support from external specialists.

The cost of this delivery team is forecast to be £3.1m over the lifespan of the programme with additional contingency of £800k to cover potential dual running or transition costs. The capital requirements of the programme relate to additional ICT and configuring our office accommodation to support new ways of working. These are being finalised but are not expected to exceed £400k.

In addition, some projects will give rise to recurrent revenue costs to support new ways of working. These are estimated at £498k in total with some costs starting to be incurred from April 2022. They will come forward through the budget setting process for the relevant year. The savings figure of £4.2m for the GF is net of these costs.

Based on the above costs and the three indicative levels of net savings, the payback period to cover the initial investment is shown below.



Unmet savings requirement

Based on current estimates, the Our Cambridge programme will not deliver all the savings required by the council in the next five years. In 2026/27 the unmet savings requirement will be £3.3m at the mid-point level (high point, £1.6m; low point £5.5m). Furthermore, the expected profile of savings delivery from the programme does not match the profile of net savings requirements. The council will therefore have to:

- Identify additional savings and income; and

- Use GF reserves to support services on a temporary basis.

The impact of using reserves to support service spending while the programme delivers the mid-point level of savings, with no reliance on business rates growth, is shown in the table below. In this illustration, the PMB level of reserves is breached in 2026/27 and all reserves are used by 2028/29. On average, an additional £670k of new net savings must be delivered per year to meet the five-year savings requirement.

Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Balance at 1 April (b/fwd)	(16,594)	(19,688)	(16,406)	(12,446)	(9,920)	(7,212)
Contributions and carry forwards	2,098					
Business rates growth – indicative increase in growth element	(8,292)					
Funding for Our Cambridge transformation and recovery programme	3,100					
	(19,688)	(19,688)	(16,406)	(12,446)	(9,920)	(7,212)
Savings requirement - cumulative		3,103	5,493	6,003	6,876	7,499
Indicative net savings delivered by Our Cambridge Programme - cumulative		(179)	1,533	3,477	4,168	4,168
Call on reserves to balance budget		3,282	3,960	2,526	2,708	3,331
Balance at 31 March (c/fwd)	(19,688)	(16,406)	(12,446)	(9,920)	(7,212)	(3,881)

It is therefore important that all requests for additional service spending are closely scrutinised, and work is undertaken alongside the Our Cambridge programme to identify further reductions in expenditure or increases in income to meet this challenging target.

Achieving financial sustainability and resilience

Despite continuing pressures and uncertainties, the council's finances are currently healthy. However, there is no foreseeable end to scarce funding for local authorities and economic conditions remain challenging, particularly with no real end in sight to the Covid-19 pandemic or its economic effects. It is important, therefore, to ensure that the council is prepared to manage financial challenges as they arise. To ensure financial resilience the council must work hard to: -

- Maintain healthy levels of reserves

- Plan and deliver savings in a controlled and sustainable way
- Ensure savings and income plans are firm and robust and that gaps / savings still to be found are minimised, particularly in the next two or three financial years
- Minimise unplanned overspends and/or carrying forward undelivered savings into the following year.

Appendix A: Capital Plan 2021/22 to 2026/27

Ref.	Description	Lead Officer	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)
Capital-GF Projects								
PR031r	S106 Chesterton Rec Ground skate and scooter park	J Richards	47	0	0	0	0	0
PR032w	S106 Accordia open space improvements	A Wilson	5	0	0	0	0	0
PR040z	S106 Public art: Historyworks: Michael Rosen Walking Trail 2	N Black	10	0	0	0	0	0
PR042d	S106 Romsey Mill community facility grant	J Hanson	21	0	0	0	0	0
PR042g	S106 To the River - artist in residence	N Black	49	0	0	0	0	0
PR042l	S106 Public art grant - Faith and Hope	N Black	6	0	0	0	0	0
PR042m	S106 Public art grant - Chesterton village sign	N Black	10	0	0	0	0	0
PR050d	Mobile working (OAS)	D Prinsep	15	0	0	0	0	0
PR050g	Office optimisation (OAS)	D Prinsep	50	0	0	0	0	0
SC 745	S106 Chestnut Grove play area: benches and bins	J Parrott	4	0	0	0	0	0
SC 747	S106 Nightingale Avenue rec ground: new all-weather footpath	J Parrott	15	0	0	0	0	0
SC 778	S106 Jesus Green ditch biodiversity improvements	A Wilson	53	0	0	0	0	0
SC548	S106 Southern Connections Public Art Commission	A Wilson	13	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Kelly	20	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Car Parks	S Cleary	199	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	F Bryant	14	0	0	0	0	0
SC627	Guildhall Large Hall Windows refurbishment	W Barfield	101	0	0	0	0	0
SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	G Theobald	37	0	0	0	0	0
SC645	Electric vehicle charging points - taxis	J Dicks	356	0	0	0	0	0
SC646	Redevelopment of Cambridge Junction	J Wilson	249	0	0	0	0	0
SC651	Shared ICT waste management software - Alloy/Yotta	J Carré	173	0	0	0	0	0
SC654	Redevelopment of Silver Street Toilets	D O'Halloran	465	0	0	0	0	0
SC659	My Cambridge City online customer portal	E Rospigliosi	22	0	0	0	0	0
SC662	Shared Planning Service software implementation	S Kelly	32	0	0	0	0	0
SC672	Mill Road Redevelopment - Development Loan to CIP	C Ryba	5,300	0	0	0	0	0
SC674	Mill Road Redevelopment - Equity Loan to CIP	C Ryba	4,265	0	0	0	0	0
SC678	Crematorium - additional car park	G Theobald	339	0	0	0	0	0
SC679	Crematorium - cafe facilities	G Theobald	304	0	0	0	0	0
SC684	Property Management software	P Doggett	88	0	0	0	0	0

Ref.	Description	Lead Officer	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)
SC688	Environmental Health software	J Carré	23	0	0	0	0	0
SC689	Income management software	C Norman	78	0	0	0	0	0
SC690	Secure phone payments	C Norman	24	0	0	0	0	0
SC692	Cromwell Road Redevelopment (GF)	C Flowers	5,516	0	0	0	0	0
SC692	CHUB - community extension to Cherry Hinton library	J Hanson	764	0	0	0	0	0
SC693	Lion Yard shopping centre investment	D Prinsep	6,000	0	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	C Flowers	3,128	2,551	158	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	C Ryba	5,350	0	0	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	C Ryba	6,600	0	0	0	0	0
SC708	Replacement plantroom at Jesus Green outdoor pool	I Ross	140	0	0	0	0	0
SC710	Guldhall Small Hall wooden floor	J Wilson	45	0	0	0	0	0
SC711	Guldhall PA system	J Wilson	25	0	0	0	0	0
SC712	Automation of Bishops Mill sluice gate	A Wilson	90	0	0	0	0	0
SC713	Replacement air quality monitoring equipment	J Smith	200	0	0	0	0	0
SC714	Changing Places toilets at Quayside	A Wilson	100	0	0	0	0	0
SC715	Additional refuse vehicle for property growth shared with SCDC	M Parsons	375	0	0	0	0	0
SC716	Replacement telephony system with call centre	E Rospigliosi	150	0	0	0	0	0
SC721	Call management for 3C ICT service desk	F Bryant	7	0	0	0	0	0
SC724	Residential electric charging points	J Dicks	100	0	0	0	0	0
SC727	Logan's Meadow vehicular access	J Carré	32	0	0	0	0	0
SC731	Cambridge Food Hub	V Haywood	100	0	0	0	0	0
SC732	Park Street car park development	D Prinsep	35,700	18,534	29,396	7,173	0	0
SC736	S106 Grant for St George's Church improvements	J Hanson	13	0	0	0	0	0
SC738	Wilberforce Road artificial pitches (S106)	I Ross	250	0	0	0	0	0
SC739	S106 Abbey Pool improvements	I Ross	144	0	0	0	0	0
SC740	S106 Chesterton Rec pavilion	I Ross	167	0	0	0	0	0
SC741	S106 Nightingale Rec Ground pavilion	I Ross	503	0	0	0	0	0
SC742	L2 development loan to CIP	C Ryba	3,400	5,200	0	0	0	0
SC743	L2 equity loan to CIP	C Ryba	1,300	500	0	0	0	0
SC749	S106 Holbrook Road play area improvements	J Parrott	44	0	0	0	0	0

Ref.	Description	Lead Officer	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)
SC688	Environmental Health software	J Carré	23	0	0	0	0	0
SC689	Income management software	C Norman	78	0	0	0	0	0
SC690	Secure phone payments	C Norman	24	0	0	0	0	0
SC692	Cromwell Road Redevelopment (GF)	C Flowers	5,516	0	0	0	0	0
SC692	CHUB - community extension to Cherry Hinton library	J Hanson	764	0	0	0	0	0
SC693	Lion Yard shopping centre investment	D Prinsep	6,000	0	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	C Flowers	3,128	2,551	158	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	C Ryba	5,350	0	0	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	C Ryba	6,600	0	0	0	0	0
SC708	Replacement plantroom at Jesus Green outdoor pool	I Ross	140	0	0	0	0	0
SC710	Gulldhall Small Hall wooden floor	J Wilson	45	0	0	0	0	0
SC711	Gulldhall PA system	J Wilson	25	0	0	0	0	0
SC712	Automation of Bishops Mill sluice gate	A Wilson	90	0	0	0	0	0
SC713	Replacement air quality monitoring equipment	J Smith	200	0	0	0	0	0
SC714	Changing Places toilets at Quayside	A Wilson	100	0	0	0	0	0
SC715	Additional refuse vehicle for property growth shared with SCDC	M Parsons	375	0	0	0	0	0
SC716	Replacement telephony system with call centre	E Rospigliosi	150	0	0	0	0	0
SC721	Call management for 3C ICT service desk	F Bryant	7	0	0	0	0	0
SC724	Residential electric charging points	J Dicks	100	0	0	0	0	0
SC727	Logan's Meadow vehicular access	J Carré	32	0	0	0	0	0
SC731	Cambridge Food Hub	V Haywood	100	0	0	0	0	0
SC732	Park Street car park development	D Prinsep	35,700	18,534	29,396	7,173	0	0
SC736	S106 Grant for St George's Church Improvements	J Hanson	13	0	0	0	0	0
SC738	Wilberforce Road artificial pitches (S106)	I Ross	250	0	0	0	0	0
SC739	S106 Abbey Pool Improvements	I Ross	144	0	0	0	0	0
SC740	S106 Chesterton Rec pavilion	I Ross	167	0	0	0	0	0
SC741	S106 Nightingale Rec Ground pavilion	I Ross	503	0	0	0	0	0
SC742	L2 development loan to CIP	C Ryba	3,400	5,200	0	0	0	0
SC743	L2 equity loan to CIP	C Ryba	1,300	500	0	0	0	0
SC749	S106 Holbrook Road play area improvements	J Parrott	44	0	0	0	0	0

Ref.	Description	Lead Officer	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)
SC781	[Completed] S106 Coleridge Recreational Grounds improvements	D O'Halloran	1	0	0	0	0	0
SC782	Livestreatn/hybrid meetings at Council Chamber and Committee Rooms	G Clift	85	0	0	0	0	0
Capital-GF Projects			88,751	27,572	29,864	7,191	10	0
Capital-Programmes								
PR010	Environmental Improvements Programme	J Richards	137	0	0	0	0	0
PR010a	Environmental Improvements Programme - North Area	J Richards	4	0	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	56	0	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	61	0	0	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	47	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	1,009	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (S106)	M Parsons	143	0	0	0	0	0
PR039	Minor Highway Improvement Programme	J Richards	64	30	0	0	0	0
PR050	Office Accommodation Strategy Phase 2 (OAS)	D Prinsep	12	0	0	0	0	0
PR051	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	W Barfield	15	0	0	0	0	0
PR053	Commercial property repair and maintenance	W Barfield	372	300	300	300	300	0
PR054	Administrative buildings maintenance	W Barfield	285	166	166	166	400	0
Capital-Programmes			2,205	496	466	466	700	0
Capital-GF Provisions								
PV007	Cycleways	J Richards	382	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	60	0	0	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	275	14	15	705	0	0
PV682	Local investment bond	C Ryba	2,800	0	0	0	0	0
Capital-GF Provisions			3,517	14	15	705	0	0
Total GF Capital Plan			94,473	28,082	30,345	8,362	710	0

Appendix B

General Fund reserves – calculation of Prudent Minimum Balance (PMB) and target level

Description	Level of risk	Amount at risk	Risk
		£	£
Employee costs	Low	31,466,190	62,932
Premises costs	Low	7,636,420	15,273
Transport costs	Low	670,210	2,681
Supplies and services	Low	27,610,770	13,805
Grants and transfers	Low	29,718,130	29,718
Grant income	Low	37,283,260	37,283
Other income	High	56,994,510	1,282,376
Miscellaneous	Low	358,400	538
Total one year operational risk			1,444,607
Allowing three years cover on operational risk			4,334,000

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	1,000,000	30%	300,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	500,000	30%	150,000
Capital project overruns	750,000	50%	375,000
Project failure / delays to savings realisation	3,900,000	33%	1,287,000
Cover for lower level of earmarked and specific reserves	500,000	30%	150,000
General risks			2,312,000

Prudent Minimum Balance (PMB)	6,646,000
Target (PMB + 20%)	7,975,000

Operational cost risk profiles					
			<i>Low</i>	<i>Medium</i>	<i>High</i>
Employee costs		overspend	1.00%	3.00%	5.00%
	£31,466,190	probability	20.0%	15.0%	10.0%
		amount at risk	£62,932	£141,598	£157,331
Premises costs		overspend	1.00%	3.00%	5.00%
	£7,636,420	probability	20.0%	15.0%	10.0%
		amount at risk	£15,273	£34,364	£38,182
Transport costs		overspend	2.00%	4.00%	6.00%
	£670,210	probability	20.0%	15.0%	10.0%
		amount at risk	£2,681	£4,021	£4,021
Supplies and services		overspend	1.00%	3.00%	5.00%
	£27,610,770	probability	5.0%	10.0%	15.0%
		amount at risk	£13,805	£82,832	£207,081
Grants and transfers		overspend	1.00%	2.00%	3.00%
	£29,718,130	probability	10.0%	7.5%	5.0%
		amount at risk	£29,718	£44,577	£44,577
Grant income		overspend	1.00%	2.00%	3.00%
	£37,283,260	probability	10.0%	7.5%	5.0%
		amount at risk	£37,283	£55,925	£55,925
Other income		overspend	5.00%	10.00%	15.00%
	£56,994,510	probability	5.0%	10.0%	15.0%
		amount at risk	£142,486	£569,945	£1,282,376
Other		overspend	1.00%	2.00%	3.00%
	£358,400	probability	15.0%	10.0%	5.0%
		amount at risk	£538	£717	£538

Appendix C

Financial resilience assessment – risks to the financial resilience of the council

The table is presented from a council-wide perspective and in general terms. At this level, it cannot list every financial risk the council is exposed to but aims to cover the majority of risks by describing them in a generic way.

The risk score is presented as High, Medium or Low, giving an indication of the severity of the risk overall for the council. As the risk will manifest in different ways in each applicable service, and will be controlled in different ways, impact scores will be different for the risk in each service risk register.

Generic controls that operate across the council are recorded. Services will undertake specific controls depending on the particulars of the risk in their context.

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
1	Income	Sales, fees and charges fall short of budgeted levels	Unforeseen economic conditions Over-optimistic budgeting Service not perceived as value for the customer Competitor activity Delayed delivery of service	Contributes to service and council overspend Less money to support service delivery generally	Regular budget monitoring and reporting Performance and complaints reporting Increasing levels of debt / provisions In some cases expenditure will reduce, or can be controlled downwards, when levels if activity / income reduce.	High

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
2	Income	Sales, fees and charges income does not recover costs of delivering the service	Full costs not understood Activity levels below expectations Service costs are higher than the market will bear Standard of service provision too high and therefore too costly Charges not updated regularly Central regulatory changes eg planning reform, devolution, rent controls Potential for decommissioning services not evaluated. Competitive pricing in the marketplace	Contributes to service and council overspend Less money to support service delivery generally	Regular budget monitoring and reporting Review and update of recharge calculations Monitoring of activity levels and customer satisfaction Service accountant support Reprofiling of statutory income <u>required</u> – reduction in fees / greater emphasis on councils doing the heavy lifting	High
3	Income	Incorrect or incomplete income billed or collected	Processes / records for identifying amounts to be billed inadequate Out-of-date lists of charges used Cash handling errors Process for service refunds not effective	Contributes to service and council overspend Less money to support service delivery generally Reputational damage	Regular budget monitoring and reporting Challenge by Payables and Income Service accountant support	Low
4	Income	Amounts owed to the council cannot be collected	Invoices are inaccurate / late / not produced Debtors are unable to pay Recovery processes are ineffective	Contributes to service and council overspend Less money to support service delivery generally Reputational damage	Increasing levels of debt / provisions Level of customer queries / complaints	Low
5	Income	Risky commercial / income-generating projects	Pressure to generate income to support services Pressure to meet policy targets, eg climate change, housing Weaknesses in business model, due diligence, management challenge, market	Failure to deliver objectives, including financial return Financial loss Drains resources from other projects and services Reputational risk	Professional advice Internal governance structures Project management processes	High

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
6	Expenditure	Cost inflation exceeds expectations	Unforeseen political and economic conditions Over-optimistic budgeting Higher pay settlements Pressure from suppliers who are under contract	Contributes to service and council overspend Requires in-year management, expenditure and/or service reductions Potential impact on reserves	Reviewed twice yearly, for MTFS and budget setting Regular budget monitoring and reporting	Low
7	Expenditure	Unforeseen service demands and/or costs	Unforeseen political and economic conditions, increasing service demands New statutory requirements Over-optimistic budgeting Need to manage emergencies Expenditure required to address data breaches, complaints etc	Contributes to service and council overspend Requires in-year management, expenditure and/or service reductions Reputational damage Potential impact on reserves	Regular budget monitoring and reporting Head of Service / Director responsibility for monitoring new requirements Business continuity plans Information Governance processes and training	High
8	Expenditure	Costs of change / transformation exceed resources available	Extent of change required Availability of reserves for this purpose Timing of savings does not support their use to fund further change	Centralised expenditure controls required Service cuts implemented rather than transformation	Strategic management processes, including SMT, SLT, SLT/Executive meetings Corporate programme boards Project and programme management approach	Medium
9	Funding	Government funding reviews reduce council's Spending Power	Levelling up funding towards more deprived areas / councils under more financial pressure Reduced overall funding levels due to central government spending pressures / outcome of Spending Review	Increased savings targets Depending on timing, quicker, deeper transformation and/or cuts	Reviewed twice yearly, for MTFS and budget setting External advice and use of bought-in financial models to assess potential impacts on funding Longer term saving plans being developed in the Recovery and Transformation Programme	Medium

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
10	Funding	Reductions in business rates / council tax that can be retained by the council	Economic conditions Changes to BR retention scheme Reductions in rateable values / more appeals Increase in council tax support Recovery processes not effective	Greater uncertainty in funding streams Increased savings targets Depending on timing, quicker, deeper transformation and/or cuts Reserve levels impacted	Reviewed twice yearly, for MTFS and budget setting External advice and use of bought-in financial models to assess potential impacts on funding Longer term saving plans being developed in the Recovery and Transformation Programme	High
11	Funding	Specific grant funding	Government announces grant funding on ad hoc basis Grant funding increasingly requires lengthy applications / ready-to-deliver projects Cambridge seen as an affluent area not priority for additional funding Cessation of NHB, with no replacement announced to date	Unable to plan effectively Unable to access funding for projects	Services knowledge and networking re. funding announcements Identification of projects through strategies (housing, climate change etc) that can be put forward for funding at short notice	Medium
12	Third parties	Shared service issues	Competing demands from partners Disagreement on service specifications Cost sharing agreements challenged Loss of key officers Service failure Governance arrangement not capturing the best efficiencies	Unsatisfactory service delivery Lack of progress on service objectives / developments Savings not delivered / additional costs Requirement to re-provide or repatriate Complaints	Shared services management board Business planning and quarterly reporting processes	Medium

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
13	Third parties	Supplier issues	Business failure Loss of key employees Unforeseen increase in costs Contract issues Supply chain fracture (long tail from COVID, Brexit, recession, shortages and supply chain issues Suppliers unable to meet demand Suppliers unable to meet technical requirements – water, energy, decarbonisation	Unsatisfactory service delivery / unable to deliver service Complaints / Reputational damage Additional contract management effort required Re-procurement needed Budget pressures	Contract management Financial assessment of potential contractors Regular budget monitoring and reporting	Medium
14	Third parties	Partnership issues	Competing demands from partners Disagreement on objectives / actions Cost sharing agreements challenged Cost shunting / cost avoidance Lack of effective strategic governance / accountability across organisational boundaries	Pressure on officer time / workload Budgeting uncertainty Financial pressures Strategic decisions are not made at an appropriate level, impasse, speed of decision-making does not allow for progress at the required rate of change	Senior management involvement Clear objectives of partnership working	Low, but likely to increase due to current strategic direction of travel
15	Assets	Administration and service delivery premises not fit for purpose	Change in service requirements (too big, too small, in the wrong place etc) Suitability for shared services Inadequate maintenance Expensive, inefficient and carbon-intensive to run	Capital receipts and/or cost savings may be achievable Costs of selling and movement to new premises would have to be met Delayed maintenance could give rise to additional costs Income generation could be compromised Difficult and expensive to meet net-zero carbon targets	Asset management plans Transformation programme Climate Change Strategy Revenue and capital maintenance budgets	High

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
16	Assets	Income from commercial properties	Change in economic conditions Types, sizes and locations of properties do not meet market need Inadequate maintenance Expensive, inefficient and carbon-intensive to run	Properties may not be attractive to prospective tenants leading to void periods and lower rents Delayed maintenance could give rise to additional costs Difficult and expensive to meet net-zero carbon targets Increased officer time to manage	Asset management plan Market knowledge and advice Maintenance budgets Service accountant support	Medium
17	Assets	ICT resources, plant and equipment not fit for purpose	Items not correctly specified when procured Inadequate maintenance Replacement cycles too long Users not adequately trained resulting in equipment damage, data issues, incorrect processing	Value for money not achieved Service delivery compromised Complaints User safety could be compromised User dissatisfaction	ICT road map Intelligent client Project approach, including business cases Procedure notes Maintenance plans	Medium
18	Assets	Treasury and cash management	Low interest rates lead to more risky investments Application of revised PWLB lending rules more restrictive than expected Availability of short term borrowing from other local authorities reduces	Losses of capital PWLB borrowing not available, so more expensive alternatives have to be used Borrowing becomes significantly more expensive leading to reductions in the capital programme	Treasury investment strategy Qualified and experienced officers Use of additional lenders, such as UKMBA Professional advisers	Low
19	Assets	Financial compensation from ICT threats	Costs associated with recovery of ICT systems from external threats such as ransomware	Impact on cashflow and reserves Commitment to a central government led external assurance review focused on financial position	ICT security controls	Low

Ref	Source	Risk title	Cause (Examples)	Consequence	Controls	Residual risk level (H,M,L)
20	People	Workforce does not meet the needs of the council	Poor recruitment decisions Management not effective Adequate training not undertaken Excessive use of agency staff High level of vacancies Competition for skilled resources in the marketplace Failure to manage poor performance Lack of staff engagement Lack of forward view on crucial need for emerging skill sets – data, digital, UX – restricting rate of change	Unable to recruit or retain skilled staff Service delivery compromised, including service development and transformation activities Additional costs Workload pressures for delivery teams and management Lack of continuous improvement in services and policy making	HR policies and procedures Learning and development offering, including e-learning HR support for managers Communications with employees	Medium
21	People	Pension costs	Changes in pension rules Actuarial assumptions change significantly - longevity, investment returns etc	Significant changes required to long-term financial projections, with little scope to manage additional costs Impact on savings requirements	Reviewed regularly at budget setting Updates from LGSS Pensions and scheme actuary	Low
22	Projects	Projects not delivered to time, quality or cost	Resource pressures Project / programme governance fails Projects poorly planned and executed Political objectives override management advice Unforeseen external factors – regulation, partner / supplier issues	Savings not delivered Additional costs, putting pressure on revenue and capital funding Delays in achieving commercial / investment income Increased management time required Time-limited funding lost, creating budget pressures	Programme office and boards providing support and oversight Quality Assurance Group providing professional challenge Project management training	High

Appendix D

Principal earmarked and specific funds

Fund	Balance at 1 April 2021	Anticipated contributions	Forecast expenditure	Forecast balance at 31 March 2026
Greater Cambridge Partnership (formerly City Deal) Investment and Delivery Fund	(5,142)	(496)	5,638	0
Sharing Prosperity Fund	(85)	0	85	0
Climate Change Fund	(179)	(200)	379	0
Asset Replacement Fund (R&R)	(1,156)	0	1,156	0
Bereavement Services Trading Account	(923)	(800)	1,723	0
Local Plan Development Fund *	(602)	(750)	1,352	0
A14 Mitigation Fund	(1,500)	0	1,500	0
Cambridge Live Development Plan	(213)	0	213	0
Covid Grants	(1,352)	0	1,352	0
NNDR Additional Income	(31,809)	0	31,809	0
Total	(42,961)	(2,246)	45,207	0

The majority of these funds are subject to future contributions and expenditure which cannot be exactly stated. This table reflects our best estimates.

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

Appendix E

Our Cambridge – Transformation and recovery programme

Introduction to Our Cambridge

The “Our Cambridge” programme is designed to enable our local communities, the council and our partners to work together to build a sustainable future for Cambridge.

It is about working hand-in-hand to change how we, as a council, do things. It is about building on the assets that exist and what already works well; but also ensuring that, as we adapt to the severe challenges that face us, we consistently put people at the heart what the council does. As much as anything, it is about making “**One Cambridge – Fair For All**” the reality that underpins of all of our work.

The COVID-19 pandemic has shown how we can work differently, find new ways of meeting essential needs and respond rapidly to local challenges. It has also highlighted the terrible impact of inequalities in our society, against the backdrop of a growing global climate emergency. We need to build on these experiences as we shape our shared future.

Our ambition is to create a prosperous and sustainable future where people are able to get the help and support they need, when they need it; where our teams feel valued and part of a council that is investing in that future; and where our financial position enables our ambitions as a council and does not hold them back.

In this context, the Our Cambridge programme will need to:

Apply learning from the past 18 months	Develop a clear and shared vision for Cambridge	Support our response to the climate emergency
Improve outcomes for local people	Tackle poverty	Reduce inequalities
Engage staff and communities in transforming the way we work	Enhance how we collaborate with our partners	Achieve genuine financial sustainability for the council

Overall context – what are we proposing?

The ambitions of the Our Cambridge programme extend to every aspect of our work as a council and the outcomes we deliver, with and for the communities we serve.

This programme is a core part of Cambridge's response to the climate emergency, and to One Cambridge - Fair For All.

We understand that this programme will only be successful – and positive outcomes will only be sustainable – if we face up to the longer-term financial pressures confronting all local authorities in England, including councils like ours.

The COVID-19 pandemic has highlighted how we can adapt rapidly and successfully to meet local needs.

It has also shown a harsh spotlight on the inequalities that exist across our communities and exacerbated pressures on both council expenditure and income,

We recognise that we will need to do things differently in the future if we are to achieve the ambitions that we are setting out. Our Cambridge is our response to the need to invest in a broader, fairer recovery through transforming how we work as staff and communities, as a council, as a city, and as part of the development of our broader region.

Key outcomes – what we want to achieve through this work

The Our Cambridge programme is designed to deliver benefits, across Cambridge, for our residents and customers, our communities, and our staff and partners. These benefits will fall within three areas, which also support one another:

Customer First	Community Focused	Empowered Staff
Aligning our council resources with the priorities of our communities and our customers, understanding and focussing on the areas of greatest need, and ensuring we demonstrably address existing and new inequalities in our society.		Creating a culture that frees people to work in the most effective way possible, to respond to new opportunities and changing needs, and to focus on the outcomes that deliver the most value to our communities.
An innovative and sustainable model including applying new technology to provide better services and support.	Thriving communities, economic development and a city recovery from Covid building community capacity.	
A more efficient model for delivering services providing a better customer experience, improved outcomes, and meeting all of our customers' needs.	Developing our shared future in partnership with local people, other public sector bodies, our voluntary and community sector, universities and local businesses.	Enabling staff to collaborate across traditional boundaries, to innovate, and to apply an entrepreneurial mindset in improving how we work.

How we will organise ourselves - delivering through our five themes

Customer First	Community Focused	Empowered Staff
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Delivering together

- **We can't deliver these outcomes on our own** and we will need to work with partners around each aspect of the shared vision.
- **At the heart of the vision will be a very different relationship** with each of our communities.
- **This vision and new relationship change how we deliver our services**, building on the assets that exist and what is good, but ensuring that in future we are consistently putting people at the heart of everything we do.
- **To do this sustainably we will need to maximise value** and, wherever appropriate, the income that supports key services and our work.
- **We will need to develop together as an organisation** to do all of this successfully.

Cross-cutting programme themes

Partnerships	Acting as leader and facilitator, bringing partners together around key priorities
Community	Working in true partnership with communities to address inequalities and build capacity
Customer Focused	Consistently putting customers at the heart of how we plan and deliver our services
Entrepreneurial	Developing an 'enterprising', innovative mindset to increase both income and social value
Organisational Change	An organisational and cultural shift to enable us to deliver against these themes

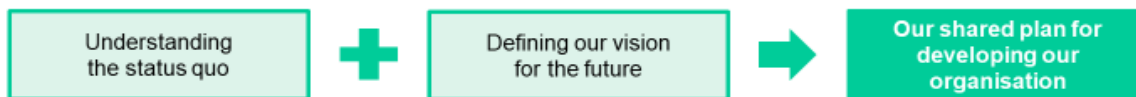
Our Cambridge Conversation: a catalyst for change

At the heart of the development of the Our Cambridge programme, we are proposing wide-ranging engagement through a set of rich and interconnected conversations, delivered through a variety of routes to ensure everyone is able to participate.

The “Cambridge Conversation” will:

- **Provide staff, partners, communities and residents with an opportunity to share their views.** We will focus on creating safe, but honest, spaces for people to share what is working, and what could work better.
- **Spark creativity and ideas about the Council of the future,** building on what we have achieved already, and exploring what is possible.
- **Provide regular “feedback loops”** to enable people to feel a sense of progress and development - providing confidence that every conversation builds on the last, and that no input is ‘lost’.
- **Give people confidence in the process** through regular updates and clear and consistent communications.
- **Give a sense that missing one conversation doesn’t mean missing “the” conversation** – there are many opportunities to contribute.

Initially the focus is on **engaging our staff**, to ensure we **make the most of their knowledge and expertise** and that they are able to **shape and influence** the development of ‘Our Cambridge’



Benefits summary

Workstream	Benefit
Customer	This theme will ensure our council consistently puts the customer first. This will ensure easier access to services and a joined-up customer journey. It will include enabling more dynamic ways of interacting with us as a council and a continued shift to providing online services for customers who want them, whilst being open for all. Staff will be enabled to work in an agile way to produce a better working experience, to better meet our customers' needs, and to enable effective delivery across all areas
	Support services, and wider strategic services, across our council will be aligned around the "customer first" model, ensuring that the work of these teams delivers the best possible value to the council and our communities, and that staff, as our 'internal customers', also receive a great customer experience from the teams that support them.
	Closer working with system partners will ensure public and VCSE services are aligned and provide the best possible experience for residents who require support from a number of different organisations and agencies. We will look at "coalition" models to deliver services together, and opportunities to share delivery with communities and community interest groups, to create greater alignment around local people's priorities.
	We will have high quality office space which supports staff to work together in the best way possible and make their jobs as easy as possible. Long term shift to 'hybrid' working (between the office and other locations) will provide opportunities for improving collaboration, accessibility and flexibility in how we work and in the quality of life of our workforce.

Benefits summary (continued)

Workstream	Benefit
Partnerships	A shared vision and focus for the city that brings partners and communities to work together, and creates greater connection across all parts of Cambridge's society.
Community	Empowered communities able to shape their future with confidence and to support those in Cambridge most in need. Measurable reductions in inequality across our city.
	A more effective approach to connecting with our communities, engaging everyone including less seldom-heard groups. A dynamic approach to listening to people's priorities and following this with action (including strengthening local decision-making).
Entrepreneurial	Partnerships which connect people living and working in communities and areas that matter to them. Stronger and more resilient communities and "places" (at a city, district and neighbourhood level) that enable people to thrive in the ways that they choose.
	Our commercial services will be realising the best possible social and financial return, generating income which can be reinvested into delivery of the council's priorities.
	The services we deliver by choice will be aligned to our and our communities' priorities, our principles and our values; delivering social value as well as a financial return.
Organisational change	Major capital projects will be delivered successfully and in doing so, will help us deliver our future vision for a fair and sustainable Cambridge.
	Empowered, engaged workforce with the skills, knowledge and confidence to drive a culture of continuous improvement and innovation.
	Decisions are made as efficiently and effectively as possible.

Financial benefits – approach and next steps

The Our Cambridge programme will deliver financial benefits through both cashable and non-cashable savings. These will be achieved through individual projects and through how we work collectively to invest in the future of Cambridge.

Current estimates are based on both "bottom-up" modelling (using data about what we currently do, how this aligns to outcomes and spend) and "top-down" estimates (looking at the opportunities and challenges facing the council as a whole, and how we can best respond to these).

For some projects the full scale of potential financial benefits will not be evident until we have carried out the first phase of the work and we will review these through a series of agreed "gateways" as the programme progresses. This may result in additional income generation or savings not currently included in the business case (though we may also need additional resource to deliver them). Any further savings, and any additional investment, will be subject to a robust process of review and approval including council officers, members, and as appropriate, broader communities and partners.

This business case is a "living" document.

We are continuing to refine our modelling, and there are some uncertainties still needing to be resolved. These include some additional opportunities not yet quantified – for example, financial benefits resulting from major capital projects, changes to fees and charges, and further opportunities to improve demand management.

Potential financial benefits: revenue improvement

Based on a joint review of current income and spend, the range of potential recurrent benefits realisable by 2024/2025 identified to-date are summarised below:

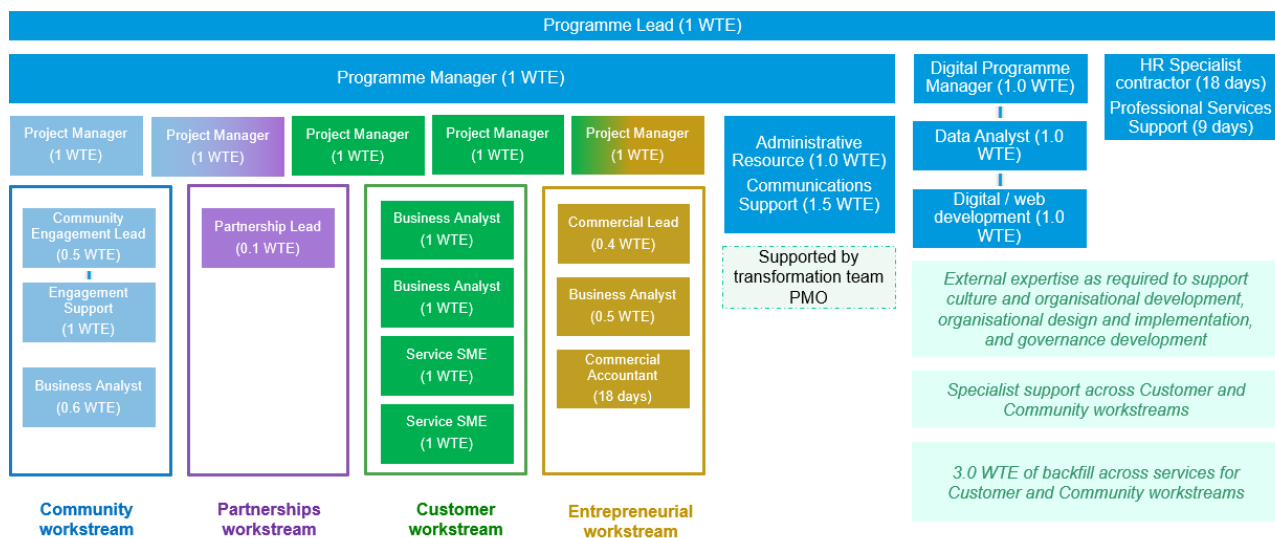
Potential recurrent income growth and revenue savings by workstream	Lower estimate	Mid-point estimate	Higher estimate
Customer	(£1.7m)	(£3.6m)	(£4.9m)
Partnerships	(£0.0m)	(£0.0m)	(£0.0m)
Community	(£0.0m)	(£0.0m)	(£0.0m)
Entrepreneurial	(£0.5m)	(£1.1m)	(£1.7m)
Organisational Change	(£0.0m)	(£0.0m)	(£0.0m)
Total	(£2.2m)	(£4.7m)	(£5.6m)

Programme costs - assumptions

We have developed a set of shared assumptions around costs that underpin the financial model. This programme will be managed by a team that is fully embedded within Cambridge City Council – that is one of the guiding principles behind the ‘Our Cambridge’ approach

- **We will deliver the programme through a mixed resourcing model** based on:
 - fixed-term contracts and internal secondments to staff programme delivery roles.
 - additional backfilled posts across service areas involved in delivery of Customer and Community projects.
 - support provided where appropriate by externally sourced specialists and consultancy support.
- **Council, secondment and fixed-term contract costs** have been estimated on the 2020/21 mid-spinal point for PO grades:
 - for planning purposes these have been uplifted by 1.5% for 2021/22,
 - with 25% on-costs applied.
- **We have used an averaged day rate for external specialists** based on market rates.
- **Transition costs have been accounted for** as follows:
 - our current planned timeframes would make any reductions in resourcing achievable through natural attrition.
 - this is based on current staff turnover which is estimated at 4% per annum.
 - however, we have included a contingency of 15% of the estimated full-year savings,
 - covering any double-running of service models and any related costs to changes in roles and structures.

Indicative levels of resourcing (2022/23)



Estimated programme staffing by theme

Programme area	Roles	Potential Resourcing (indicative)					
		2021/22 (five months)		2022/23 (full year)		2023/24 (full year)	
		WTE	Total Cost	WTE	Total Cost	WTE	Total Cost
Core Programme Team	Programme director, programme manager, comms, data analyst, PMO support	4.8	£146,000	5.3	£352,000	3.6	£229,000
Community	Project manager, business analyst, consultancy engagement and facilitation	4.5	£121,000	5.0	£317,000	0.2	£15,000
Customer	Business analysts, project manager, digital/web developer, systems specialists, ICT input, backfill	12.4	£425,000	10.8	£894,000	1.6	£116,000
Entrepreneurial	Business analyst, commercial leads	3.6	£122,000	1.7	£165,000	0.3	£35,000
Organisational development	External specialist support to organisational design, development, communications and engagement	1.0	£46,000	0.7	£62,000	0.0	£0
Partnerships	City vision project lead, project management and engagement support	1.3	£38,000	0.6	£40,000	0.0	£0
Sub Totals		27.8	£898,000	24.1	£1,830,000	5.8	£395,000
Total		£3.1m					

Key risks & mitigations (1/2)

Risk	Impact	Mitigation Actions	Unmitigated Risk	Mitigated Risk
1. There is a risk of delay in delivery based on potentially over-ambitious timescales.	Delay will impact benefits realisation and the council's medium term financial outlook, and may undermine confidence in future delivery.	Robust programme and project management, clear and ongoing executive oversight, and effective project resourcing and support to each area.	High probability, High impact	Medium probability, Medium impact
2. There is a risk that proposed changes will negatively impact existing staff and teams.	Changes including to resourcing model may impact current staff morale, recruitment and retention, performance, existing service delivery and the successful introduction of future models.	Dedicated cross-cutting workstream focussing on engaging staff and staff representatives; ring-fenced investment to support staff development, redeployment and training; co-design of the future model with staff, building on a shared focus on delivering better outcomes for Cambridge.	High probability, High impact	Medium probability, Medium impact
3. A failure to engage local people in the programme objectives and aims.	A lack of citizen engagement will impact the design process, the quality of the final model, and may lead to opposition to changes and / or an inability to deliver envisaged benefits.	A focus on "Plain English" communication, genuine co-design (vs. consultation and engagement) around key changes, early identification of quick-wins and sharing of benefits, close working with and through elected members.	Medium probability, High impact	Low probability, High impact
4. Changes lead to changes that worsen rather than tackle inequalities.	A failure to develop changes in a way which supports and engages all communities will lead to longer term dissatisfaction, costs, demand pressures and poorer outcomes.	Co-design process will ensure that seldom-heard voices are effectively engaged in the conversation. Robust equalities impact assessments, acting on findings, will help to prevent unintended consequences from service changes.	Medium probability, High impact	Low probability, Medium impact
5. Failure to engage effectively with partners limits opportunities and benefits.	Inability to agree with partners on the priorities and future model, including for existing shared services, will limit room for innovation and for realising potential shared benefits.	Strong focus on partnership engagement including through the visioning and strategy work; development of clear and transparent partnership governance arrangements, including to manage benefits realisation across the shared services.	Medium probability, High impact	Medium probability, Low impact

Key risks & mitigations (2/2)

Risk	Impact	Mitigation Actions	Unmitigated Risk	Mitigated Risk
6. There is a lack of data to support detailed business case development and / or key assumptions underpinning current financial modelling prove overly optimistic.	Failure to set appropriate expectations impacts confidence in council plans; budgets fail to reflect actual costs leading to unplanned overspends and the need for increased / prolonged requirement to draw on reserves, or lower service standards and quality.	Ongoing, iterative review of assumptions and modelling with finance teams, transformational and operational leads. Regular reviews of actual performance against plan and proactive escalation of potential issues through new programme governance structures. Development of best / worst / mid case scenario and sensitivity modelling with appropriate phasing and contingencies.	High probability, High impact	Medium probability, Medium impact
7. Potential savings fail to be translated into actual reductions in current council spend.	For example, reductions in requirements for individual office working are only cashable if this allows for an existing site or portion of a site to be re-let, sold or re-used in a way which contributes to the financial sustainability of the council.	Assumptions are being developed with relevant officers and teams to ensure that the range of savings and benefits reflect the need for a phased and managed transition. This will be supported by a cross-council benefits management process to ensure cashable gains are appropriately identified, realised, and are not double-counted.	High probability, High impact	Medium probability, Medium impact
8. Lack of clarity around capital and revenue investment requirements impacts the ability to develop a holistic model of costs and benefits for the Our Cambridge programme.	An overstating of benefits due to a failure to offset gross savings with accompanying costs required to maintain them; or a lack of budget to deliver on commitments, including around required capital investment.	Review of the investment requirements in parallel with commencement of project delivery, with a focus on prioritising areas such as around specific capital schemes and requirements which require the most work to develop detailed, evidence-based estimates and plans.	High probability, High impact	Medium probability, Medium impact
9. Inability to staff the required programme roles in the time required to mobilise the programme effectively.	A lack of availability of key staff and / or inability to source appropriately skilled and experienced individuals hampers the ability to ramp-up transformation efforts in line with the required plan for delivery.	A mixed resourcing model based around seconding and backfilling internal staff, sourcing external support on a fixed-term basis, and the use of specialist interims and consultancy partners, to ensure that the programme mobilises in a timely way whilst minimising costs and maximising skills transfer and ownership internally.	Medium probability, High impact	Medium probability, Medium impact

Appendix F



DEPOT RELOCATION

To:
Councillor Mike Davey, Executive Councillor for Finance and Resources
Strategy & Resources Scrutiny Committee [11/10/2021]

Report by:
James Elms, Head of Commercial Services
Tel: 07725 623939 Email: James.Elms@cambridge.gov.uk

Wards affected:
All

Key Decision

1. Executive Summary

The current depot relocation programme has reached two fundamental milestones that require the approval of funding to enable the programme to proceed to meet the required timetable.

- a. Land acquisition – requires a commitment to purchase if certain criteria are met. This needs to be in this calendar year
- b. The procurement of a supplier to complete the construction phase of the programme – requires a commitment to procure early in Q4 of this financial year

The £10m capital bid is to cover all costs incurred in relocating the depot and consists of land acquisition and associated costs, design, planning, costing and associated costs, construction and associated costs, consultant support

both for the depot build and to support elements of service redesign key to the programme.

This programme will lead only those elements of service redesign that directly affect the overall depot relocation programme, seeking to rationalise processes/delivery models to drive out cost, increase efficiency, reduce carbon impact, looking to minimise land requirements and therefore reducing the capital cost of the depot relocation programme.

It is hoped that the elements of service redesign will also reduce ongoing costs that the Council bears in running those services.

Following a site search, several possible sites have been identified and work is ongoing to consider these further and agree provisional terms

The full cost of the depot relocation has yet to be fully understood. For forecasting purposes, the capital bid for this programme is £10m though this figure is a forecast and may be subject to change either way as the project progresses.

In light of current funding pressures and limits on available capital funding, the Lion Yard shopping centre investment scheme will be removed from the approved capital plan and the funding allocated to that scheme repurposed to depot relocation. It is proposed that a further £1m of funding is allocated from the General Fund Development Reserve and the balance from capital receipts and/or additional borrowing.

2. Recommendations

The Executive Councillor is asked to recommend to Council to:

- Proceed with the depot relocation programme on the basis as set out
- Approve capital funding of £10m for the depot relocation
- Remove the Lion Yard shopping centre investment scheme from the capital plan, reallocating the funding from that scheme to the Depot Relocation programme
- Allocate £1m of funding from the General Fund (GF) Development Reserve to the Depot Relocation programme
- Allocate an additional £3m of capital receipts or borrowing to fund the balance of the scheme
- To grant delegated authority to approve the acquisition of a site to the Strategic Director in consultation with the Executive Councillor for Finance and Resources, Opposition Spokesperson, Head of Property Services and Head of Finance.

3. Background

Why is the Council moving depots?

The current Cowley Road Depot is an interim solution following the move from the long-term operating location at Mill Road and was occupied some 3+ years ago. Cowley Road Depot needs to be vacated by 19th Dec 2023 as the temporary planning consent expires. The site has been allocated as strategic housing infrastructure in the Local Plan (North East Cambridge Area Action Plan (NECAAP)).

Cambridge City Council (CCC) must therefore relocate its current depot facility at Cowley Road and is seeking to provide a comprehensive depot solution at a new location.

The new depot must be able to support strategic and operational service objectives, both now and over the next 25 years.

What is the Core Requirement?

The optimum depot solution is to have a single, strategically placed operating location for Streets and Open Spaces (SoS) and Estate and facilities (E&F) together, with alternative use (or lease exit) of the current E&F facility at 130 Cowley Road until lease expiry.

This approach will support the emerging Transformation and Recovery Programme which is seeking to develop new operating models for Council services and be an enabler to this wider change. Any new depot will need to be cognisant of the new demands associated with population and housing needs across the City.

The current options appraisal is summarised as:

- It is cost efficient to create a single location providing shared service depot facility for SoS and E&F
- It is land efficient to create a single location providing shared service depot facilities for SoS and E&F
- A single location should include smart working space for other CCC staff
- The location for the new depot should be accessible by public transport and have good access into the City
- The location should minimise travel miles incurred by service vehicles to reduce congestion and, while the fleet decarbonize, the carbon impact of travel

Co-location at Waterbeach with the shared refuse collection service has been reviewed as an option, but it presents considerable challenges for SoS and

E&F as it is too remote operationally. Not least it would require the transit of slow-moving vehicles (lawn mowers, street sweepers) along the busy A10 during busy peak hours.

An extensive site search was completed to consider those that might be suitable. This has been reduced to a few key sites that meet requirements in terms of size, location and availability. Discussions are taking place with landowners to try and agree potential terms and cost of acquisition.

Due to the need for the Council to act quickly in the market, delegated authority to approve site acquisition is required.

The forecasted high-level benefits are:

Financial

- Cashable saving by invoking the break clause in the current 130 Cowley Rd space and moving a reshaped operation, following the stores review, to the new depot site co-locating with other services
- Cashable saving / reduced financial burden. A review of waste transfer is currently in flow and is reviewing how to move away from on-site waste transfer to direct waste transfer and replacing the current operating model with a reshaped operation
- Reduced utility costs by use of PV/EV/Grey water harvesting etc
- Providing services with an opportunity to review operations reshaping in more cost-efficient service delivery models

To improve Environmental Sustainability performance of Depot based services

- Council leads by example in reducing consumption of resources, reducing waste,
- Contributes towards the management of Cambridge's streets and open spaces for the benefit of both wildlife and people.
- Waste management that is more environmentally friendly reducing the storage or transportation needs of waste, particularly in relation to green waste.
- More sustainable travel options for personnel travelling to and from work as well greater efficiencies in operational vehicle usage including lower mileage and journey time
- Office space and facilities that meet service needs, have higher occupation levels and therefore efficiently use land space.

Net Zero Carbon

The solution must ultimately be affordable, as part of that affordability test Net Zero Carbon (NZC) options have been defined but require a site and a

design to provide a robust costing. The Council NZC brief provides a clearly defined basis of Environmental Cost Benefit Analysis (ECBA) of NZC options to inform a comparative evaluation.

Risks/Mitigations

With a programme of this size there are a number of risks, for the purposes of this paper planning permission is the key risk

There are potential risks and costs associated with all sites. Planning can be very difficult, in both greenfield and, dependent on location brownfield sites. The risk of remediation cost of contaminated sites from previous usages is higher tends to be greater in brownfield sites.

Of the current sites being reviewed all except one are green-field. These are clearly be more challenging but given the operational need, the cost of land within the urbanised area of Cambridge and the limited land availability green field may be the only option. Site selection will need to balance the use of low-density land use of depot versus maximising land use eg higher density for housing. Green field sites require expectational circumstances to be proven before planning permission is granted.

The Council is working with planning partners to evidence why the site is the size it is, how/if the services have been disaggregated to reduce the footprint, why other sites have been discounted especially any available brown field options, and the design options to minimise impact.

Any acquisition will be subject to planning consent being granted. There are two approaches that the Council is reviewing to mitigate the risk of planning permission being unsuccessful.

Option to purchase (OTP)

Conditional Contract Subject to Planning (CSTP)

OTP the buyer pays the seller money for the exclusive right to purchase the property within a specified term (often 1-2 years to allow for the planning process).

Conditional Contract Subject to Planning (CSTP) requires that if certain conditions are met, the prospective buyer will purchase the Property.

Both require a level of financial commitment from the Council however that level is comparatively small in the low £10ks but considerably reduce the risk to the Council if planning is unsuccessful.

Capital funding for the programme

As set out in the Medium-Term Financial Strategy (MTFS) 2021, unless specific funding is available for a project, capital projects will be funded from capital receipts (where available) or borrowing. A limit of £4.1m of new capital schemes funded from these sources has been set to ensure ongoing affordability of the Council's capital plan.

The Lion Yard shopping centre investment scheme is currently included in the capital plan, with £6m of borrowing allocated to it. This represents the Council's contribution to a development scheme that was to be brought forward by the centre's operator. However, the long leaseholder no longer requires the Council to contribute to this scheme so the funding can be released and repurposed to the Depot Relocation programme.

The GF Development Reserve holds that portion of interest received from loans to the Cambridge Investment Partnership (CIP), which exceeds current deposit rates. The balance on this reserve now totals around £1m. There are no plans for its use. It is therefore proposed to use this to support the programme, thereby reducing the call on the £4.1m capital funding limit.

4. Implications

a) Financial Implications

Financial implications are as included in the report.

b) Staffing Implications

Unknown in detail at this stage however the depot relocating may change the way that staff access the workplace. The implications of this are being worked through with the TUs currently.

c) Equality and Poverty Implications

An EQIA is to be conducted once the design and location are known. Services will be required to complete a service level EQIA

d) Net Zero Carbon, Climate Change and Environmental Implications

Project / Proposal Name or Reference:		Date:	Your Name:		
Depot Relocation		17-Aug-20	James Elms		
1. IMPACT ON CARBON EMISSIONS					
HOW WILL THIS PROJECT/PROPOSAL AFFECT:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
1	ENERGY USE	<ul style="list-style-type: none"> * More energy will be consumed (by CCC or others) = Negative Impact * No extra energy use is involved = Nil Impact * Energy use will be reduced or renewable energy will be used = Positive Impact 	High Positive	Consider: <ul style="list-style-type: none"> Energy efficiency measures Renewable energy Reducing demand for energy 	
2	WASTE GENERATION	<ul style="list-style-type: none"> * More waste will be generated (by CCC or others) = Negative Impact * No waste will be generated = Nil Impact * Less waste will be generated OR amount of waste that is reused/ recycled will be increased = Positive Impact 	High Positive	Consider: <ul style="list-style-type: none"> Use of recycled goods Recycling facilities Reducing/ reusing resources 	
3	USE OF TRANSPORT	<ul style="list-style-type: none"> * CCC or others will need to travel more OR transport goods more often/ further = Negative Impact * No extra transport will be necessary = Nil Impact * The use of transport and/or of fossil fuel-based transport will be reduced = Positive Impact 	Low Positive	Consider: <ul style="list-style-type: none"> Use of public transport Reducing need to travel or transport goods Alternative fuels 	
2. IMPACT ON RESILIENCE TO THE EFFECTS OF CLIMATE CHANGE					
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE ABILITY OF CAMBRIDGE CITY TO WITHSTAND:		CONSIDERATIONS <i>See guidance below on determining whether negative or positive impacts are High, Medium or Low</i>	IMPACT? <i>Use drop down list</i>	GUIDANCE IF NEGATIVE RATING HAS BEEN AWARDED	NOTE HERE HOW YOU PLAN TO MANAGE AND REDUCE ANY NEGATIVE IMPACTS
4	HEAT WAVES	<ul style="list-style-type: none"> * Lack of or reduced shade (e.g. from trees or buildings) & natural ventilation = Negative Impact * No impact on existing levels of shade & ventilation = Nil Impact * Increased/ improved shade & natural ventilation = Positive Impact 	High Positive	Greater need for cooling, shade and hydration methods	
5	DROUGHT	<ul style="list-style-type: none"> * Water use will increase and/or no provision made for water management = Negative Impact * Levels of water use will not be changed = Nil Impact * Provision made for water management, water resources will be protected = Positive Impact 	High Positive	Greater need for water management and perhaps reserve supplies	
6	FLOODING	<ul style="list-style-type: none"> * Levels of surface water run-off will increase, no management of flood risk = Negative Impact * Levels of surface water run-off & flood risk are not affected = Nil Impact * Sustainable drainage measures incorporated, positive steps to reduce & manage flood risk = Positive Impact 	High Positive	Consider flood defence mechanisms or alternative arrangements (business continuity)	

e) Procurement Implications

- Land acquisition is exempt from PCR
- Construction procurement will follow the current PCR process being advertised via the Find a Tender Service (FTS).
- All procurements commenced after the end of the BREXIT Transition Period must be advertised on FTS superseding the OJEU (Text).

f) Community Safety Implications

None identified at this stage

5. Consultation and communication considerations

There is currently a communication plan that currently engages directly with staff. A wider comms strategy engaging with the community is in development, drawing off experience gained by Housing and Development (HAD) colleagues. West Suffolk District Council are assisting using their much acclaimed approach to community engagement as a model for ours.

6. Background papers

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

7. Appendices

Nil

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact James Elms, Head of Commercial Services, tel:07725 623939 email: james.elms@cambridge.gov.uk.

OUR CAMBRIDGE TRANSFORMATION AND RECOVERY PROGRAMME

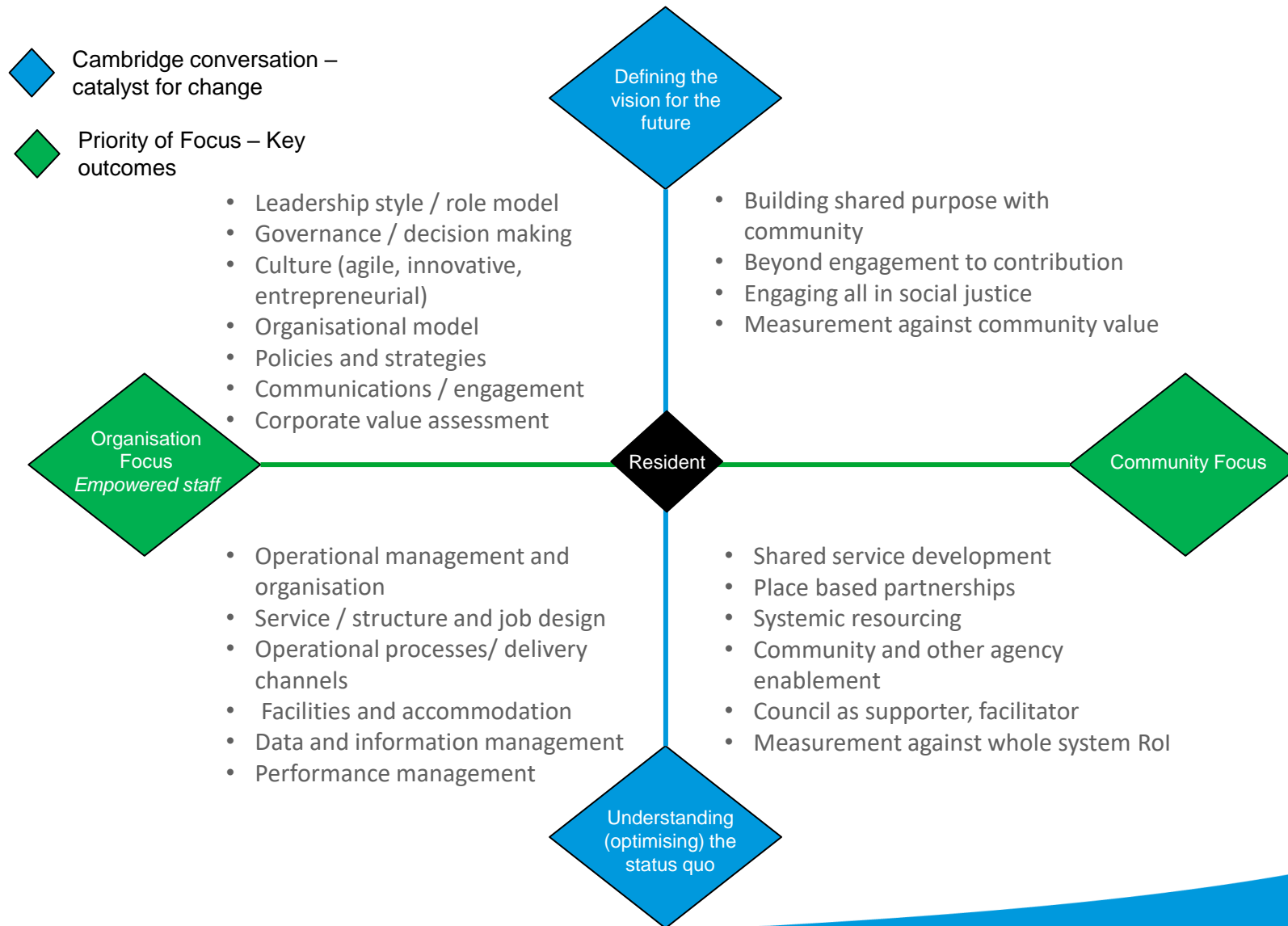
Appendix 2 – Further Information on Our Cambridge



OUR CAMBRIDGE - OVERVIEW



What we need to change

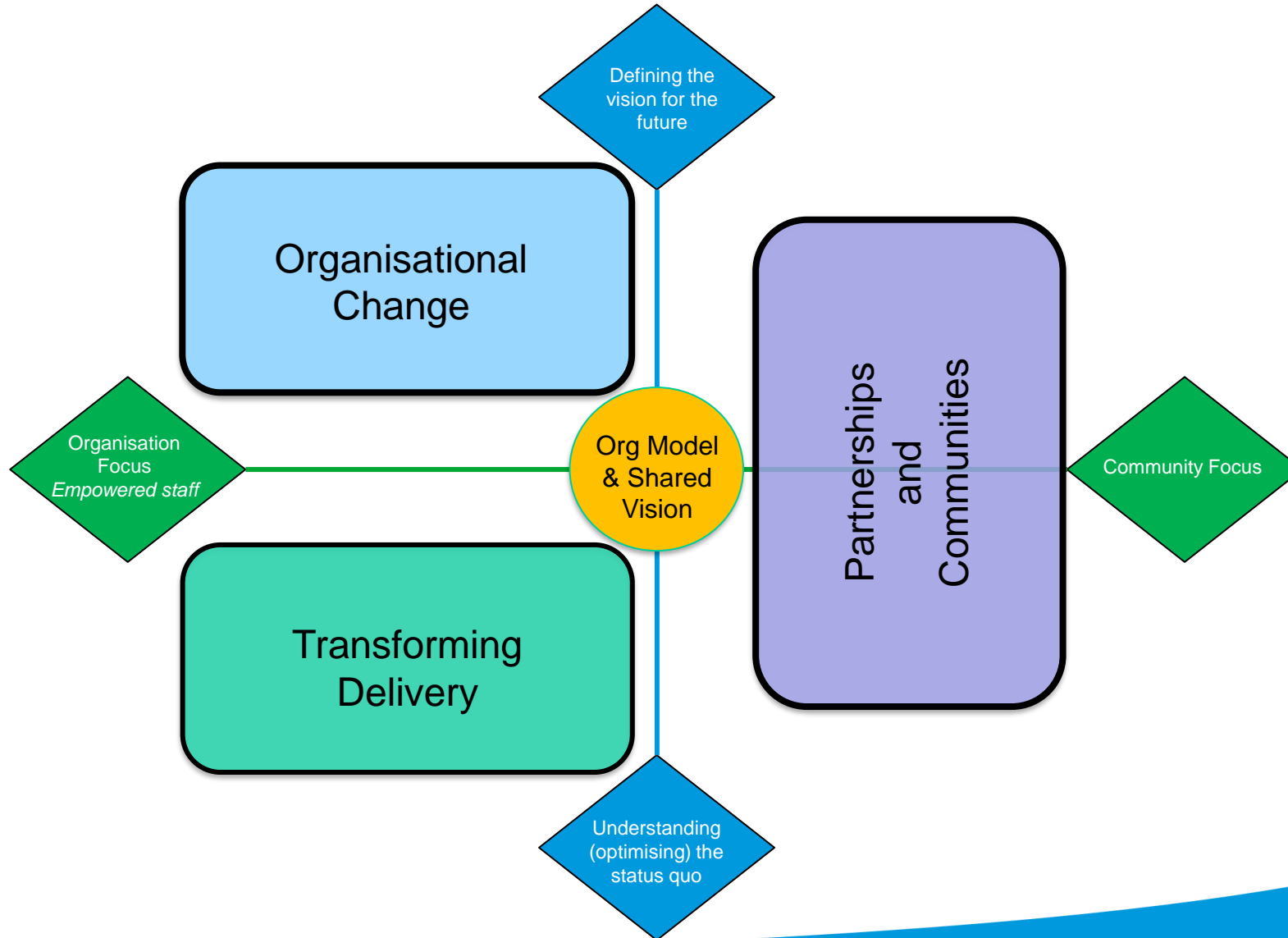


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Where today fits into our transformation agenda

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Drivers

1. To create a Council that has the capacity and capability to deliver the One City – Fair for All vision and the four strategic priorities of the Corporate Plan.
2. The needs and expectations of communities in a digital, 21st century community have changed and we need to respond.
3. The Council is facing some major funding challenges due to changes from central government and the effects of the pandemic on the income we receive.



Our Cambridge

Our Cambridge is Cambridge City Council's transformation programme uniting staff, members, partners and communities to reshape and redesign our Council. We're building a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners.



Ongoing service
delivery and local
improvements



Aim: We want to define what the future of our Council looks like - how we will work, what we will deliver, and how it will feel to be part of that culture

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Organisational Change



Making it Real
Short term changes

Teams will be invited to take part in conversations that will help them refocus on the Council's purpose, their own individual role and identify small changes to make immediate improvements

Organisation Design
Long-term changes

Establishing the kind of organisation we want to be and the value we want to deliver for customers, followed by how we reshape and redesign ourselves to do this

Partnerships and Communities

Aim: Redefining, developing and adopting new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

We're establishing relationships with our partners and community so that working with partners is our default approach, while considering our wider role in developing shared prosperity within Cambridge.

Transforming Delivery

Aim: Reshaping and redesigning how services are delivered to create efficiencies, better deliver services and deliver data-driven continuous improvement.

Office Accommodation
Short, medium and long-term changes and decisions around our office accommodation

Tascomi, Alloy, Orchard
Ongoing delivery of priority ICT projects

Design Authority and Data Strategy
Establishing our long-term plans for technology and the role it plays

One City Fair for All



Our Cambridge is made up of three workstreams, each with their own projects.

The projects listed are not exhaustive, but give an idea of the type of work we're currently focusing on.

Purpose of Our Cambridge

We may have different services, as well as services that look different

The way we deliver services is different

This isn't and can't be done "to" people. We are all part of the Council and are therefore part of reshaping and redesigning it

Reshape and redesign our Council to build a better, more sustainable organisation that takes a whole-system approach and has a deeper, more integrated relationship with our community and partners

Financially resilient and equipped to adapt as needs and demand change

Puts the resident at the centre and looks across the system at all organisations as part of service delivery

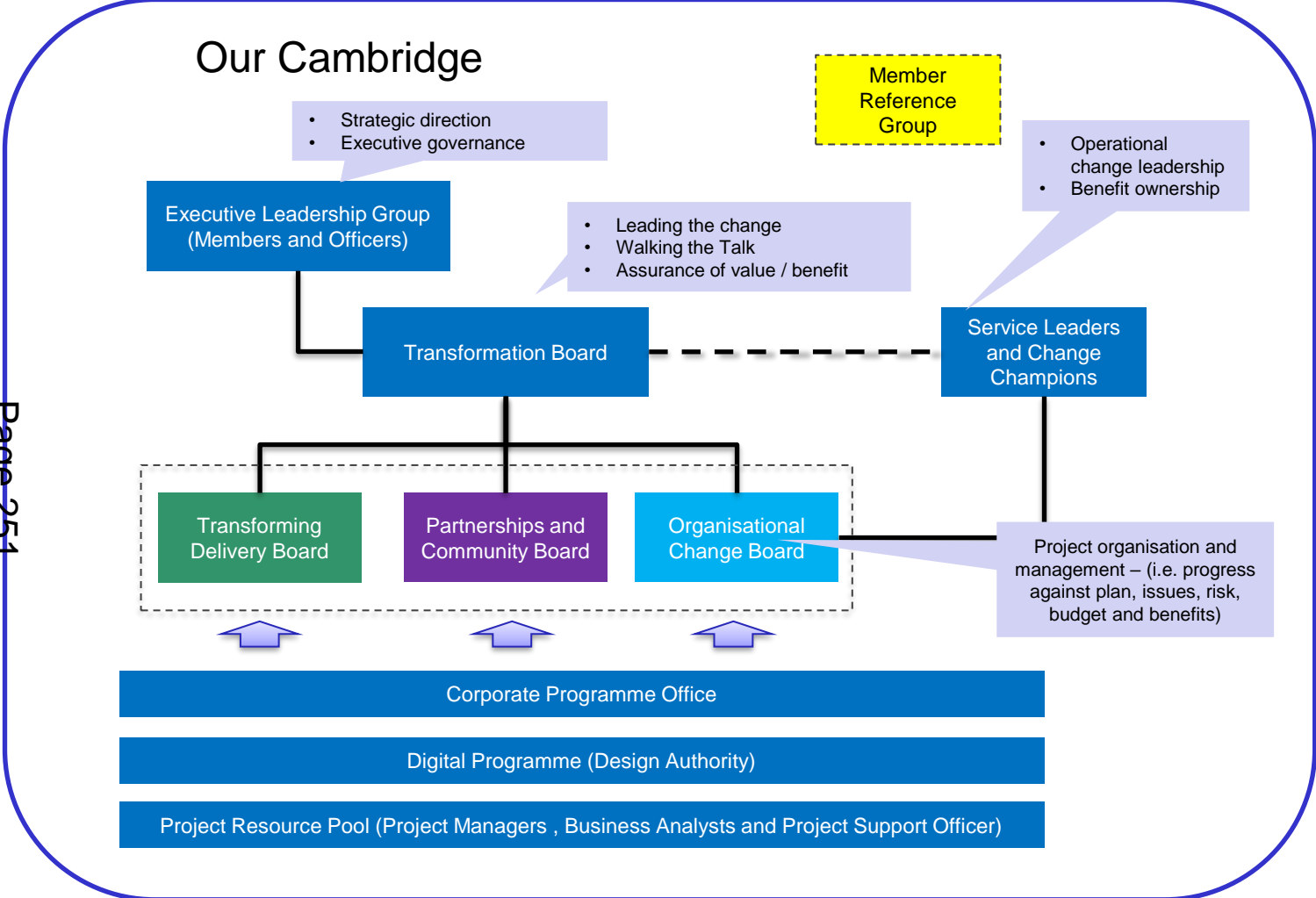
More devolved activities with more organisations, partners and groups

This isn't and can't be done "to" our community and partners. We're all part of Cambridge City and have equal stakes in the game.

Being customer-centric, more efficient and impacting our residents in a positive way

Seamless service delivery for the end-user based on shared outcomes

Change Governance – Our Cambridge



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Governance

Programme Level

Purpose: Reshape and redesign our Council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners.

- Programme issues, risks, progress, costs, benefits
- Change readiness assessment
- Managing the transformation team - resourcing and development

Organisational Change Board

Partnerships and Community Board

Transforming Delivery Board

Purpose
Page 252
Outcomes
Activities

Strategically defining our future Council, as well as developing our culture and staff to deliver as part of the future Council.

Redefining, developing and adopting new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

Reshaping and redesigning how services are delivered to create efficiencies, better deliver services and deliver data-driven continuous improvement.

- Council governance and structures that support effective operations
- A council that operates within a co-operative partnership with other agencies
- Flatter, cross silo and customer centred services
- A council that achieves more for less
- Employees and service providers who are passionate about their contribution to our communities

- Integrated place based solutions that tackle poverty and inequality
- More responsive and targeted support vulnerable people and communities
- Stronger and better supported families and communities
- A more inclusive economy and housing provision, including access to high quality, affordable housing

- Future proofed accommodation and digital infrastructure
- Responsive and efficient services based on what customers value most
- Neighbourhood operational teams and place based services
- Self-service digital channels
- Delivery of commercial services and investment opportunities

- Creating a culture that promotes co-operative, commercial, innovative and agile behaviours
- Designing a future council with more efficient and lower cost structures and transitioning services
- Creating policies, strategies and tools that reinforce culture and structures
- Developing change leadership and an engaging vision that is meaningful to people

- Building capacity for community leadership and partnership
- Facilitating social and operational partnerships
- Delivering community wealth-building projects
- Creating close and co-operative relationships with all parts of our community

- Improving financial and other performance data that facilitates good decision making
- Developing operational, leadership and management skills needed to optimise new service models and systems
- Designing, developing and implementing changes to operational processes

Our Cambridge – Projects (June)

Purpose of this page is to show the live projects that are currently the responsibility of workstream boards to support in successful delivery.

Programme Level

2 Projects

- Shared Vision for Cambridge
- Financial Baselineing

Planning Transformation

This project is a transformation activity in one of our shared services, led by South Cambs. As such, while it is part of the programme, it is primarily an inward dependency and not subject to our governance. To ensure joint benefits and alignment, Stephen Kelly (Strategic Director of Planning) sits on the Our Cambridge Transformation Board.

Organisational Change

2 Projects

- Organisational Design
- Making it Real

Partns. + Communities

7 Projects

- Partnership By Default
- Community Wealth Building
- Community Engagement Working Group, with CitizenLab
- Place Based Social Impact
- City Portrait
- Vaccine Champions Programme
- Heating and Health

Transforming Delivery

8 Projects

- Office Accommodation
- Tascomi
- Alloy
- Orchard
- Early Opportunities (Closing)
- Website and Portals Review
- Data Strategy
- Robotic Process Automation

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Data and Digital

Page 254

1. Foundations – getting our house in order
 - Design authority – how we make decision around IT and Digital to better deliver
 - Alloy, Orchard and Tascomi – in-flight projects that form the foundations on which future products and changes can be made
2. Customer / channel shift
 - Website and Portals Review – initial assessment of current structure, user needs and strategy for future design
3. Automation
 - Robotic Process Automation Pilot – identifying an initial pilot for reducing manual tasks and human involvement
4. Data Strategy – overall data maturity strategy to achieve organisational culture, systems and people for data management and data-driven decision making

Many more projects in the digital space to come as we continue through the programme...

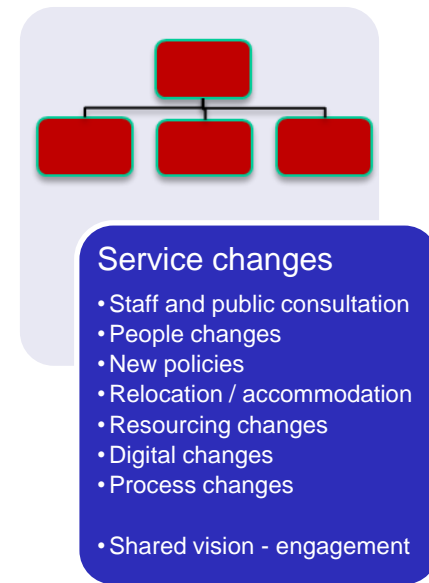
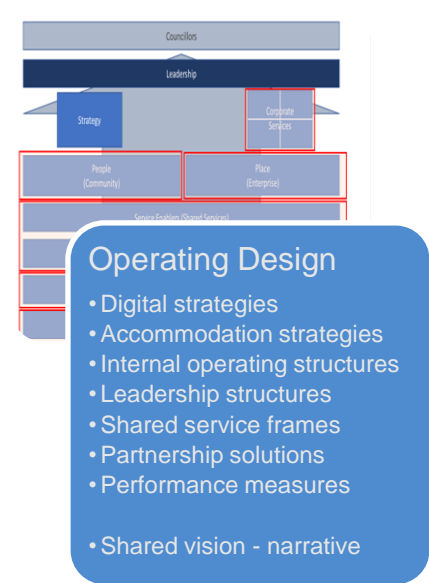
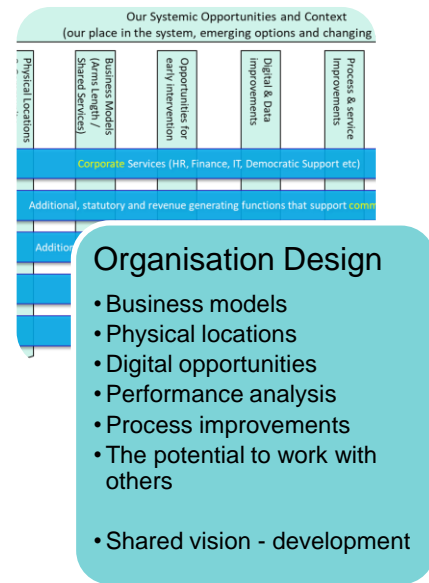
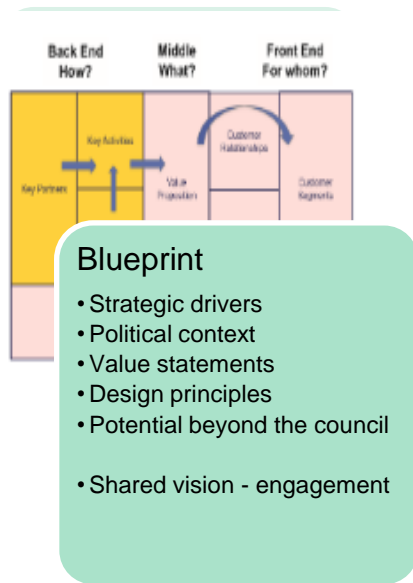


ORGANISATION DESIGN



Developing the future for Cambridge City Council

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Organisation Design phase – What will be determine our change

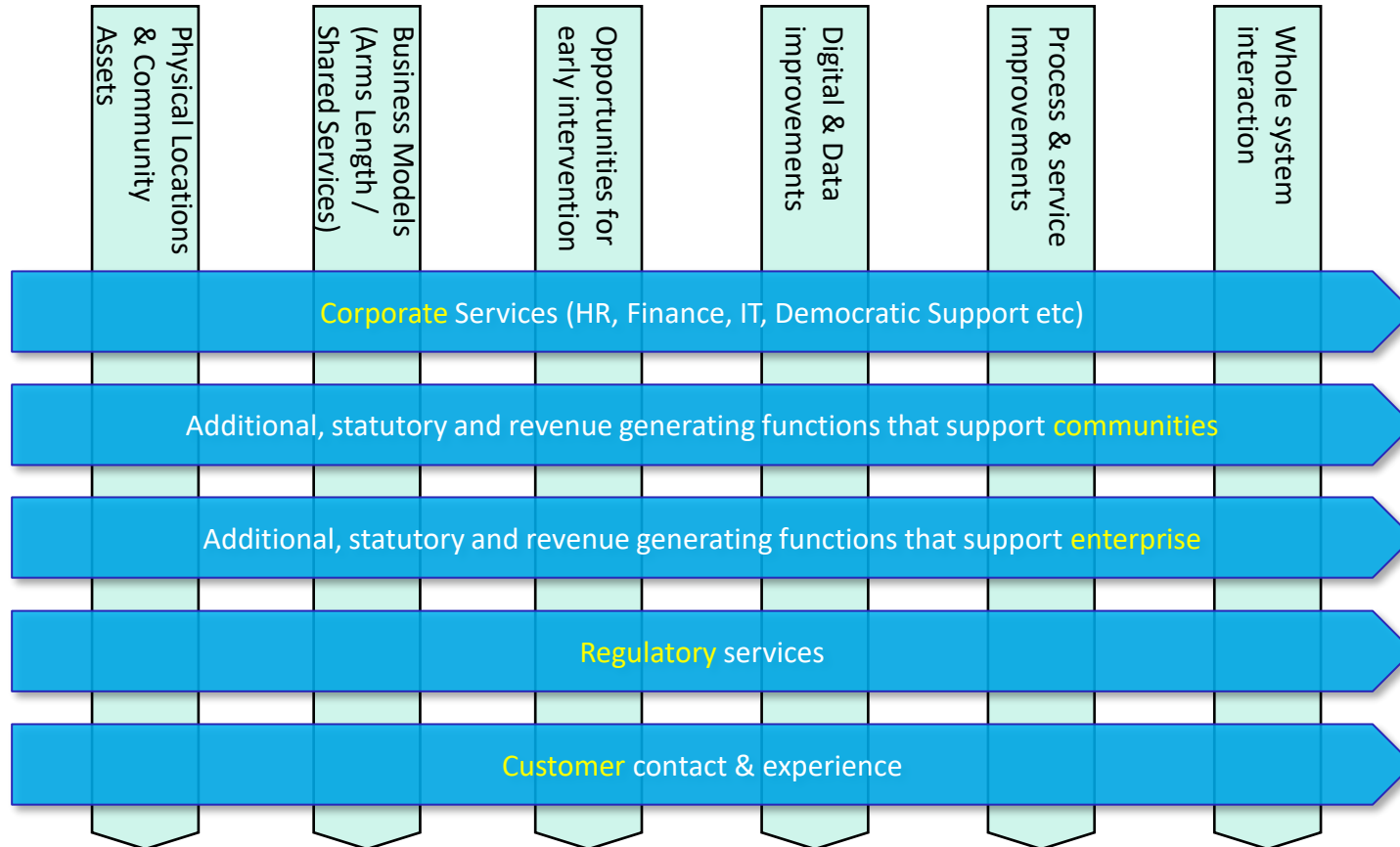
Blueprint

- Strategic drivers
- Political context
- Value statements
- Design principles
- Systemic potential

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Our Functional Design
(what we do that adds value to Cambridge)

Our Systemic Opportunities and Context
(our place in the system, emerging options and changing needs)



Service changes

- Staff and public consultation
- People changes
- New policies and operating protocols
- Relocation / accommodation
- Resourcing changes
- Digital changes
- Process changes

Organisation Design Task and Finish – the ask

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The programme has a clear process, tools and datasets that will enable us to develop our new service design between June and early September.

This will enable us to provide the October S&R Committee with a developed design for the future.

Design Principles for a future council

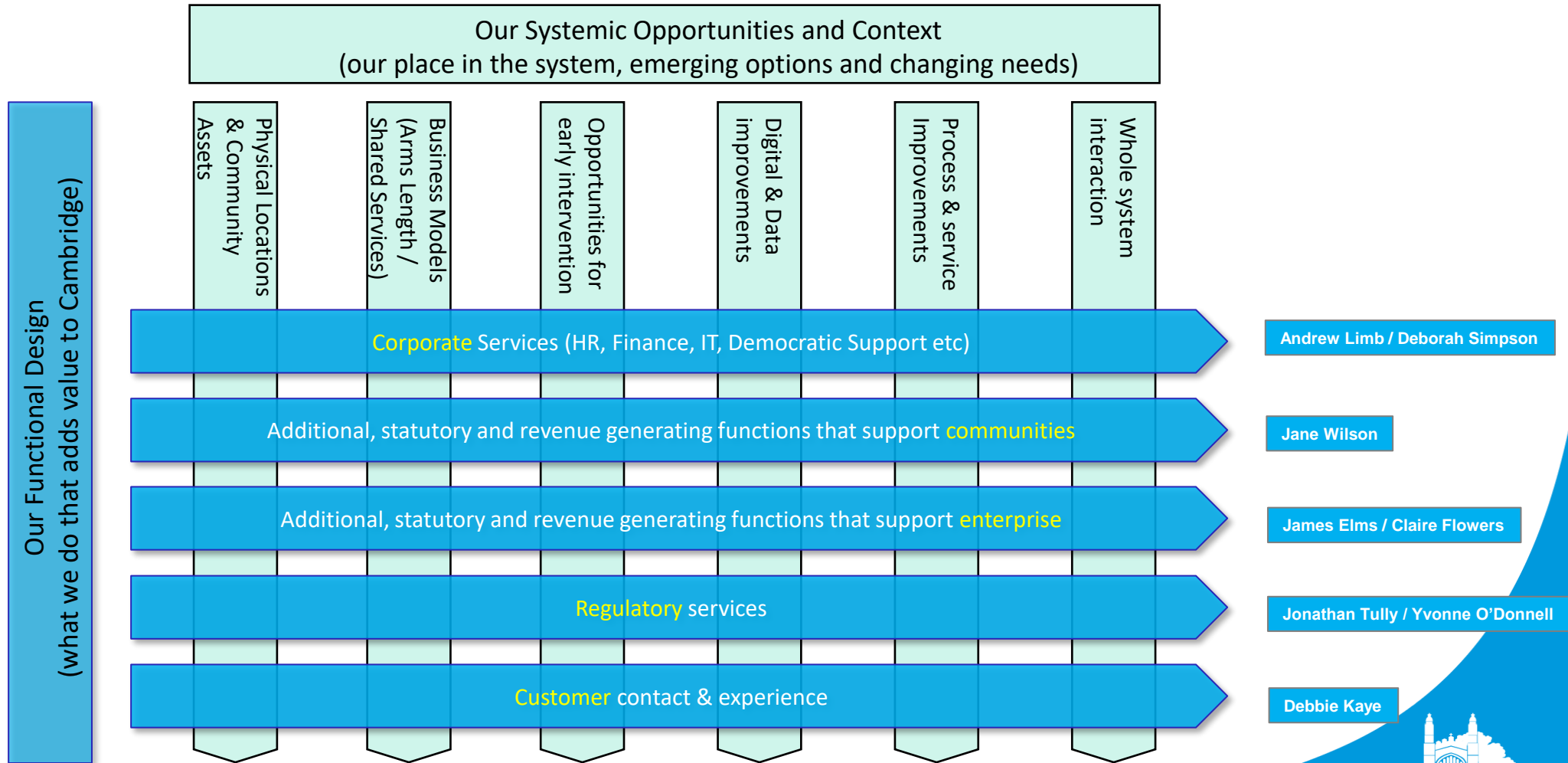
‘Statements of principle for our future organisation design that enable members and executive officers to assess our future design against their expectations and values’

They are a set of tests that allow members and executive officers to confirm the design reflects their requirements. Good principles are unambiguous, short and assessable and this drives their content and the language used - the organisation design has to be tested against them. They are important to the blueprint phase and may evolve as we move from design into implementation.

Importantly, each OD workstream, and their integration into a future council blueprint will need to consider how the design will:

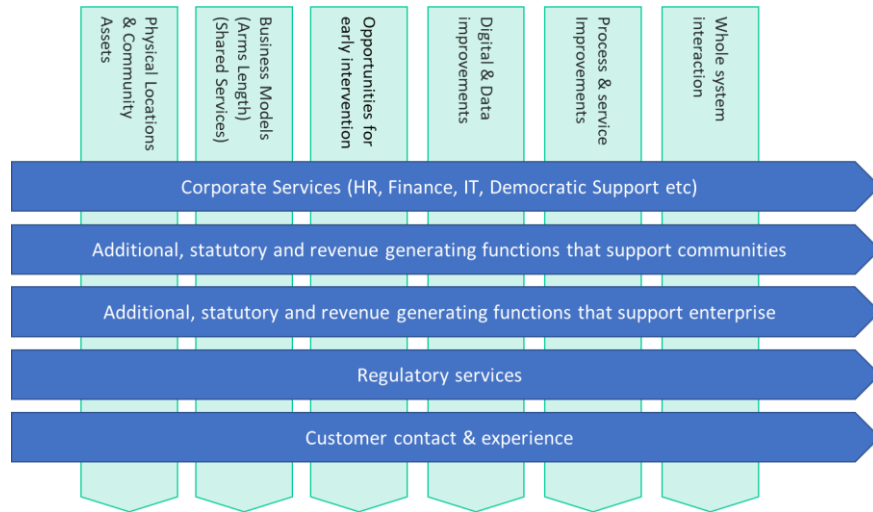
1. **Achieve good outcomes for residents and the environment**
2. **Enable partners, communities and the council to achieve outcomes together**
3. **Use evidence and feedback to adapt and continuously improve**
4. **Make our customer and resident experience simpler, quicker and better**
5. **Offer sound value for money through efficient use of resources**
6. **Make best use of data and digital**
7. **Invest in our people capabilities and empower them to take the initiative**

Organisation Design phase – Task and Finish design leads



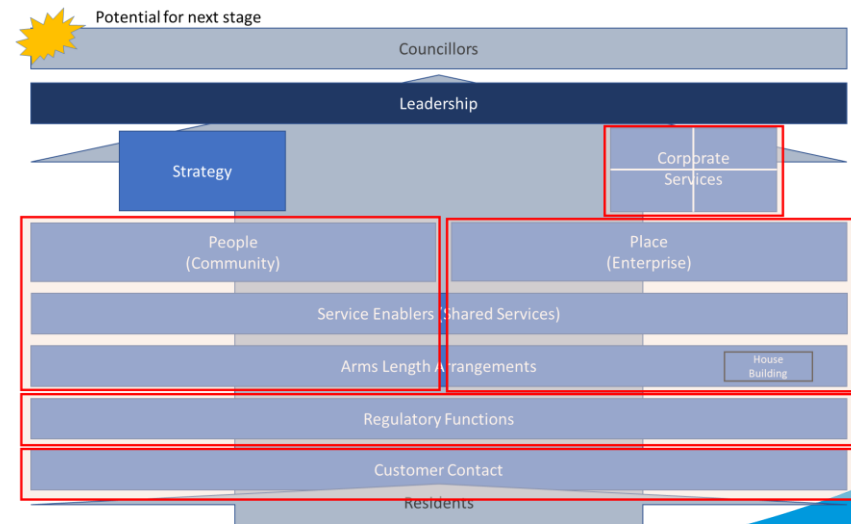
The Functional Design from Phase 2 will directly inform the Operating Design

Phase 2 Organisation Design Work



By the end of the analysis in Phase 2 we will have a series of options for the future Operating Design with a series of trade offs to be considered between different designs

Phase 3 Operating Design



PROGRESS – MARCH TO JUNE



Our Cambridge – Overview (March)

Purpose of this document is to provide a high-level overview of the programme, the current focus and the activity happening in the various workstreams. It does not replace highlight reporting or portfolio health cards.

Our Cambridge

Purpose: Reshape and redesign our Council to build a better, more sustainable organisation that works with the community and partners to meet the needs of Cambridge City and deliver the Council's Vision and Strategic Priorities.

Current activity:

- **Programme governance, budget and comms:** Laying the foundations for clear vision, scope, decision making and way of working within the programme and communicating this to all staff, members and residents.
- **High-level organisational baselining and financial modelling:** Based on a decision at TB, Jody E and Richard W are working with HoS to define operational unit costs over the next month and build a tool to help cost future service designs.
- **Savings and programme delivery plan (i.e. June Business Case):** Based on overall bus. case and working with the workstream projects (Org Design and Office Accommodation), creation of Savings Delivery Plan which identifies 'how are we going to save the money' and 'when'.
- **Stakeholder engagement:** Focus has currently been on Members Reference Group, but is expanding out to all members/the opposition

All workstreams are currently working towards presenting the following to their March Boards:

1. **Which projects are currently in-scope of the workstream.** This includes both projects that have been initiated from within the Transformation Team, but also in-flight projects within service areas.

2. Identifying and/or developing **business cases for all in-scope projects** to make sure we're 'doing the right things' and have the right resourcing.

3. If possible, **six month overview of workstream activity** – primary focus is on project initiated by Transformation team, but will widen to include all projects

Organisational Change

Purpose: Strategically define our future Council, as well as developing our culture and staff to deliver as part of the future Council.

Current activity of Transformation Team:

- **Making It Real:** Change Leader and Maker recruitment underway, consultancy (Basis) to support in MIR session and training development procured and mobilised, impact sprint scheduled wc/ 4 April
- **Organisational Design:** Consultancy (Tusk Consulting) procured and mobilised to deliver new Operating Model for CCC
- Supporting the refocus of **Values and Behaviours**
- Other pieces of work we're still figuring out how they fit in: Change Management and Skills Development Pilot

Partnerships and Communities

Purpose: Redefine, develop and implement new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

Current activity of Transformation Team :

- **Partnership By Default:** This includes the Partners Leadership Event to start the conversation towards defining principles of partnership working and shared outcomes.
- **Vaccine Programme:** Delivery of partnership working for vaccinations
- **Community Development and Wealth Building:** defining a number of projects in this space, based on the Grant Review activity
- **Community Engagement** and Citizen Lab
- Other pieces of work we're still figuring out how they fit in: City Portrait, Place Based Social Impact

Transforming Delivery (prev. Customer and Entrepreneurial)

Purpose: Reshape and redesign how services are delivered to create efficiencies and better deliver services.

Current activity of Transformation Team :

- **Alloy, Orchard and Tascomi:** Continuing delivery of in-flight ICT projects, establishing grip and ensuring they are still the right things to do.
- **Office Accommodation:** Development of accommodation options appraisal, strategy – feeds into Savings and Programme delivery plan
- **Website and Portals Review:** procurement has just closed and we are finishing recruitment for Web Officer back-fill
- **Design authority:** how do we make tech decisions as CCC?
- **Data Strategy:** Long-term project at becoming a data-driven organisation, with some potential quick wins
- **Robotic Process Automation Pilot**

Our Cambridge – Overview (April)

Purpose of this document is to provide a high-level overview of the programme, the current focus and the activity happening in the various workstreams. It does not replace highlight reporting or portfolio health cards.

Our Cambridge

Purpose: Reshape and redesign our Council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners.

Current activity:

- **Programme summary:** finalising clear programme level information (vision, scope, decision making and design principles) with a view of sign-off at the beginning of May
- **Golden thread:** strategic placement of Our Cambridge within our corporate priorities and our day-to-day jobs
- **High-level organisational baselining and financial modelling:** Initial tool is due to be completed prior to Easter, with agreement of next steps wc/ 19 April.
- **Rich picture** project initiation with the view that this ties together member, officer and community involvement, while creating a shared vision for the future (to be agreed at Trans. Board on 20 April)
- **Savings and programme delivery plan:** Ongoing work to outline when savings will be delivered, and steps to get there.

Our Cambridge has moved from 'Planning and Mobilisation' to 'Design and Build' until end of 2022

Since mid-March, the programme has been transitioning from its mobilisation into a period where we are designing and building our readiness to move to our future organisation. As we move forward through to the end of the year the transformation's primary objectives are:

1. To develop the change capabilities of operational employees and, in particular, the senior management group whose support is critical in our transformation success
2. To develop the future organisational design into a future delivery model that will enable us to do more for less
3. To develop the tools and reports needed for the council to propose a budget and transformation plan to members
4. To create transformation plans associated budgets and projected savings for 23/24 for council approval at key milestones
5. To make interim changes and deliver in flight projects that will quickly improve the efficiency and value added from the council

Organisational Change

Purpose: Strategically define our future Council, as well as developing our culture and staff to deliver as part of the future Council.

Current activity of Transformation Team:

- **Making It Real:** Change Maker Briefing and Making It Real Impact Sprint delivered in first week of April to develop and design MIR session prototypes and Change Maker/Leader Training.
- Current focus on the MIR prototype and pilot, initial training sessions for Change Makers and Leaders – ready for MIRs to commence in May.
- **Organisational Design:** Consultancy mobilised with initial round of engagement completed. Draft 'As-Is' shared as part of SMT Away Day for comment and further development.

Partnerships and Communities

Purpose: Redefine, develop and adopt new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

Current activity of Transformation Team :

- **Partnership By Default:** Leadership event on 29 April and establishing project team to move into project delivery.
- **Vaccine Programme** prototype partnership by default delivery
- **Community Wealth Building:** bringing work across various groups into one business case focused on shared outcome of developing whole system participation in the future well-being and prosperity of the city
- **Research projects:** City Portrait (doughnut economics), Place Based Social Impact (viability of local social investment org)
- **CitizenLab** and how this contributes as part of the wider workstream

Transforming Delivery

Purpose: Reshape and redesign how services are delivered to create efficiencies, better deliver services and deliver data-driven continuous improvement.

Current activity of Transformation Team :

- **Alloy, Orchard and Tascomi:** Sign-off of business cases following feedback from previous Board
- **Office Accommodation:** Development of accommodation strategy – feeds into Savings and Programme delivery plan
- **Website and Portals Review:** Contract awarded – mobilisation in progress.
- **Design authority:** Business case to be developed in April – using Tascomi as use-case.
- **Data Strategy:** Business case to be developed in April
- **Robotic Process Automation Pilot:** Workshops being scheduled to find test areas. Wider to business case to be developed.

Our Cambridge – Overview (May)

Purpose of this document is to provide a high-level overview of the programme, the current focus and the activity happening in the various workstreams. It does not replace highlight reporting or portfolio health cards.

Our Cambridge

Purpose: Reshape and redesign our Council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners.

Current activity:

• Resourcing of Transformation

Team: we are currently recruiting for a Programme Support Officer, as the current PSO will be leaving the team in June, as well as additional BA capacity to support CPO and Org Design

• **Programme budget:** With the official close of the financial year, regularly reporting on status of programme budget and burn down in June

• Programme comms, inc. lunch and learns and induction:

We're starting to vamp up the content on Our Cambridge and putting in new webinars, lunch and learns to support new starts and organisation upskilling

Our Cambridge has a mixture of projects being delivered at a programme level, and within workstreams.

Note about pipeline of projects: There's a lot of work that can, should or needs to be part of the Our Cambridge programme. The projects listed here is the current work being looked at as part of Our Cambridge but doesn't represent all the work that we're going to end up doing. As such, as projects finish and subsequent projects are identified, these will be started up when appropriate. We are developing this programme iteratively using an agile approach, without predetermining everything from the outset.

Current projects at Programme level:

- **Shared Vision for Cambridge:** Project has been agreed and kicked off, with initial planning and workshops being set-up. First session will be as part of 7 June Leadership Away Day, along with organisational design, to understand the long term vision and place in the world we have for Cambridge and how different people and groups see this differently and where we see the same.
- **Financial baselining:** Nearing completion, we have completed a beta-version of the tool which is feeding into the summer's organisational design work.

Organisational Change

Purpose: Strategically define our future Council, as well as developing our culture and staff to deliver as part of the future Council.

Current activity of Transformation Team:

- **Making It Real:** Make it Real sessions are starting! Change Makers and Leaders have all received training and drop-in sessions for tools and are now starting to have those conversations with their teams.
- As feedback and information comes in, we're continuing to iterate and improve the process.
- **Organisational Design:** As-is and to-be value chains and functional design have been socialised, with Leadership Team, key members, Members Reference Group.
- Organisation Design Task and Finish Group being developed to focus on next steps for designing our future organisation.

Partnerships and Communities

Purpose: Redefine, develop and adopt new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

Current activity of Transformation Team:

- **Partnership By Default:** With the successful delivery of the partners event at the end of April, we're working to map partnerships, co-produce principles and pull learnings from other prototypes.
- **Vaccine Programme** prototype delivery
- **Community Wealth Building:** workshop to define CWB and it's scope delivered, with develop of business case in progress
- **Community Engagement Working Group:** starting to look at community engagement and supporting ongoing work across workstream. This includes CitizenLab and how this contributes as part of the wider workstream
- **Research projects:** City Portrait (doughnut economics), **Place Based Social Impact** (viability of local social investment org)

Transforming Delivery

Purpose: Reshape and redesign how services are delivered to create efficiencies, better deliver services and deliver data-driven continuous improvement.

Current activity of Transformation Team:

- **Early opportunities:** All quick wins have been delivered with any outstanding issues being absorbed by Alloy and Orchard projects. Close down report being produced.
- **Alloy, Orchard and Tascomi:** Currently in delivery
- **Office Accommodation:** Scope and purpose of project being developed
- **Website and Portals Review:** Contract mobilised with discovery workshops in progress
- **Data Strategy:** Business case still being developed. Early opportunity project identified.
- **Robotic Process Automation Pilot:** Workshop held, currently working with IT and supplier to put forward candidates for proof of concept

Our Cambridge – Overview (June)

Purpose of this document is to provide a high-level overview of the programme, the current focus and the activity happening in the various workstreams. It does not replace highlight reporting or portfolio health cards.

Our Cambridge

Reshape and redesign our Council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners.

Current activity:

- **Resourcing of Transformation Team:** We are still recruiting for a Programme Support Officer, Senior Business Analysts.

- **Programme non-financial benefits:** Focus is now turning to defining the impact benefits and internal measures for success of the programme.

- **Programme comms, inc. lunch and learns and induction:** Delivering the increased level of content on Our Cambridge and putting in new webinars, lunch and learns to support new starts and organisation upskilling.

Planning Transformation activity has been confirmed as part of the Our Cambridge programme, as an inward dependency ensuring that the changes are aligned across both Councils.

Our Cambridge has a mixture of projects being delivered at a programme level, and within workstreams.

Note about pipeline of projects: There's a lot of work that can, should or needs to be part of the Our Cambridge programme. The projects listed here is the current work being looked at as part of Our Cambridge but doesn't represent all the work that we're going to end up doing. As such, as projects finish and subsequent projects are identified, these will be started up when appropriate. We are developing this programme iteratively using an agile approach, without predetermining everything from the outset.

Current projects at Programme level:

- **Shared Vision for Cambridge:** 7 June Leadership Away Day workshop complete, with further understanding of project stakeholder map and empathy maps of our users. Next steps include finalising project plan and, subject to changes, developing initial view of shared vision for member engagement in July.
- **Financial baselining:** Nearing completion – still have outstanding information from Shared ICT. This will be shared amongst service managers and the org design team throughout summer as a tool for their use.

Organisational Change

Strategically define our future Council, as well as developing our culture and staff to deliver as part of the future Council.

Current activity of Transformation Team:

- **Making It Real:** 20 MIR event have taken place with an additional 13 in the diary. 12-13 Change Makers have not scheduled in their sessions and we are following up with these. If you're a Change Leader reading this – check in to make sure they are in the diary and, if they've happened, what actions your Chang Makers are taking forward!
- **Organisational Design:** Design Leads have been appointed covering the four value chains of our future organisation. Planning event for Org Design taking place on 16 June.
- Wider consideration is also being taken for change leadership development over the summer to support our future organisation changes/

Partnerships and Communities

Redefine, develop and adopt new relationships and ways of working with our partners and communities to better deliver our future Council and shared outcomes.

Current activity of Transformation Team:

- **Partnership By Default:** forward planning summer activities, with view of alignment with Shared Vision
- **Vaccine Programme** prototype delivery – confirmed extension to March of next year
- **Community Wealth Building:** Business case in development
- **Community Engagement Working Group:** Initial CitizenLab session on 16 June, with first meeting of working group being organised for mid-July
- **Research projects:** City Portrait (delays with approval have funding and potential procurement route means risk to original timeline), **Place Based Social Impact** (viability of local social investment org – waiting for funding agreement from partner)

Transforming Delivery

Reshape and redesign how services are delivered to create efficiencies, better deliver services and deliver data-driven continuous improvement.

Current activity of Transformation Team:

- **Early opportunities:** All quick wins have been delivered with any outstanding issues being absorbed by Alloy and Orchard projects. Close down report being produced – slight delay due to sickness. Now expected late June.
- **Alloy, Orchard and Tascomi:** Currently in delivery
- **Office Accommodation:** Draft business case and scope for medium term changes developed, seeking agreement this month
- **Website and Portals Review:** Discovery workshops in progress, resident recruitment completed and data being analysed
- **Data Strategy:** Early opportunity project identified which will serve as a foundation to this.
- **Robotic Process Automation Pilot:** Workshop held, currently working with IT and supplier to put forward candidates for proof of concept

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LOCAL COUNCIL TAX REDUCTION SCHEME

To:

Councillor Mike Davey, Executive Councillor for Finance, Resources and Transformation

Strategy & Resources Scrutiny Committee 11/07/2022

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 Councils are required to review their Council Tax Reduction scheme annually and determine whether to revise it or not.
- 1.2 At Strategy and Resources Committee 7 October 2019, it was agreed for an annual, light touch review, to be delegated to Head of Service followed by consultation with preceptors and for a full review and comprehensive consultation in 2022 for the 2023-2026 Council Tax Reduction Schemes.

2. Recommendations

2.1 The Executive Councillor is recommended to agree:

- outline proposals and consultation process for the review of the Council Tax Reduction Scheme for Universal Credit households

- to retain the Non-Universal Credit scheme and approve annual uprating based on September CPI figures.
- to approve delegation of the Council Tax Reduction schemes
- annual review to the Head of Finance, and subject to the final recommendations post consultation being adopted, that these schemes continue (subject to uprating) until 31 March 2026.

3. Background

- 3.1 In April 2013, following the ending of Council Tax Benefit, Councils were required to have a Local Council Tax Reduction scheme for working-age claimants. The scheme that Cambridge City adopted was based on the previous Council Tax Benefit Scheme and worked well alongside housing benefit.
- 3.2 Pensioners follow a Prescribed Council Tax Reduction Scheme that is not subject to local control.
- 3.3 Once Universal Credit started to be rolled out in Cambridge in 2018, replacing housing benefit and six other 'legacy' benefits, it became clear that the 2013 Council Tax Reduction Scheme did not work well alongside Universal Credit. Therefore, the Local Council Tax Reduction scheme was changed in April 2020 to add a banded scheme for households on Universal Credit. Non-Universal Credit households remain on the old 2013 scheme.
- 3.4 From April 2020, the council has been operating three schemes:
- Prescribed Pensioner Scheme - national scheme
 - Non-Universal Credit – for working age applicants based on pre 2013 Council Tax Benefit scheme and uses annual uprating of allowances and premiums.
 - Universal Credit – for working age applicants on Universal Credit. Uses data from DWP on earnings and depending on levels of earnings, applicants are asked to pay a contribution towards their Council Tax.
- 3.5 The primary reason for the introduction of the Universal Credit scheme was that minor monthly fluctuation of earnings, (often less than £20 per month) results in multiple rebilling of Council Tax making budgeting difficult for applicants and creating a bar to recovery as each new change resets the recovery process.

- 3.6 The Local Council Tax Reduction - Universal Credit banded scheme is working well with fluctuating monthly Universal Credit incomes, giving a level of entitlement stability to the applicant, and a clear understanding of what an increase or decrease in earnings means for their Council Tax Reduction.
- 3.7 The new scheme utilises increasing data flows from the Department for Work and Pensions on Universal Credit calculations, removing the need for an application to be made and reducing the burden of supplying details of Universal Credit changes.
- 3.8 Since the start of the Universal Credit banded scheme, there have been no challenges or complaints on its design or application and the proposal is to continue with two working age schemes:
- banded scheme for Universal Credit households
 - non-banded for non-Universal credit
- 3.9 The government has a target to move legacy benefit households (Tax Credit, Job Seekers, Employment Support, housing Benefit etc.) to Universal Credit by the end of the financial year 2024-2025.
- 3.10 Households on our non-Universal Credit scheme will move to the Universal Credit banded scheme when their legacy benefits end and they claim Universal Credit.
- 3.11 Universal Credit claimants will not need to apply for Council Tax Reduction separately as the local scheme already allows for information supplied by DWP to be treated as an intention to claim and used to set up claims automatically.

4. Proposals

Universal Credit Scheme

i. Income Bands

- 4.1 Since 2020, the income bands and the amount of the contributions have been uprated by the September CPI rate. During Covid and the cost-of-living increases, CPI has become a less reliable figure for uprating which may cause the increase in contributions where wages have not kept pace with CPI. The proposals are for a reset of both the bands and

the contributions based on national minimum wage and to keep costs of the scheme broadly within the same cash envelope.

Table 1 – Draft bands and contributions. These will be revised post consultation and with more up to date modelling figures.

Weekly Earnings Ranges	Amount of contribution towards Council Tax per week
earnings less than £77.00	Zero contribution
earnings £77.00 to £140.59	£6.09 contribution
earnings £140.60 to £210.89	£13.52 contribution
earnings £210.90 to £281.19	£20.55 contribution
earnings £281.20 to £351.49	£35.22 contribution
earnings £351.50 to £657.55	£52.08 contribution
£657.56 and above	full contribution

4.2 It is proposed to use similar, reasonably broad earnings bands, as to create too many increases the likelihood of moving from band to band when relatively small changes in earnings happen which then leads to rebilling and uncertainty of entitlement. The current scheme encourages increasing hours for workers at the bottom or the middle of each band as this will not change their Council Tax Reduction entitlement.

4.3 Following a reset of band parameters and contribution levels for 2023, the proposal is to reintroduce uprating by CPI from 2024.

ii. Non-dependent deductions

4.4 Having a flat rate of deduction for other adults living in the property has worked well, applicants are clear on what other people in the household need to contribute towards the Council Tax.

4.5 The initial rate of contribution was £6.50 and with CPI applied for 2021 and 2022, is now £6.73.

4.6 The proposal is to reset this to £6.80 from 2023 and to reintroduce uprating by CPI from 2024.

4.7 There is also a proposal to introduce non-dependant deductions for pensioner adults living with a working age household as this aligns with the non-Universal Credit Local Scheme and also with the Prescribed scheme for pensioners.

- 4.8 Pensioners on Pension Credit or if they have a disability income, will not be asked to make a contribution.
- 4.9 Currently, there are 23 Working Age claims where there is a pensioner non-dependant. Five have Pension Credit Guarantee Credit so will not have a deduction and 14 have disability incomes so will not have a deduction. This leaves four 4 potentially affected from April 2023.

iii. 100% Liability

- 4.10 Currently both the Universal Credit and non-Universal Credit Local Schemes are based on 100% of the Council Tax liability.
- 4.11 Many other Local Authorities have schemes based on less than 100% liability, meaning the charge-payer must make a contribution towards their Council Tax irrespective of their income unless they fall into a vulnerable group (as defined by the Local Authority). These are either a fixed amount or a percentage of the Council Tax liability.
- 4.12 This approach may make a scheme marginally more affordable to a Council but can place additional burdens on households, especially at present with cost of living increases putting pressure on low income households.
- 4.13 Modelling based on a £2 per week minimum payment would reduce total Council tax Reduction spend for all preceptors by just over £70,000 but save Cambridge City Council approximately £7,000 (based on current precepts). Adding £2 per week would create a debt of £104 even if they would otherwise be entitled to maximum support due to very low incomes.
- 4.14 These amounts are not small for households and are very costly to collect for billing authorities. It is therefore felt that the imposition of either a percentage or flat rate contribution would not support vulnerable households, nor would it deliver significant savings for the authority due to high collection costs.
- 4.15 The report below highlights that there is an increasing number of authorities who are moving to banded schemes and are also dropping minimum payments, probably for the for the above reasons.
- 4.16 [Review of Council Tax Reduction schemes in England in 2021/22 \(npi.org.uk\)](https://www.npi.org.uk)

Non-Universal Credit Scheme

- 4.17 The mechanism based on Council Tax Benefit continues with annual uprating of incomes in line with housing benefit allowances, premiums and increases in social security benefits.
- 4.18 This has also worked well since it was introduced in 2013 and works well with the legacy benefits such as Tax Credits, Income Support, Employment and Support Allowance and Job Seekers Allowance for instance.

5. Implications

a) Financial Implications

- 5.1 In the first year of Local Council Tax (2013/14), central government funding for Council tax Reduction was cut by 10% compared to what had been paid to councils the year before under Council Tax Benefit.
- 5.2 From April 2014, funding for Council tax Reduction was included in the annual central government grant, meaning it is no longer separately identifiable.
- 5.3 Costs fall to local preceptors and are based on their percentage of the Council Tax levied. Cambridge City Council's share of the cost is currently approximately 10.5%.
- 5.4 Since April 2013, there has been the rollout of Universal Credit, the Coronavirus pandemic and a cost-of-living crisis, all of which causes problems for forecasting. The table below shows the total Council Tax Reduction awards per financial year, broken down by Pensioner, Working Age Universal Credit and Working Age non-Universal Credit. Alongside each year is the percentage increase in Council Tax liability which has a direct impact on the amount of Council Tax Reduction as the higher the liability, the more an award generally is.

Table 2

Year	Pensioner £m	Pensioner Accounts	Working Age £m	Working Age Accounts	UC £m	UC Accounts	Total CTR £m	Average Annual Award
2018/2019	2.1	2440	4.36	5657			6.46	£798
2019/2020	2.1	2320	4.52	5626			6.62	£833
2020/2021*	2.2	2248	3.24	3887	2.5	3281	7.94	£843
2021/2022	2.2	2216	2.86	2947	2.96	2777	8.02	£1,010
2022/2023	2.31	1978	2.71	2217	3.17	3246	8.19	£1,101

*2020-2021 Central government announced the CTR Hardship Fund in response to the pandemic. Cambridge City allocation was £291,000 and reduced the total CTR from £8.23m to £7.94m and kept average awards down by about £150.

5.5 On 1 April 2020, claims started to move from Working Age accounts to Universal Credit accounts and will continue to move over until the full migration by DWP from legacy benefits to Universal Credit is due to complete in March 2025.

a) Staffing Implications

5.6 A fundamental service review of Revenues and Benefits concluded in 2021-2022, resulting of an overall reduction in staff by one third. One of the overriding enablers of this review was the introduction of the Universal Credit banded scheme as it is highly automated, allowing for the Universal Credit claim to automatically create a claim for Council Tax Reduction and for over 65% of all changes to be processed by the system.

5.7 To revert to a scheme where applicants need to claim themselves and to provide significant amount of evidence both at the point of claiming and for changes in circumstances will require a service review to increase staffing.

b) Equality and Poverty Implications

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

c) Net Zero Carbon, Climate Change and Environmental Implications

5.9 None.

d) Procurement Implications

5.10 None.

e) Community Safety Implications

5.11 None.

6. Consultation and communication considerations

6.1 Consultation will be carried out during July, August and September 2022, with an aspiration for 12-week period of consultation and will include:

- i) All current working age Council Tax Reduction recipients.

- ii) Partnership meetings with Cambridge Citizen's Advice Department for Work
- iii) and Pensions, financial inclusion organisations and third sector organisations.
- iv) Engagement with internal stakeholders.
- v) A sample of Council Tax payers, including those not receiving Council Tax Reduction.
- vi) Council Tax Precepting Authorities.
- vii) Groups representing those with protected characteristics.
- viii) Media exposure including City Council publications.

6.2 The consultation will explain that this is a review of the two working age schemes (Universal Credit and non-Universal Credit) and does not extend to the prescribed Pensioner scheme.

6.3 The proposals for consultation will be to

- i) Maintain the non-Universal Credit scheme as it currently is for households who are not claiming Universal Credit, with annual uprating of allowances and premiums in line with September CPI. There is no proposal to move them to the Universal Credit banded scheme or to introduce a separate banded scheme for these households.
- ii) Maintain a banded scheme for Universal Credit households.
- iii) Reset the earnings bands and contribution levels for the Universal Credit Local Scheme.
- iv) Reset the non-dependant contribution levels for the Universal Credit Local Scheme.
- v) Align non-dependant contributions for pensioners across all Council Tax Reduction Schemes.
- vi) Whether the Council should seek a minimum contribution amount or percentage amount for both working age Local Schemes.

7. Background papers

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

8. Appendices

8.1 Consultation questions to follow.

9. Inspection of papers

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

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Item

Potential Expansion of Cambridge City Housing Company Limited

To:

Councillor Mike Davey, Executive Councillor for Finance, Resources and Transformation

Strategy & Resources Scrutiny Committee, 11 July 2022

Report by:

Caroline Ryba, Head of Finance

Tel: 01223 - 458134

Email: caroline.ryba@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's

Key Decision

NOT FOR PUBLICATION: Appendix A to the report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. – ie. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

1. Executive Summary

- 1.1 This report presents the findings from a project carried out between Cambridge City Council (CCC), Cambridge City Housing Company Ltd (CCHC) and Social Finance (a not for profit organisation who seek to tackle social problems in the UK and abroad).
- 1.2 The project has explored the potential for CCHC to expand its property portfolio by up to 250 homes over a 5 year period, offering affordable homes to lower income residents, living or working in Cambridge City, in an operationally efficient, cost effective and carbon neutral manner.
- 1.3 An initial feasibility study was carried out in the summer of 2021, with the positive findings from this early work prompting a more in depth project

to be conducted. This project has however noted significant changes in the market assumptions since last summer, culminating in more cautious recommendations than initially hoped.

2. Recommendations

The Executive Councillor is recommended, following scrutiny and debate at Strategy and Resources:

- a) To recognise that the proposed expansion of the CCHC portfolio by 250 new homes over the next 5 years, is not financially feasible at this time, in the current market conditions.
- b) To agree that CCHC keep the expansion metrics under review on a quarterly basis, reporting back to the Council, as shareholder, on an annual basis as part of the business plan update, unless a quarterly review results in a recommendation for moving forward with the expansion. If this is the case, a report will be presented to the Council for an expansion decision at the earliest opportunity.
- c) To authorise officers to explore in detail the potential for equity injection of an estimated £25 million, or a contribution towards the operating costs of the business, from partner organisations employing essential workers, in return for nomination rights to the homes acquired, presenting any proposals to the Council for consideration as shareholder.
- d) To agree that CCHC continues to explore expansion opportunities on a smaller scale, presenting independent funding requests for Council consideration and approval.
- e) To note that the Council, following a recent decision at Housing Scrutiny Committee, can now deliver some new affordable homes to be let at 80% of market rent, subject to award of Homes England Grant, to be managed within the Housing Revenue Account.

3. Background

- 3.1 CCHC was incorporated on 15 February 2016, to alleviate some of the pressures on the intermediate housing market in Cambridge. The Company is an independent property company, wholly owned by

Cambridge City Council, with a portfolio of 23 homes in the north of Cambridge.

- 3.2 In January 2019 the Council, as shareholder, moved the company from 'pilot' to a 'business as usual' status, with future expansion being an agreed area of exploration. Significant potential expansion was initially put on hold as a result of uncertainty in the market caused by Brexit, and then the coronavirus pandemic.
- 3.3 In the summer of 2021, the Council and Company were approached by Social Finance to undertake an initial 'pro bono' feasibility study for the potential to expand the property portfolio by up to 250 homes over a 5 year period, with the intention of letting homes at up to 80% of market rent, to lower income households who live or work in Cambridge. The proposal would have seen the Company acquire homes on the open market and carrying out initial works prior to letting them, but also investing in the homes over the life of the business plan to retrofit the homes, improving the energy efficiency, in line with Council commitments.
- 3.4 The initial feasibility study, which reported in August 2021, indicated that the expansion plan was worthy of more in depth exploration, and funding was incorporated in the General Fund Medium Term Financial Strategy to allow this to happen.
- 3.5 Social Finance were successful in securing the commission for this piece of work and began this in January 2022.
- 3.6 Social Finance conducted market research with prospective future tenants, explored the availability of suitable property in Cambridge, or the immediate travel to work area, reviewed and developed the eligibility criteria and lettings policy for the Company, reviewed governance arrangements for an extended portfolio, explored potential financing options, and undertook detailed financial modelling with updated market assumptions. The resulting report from Social Finance is attached as a confidential appendix to this report, due to the commercial sensitivity of the data.

- 3.7 Following the market research, Social Finance concluded that priority should be given to essential workers, on longer fixed term or flexible tenancies to provide security, with capped rent increases to provide the ability for residents to budget effectively. This would not preclude the housing being a viable option for others on low incomes who also live or work in Cambridge.
- 3.8 Between August 2021 and the finalisation of the detailed Social Finance potential expansion report, many of the market assumptions have shifted significantly, and unfortunately adversely. Over this period, inflation has risen at an unprecedented rate, interest rates have gone up, rent levels have not been maintained, and property prices have unexpectedly continued to increase. Maintenance costs have been reduced in percentage terms to be more comparable with the assumptions made by other housing providers, but it should be noted that material and labour prices are also fluctuating hugely currently, which may give rise to these assumptions needing to be returned to their initial levels. Retrofit is also currently cost prohibitive. The table below compares the initial key assumptions to those made as part of the final report.

Key Assumption	Summer 2021	Spring 2022
Acquisitions per year	50	50
Rent levels (percentage of market rent)	80%	80%
Borrowing interest rate	1.9%	3%
CPI inflation	2%	3.2%
Rent inflation	2%	3.2%
Acquisition cost – 1 bed	£200,000	£204,360
Acquisition cost – 2 bed	£275,000	£321,761
Acquisition cost – 3 bed	£400,000	£450,000
Acquisition cost – 4 bed	£553,000	£520,000
80% intermediate rent per week – 1 bed	£175	£166

80% intermediate rent per week – 2 bed	£235	£212
80% intermediate rent per week – 3 bed	£267	£246
80% intermediate rent per week – 4 bed	£350	£326
Management costs	8%	8%
Routine maintenance costs	10%	8%
Major repair costs	14%	12%

3.9 Using the revised market assumptions, expansion of the property portfolio is not considered financially feasible as this point in time.

3.10 The revised financial modelling assumes that the funding for the portfolio expansion is secured directly by CCHC through institutional investment, with the Council acting as guarantor or the loan (Option 4 below). This borrowing route has been incorporated due to the current uncertainty in the impact for the Council in terms of Minimum Revenue Provision (MRP) if the Council were to borrow and on-lend. At the time of writing this report, we await the outcome of a government consultation to confirm the position in this regard. If MRP is not deemed to be required, and the Council were to be able to borrow from the Public Works Loans Board (PWLB) and on-lend to the Company with any form of interest uplift, the rate would still be such that the expansion would be unviable when combined with the other market assumptions. The table below summarises the options explored by Social Finance.

Financing Option	Description	Comment
1 - PWLB maturity	CCC borrows and on-lends to CCHC on a maturity basis	Does not demonstrate financial viability for CCHC and carries MRP risk for the Council
2 - PWLB annuity	CCC borrows and on-lends to CCHC on an annuity basis	Not financially viable for CCHC and carries MRP risk for the Council

3 - CPI linked borrowing from institutional investors	CCC borrows from institutional investors based on CPI linked amortising borrowing	Nearest to being financially viable for CCHC, but carries MRP risk for the Council
4 - CCHC borrows with a CCC guarantee	CCHC borrows from institutional investors directly, with CCC providing a guarantee	Mitigates MRP risk for the Council, but does not demonstrate financial viability for CCHC

3.11 With expansion not financially feasible currently for CCHC alone, there are a number of suggested actions arising from the review, which include consideration of an injection of an estimated £25 million of equity amongst them:

- CCC / CCHC could explore partnerships with organisations which employ essential workers (such as Addenbrooke's), and who could inject equity, or subsidise the ongoing operational costs of the business, in return for accommodating their workforce.
- CCC could inject equity into the Housing Company, recognising that this could be subject to a satisfactory conclusion of the MRP consultation and the Council having available resource to invest.
- CCHC could review the financial metrics on a regular basis, to determine whether there have been changes in any assumption which move the potential expansion back into a position where it is considered financially feasible, alerting the Council to this as appropriate.

3.12 Although expansion of CCHC by acquiring existing homes on the open market is not currently financially feasible, a recent decision at Housing Scrutiny Committee does now allow the Council to build some new affordable homes to be let at up to 80% of market rent, subject to award of Homes England Grant, to be managed within the Housing Revenue Account. This will help to meet the housing need identified as part of this CCHC Expansion Project, whilst the above options are explored further.

4. Implications

(a) Financial Implications

The detailed financial assumptions, and the resulting impact for the Housing Company, are included in the attached appendix, which confirms that property portfolio expansion is not financially viable with the current market assumptions, without some form of equity injection or contribution towards the operational costs of the Company.

(b) Staffing Implications

There are no direct staffing implications associated with this report.

(c) Equality and Poverty Implications

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

(d) Environmental Implications

There are no new environmental implications arising from this report.

(e) Procurement Implications

There are no new procurement implications arising from this report.

(f) Consultation and Communication

As part of the work undertaken in this project, Social Finance consulted a variety of officers across the Council and interviewed a small representative sample of potential tenants for the proposed housing offering.

(g) Community Safety

There are no community safety implications arising from this report.

5. Background Papers

In preparing this report, officers referred to:

- Social Housing – Cambridge City Housing Company Acquisition Programme Feasibility Report.

6. Appendices

- Appendix A (Confidential) – Social Finance Report – Potential Expansion of Cambridge City Housing Company

7. Inspection of Papers

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

Julia Hovells, Assistant Head of Finance & Business Manager

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

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

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Independent Review of the Budget Setting Process and Wider Governance Issues

To:

Councillor Mike Davey, Executive Councillor for Finance, Resources and Transformation

Strategy & Resources Scrutiny Committee [11/07/2022]

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

All

Key Decision

1. Executive Summary

1.1. An independent review, attached at Appendix 1, has been commissioned assessing the Council's budget policy framework and process. This builds on wider work the Council is developing to enable and support its transformation journey. This report considers the review's recommendations for changes to current arrangements.

1.2. The review makes ten wide-ranging recommendations, covering political management arrangements, member training and development, as well as specific recommendations relating to the budget process and timetable. Whilst some recommendations can be implemented immediately, others require changes to the council's constitution and further consideration of their wider impacts.

2. Recommendations

2.1. The Executive Councillor is recommended to:

- 1.1. Note the recommendations in Section 10 of the review report attached at Appendix 1.
- 1.2. Agree to transition to the new budget process this year, with further changes being brought in next year, both subject to constitutional change.
- 1.3. Ask officers to draft proposals for changes to the council's constitution arising from the review of the budget setting process, to be brought forward for approval by Civic Affairs and Full Council.
- 1.4. Ask officers to work with the Leader/Executive to develop a broader consultative process, with input from opposition Group Leaders, to consider how to take forward the recommendations of the Independent Remuneration Panel and Council-commissioned analysis of its decision making, and democratic processes undertaken by Centre for Governance and Scrutiny (CfGS).

3. Background

3.1. Page: 2

The council has followed the current budget setting process for a number of years. However, the financial context for the council has tightened markedly in that time. Increased service demands, from growth, socio-economic change and increases in complexity, combined with reduced funding from central government and the impacts of Brexit and COVID-19 have given rise to substantial pressures on council budgets.

3.2. To address these pressures, the council has embarked on a fundamental transformation programme, 'Our Cambridge' to modernise the council. This whole council change programme seeks to reshape and redesign our Council to build a better, more outcome focused, more sustainable organisation that has a deeper, and more integrated relationship with our communities and partners. As part of that programme the Council commissioned an initial analysis of its governance model, and a review of its budget setting process, both which have remained largely unchanged for 20 years. The resulting report on the budget setting process is attached at Appendix 1.

3.3. Section 10 of the review report makes a number of recommendations, as set out in the table below. These have been broadly categorised into those that require changes to the council's constitution, those that impact on the budget setting timetable, and those that are wider, or more general in nature.

	Recommendation	Type
1	The council should consider moving to a more typical budget setting process as outlined in section 6 of this report. The process will need to be adapted to the context in Cambridge.	Constitution, Timetable
2	The council should review whether its current political management arrangements are appropriate, in the context of the challenges ahead and the CfGS report.	General
3	There is a need to clarify through training and informal dialogue the respective roles of government, members and officers.	General
4	To help provide a wider context for members, they should be supported and encouraged to engage in the wider sector fully. For example: <ul style="list-style-type: none"> • Attend National Conferences (LGA, CIPFA DCN etc) • A follow up LGA Peer Review (last was 5 years ago, one is due) • Make use of the LGA Leadership Essentials Programme • Make use of LGA Peer Member support • Consider a bespoke leadership programme for members and senior managers 	General
5	Review and simplify the scheme of delegation and rules for virement and consider whether the delegations/virement limits can be increased.	Constitution
6	Produce a short easy to use summary for budget holders on the delegation and virement rules and processes.	Other
7	Review the timeline and processes for producing reports to formal member meetings with a view to reducing the time taken as far as is practicable – from 31 days to sector average of 21.	Timetable
8	Officer input into opposition budget amendments should be limited to a high level assessment of feasibility, lawfulness and accuracy of financial implications.	Timetable
9	Review the budget bid process in budget setting, to either exclude bids not generated by the ruling group as policy priorities and/or to set a minimum value for bids.	Other
10	Develop an annual communications strategy to underpin the budget setting process.	Other

3.4. The more typical council budget process outlined in Section 6 of the review report suggests the following formal meeting process:

- S&R Scrutiny Committee meeting in October – to consider an in-year financial report rather than an updated Medium-Term Financial Strategy (MTFS)
- Executive meeting late November / early December – to approve a draft budget for consultation
- S&R Scrutiny Committee meeting in January – to scrutinise the draft budget
- Executive meeting in February to recommend the final budget, including consultation outcomes, to Council
- Council in February, including the scrutiny and consideration of opposition amendments

- 3.5. The overall process, as proposed, should allow for earlier consideration of the emerging budget, a longer and more comprehensive consultation process and more focused and effective formal budget meetings. It is therefore recommended that further work is done to implement the process for the General Fund (GF) 2023/24 budget. However, the recommendation in relation to replacing the MTFS with an in-year financial report is not supported, although a more focused and shorter document will be produced, as suggested. The current MTFS provides a valuable opportunity to examine the longer-term financial outlook for the council and set the context for budget setting. In-year considerations, such as the current impacts of inflation on budgets, can be included as judged necessary.
- 3.6. The report also recommends that budget setting processes for the GF and Housing Revenue Account (HRA) are amalgamated and that process efficiencies are implemented. As the council's budget setting process and differing governance processes for the GF and HRA are set out within its constitution, this will require changes to that document which must be approved by Civic Affairs and Full Council.
- 3.7. As these changes are complex and interrelated, it is recommended that a two-stage process is followed, with changes to the overall process most relevant for the GF to be addressed first, so that they can be implemented for the 2023/24 budget setting process. Therefore, officers are asked to work up proposals for constitutional change to be brought to Civic Affairs and Full Council for approval in the autumn. It is suggested that this work is informed by a cross-party working group of members convened for this purpose.
- 3.8. The bringing together of GF and HRA processes is likely to require more fundamental change and should therefore be undertaken as the second phase of the work. Other recommendations relate to political management arrangements, the roles of government, members and officers, and support and training for members. These recommendations are broadly in line with the Centre for Governance and Scrutiny (CfGS) and Independent Remuneration Panel (IRP) reports, which will need to be considered in the round through a broader consultative process with Members.

4. Implications

a) Financial Implications

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Changes to budget setting processes are expected to make the process more focused and efficient and to support the transformation and financial sustainability of the council.

b) Staffing Implications

None

c) Equality and Poverty Implications

No, this report recommends that more work is done to develop proposals for change. Equality and poverty implications will be assessed, if required, when future proposals are brought forward.

d) Net Zero Carbon, Climate Change and Environmental Implications

None.

e) Procurement Implications

None.

f) Community Safety Implications

None.

5. Consultation and communication considerations

Appendix 1 makes specific recommendations in relation to budget consultation, which will inform future work.

6. Background papers

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

7. Appendices

Appendix 1 – Review of the Budget Setting Process at Cambridge City Council

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Caroline Ryba, Head of Finance, tel: 01223 - 458134, email: caroline.ryba@cambridge.gov.uk.



Review of the Budget Setting Process for Cambridge City Council

MAY 2022

**CHRIS WEST, EXECUTIVE DIRECTOR
CHRIS WEST CONSULTANCY SERVICES LTD**

COMPANY NUMBER 10567173

1. Scope of this report.

- 1.1 This report has been commissioned by Cambridge City Council to the brief attached as Appendix A.
- 1.2 I am an independent consultant specialising in Local Government Finance. I have been CIPFA qualified since 1990 and am a Fellow of CIPFA. I have 32 years' experience as a local government officer, 10 of them as Director of Finance/Resources. For the last five years I have worked as an independent consultant, with clients including CIPFA, DfE and the LGA, as well as over 80 individual Councils, and am a member of the audit committee for a number of statutory bodies.
- 1.3 The report has been based on a desktop review of documents provided by Cambridge City Council or available to the public, and discussions over Microsoft Teams with a range of Members and senior officers at the Council. Its findings are necessarily limited by this process. Some of the views and opinions expressed are subjective but based on wide experience working in the sector.
- 1.4 The report should be read in conjunction with the recent report (February 2022) produced by the Centre for Governance and Scrutiny (CfGS) entitled **Culture, behaviours and governance assessment: Cambridge City Council**. Many of the themes and issues in that report are mirrored here.

2. Financial Context.

2.1 It is important to put this report in the context of the point in time at which it is written:

- The UK is still emerging from the grip of a pandemic that is creating unprecedented pressures and uncertainty
- The Russian invasion of Ukraine could have a variety of implications for Councils as the picture develops
- The legacy of Covid on the economy, society and the spending and income for Councils remains unknown and impossible to predict accurately.
- The impact of Brexit is still unfolding, and is inextricably linked to the impact of Covid
- Even without Covid, Local Government Finance is in a period of huge uncertainty, facing significant possible reform of the overall system that was put on hold firstly because of Brexit and then again as a consequence of the pandemic. The 2022/23 Settlement saw further delay, and the Settlement was again for one year only. This makes planning and the evaluation of a Council's position extremely difficult

2.2 The position for Cambridge City Council is a moving target in a context of unprecedented change and uncertainty. Against this backdrop, the Council's Medium Term Financial Plan can be summarised in the following Table from the February 2022 Budget Setting Report:

<u>Savings in MTFS per BSR £000s</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>
Current Savings Requirments	5,565	229	604	655

2.3 Given the dearth of any other information, the Council is assuming, based on speculation in the sector and briefing from government officials, that there is a full Business rate reset in 2023, and that it fares badly from the review of the Fair Funding Formula that distributes grant to Councils. It also assumes any future business rate growth, because it is uncertain, is added to reserves. All other grants (New Homes Bonus, Lower Tier Services Grant, 2022/23 Services Grant) are assumed to cease in 2023/24 and no transitional protection is assumed.

2.4 This produces the cliff edge effect in the Table above, with a £5.565m gap in 2023/24 and smaller gaps in subsequent years, rising to a cumulative need to identify annual savings of £7.053m by 2026/27. By that year, with no action the gap would be c35% of net service budgets. This is a significant problem and needs to be addressed.

2.5 The Council has a predicted cushion of General Fund reserves totalling £20m by the start of 2023/24. However, given the size of gap, these reserves only buy a short period of time to take action. They are not a protection against the need to identify savings and efficiencies.

2.6 **Against the context outlined above this report make observations on the current budget setting process in Cambridge, and recommendations for change.**

3. The Cultural Context for financial planning in Cambridge City Council.

3.1 During the course of discussions, a number of key issues of organisational culture emerged which form a key backcloth for this report.

- Officers and Members overwhelmingly came across as extremely friendly, and personable
- Committed and care deeply about Cambridge, inequality, wellbeing and prosperity or residents. and there is a vision for the City
- Possibly based on this there is a real sense that the Council is introspective, and in some ways sees itself as special and unique. Colleagues talked about “the Cambridge Way.”
- My sense is that this introspection is partly built on political isolation – even if subconsciously. Cambridge is not surrounded by other similar Labour controlled District Councils with whom to compare and contrast approaches.
- The sense of difference is also reflected in the Council’s highly unusual governance arrangements – a system of Executive Lead Members is operated rather than the much more usual Leader/Cabinet or Committee models.
- There is strong mutual respect between political groups and a mutual commitment to ensure that the Opposition is given a strong voice. While this is laudable, in the wider context in Cambridge it leads to a commitment to current processes and arrangements.
- Based on my conversations there appears to be little major difference in political priorities between the two main parties
- Despite the identification of a medium-term gap going forward, the Council has been in a strong financial position due to the high level of level of reserves. Cambridge has been a beneficiary of Government policy on rates retention and New Home Bonus. The Council has not had to make the challenging political decisions that have been needed in many other authorities to balance the books. While Members are aware that there is a problem ahead, it is not clear that the full implications are clear to them all.
- The Transformation Programme is a practical example of this. Many Members and Officers see this as a key tool for the future but the details of what this may mean in practice have not been worked through partly because plans are still being developed. However, it is clear that the current high levels of expenditure relative to other City/Districts cannot be sustained.
- Financial planning is not strategic. The S151 officer’s Section 25 report in the 2022/23 BSR highlighted “*complex and time-consuming decision-making*”

mechanisms that are not well equipped to manage complex and cross-cutting financial and organisational issues.....[which] present a risk to delivery of savings”.

- Reviewing some of the Bids and Capital programme lines in the 2022/23 Budget Report, there are a lot of “nice to haves” of the kind that have not been possible in other Councils for many years, and are in contrast to the financial gap ahead.

3.2 Few of these issues are entirely unique to Cambridge but in this strength and combination they indicate that a strong change in corporate culture and processes will be needed to manage the challenges ahead.

4. Budget Setting Process in Cambridge City Council

4.1 The current budget setting process in Cambridge is summarised in the following Table:

Key dates and decision points are set out below.

Date	Task
2021	
11 October	Strategy & Resources Scrutiny Committee consider the GF MTFS for recommendation to Council by the Leader
21 October	Council considers both GF and HRA MTFS reports
2022	
4 January	Budget Setting Report (BSR) published
7 February	BSR and any budget amendment proposal considered by Strategy & Resources Scrutiny Committee
7 February	The Executive consider and recommend the BSR and Council Tax level to Council
24 February	Council approves Budget Setting Report and sets the level of Council Tax for 2022/23

- 4.2 Behind this process lies a myriad of briefing to Executive Leads and a mixture of amassing technical changes and bids and other political issues to feed into discussions. These extend for the Summer through much of the year.
- 4.3 The process specifically allows significant opportunity for Opposition Budget Amendments at both the February Strategy and Resources (S&R) Meeting and the subsequent full Council budget meeting. The S&R Committee is in effect a Scrutiny meeting that includes the Executive Leads. In practice, the Opposition are briefed on the budget papers immediately after publication in December (HRA) and early January (General Fund), which feeds a large amount work into the amendment process over the Christmas, New Year and January periods. This involves not only finance staff but a range of other senior managers and officers depending on the issues under discussion.
- 4.4 Opposition budget amendments are a key feature of Council process in almost all Councils and reflect the democratic nature of local government. However, I have not seen processes that lead to such a volume of work or that promotes, almost insists on, Opposition budget amendments in quite this manner. Usually when amendments are time consuming it is because there is no overall control in a Council and the amendments underpin a deal to get the budget agreed.
- 4.5 A recent example of an amendment discussion in Cambridge was the opposition budget for the 2022/23 HRA budget, which was not accepted. It required officers to undertake a significant amount of modelling to estimate the impact of policy changes. These minor

amendments would have increased spending by c. £77k, or 1/10th of 1% over two years against a total HRA budgeted expenditure in that period of over £63m.

- 4.6 No significant examples could be provided to me where the current process of amendments had led to significantly different outcomes. The examples that were provided relate mostly to the HRA.
- 4.7 In most Councils, the normal process in the Constitution for dealing with amendments is followed at budget setting, at the final Council meeting. Opposition amendments are often tabled in advance and/or run past officers. Such a check would normally be light touch and to establish the lawfulness, practicality and summary financial implications of the proposed amendment, to ensure it is not entirely spurious. This work would normally be coordinated by the Democratic Services Team with input from Finance if needed
- 4.8 Perhaps the most surprising issue emerging is the contrasting view of the process between Members and Officers. Reflecting many of the cultural issues outlined in section 3 above, Members I spoke to broadly like the current processes. It is familiar and accords with their values and the mutual respect between political groups. There is almost an element of agreed ritual about the current approach.
- 4.9 Officers on the other hand universally dislike the process, which they see a highly time consuming, and a diversion of effort away from real priorities, with little tangible outcome as a result.
- 4.10 Officers often find political processes frustrating. There was also in one or two cases an element of naivety from senior officers about the important role Members play in governance and decision making. Nevertheless, I have rarely seen this level of dissatisfaction in a budget setting processes.
- 4.11 One specific issue that emerged is the timescale for moving Executive Lead reports through the governance process to the decision at the final meeting. This is a frequent issue in Councils.
- 4.12 Many officers were unclear about the processes and rules for delegations and virements (although these are in the constitution). There was a feeling that making any change to budgets always involved a long and frustrating political process and was almost too hard to consider. This needs to be addressed, even if it is about perception rather than the rules.
- 4.13 Many officers and some Members feel the budget process focus on small issues at the margin of the budget that are the topic of political debate at budget setting, or the subject of small bids brought forward often by Members. This is a frequent feature across Councils. Most people I spoke to want to make the process more strategic but do not have a clear view on how to achieve that.

- 4.14 **Collective decision making** by the ruling Group is essential to any strategic and well-coordinated budget process in any Council. Members of the ruling Group that I spoke to feel that they have this through political decision making at Group meetings. However, many others I spoke to feel this is lacking, and that the current model leads to issue based rather strategic financial planning. The structure of Executive Lead members rather than a Cabinet/Leader model creates at least an external impression of fragmented decision making.
- 4.15 I was surprised by the approach to **Public Consultation**. There are meetings with Business ratepayers and community groups, but these take place in the Autumn before the budget proposals are published in January and are about the general principles rather than the proposals. The majority of Councils will consult on draft budget proposal as well as principles, partly to comply with legal requirements, partly as best practice and partly as a basis for resisting any future legal challenge to specific proposals on the basis of poor or inadequate consultation. Cambridge has in the past relied on specific consultations on specific proposals outside of the budget setting process. This reflects the fact that it has not had to make large scale difficult decisions. There is a strong case for reviewing the approach to public consultation on the budget given the financial gap faced and the scale of changes that will be required.
- 4.16 I would expect the budget proposal to be subject to **Scrutiny**. This would normally be at a Scrutiny meeting during the consultation phase on the draft budget, and comments and views from the discussion would be fed into the Executive when deciding the final budget to recommend to Council. Separate scrutiny of the final budget is not strictly needed as it will go to full Council where all Members get an opportunity to speak and to vote on proposals.
- 4.17 There is a dichotomy between views and processes on the **HRA and the General Fund**. There was significantly less dissatisfaction from all sides on the HRA. The budget setting/rent setting process in the HRA is separate and parallel to that of the General Fund. The final decisions on revenue budgets and rents is taken by the Executive Councillor for Housing in January, and not by full Council. This is unusual. The normal process is for the HRA and General Fund budgets to be agreed at the same Council meeting either in the same report or in a suite of financial reports on the same agenda. The rationale for this is that the rent increase needs to be agreed before the end of January to allow rent increase notification to be sent out to tenants with the statutory notice. This is not an issue in other authorities and may be an issue related to the complexity of rent and service charges or Cambridge's IT systems. If so this may be capable of change. My advice would be to move to the more standard approach of a single report or suite of reports so that the Members can get a holistic view of Council finances.

HRA Budget Setting Process.

Key Dates

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

Date	Task
2021	
23 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.
21 October	Council approved HRA Medium Term Financial Strategy 2021/22
2022	
20 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
24 February	Council approves HRA Budget Setting Report

4.18 The process for agreeing the **Medium Term Financial Strategy (MTFS)** in Cambridge does not follow that most usually seen in other Councils. The MTFS is agreed in October in advance of the budget setting process. As outlined above, most Councils now have a single suite of financial reports in the February cycle including Budget, MTFS, Capital Strategy, Treasury Management Strategy and Pay Policy. The reason for this is that until the provisional Local Government Settlement is available in December it is hard to update the MTFS with any precision, even for the following year. By February, this information is available and a more accurate strategy and context for the detailed budget reports can be produced. Moving to a single suite of reports in February would also remove significant duplication, and free up officer time. I would still expect briefings to Members in the Autumn, and for the draft budget report to include an updated MTFS at a high level of summary.

5. Principles for Change

5. Sections 3 and 4 above outline that the structures and processes currently used for budget setting in Cambridge are in many respects untypical of what is normally seen across the sector. Processes elsewhere have been developed to manage financial challenges of the kind that will come to Cambridge, albeit sometime later than in many other authorities. The current processes are time consuming, focus too much on fine detail but have become embedded in the Council's culture. There is a significant risk that the current processes and the underpinning culture will not be able to bear the strain of the challenges that lie ahead.

5.1 In proposing some alternative processes, it is important to set out some principles for change:

- Start early – as soon after the new Municipal year as is practically possible, and certainly before the Summer break.
- Be clear on what the political priorities are AND are not.
- It's always all about setting the context: political, financial, economic, environmental.
- Be clear about managing expectations. Cambridge has some ability to be different but in a heavily centralised system of local government this is limited.
- Budget setting is a key collective responsibility for the ruling group and must be managed like that
- Where possible adopt common process for HRA and General Fund – coordinate decision making on the Council agenda e.g. as seen at Cheltenham District Council.
- The processes should be tailored to deliver the outcome i.e. a balanced budget and MTFs over the plan period.
- Political challenge and scrutiny are a required part of the process
- The Budget report is made to the Executive by the S151 Officer and those recommendations are forwarded to Council. The process relies on the Section 151 Officer's professional judgement in the Section 25 Report.

6. A Proposed New process.

There is no prescribed process for budget setting in local authorities and practice varies across the country. The proposed process outlined below is a tailoring of a typical Council process to the context in Cambridge.

6.1 **The summer months** (June, July, August)

- Take the previous year outturn to Council or a meeting of the Executive as soon as is possible in the new Municipal Year.
- Late June/early July: Hold policy and finance seminar(s) for ruling group to brief them on the outturn and financial context.
- Seek any amendments to the Corporate Strategy and get a clear view of political priorities.
- Agree the budget setting timeline for the year, with key deadlines
- The MTFS exists already from last year. The outturn can build on it and update it.
- Outline likely financial parameters in future
- Discuss and agree draft strategic policy priorities. Be clear that bids not in line with priorities must either not be accepted or must attract lower priority.
- Identify those areas that are *not* priorities
- Run a similar session for Opposition groups on context

6.2 **The Autumn** (October, November, December)

- October /November – consider a half year report budget/capital monitoring. Agree any amendments to budget. Ideally full half year figures can be available for this.
- Do not take the MTFS and other reports at this stage.
- From Sept – Mid Nov run the process agreed in the Summer for officers to identify possible savings based on the political steer in the Summer. This would be informed by the emerging outcomes from Transformation Programme.
- Have a clear process, with a cut-off date.
- Implement a minimum bid value for bids, for example £50k, and consider eliminating technical updates to the budget or specific agreed priorities from the process.
- Agree a draft budget with ruling group.
- Late Nov/Early Dec – take a report to Executive outlining the draft budget for consultation (including public consultation). This will require a new meeting of the Executive.
- Agree a consultation process - 4 week minimum
- If possible, time this for after draft Financial Settlement (this was 16th December in 2021)

- The Draft Budget Report can go to S&R as required during consultation period as part of the consultation process

6.3 Winter (January, February)

- Pull together feedback from consultation, S&R meeting, the Local Government Settlement, any other relevant developments
- Agree final budget report with ruling group, along with MTFs, Capital Strategy, TMS, Pay Policy
- Take final proposals to meeting of Exec (Not S&R) in February
- The Executive recommends the suite of financial reports from the S151 Officer to Council later in February
- The scrutiny of the final budget happens primarily in the Council meeting, including ability to propose amendments.
- Do you need another S&R or other scrutiny arrangements?

6.4 The detailed dates will vary with the calendar from year to year, but this is a broadly typical process. As an example, the following is the timetable for Teignbridge District Council in Devon and follows broadly the pattern proposed.

Example of a typical District Council process (Teignbridge DC, Devon)

Budget timetable 2022/23

	October	November	December	January	February
Government (Chancellor) Autumn Spending Round Statement	27th				
Provisional local government settlement			16th		
Town/parish initial budget/precept meeting			16th		
Executive papers sent out - initial budget proposals			17th		
Start of formal six weeks consultation period			16th		
Budget survey emailed to businesses			16th		
Executive - agree initial financial plan proposals including council tax base				4th	
Overview & Scrutiny 1 & 2 - consider Executive's financial plan				10th/11th	
Council - approve council tax base				13th	
Town/parish follow up budget/precept meeting				20th	
Final settlement expected				31st	
Deadline for business rates retention estimate to government, county and fire				31st	
Police and Crime Panel consider precept and approve				28th	
Overview & Scrutiny 1 & 2 - consider Executive's final financial proposals					1st/2nd
Executive - agree final financial plan proposals, including budget monitoring					8th
County Cabinet 10.30am budget meeting					11th
Devon County Council 2.15pm - set county precept and council tax					17th
Fire Authority - set fire precept and council tax					18th
Council meeting - consider financial proposals and council tax resolution					22nd
Reserve county budget meeting 10am if required					22nd
Close council tax accounts and start bills print unless delayed if council tax not set					24th
Reserve Council budget meeting if required					24th

Appendix 1

6.5 A switch to this timetable would require a change in culture and practice, so that the budget process is designed for form to follow function and to reflect the current financial context. In particular, a key issue is having additional Executive Meetings in the Summer and Autumn and ending the joint S&R/executive meeting in February. The proposed process might imply

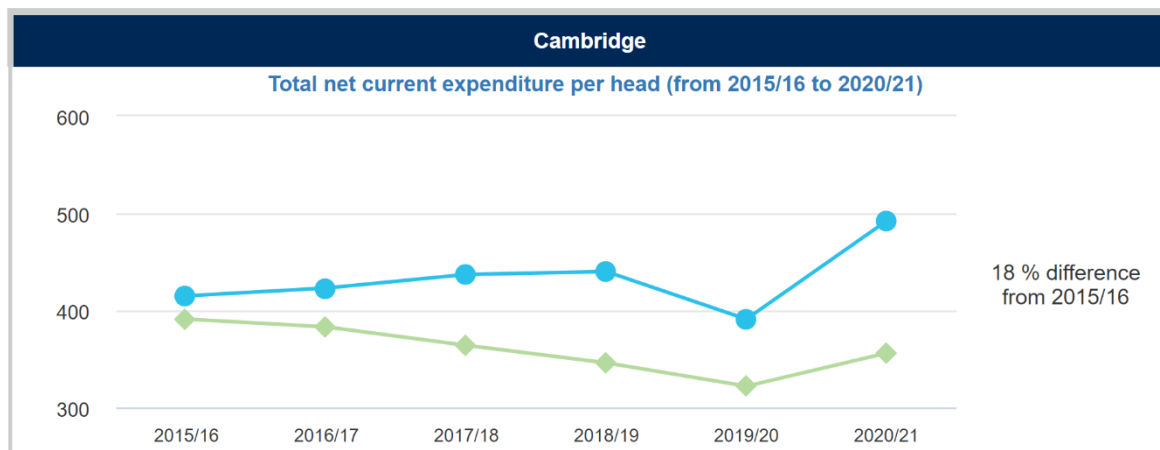
changes to the Constitution which will need to be reviewed in the light of any changes that are decided upon.

- 6.6 It should be noted that the constitution currently provides for meetings of the Executive called by the Leader to consider the budget, cross cutting issues and other matters, and in previous years the Executive has met more than once. However, this change would mean a departure from current practice. Building on the report from CfGS referred to in section 1 above, the Council may consider it an opportune time to review and change its overall governance arrangements anyway.
- 6.6 Amalgamating the HRA and General Fund processes, if they are practically possible, will require constitutional change.

7. Zero Based Budgeting.

- 7.1 The brief for this report (See Appendix One) refers specifically to the potential use of Zero Based Budgeting (ZBB), and the topic came up in a number of discussions with Members.
- 7.2 ZBB tends to work best in small organisations, or organisations with a limited number of functions. I have not seen a total ZBB process work in a local authority, where the range of functions, size, complex statutory and regulatory framework and overhead structures are problematic for the approach.
- 7.3 On a practical note, to start with a blank piece of paper and workup until the minimum budget needed presupposes that it is possible to know what that is. Many Council functions are statutory, but the level of service is unspecified e.g. refuse collection. Embarking on a full scale ZBB exercise would run a significant risk of not bringing any outcome and absorbing a very large volume of time and resources. It would probably need to be run as a programme over a number of years.
- 7.4 There are more practical alternatives which may help Members and officers to get to key decisions about spending more effectively.
- a) As the Transformation Programme progresses it is likely to ask some of the same questions – how can this be done more cost effectively and/or differently? Given that the Transformation Programme is already in action, overlaying ZBB would be complex, time consuming and diversionary.
 - b) I am aware that the Council is embarking on a detailed benchmarking exercise, comparing spend levels with other similar authorities. I have seen this and similar processes used to good effect elsewhere and in my experience this is far more likely to focus in on some key questions about spending levels than a ZBB exercise.

For example, the graph below using LGA benchmarking data shows that Cambridge's total net current expenditure per head (blue line) has been consistently above the average for all English District Councils (green line). Digging down into this data and refining comparisons will lead to some questions about how this breaks down in more detail and can refine comparison to specific Councils e.g. statistical neighbours.



c) The Grant Thornton CFO insights tool, based on similar outturn data as the LGA tool, illustrates that Cambridge has the highest level of spend per capita of all Cambridgeshire districts, though as a City-district it is likely to have a wider number of functions. However, Cambridge also ranks 4th out of 180 English districts for the highest amount of per capita spending. Expanding on this using the CFO tool will allow officers to compare spending against specific expenditure headings cost centre reported to DLUHC by all councils to identify those service areas in Cambridge that are significantly above or below mean levels of spend in comparable authorities.

Total net expenditure (RO) £/head (2020/21) – Cambridgeshire City/Districts

1	Cambridge	304.81
2	East Cambridgeshire	165.14
3	Fenland	162.52
4	South Cambridgeshire	153.79
5	Huntingdonshire	134.02

Total net expenditure (RO) £/head (2020/21) – all English districts

1	Richmondshire	826.01
2	Stevenage	384.92
3	Guildford	379.90
4	Cambridge	304.81
5	Mole Valley	284.01
6	Maldon	266.83
7	Epping Forest	264.22
8	Colchester	264.15
9	Watford	250.42
10	Preston	247.23

- d) Some authorities have attempted to probe spending by an analysis that strips out statutory and non-statutory spending. As with ZBB there are difficulties in identifying what the minimum level of spend is on some services to meet statutory requirements, so this approach is complex. It should however be possible to identify spending areas that are entirely discretionary and therefore can be addressed entirely as a matter of local policy.

8. Other Observations.

- 8.1 Picking up the point on **virements and delegations** in 4.10 above on delegations and virements, the level of officer decision making in Cambridge is broadly £25,000 and set in the Constitution. This is another issue which varied widely between authorities and where there is no national standard, and of course there does need to be an appropriate control and recording of all virements to maintain good budgetary control.
- 8.2. In my experiences £25,000 is at the very low end of the range of virement authorisation that I would expect, even in a small District Council. For example, in North Lincolnshire the comparable figure is £50k. Oxford City Council, which is of comparable size, has delegations up to £0.5m for spending and up to £1m for contractual awards, and up to £0.25m between cost centres. My sense in Cambridge is that it is the perceived bureaucracy surrounding the approval as much as the approval limit that is an issue. A full review of the level and process for virements and delegations would be worthwhile. I would advocate the production of a simple easy to understand 1 page guide for all budget holders outlining the values and rules, keeping it as simple as possible.
- 8.3 Section 4.9 above refers to the **time taken to process reports** to Executive Leads and Council. There is no overarching policy in Cambridge on this, other than the publication of final reports with 7 days notice to meet the statutory requirement. Practice is summarised in the following example:

Timetable for Strategy and Resources 10/10/22

- Draft report 9/9/22
- Final report 23/9/22 (14 days)
- Publication 28/9/22 (5 days)
- Meeting date 10/10/22 (12 days)

TOTAL 31 days

- 8.4 By the nature of the process, local authority reports are slow to produce, and the timescale above may be further complicated by the need for informal political approval at various stages. Having said that the time taken is excessive and reflects what I would have expected to see 20 years ago. 21 days as opposed to 31 is far more typical. This matter is largely one that can be controlled by tightening the rules and insisting on compliance at least at officer level. Such an approach is often used as part of culture change in Councils – to deliver paradigm shift from traditional patterns of working that have been hated but not challenged.
- 8.5 Technology is also a key enabler, using a system that holds a single master copy of a report that all relevant officers can access and update should significantly streamline process, compared to the traditional method of emailing drafts and collating comments manually.

8.6 **The Transformation Programme.** Given the issues facing Cambridge Council, a Transformation Programme is a sensible way forward. It does however carry with it the following concerns and risks.

- The implementation plan will not fit easily into your existing budget process. In particular, detailed planned savings to balance the entire deficit are unlikely to be ready for the 2023/24 budget round, which may mean using reserves to balance the budget, and will make the process harder to manage.
- The overall scale of eventual savings remains unclear and may change depending upon government policy around fair funding and business rates.
- The proposals will challenge the long established pattern of structure and service delivery and may well meet resistance from Members and some officers. There is a long record of Transformation Programmes in Councils that have failed to gain traction and have been abandoned. This must be avoided.

8.7 Overall the Council has a lot of eggs in this basket. As a result, the budget process should be redesigned as a means to enable sound, evidence based financial decisions to be taken based on public consultation and scrutiny that is proportionate and appropriate.

8.8 **Communications Strategy.** An essential element of underpinning major change and savings proposals is a strong, clear communications narrative. This should be led by members and senior officers and used with stakeholders including Councillors, staff, Unions, the public, suppliers, partners etc. The Council should review its current approach and consider options for stepping this up. In particular, I would expect to see a range of internal communications, press releases and stakeholder briefings developed to accompany publication of both the draft budget and the final budget.

9. **Conclusions.**

- 9.1 Cambridge has unusual and highly time consuming processes for budget setting. They are not sufficiently strategic, and there is a strong risk that they will not be sufficiently strong to meet the challenges ahead.
- 9.2 Cambridge has many positives cultures, but it is introspective and needs to develop a wider understanding of what is going on in other Councils and the sector generally, especially at Member Level. This can be achieved by wider engagement and some training. I would suggest the LGA package of support and its 'Leadership Essentials' offer. 'Leadership Essentials' is a series of programmes and workshops' designed as themed learning opportunities for councillors. Each event concentrates on a specific portfolio area or a specific theme. The Finance course is especially good in my experience and should be considered by all members with significant financial responsibilities.
- 9.3 The budget setting process and the political management arrangements are mutually entwined and reflect the culture in the Council. In the light of this report and the parallel report by CfGS, the Council should consider changing its political management arrangements to something that reflect common practice. If it does so it will be in a better position to manage challenging decisions in a co-ordinated way that reflects the best interests of the whole council and the collective responsibility of the Executive for budget setting.
- 9.4 The Council should consider training to clarify the roles of government, Members and officers. Some form of bespoke joint leadership training may be of interest e.g. by www.leadershipcentre.org.uk
- 9.5 An alternative process for Budget setting is outlined in Section 6 of this report. Detailed consideration should be given to moving to a model of this kind, adapted to Cambridge's specific needs.
- 9.6 The Council should review and simplify its levels and processes for delegations and virements.
- 9.7 Officers need to manage the expectations of members on the scale and scope of officer support for Budget amendments.
- 9.8 The annual budget setting process should be underpinned by a strong communications strategy with a clear narrative explaining the need for changes and the proposals being considered and why.
- 9.9 The current process agreeing reports into formal Member meetings is too long and needs to be reviewed and shortened.

10 Recommendations

- 10.1** The Council should consider moving to a more typical budget setting process as outlined in section 6 of this report. The process will need to be adapted to the context in Cambridge.
- 10.2** The Council should review whether its current political management arrangements are appropriate, in the context of the challenges ahead and the CfGS report.
- 10.3** There is a need to clarify through training and informal dialogue the respective roles of government, Members and officers.
- 10.4** To help provide a wider context for Members, they should be supported and encouraged to engage in the wider sector fully. For example:
- Attend National Conferences (LGA, CIPFA DCN etc)
 - A follow up LGA Peer Review (last was 5 years ago, one is due)
 - Make use of the [LGA Leadership Essentials Programme](#)
 - Make use of LGA Peer Member support
 - Consider a bespoke leadership programme for Members and senior managers
- 10.5** Review and simplify the scheme of delegation and rules for virement and consider whether the delegations/virement limits can be increased.
- 10.6** Produce a short easy to use summary for budget holders on the delegation and virement rules and processes.
- 10.7** Review the timeline and processes for producing reports to formal Member meetings with a view to reducing the time taken as far as is practicable.
- 10.8** Officer input into Opposition budget amendments should be limited to a high level assessment of feasibility, lawfulness and accuracy of financial implications.
- 10.9** Review the budget Bid process in budget setting, to either exclude bids not generated by the ruling Group as policy priorities and/or to set a minimum value for Bids.
- 10.10** Develop and annual Communications Strategy to underpin the Budget Setting Process.

APPENDIX A

The Brief

Cambridge City Council Budget Setting Process – Strategic Advice

Context

Cambridge City Council (CCC) has a history of strong financial management, successfully setting a balanced budget year after year, and a relatively strong reserves position (forecast GF balance of £20.0m at 31 March 2022, vs prudent minimum balance of £6.7m). However, in common with most lower tier authorities, recent funding pressures have led to the development of a significant medium-term savings requirement (£7.1m of annual recurring savings required over 5 years, or 29% of the 2022/23 net service budget).

We are in the early stages of a Council-wide transformation programme ('Our Cambridge') – although as a best case this is likely to achieve a maximum 75% of the savings needed. The Council's strong historic financial position means that this level of financial challenge has not been seen before, so there is limited experience internally of some of the difficult spending decisions which may need to be made.

Currently, the annual budget setting process is highly incremental, and focussed on individual bids and savings proposals which are generally small-scale alterations to current service provision. This tends to result in lots of time and effort (both officers' and members') going into working up and debating changes which have little impact on the overall financial position of the Council. Member involvement is focussed towards the end of the process, which can lead to practical difficulties such as last minute proposals and lengthy discussions about wording and presentation.

Once the Budget Setting Report is published officers then devote time to work with opposition groups to develop 'Opposition budget amendments'. These are time consuming and very rarely lead to any substantive change.

In addition, the Council operates a hybrid governance model whereby decisions are owned by individual Executive Councillors rather than the Executive as a whole – this adds to the challenge particularly towards the end of the process.

Outcomes

We are looking to develop a revised budget setting process for the 2023/24 budget which better supports our organisational objectives and transformation programme. In particular, the S151's have some initial thoughts as to what this might look like, as follows:-

- Closer member engagement early in the process, to drive strategy and 'set the tone', e.g. fiscal envelope, priorities and trade offs.
- A process which encourages more ambitious/strategic thinking to support achievement of savings targets, e.g. presentation of multiple options for service delivery, rather than just using last year's budget as a baseline.
- Potential for zero-based budgeting in significant service areas – clearly there is overlap here with the transformation programme so we will need to think about frequency and extent.

- Ideas for savings that may be overlooked across the sector but can help to put us in a better position
- Improvements to the Finance Management System and back office processes to streamline the process for Finance and budget holders – this element can largely be managed internally.
- Engagement with members to give them an external perspective on the approach taken in Cambridge its strengths and weaknesses, and alternatives.
- In order to remain on track, we need the next budget round to identify c. £5m of recurring revenue savings.

Requirement

We are seeking external support to work with us to develop a range of possible options to improve our budget setting process, which meet the outcomes above. In particular, we are looking for somebody who can identify best practice within the sector and help us to tailor and apply this to our own situation.

The timescale would be for the new process to be developed by the end of April in preparation for the new municipal year, so it can be implemented for next year's budget cycle. Particularly where member engagement is concerned, there is a need to gain early buy-in and agreement of timetable. We are working with a budget of up to £15k, which we envisage covering 10-20 days working with the finance, leadership team and democratic services, along with members.



Item

ANNUAL TREASURY MANAGEMENT (OUTTURN) REPORT 2021/22

To:

The Executive Councillor for Finance, Resources and Transformation:

Councillor Mike Davey Strategy & Resources Scrutiny Committee

11/07/2022

Report by:

Caroline Ryba Head of Finance (The Council's Section 151 Officer) Tel:

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

Wards affected:

All Wards

Key Decision

1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.
- 1.2 This report meets the requirements of both the CIPFA Treasury Management in the Public Services: Code of Practice 2021 (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities 2021 (the Prudential Code) in respect of 2021/22.
- 1.3 During 2021/22 the minimum requirements were that Council should receive:-
 - an annual strategy in advance of the year;

- a mid-year treasury update report; and
- an annual review following the end of the year describing the activity compared to the strategy (this report).

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

2. Recommendations

The Executive Councillor is asked to recommend:-

2.1 This report to Council, which includes the Council's actual Prudential and Treasury Indicators for 2021/22.

2.2 A loan of £50,000 to Cherry Hinton Community Benefit Society for their contribution to the building costs of the Cherry Hinton Hub.

3. Background

3.1 This report summarises:

- capital expenditure and financing activity during the year;
- the impact of capital spending on the Council's 'need to borrow';
- the Council's compliance with prudential and treasury indicators;
- the treasury management position as at 31st March 2022 (Appendix A);
- the Council's treasury management advisors' view on UK interest and investment rates (Appendix B);
- the actual prudential and treasury indicators (Appendix C);
- the counterparty List (Appendix D); and
- a Glossary of Terms and Abbreviations (Appendix E).

4. Capital Expenditure and Financing 2021/22

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

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

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

	2020/21 £'000 Actual	2021/22 £'000 Budget *	2021/22 £'000 Actual
General Fund capital expenditure	16,771	41,760	24,377
HRA capital expenditure	34,170	67,845	37,804
Total capital expenditure	50,941	109,605	62,181
Resourced by:			
• Capital receipts	(11,040)	(13,634)	(11,232)
• Other contributions	(28,575)	(63,665)	(32,728)
Total available resources for financing capital expenditure	(39,615)	(77,299)	(43,960)
Financed from/(to) cash balances	11,326	32,306	18,221

* Per Annual Treasury Management Strategy Report agreed by Council on 25 February 2021.

5. Overall borrowing need and Minimum Revenue Provision (MRP) 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 The Council's MRP policy for 2021/22 was set out in the Annual Treasury Management Strategy agreed by Council on 25 February 2021. Under this policy, MRP of £306,000 has been charged in respect of 2021/22.
- 5.4 Local authorities are also permitted to make additional Voluntary Revenue Provision charges in order to accelerate the financing of underlying debt and reduce annual MRP charges in the future.
- 5.5 No Voluntary Revenue Provision charges were made during 2021/22. As at 31 March 2022, the cumulative total of Voluntary Revenue Provision charges made in previous years was £9,545,000.
- 5.6 During 2021/22, there was no requirement for external borrowing. Financing of capital expenditure from cash balances of £18,221,000 shown in the above table was met using internal borrowing.

6. External Debt as at 31 March 2022

6.1 The table below shows the Council's outstanding debt and headroom (the amount of additional borrowing that is possible without breaching the Authorised Borrowing Limit) as at 31 March 2022:

	Principal (£'000)
Authorised Borrowing Limit (A) – agreed by Council on 17 October 2019	400,000
PWLB Borrowing (for HRA Self-Financing, B)	213,572
Headroom (A minus B)	186,428
External borrowing in 2012/13 to 2021/22	NIL
Total current headroom	186,428

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

7. Treasury Position as at 31 March 2022

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

7.2 All funds are internally managed.

7.3 The tables below provide a comparison of deposit activity and outturn for 2021/22 against 2020/21.

Actual Returns	2021/22		2020/21	
	Deposit Type	Average Deposits (£m)	Average Rate of Return	Average Deposits (£m)
Fixed Short-Term (<365 days)	71.82	0.11%	64.26	0.58%
Call/Overnight Accounts	23.72	0.10%	1.71	0.00%
Enhanced Cash Funds	15.02	0.19%	15.00	0.81%
Fixed Long-Term (>365 days)	9.26	1.85%	12.20	1.74%
Money Market Funds	20.68	0.11%	19.82	0.15%
CCLA Local Authorities' Property Fund	15.00	3.77%	15.00	4.43%
Overall Deposit Return	155.50	0.57%	127.99	1.09%
Benchmark Returns	2021/22		2020/21	
	Offer (SONIA)	Bid (LIBID)	Offer (LIBOR)	Bid (LIBID)
Average	0.09%	0.17%	0.14%	0.02%

Note:

In 2020/21, the 'Benchmark Return' figures were based upon Global Rates (national interest rate reporting website) average money market LIBOR and LIBID rates for periods between 1 night and 1 year as at 31st March 2021.

During 2021/22, there was a transition from the use of LIBOR to the use of SONIA. The figures as at 31st March 2022 are based upon benchmarking data provided by Link. The appropriate benchmarks to our funds are the 90 day backward looking SONIA un compounded and 3 month LIBID un compounded.

- 7.4 Total interest and dividends of £892,000 have been earned on the Council's deposits during 2021/22 at an average rate of 0.57% (1.09% in 2020/21). This has resulted in an overall under-achievement on the interest and dividends income budget of £54,000.
- 7.5 The figures at paragraph 7.4 above included interest earned on CCLA Local Authorities' Property Fund deposits of £577,000, which equated to an annual yield of 3.77% (4.43% in 2020/21).
- 7.6 A summary of deposits is shown at Appendix A.

8. Interest Rate Update

- 8.1 Link Asset Services is the Council's independent treasury advisor. In support of effective forecasting the Council needs to be aware of the potential influence of market interest and investment rates. Link's opinion is presented at Appendix B, and provides an overview as at 31 March 2022.
- 8.2 The Bank of England's May 2022 Inflation Report gives additional information on growth, inflation and interest rates. The Bank of England's Monetary Policy Committee (MPC) noted that inflation is expected to rise to around 10% this year. The Bank of England's Base Rate was raised to 1.0% in May 2022 (previously 0.75%) and then to 1.25% in June.
- 8.3 Prices of goods and services have risen as the world opened up after Covid restrictions. Russia's invasion of Ukraine has led to more increases in the prices of energy and food.
- 8.4 CPI inflation rose during March 2021 to around 7.0%. The MPC sets monetary policy to meet the 2.0% inflation target, which helps to sustain growth and employment. Interest rates are expected to increase over the coming months to 2.5% in mid-2023, before falling to 2% in order to bring inflation down. The UK economy has been recovering from the effects of Covid, but it is expected that the increased cost of living will lead to slower growth overall.

9. Prudential and Treasury Indicators

- 9.1 During the financial year the Council operated within the 'authorised' and 'operational' borrowing limits contained within the Prudential

Indicators set out in the Council's Treasury Management Strategy Statement. The outturn for Prudential and Treasury Indicators is shown in Appendix C.

10. Revisions to the Counterparty List

- 10.1 Following a review of rating agency methodology changes, Link continues to revise its recommendations on counterparties and appropriate durations. The Council follows Link's recommendations as reflected in the current Counterparty List at Appendix D.
- 10.2 A loan with Cherry Hinton Community Benefit Society to the value of £50,000 has been added to the counterparty list. This is for their contribution towards the building costs of the Cherry Hinton Hub. They are hoping to fundraise this money, so they do not draw down on the loan. However, this needs to be agreed and in place to allow the project to start.
- 10.3 As reported to Strategy and Resources Scrutiny Committee in February 2022, the counterparty limit with Allia Ltd was breached during 2021/22 due to a bridging loan of £1.2m. This has since been repaid in May 2022.

11. Environmental, Social and Governance Considerations

- 11.1 During 2021/22, we have started to consider our ESG obligations in the context of the Council's Treasury Management practices. Due to a lack of resources, we have been unable to further develop these ideas into a detailed ESG strategy for Treasury Management. However, this is something we will progress in 2022/23.

12. Implications

(a) Financial Implications

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

(b) Staffing Implications

None

(c) Equality and Poverty Implications

None

(d) Environmental Implications

None

(e) Procurement Implications

None

(f) Community Safety Implications

None

13. Consultation and communication considerations

None required

14. Background papers

No background papers were used in the preparation of this report

15. Appendices

Appendix A – Treasury Management position as at 31 March 2021

Appendix B – Link’s opinion on UK interest and investment rates

Appendix C – Prudential and Treasury Management indicators

Appendix D – Current Counterparty List

Appendix E – Glossary of Terms and Abbreviations

16. Inspection of papers

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

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TREASURY MANAGEMENT POSITION AS AT 31 MARCH 2022

CURRENT DEPOSITS

The Council's deposits as at 31 March 2022 are shown in the table below:

Counterparty	% Rate	Duration	Principal (£'000)
Fixed Term Deposits			
Barclays Bank PLC (NRFB)	0.30	1 year	2,000
Cornwall County Council	0.40	2 months	5,000
Highland Council	0.15	9 months	5,000
Nationwide Building Society	0.07	6 months	10,000
Thurrock Council	0.10	5 months	5,000
Thurrock Council	0.22	9 months	5,000
Thurrock Council	0.15	4 months	5,000
Surrey County Council	0.06	5 months	5,000
Blackpool City Council	0.10	6 months	8,000
Wrexham Council	0.15	3 months	10,000
West Dunbartonshire Council	0.20	1 year	5,000
East Dunbartonshire Council	0.20	6 months	5,000
Peterborough City Council	0.30	11 months	5,000
Slough Borough Council	1.05	6 months	5,000
Glasgow City Council	0.50	1 month	10,000
London Borough of Barking and Dagenham	0.50	1 month	5,000
Wirral Metropolitan Borough Council	0.60	2 months	5,000
Allia Ltd	2.40	5 years	2,200
Allia Ltd	2.20	5 years	2,800
Allia Ltd	1.15	5 months	1,200
Total Fixed Term Deposits			106,200
Variable Rate Notice Accounts			
Barclays Bank Plc	0.10	Same Day	2,555
CCLA Local Authorities' Property Fund	3.90	90 Days	15,000
BNP Paribas Insticash Sterling	0.65	Same Day	14,500
CCLA - The Public Sector Deposit Fund (Class 4)	0.58	Same Day	15,000
Payden Sterling Reserve Fund	0.38	4 Day	5,000
Royal London Cash Plus Fund Y (Gross Inc)	0.44	3 Day	5,000
JP Morgan Managed Reserves Fund	1.10	2 Day	5,000
Total Variable Rate Notice Accounts			62,055
TOTAL	-	-	168,255

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

LINK'S OPINION ON UK INTEREST AND INVESTMENT RATES AS AT 31 MARCH 2022

UK. Economy. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting. This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target*"

sustainably". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

The following table shows when Link predict interest rates will rise, together with an estimate of other interest rates. Link estimate that the Bank Rate will not rise for the foreseeable future.

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

	Actual 2020/21 £'000	Budget ¹ 2021/22 £'000	Actual 2021/22 £'000
PRUDENTIAL INDICATORS			
Capital expenditure			
- General Fund	16,771	41,760	24,377
- HRA	34,170	67,845	37,804
Total	50,941	109,605	62,181
Capital Financing Requirement (CFR) as at 31 March			
- General Fund	77,797	146,639	73,912
- HRA	208,654	205,835	211,706
Total	286,451	352,474	285,618
Change in the CFR²	11,020	66,023	-833
Deposits at 31 March³	114,976	112,100	168,255
External Gross Debt	213,572	245,317	213,572
Ratio of financing costs to net revenue stream			
-General Fund	-2.62%	-4.58%	-3.20%
-HRA	15.90%	16.29%	16.28%

¹ Per Annual Treasury Management Strategy Report agreed by Council on 25 February 2021

² After accounting for MRP charge and Voluntary Revenue Provision

³ As per the Council's Balance Sheet.

	Actual 2020/21 £'000	Budget¹ 2021/22 £'000	Actual 2021/22 £'000
TREASURY INDICATORS			
Authorised limit			
for borrowing	400,000	400,000	400,000
for other long term liabilities	0	0	0
Total	400,000	400,000	400,000
Operational boundary			
for external borrowing	291,451	357,474	290,618
for other long term liabilities	0	0	0
Total	291,451	357,474	290,618
Upper limit for total principal sums deposited for over 364 days & up to 5 years	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure			
Net interest on fixed rate borrowing/deposits	6,113	6,844	6,592
Net interest on variable rate borrowing/deposits	-15	-15	-15
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit
10 years and above (PWLB borrowing for HRA Reform)		100%	100%

¹ Per Annual Treasury Management Strategy Report agreed by Council on 25 February 2021

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits (*references have now been made to RFB & NRFB for UK Banks, with explanations within the Glossary at Appendix E).

Name	Council's Current Deposit Period	Category	Limit (£)
Specified Investments:-			
All UK Local Authorities	N/A	Local Authority	20m
All UK Passenger Transport Authorities	N/A	Passenger Transport Authority	20m
All UK Police Authorities	N/A	Police Authority	20m
All UK Fire Authorities	N/A	Fire Authority	20m
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Barclays Bank Plc – NRFB*	Using Link's Credit Criteria	UK Bank	35m
HSBC Bank Plc – NRFB*	Using Link's Credit Criteria	UK Bank	20m
HSBC UK Bank Plc – RFB*	Using Link's Credit Criteria	UK Bank	20m
Standard Chartered Bank	Using Link's Credit Criteria	UK Bank	20m
Bank of Scotland Plc (BoS) – RFB*	Using Link's Credit Criteria	UK Bank	20m
Lloyds Bank Plc – RFB*	Using Link's Credit Criteria	UK Bank	20m
National Westminster Bank Plc (NWB) – RFB*	Using Link's Credit Criteria	UK Nationalised Bank	20m
Santander UK Plc	Using Link's Credit Criteria	UK Bank	5m

Name	Council's Current Deposit Period	Category	Limit (£)
The Royal Bank of Scotland Plc (RBS) – RFB*	Using Link's Credit Criteria	UK Nationalised Bank	20m
Other UK Banks	Using Link's Credit Criteria	UK Banks	20m
Members of a Banking Group	Using Link's Credit Criteria	UK Banks and UK Nationalised Banks	30m
Svenska Handelsbanken	Using Link's Credit Criteria	Non-UK Bank	5m
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/S1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 3 months and up to 1 year	Financial Instrument	5m (per fund)
Money Market Funds (AAf) – CNAV, VNAV & LVNAV	Liquid Rolling Balance	Financial Instrument	15m (per fund) With no maximum limit overall
Custodian of Funds	Requirement for Undertaking Financial Instruments	Fund Managers	Up to 15m (per single counterparty)
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Other Specified Investments - UK Building Societies:-			
Name	Council's Current Deposit Period	Society Asset Value (£'m) – as at 16 April 2021	Limit (£)
Nationwide Building Society	1 month or in line with Link's Credit Criteria, if longer	245,732	Assets greater than £100,000m - £30m Assets between £50,000m and £99,999m - £5m
Yorkshire Building Society		57,786	
Coventry Building Society		50,781	
Skipton Building Society		26,658	
Leeds Building Society		20,725	
Principality Building Society		10,912	

Name	Council's Current Deposit Period	Category	Limit (£)
West Bromwich Building Society		5,565	Assets between £5,000m and £49,999m - £2m
Non-Specified Investments:-			
Name	Council's Current Deposit Period	Category	Limit (£)
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 35m (in total)
Cambridge City Council Housing Working Capital Loan Facility*	Up to 1 year	Loan	200,000
Cherry Hinton Community Benefit Society	Up to 1 year	Loan	50,000
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)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	25m (in total)

Name	Council's Current Deposit Period	Category	Limit (£)
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
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)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Secured Local Bond – Using Allia Limited	N/A	Local Business Bond	Up to £5m in total
Supranational Bonds – AAA	Using Link's Credit Criteria	Multi-lateral Development Bank Bond	15m
UK Government Gilts	Over 1 year & up to 30 Years	Financial Instrument	15m

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

Treasury Management – Glossary of Terms and Abbreviations

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day to day items including employees' pay, premises costs and supplies and services)
Capital Financing Requirement	A measure of the Council's underlying borrowing need, i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources
Certificates of Deposit (CDs)	Low risk certificates issued by banks which offer a higher rate of return
CIP	Cambridge Investment Partnership
CIPFA	Chartered Institute of Public Finance and Accountancy
Corporate Bonds	Financial instruments issued by corporations
Counterparties	Financial institutions with which funds may be placed
Credit Risk	Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do
Enhanced Cash Funds	Higher yielding funds typically for investments exceeding 3 months
Eurocurrency	Currency deposited by national governments or corporations in banks outside of their home market
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases

Term	Definition
Government CNAV	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
HRA	Housing Revenue Account - a ringfenced account for local authority housing account where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
London Interbank Offered Rate (LIBOR)	A benchmark rate that some of the leading banks charge each other for short-term loans
London Interbank Bid Rate (LIBID)	The average interest rate at which major London banks borrow Eurocurrency deposits from other banks
Liquidity	A measure of how readily available a deposit is
Low Volatility Net asset Value (LVNAV)	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
MHCLG	Ministry for Housing, Department for Communities & Local Government (formerly the Department for Communities & Local Government, DCLG)
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Minimum Revenue Provision (MRP)	Revenue charge to finance the repayment of debt
NHBC	National House Building Council
Non Ring Fenced Bank (NRFB)	Government and Bank of England rules will apply to all UK Banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks for the 1 st January 2019 deadline
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed

Term	Definition
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
Quantitative Easing (QE)	A financial mechanism whereby the Central Bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy
Ring Fenced Bank (RFB)	Government & Bank of England rules will apply to all UK Banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks for the 1 st January 2019 deadline
Security	A measure of the creditworthiness of a counter-party
Specified Investments	Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multi-lateral Development Bank Bond
UK Government Gilts	Longer term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short term securities with a maximum maturity of 6 months issued by HM Treasury
Variable Net Asset Value	MMF values based on daily market fluctuations to 2 decimal places known as mark-to-market prices
Weighted Average Life (WAL)	Weighted average length of time of unpaid principal
Weighted Average Maturity (WAM)	Weighted average amount of time to maturity
Yield	Interest, or rate of return, on an investment

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Item

Strategy & Resources Scrutiny Committee

2021/22 Revenue and Capital Outturn, Carry Forwards and Significant Variances

To:

Councillor Davey, Executive Councillor for Finance, Resources & Transformation

Report by:

Head of Finance

Date:

11 July 2022

Wards affected:

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

Key Decision

1. Executive Summary

1.1 This report presents, for all Portfolios:

- a) A summary of actual income and expenditure compared to the final budget for 2021/22 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2022/23.

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

2. Recommendations

The Executive Councillor for Finance, Resources & Transformation recommends to Council:

- a) To carry forward requests totalling £2,132,920 of revenue funding from 2021/22 to 2022/23, as detailed in **Appendix C**.
- b) To approve additional budget in 2022/23 of £22k for Arboriculture and £12k for Project Delivery funded from reserves, as detailed in **Paragraphs 3.6 and 3.7 below**.
- c) To carry forward requests of £71,909,000 of capital resources from 2021/22 to 2022/23 to fund rephased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

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

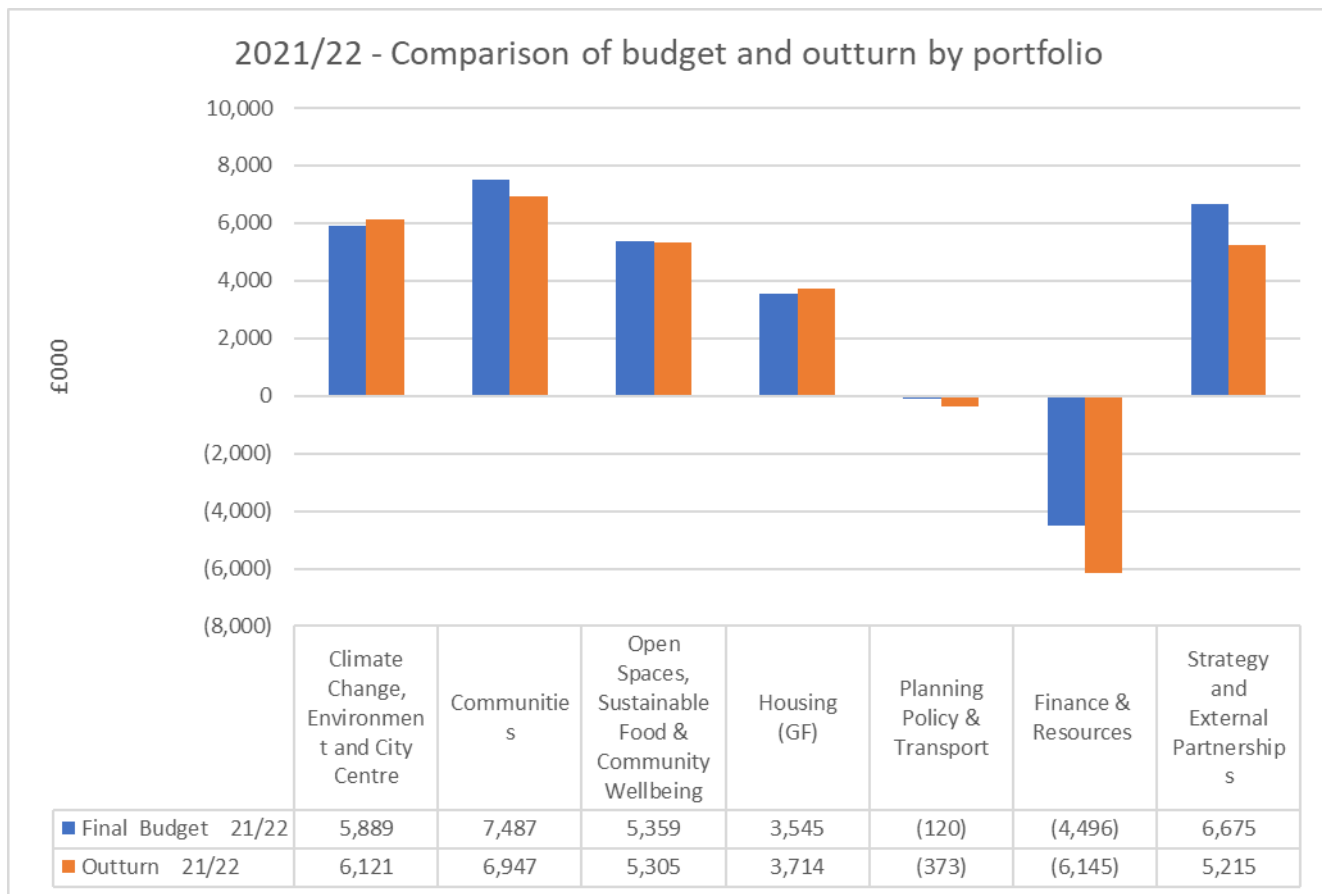
2020/21 £'000	General Fund Revenue Summary	2021/22 £'000	% Final Budget
20,690	Original Budget – Portfolios	24,591	101.0
1,055	Adjustment – Prior Year Carry Forwards	659	2.7
8,313	Adjustment – Interim MTFS	0	0
1,254	Other Adjustments	(912)	(3.7)
31,312	Final Budget – Portfolios	24,338	100.0
32,525	Outturn – Portfolios	20,837	85.6
1,213	(Under) / Overspend for the year – Portfolios	(3,501)	(14.4)

2020/21 £'000	General Fund Revenue Summary – Continued	2021/22 £'000	% Final Budget
1,213	(Under) / Overspend for the year – Portfolios	(3,501)	(14.4)
572	Carry Forward Requests – Portfolios**	925	3.8
1,785	Net Variance on Portfolios	(2,576)	(10.6)
84	Carry Forward Request – Capital Financing**	1,208	5.0
	Non-portfolio variances:		
1,137	Capital Expenditure Financed from Revenue	(1,208)	(5.0)
1,345	Other Non-Portfolio Variances*	(9,825)	(40.4)
4,351	Variance and (decreased) /increased use of General Fund Reserves	(12,401)	(51.0)

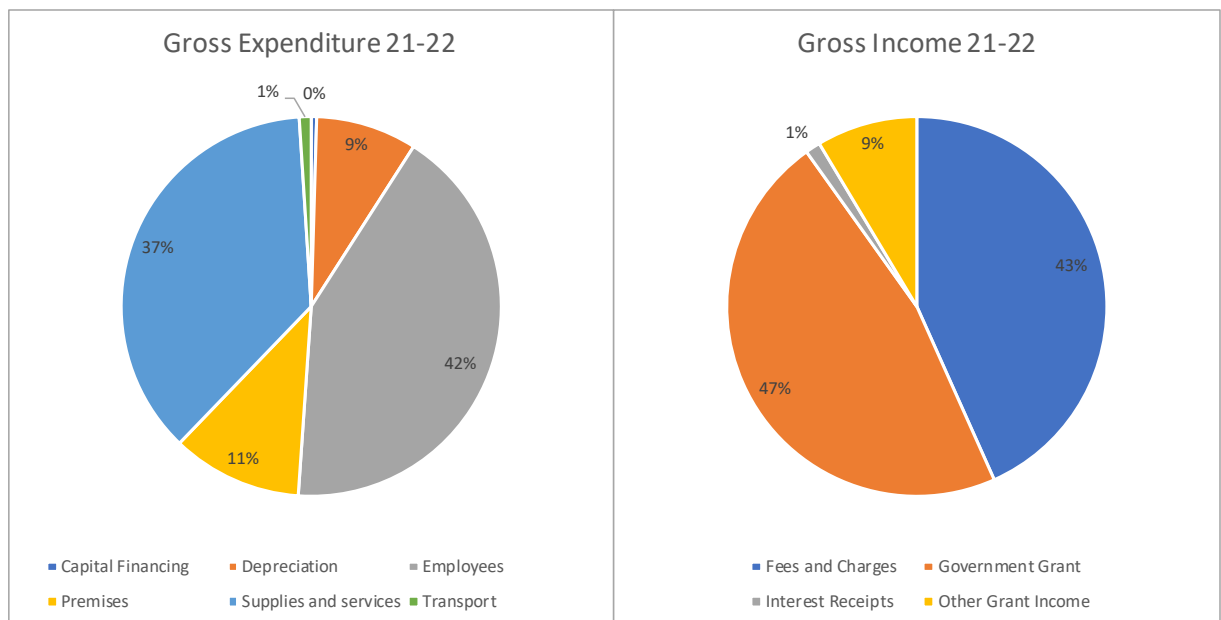
*The main reason for this underspend is a variance on business rate income of which £8.582m is caused by the removal of specific Covid related provisions which are no longer required due to government legislation. The underspend is also due to a £1.114m variance for unbudgeted Covid-related grants, for example the claim for reduced for sales, fees and charges income.

**The carry forward requests in 20-21 totalled £658,670. The difference is due to rounding.

3.2 The original revenue budget for 2021/22 was approved by the Council on 24 February 2022. **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for all Portfolios for 2021/22. The following chart presents this comparison visually.



3.3 The split of actual 21-22 expenditure and income budgets are shown in the pie charts below



3.4 **Appendix B** provides explanations of the main variances. The final outturn position for the General Fund portfolios is an underspend of £3,500,767 which represents 14% of the final net budget. Significant key variances are as follows.

- **Markets:** Overspend £402,000 - Due to the ongoing effect of Covid in the early part of the financial year income underachieved due to reduced rental receipts as stalls closed because of lower footfall in the city.
- **Culture and Community:** Underspend £472,000 - Again due to the ongoing effect of the pandemic the ability to recruit staff following closure of the Corn Exchange has been difficult and maintenance work reduced due to staff absence.
- **Finance General:** Underspend £744,000 – This is mainly due to interest earned being over budget as a result of increased lending to CIP. Additional interest earned from CIP is earmarked for future capital expenditure, resulting in a corresponding adverse variance on the transfer to earmarked reserves which is shown in the non portfolio budget section.
- **Strategy & External Partnerships – Central Costs:** Underspend £1,136,000. This is largely due to budget adjustments held centrally where unfavourable variances may exist elsewhere, and for support services costs which have not been fully allocated. A new recharging process for support services costs has been implemented for 2022/23 which should address the allocation of costs in the current year. Further work is being done to determine where budget needs to be reassigned in 2022/23 or made available to mitigate inflationary pressures.

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

3.6 Carry forward requests of £22,000 for Arboriculture and £12,000 for Project Delivery have been requested. However both these cost centres show an overspend in 2021/22 prior to the carry forward. The first request is required for essential tree work for health and safety reasons. The spend would still need to take place in 2022/23 but it would impact on next year's tree planting budget and therefore would affect the amount of grant that the council would be able to claim as part of the 2 Seas project. The £12,000 additional budget request is for work that is needed on Hobson's Brook and is essential for the safe management of the brook bank which is at risk of failure.

3.7 As the budgets are not available to be carried forward to 2022/23 and the work is essential for health and safety reasons plus there would be a reduction in grant being able to be claimed it is requested that as a special case the total budget of £34,000, funded from reserves, is allocated to the cost centres in 2022/23.

Capital Outturn

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

2020/21 £'000	General Fund Portfolio Capital Summary	2021/22 £'000	% Final Budget
62,181	Final Budget	101,559	100.0
15,610	Outturn	22,848	22.5
(46,571)	Variation - (Under)/Overspend for the year	(78,711)	(77.5)
(2,820)	Less Cromwell Road Adjustment	0	0
(49,391)	Variance	(78,711)	(77.5)
49,211	Rephasing Requests	71,909	70.8
(180)	Net variance	(6,802)	(6.7)

3.9 Total General Fund capital underspend for the year is £78,711,000 of which £71,909,000 has been requested to be rephased to 2022/23.

3.10 The main requests for rephasing of budgets are as follows:

- Climate Change, Environment and City Centre Portfolio – Vehicle Replacement Programme (£978,000) – Shared waste vehicles are on order but were not delivered in 21/22.
- Communities Portfolio – Delays in the progression of pre planning of the Café and Car Park at the Crematorium (£633,000), extension to Cherry Hinton Library (£764,000) delayed due to funding issues, decarbonisation work at the City's pools

(£1,221,000) and Infrastructure improvements at the Corn Exchange (£1,000,000) where progress has been limited in 22-23

- Housing General Fund - Meadows Community Hub and Buchan St retail outlet delay (£560,000) underspend due to delayed start on site as a result of planning conditions work taking longer than expected.
- Finance & Resources Portfolio – Cromwell Road development budgets (£3,430,000) due to initial incorrect budget phasing, and L2 and Cromwell Road loan budgets (£14,095,000) due to CIP cashflow requirements which are outside our control. The Depot relocation budget was allocated in the MTFS as the project was time critical. Since then, the deadline for moving from the current site has been extended and the phasing of budget spend has been reviewed (£9,976,000). The purchase of the nursery (£1,548,000) is now to take place in 22-23 plus £29,614,000 for the Park Street car park development where the project is still on track but the phasing of the budget has changed.

3.11 The major reason for the end of year capital outturn underspend relates to Mill Road redevelopment loans. The project is almost complete and CIP will not require use of the full loan facility.

General Fund Reserves

3.12 The table below sets out the movement on the General Fund reserve for 2021/22:

	2021/22 £'000
Original Budget – Contribution from General Fund	813
Adjustment – Prior Year Carry Forwards	659
Transfer of budget as approved in the MTFS - additional communications post and digital consultation platform fee	45
Transfer of new Transformation earmarked reserve	3,900
Final Budget – Contribution from General Fund	5,417

Final Budget – Contribution from General Fund	5,417
Net Variance for the Year	(12,401)
Add Back Carry Forwards (to be recognised in 2022/23)	(2,133)
Total contribution to General Fund Reserves – Appendix A	(9,117)
Post Period 12 recharge adjustments against the HRA and earmarked reserves	151
Total Use of General Fund Reserves – Draft Statement of Accounts	(8,966)
General Fund Balance at 1 April 2021	(16,594)
General Fund Balance at 31 March 2022	(25,560)

3.13 Collection Fund

- The Collection Fund includes all income generated from council tax and business rates that is due in the year from council taxpayers and ratepayers. The table below shows the performance of the Collection fund in 2021/22.

	Council Tax £'000s	Business Rates £000s
Net amount receivable from tax/ratepayers	(85,256)	(88,063)
Contributions towards previous years' deficit:		
- Cambridge City Council	(178)	(25,157)
- Local preceptors and central government	(1,462)	(37,736)
Total Income	(86,896)	(150,956)
2021/22 precepts and demands:		
- Cambridge City Council	9,033	43,111
- Local preceptors and central government	74,911	64,666
Write-off/impairment of bad debts	452	863
Change in provision for business rate appeals	0	(491)
Transitional protection payments	0	323
Cost of collection (payable to City Council)	0	239

Total Expenditure	84,396	108,711
(Surplus) / deficit for the year	(2,500)	(42,245)
Collection Fund Balance at 1 April 2021	3,633	59,032
Collection Fund Balance at 31 March 2022	1,133	16,787

Council Tax

- The significant opening deficit of £3,633,000 on the council tax collection fund is a result of the impact of Covid during 2020/21, both in terms of reduced collection rates and increased claims within the Local Council Tax Support scheme. Due to the exceptional nature of these losses, government regulations have allowed preceptors to repay this deficit over a 3-year period, with £1,640,000 paid in 2021/22, and the remainder to be paid in 2022/23 and 2023/24.
- The Council's share of the opening deficit was £395,000, and the Council has received a grant of £104,000 (recognised in 2020/21) to partially compensate for these losses.
- The surplus of £2,500,000 generated in 2021/22 therefore largely consists of the £1,640,000 repayment of previous years' deficits. Other reasons for the surplus include a lower than anticipated number of claims against the Local Council Tax Support scheme (although these still remain above pre-Covid levels), and a slightly better than expected collection rate during the year.
- The Council's share of the remaining deficit at 31 March 2022 is £199,000, and funds have been set aside in an earmarked reserve to repay this over the following 2 years.

Business Rates

- Again, there was a significant opening deficit (£59,032,000) on the business rates collection fund due to the impact of Covid in 2020/21. This was mainly caused by the introduction of expanded retail and nursery relief, which significantly reduced the net rates collectable. Local authorities were fully compensated for this through government grant in 2020/21, and this grant was put aside in an earmarked reserve to fund the repayment of the deficit in 2021/22 and future years.

This year's business rates surplus can be broken down as follows: -

	£000s
Contributions towards previous years' forecast deficits	(62,893)
Forecast MCC provisions no longer required*	(7,743)
Bad debt write-offs/impairments lower than budgeted	(950)
New expanded retail discount and nursery relief in 2021/22 (fully compensated by central government)	23,916
Adjustments to prior year rate bills (e.g., appeal settlements)	6,295
Other in-year variances	(870)
Total in-year surplus	(42,245)

* When setting budgets, an allowance was made for the loss of 2021/22 rates income following so-called 'material change in circumstances' appeals from businesses affected by Covid-19. The government has since legislated to prevent businesses from raising appeals in this way, so the provision is no longer required. Affected businesses will instead be able to apply to a separate Covid-19 Additional Relief Fund.

- The closing deficit of £16,787,000 includes £15,632,000 of remaining brought forward deficit from 2020/21 which is to be repaid in 2022/23 and 2023/24. The Council's share of this is £6,253,000, and funds have already been set aside within an earmarked reserve to cover this. The Council share of the residual deficit is £462,000.
- Note that a number of further adjustments are required to the Council's share of business rates income in order to calculate the final impact on the General Fund, as follows: -

	£000s
2021/22 City Council business rates demand	43,111
Tariff payable to central government	(37,262)
Growth levy payable to central government	(1,962)
Compensatory government grants for new reliefs (e.g., expanded retail discount)	11,026
Total GF impact of business rates in 2021/22	14,913
Consisting of (per Appendix A):	
Settlement Funding Assessment	4,272
Locally Retained Business Rates – Growth Element/additional income	10,641

4. Implications

- 4.1 The net variance from the final budget (see above) on committees would result a decreased use of General Fund reserves of £3,500,767. After revenue carry forwards of £925,120 for committees this becomes £2,575,647. Following other central budget adjustments, the overall variance and decreased use of General Fund Reserves is £12,400,683.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have financial, staffing, equality and poverty, environmental, procurement or community safety implications.

(a) Financial Implications

Any financial implications are included in the Appendices.

(b) Staffing Implications

Any staffing implications are included in the Appendices.

(c) Equality and Poverty Implications

Any equality and poverty implications are included in the Appendices.

(d) Net Zero Carbon, Climate Change and Environmental Implications

Any net zero carbon, climate change and environmental implications are included in the Appendices.

(e) Procurement Implications

Any procurement implications are included in the Appendices.

(f) Community Safety Implications

Any community safety Implications are included in the Appendices.

5. Consultation and communication considerations

Public consultations are undertaken throughout the year and can be seen at:

<https://www.cambridge.gov.uk/consultations>

6. Background papers

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

- Closedown Working Files 2021/22
- Managers Variance Explanations – March 2022
- Budgetary Control Reports to 31 March 2022
- Capital Monitoring Reports – March 2022

7. Appendices

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

Appendix		Included
A	General Fund Revenue Summary	✓
B	General Fund Revenue Major Variances for all portfolios	✓
C	General Fund Carry Forward Requests for all portfolios	✓
D	Capital Summary plus individual portfolio summaries	✓

8. Inspection of papers

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

Authors' Names: Karen Whyatt
Authors' Phone Numbers: 01223 - 458145
Authors' Emails: karen.whyatt@cambridge.gov.uk

General Fund Overview Strategy & Resources Scrutiny Committee

Revenue Budget 2021/22 - Outturn

Portfolio / Service Grouping	Original Budget 21/22 £	Final Budget 21/22 £	Outturn 21/22 £	Variation Increase / (Decrease) £	Carry Forward Requests - See Appendix C £	Net Variance £
Climate Change, Environment and City Centre Portfolio						
Corporate Strategy	159,750	0	0	0	0	0
Environmental Health	1,988,920	2,091,120	1,917,187	(173,933)	175,550	1,617
Garage Services	187,990	195,390	355,412	160,022	0	160,022
Licensing	(30)	0	0	0	0	0
Market Square Project	41,170	170	(10,455)	(10,625)	0	(10,625)
Markets and Street Trading	(379,390)	(385,950)	16,158	402,108	0	402,108
S&OS Development (excluding Project Delivery)	456,160	509,060	586,102	77,042	0	77,042
S&OS Operations (excluding Markets and Street Trading)	104,690	635,580	598,810	(36,770)	0	(36,770)
Sustainable City	176,470	235,900	172,383	(63,517)	20,000	(43,517)
Tourism	91,840	88,510	51,669	(36,841)	0	(36,841)
Waste & Recycling	2,315,490	2,519,020	2,433,658	(85,362)	0	(85,362)
Total Climate Change, Environment and City Centre Portfolio	5,143,060	5,888,800	6,120,924	232,124	195,550	427,674
Communities Portfolio						
Bereavement Services	(710,290)	(771,610)	(499,003)	272,607	0	272,607
Bereavement Services - Transfer from earmarked reserves	0	0	(272,607)	(272,607)	0	(272,607)
Children and Youth	581,950	589,950	527,196	(62,754)	0	(62,754)
Community Centres	955,280	959,820	1,286,224	326,404	0	326,404
Community Development	824,010	510,910	508,030	(2,880)	0	(2,880)
Culture & Community	1,973,350	1,785,180	1,313,605	(471,575)	15,120	(456,455)
Neighbourhood Community	250,520	300,690	258,942	(41,748)	17,870	(23,878)
Sport & Recreation	2,602,210	2,741,540	2,590,606	(150,934)	0	(150,934)
Voluntary Sector	1,370,830	1,370,830	1,234,126	(136,704)	20,000	(116,704)
Total Communities Portfolio	7,847,860	7,487,310	6,947,119	(540,191)	52,990	(487,201)
Open Spaces, Sustainable Food & Community Wellbeing						
CCTV	(162,650)	0	(78,857)	(78,857)	0	(78,857)
Community Safety	614,860	596,210	467,753	(128,457)	47,200	(81,257)
Head of Environmental Services	10	0	(9,317)	(9,317)	0	(9,317)
S&OS Development (excluding Project Delivery)	2,415,210	1,946,750	2,010,041	63,291	35,850	99,141
S&OS Operations (excluding Markets and Street Trading)	(323,880)	2,495,390	2,584,397	89,007	0	89,007
S&OS Project Delivery	(116,110)	320,300	331,363	11,063	0	11,063
Total Open Spaces, Sustainable Food & Community Wellbeing	2,427,440	5,358,650	5,305,380	(53,270)	83,050	29,780
Housing (GF) Portfolio						
Contributions to/from HRA	394,690	394,690	373,015	(21,675)	0	(21,675)
Environmental Health	472,770	397,690	369,620	(28,070)	0	(28,070)
Home Improvement Agency	(19,960)	(19,960)	(19,960)	0	0	0
Homelessness	908,820	898,230	1,176,535	278,305	0	278,305
Housing Advice	1,159,750	1,166,750	1,194,421	27,671	0	27,671
Housing Development	95,390	168,390	61,895	(106,495)	73,000	(33,495)
Housing Improvement Grants	24,770	24,770	25,578	808	0	808
Housing Strategy	167,800	167,810	155,562	(12,248)	0	(12,248)
Afghan and Syrian Resettlement Schemes	39,310	158,860	158,857	(3)	0	(3)
Town Hall Lettings	187,960	187,960	218,789	30,829	0	30,829
Total Housing (GF) Portfolio	3,431,300	3,545,190	3,714,312	169,122	73,000	242,122
Planning Policy & Transport Portfolio						
Building Control	342,030	164,740	165,030	290	0	290
Parking Services	(3,117,530)	(3,284,320)	(3,494,382)	(210,062)	0	(210,062)
Planning	1,138,430	1,261,130	1,536,827	275,697	0	275,697
S&OS Operations (excluding Markets and Street Trading)	4,671,440	1,328,920	1,109,762	(219,158)	0	(219,158)
Transport Services	324,210	324,210	225,024	(99,186)	0	(99,186)
Urban Growth Project Manager	85,240	85,240	84,426	(814)	0	(814)
Total Planning Policy & Transport Portfolio	3,443,820	(120,080)	(373,313)	(253,233)	0	(253,233)

Portfolio / Service Grouping	Original Budget 21/22 £	Final Budget 21/22 £	Outturn 21/22 £	Variation Increase / (Decrease) £	Carry Forward Requests - See Appendix C £	Net Variance £
Finance & Resources Portfolio						
Accountancy & Support Services	10	0	(174,442)	(174,442)	54,000	(120,442)
Admin Buildings	150,040	0	(110,066)	(110,066)	0	(110,066)
Corporate Business	(10)	0	(98,780)	(98,780)	0	(98,780)
Customer Service Centre	20	0	(5,969)	(5,969)	0	(5,969)
Facilities & Other Management	36,660	63,070	2,712	(60,358)	0	(60,358)
Finance General	(881,770)	(661,770)	(1,353,611)	(691,841)	60,670	(631,171)
Payroll, Insurance and Unfunded pension Costs	291,460	291,470	43,243	(248,227)	0	(248,227)
Human Resources	0	0	4,678	4,678	0	4,678
ICT	0	0	(153,289)	(153,289)	100,000	(53,289)
Internal Audit	(10)	0	(93,645)	(93,645)	0	(93,645)
Land Charges	3,600	3,600	3,600	0	0	0
Legal Services	0	0	(88,835)	(88,835)	0	(88,835)
Procurement	40	165,070	176,417	11,347	0	11,347
Property Services	(7,289,870)	(7,412,350)	(7,109,508)	302,842	125,000	427,842
Revenues and Benefits	2,174,020	2,159,190	1,986,044	(173,146)	0	(173,146)
S&OS Development (excluding Project Delivery)	(13,220)	14,660	(13,410)	(28,070)	0	(28,070)
Strategic Director 1	(10)	0	11,946	11,946	0	11,946
Transformation Programme	503,470	880,610	880,609	(1)	0	(1)
Total Finance & Resources Portfolio	(5,025,570)	(4,496,450)	(6,092,306)	(1,595,856)	339,670	(1,256,186)
Strategy and External Partnerships Portfolio						
Central Costs	4,233,280	3,672,400	2,536,234	(1,136,166)	0	(1,136,166)
Chief Executives	0	0	15,935	15,935	0	15,935
Corporate & Democratic Core	2,252,070	2,252,080	2,252,080	0	0	0
Corporate Strategy	287,860	279,750	193,398	(86,352)	0	(86,352)
Democratic Services	392,990	381,770	341,147	(40,623)	8,700	(31,923)
Facilities & Other Management	76,430	76,430	58,861	(17,569)	0	(17,569)
Head of Property Services	700	10,700	1,440	(9,260)	0	(9,260)
Strategic Director 1	80,000	175,450	3,289	(172,161)	172,160	(1)
Strategic Director 2	0	(174,000)	(187,267)	(13,267)	0	(13,267)
Total Strategy and External Partnerships Portfolio	7,323,330	6,674,580	5,215,117	(1,459,463)	180,860	(1,278,603)
Total for all Portfolios	24,591,240	24,338,000	20,837,233	(3,500,767)	925,120	(2,575,647)
Capital Accounting Adjustments	(6,346,840)	(6,013,210)	(5,996,102)	17,108	0	17,108
Capital Expenditure Financed from Revenue	1,458,040	1,458,040	250,239	(1,207,801)	1,207,800	(1)
Contributions to Earmarked Funds	1,721,860	5,721,520	6,305,758	584,238	0	584,238
Contributions to/(from) Reserves	(813,000)	(5,416,670)	9,116,933	14,533,603	(2,132,920)	12,400,683
	(3,979,940)	(4,250,320)	9,676,828	13,927,148	(925,120)	13,002,028
Net Spending Requirement	20,611,300	20,087,680	30,514,061	10,426,381	0	10,426,381
Financed By:						
Settlement Funding Assessment	(4,272,000)	(4,272,000)	(4,271,780)	220	0	220
New Homes Bonus	(3,458,460)	(3,458,460)	(3,458,399)	61	0	61
Locally Retained Business Rates – Growth Element/additional income	(1,399,000)	(1,399,000)	(10,641,102)	(9,242,102)	0	(9,242,102)
Other Government Grants	(1,640,530)	(1,640,530)	(2,785,085)	(1,144,555)	0	(1,144,555)
Appropriations from Earmarked Reserves	(23,882,310)	(25,693,650)	(25,660,077)	33,573	0	33,573
Council Tax	(9,033,000)	(9,033,000)	(9,032,579)	421	0	421
Collection Fund (Surplus)/Deficit	23,074,000	25,408,960	25,334,961	(73,999)	0	(73,999)
Total Financing	(20,611,300)	(20,087,680)	(30,514,061)	(10,426,381)	0	(10,426,381)
Net Total	0	0	0	0	0	0

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

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

and are detailed and approved:

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

Climate Change, Environment and City Centre Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Environmental Health	Environmental Health Salaries	Due to staffing vacancies there has been a significant underspend. A carry forward is requested to fund food inspection work that was unable to be carried out with the staff vacancies	(134,919)	Yvonne O'Donnell
Garage Services	Garage- External Work	East Cambridgeshire and Amey contracts have performed well but Shared Waste missing budgetary target again. Overtime and agency staff cost high again due to the difficulty recruiting skilled staff. materials costs high but this is reflected in increased income due to uplift on parts costs. The service is recruiting again and has appointed another skilled mechanic due to start in June. Advertising again to hopefully fill the last vacant post.	156,298	David Cox
Markets and Street Trading	Markets	Income underachieved by £332k due to market stall closures, reduced rental income, stallholders and footfall.	402,108	Tim Jones
S&OS Development (excluding Project Delivery)	Public Toilets	Underachievement on toilet admission income due to lower city centre footfall through pandemic. 22/23 budget income has been reduced to reflect ongoing trend, and closure of toilets. Remaining overspend is due to increased maintenance burden.	51,795	Anthony French
Sustainable City	Sustainable City	The second Climate Change Officer did not start in post until August 2021 due to the length of the recruitment following confirmation of additional budget in the BSR in February 2021. This meant that there was an underspend (£30k) on the salaries budget and that some of the anticipated project work was not progressed fully during the year, resulting in a further underspend (£30k). Carry forward request for £20k will be submitted to commission an organisation to carry out community engagement and training on climate change issues during 2022/23.	(63,517)	David Kidston
Waste & Recycling	Waste Collection	£85k underspend as a result of overachieve external Trade Waste Income and capitalising waste bin expenditure related to S106 sites. The waste budget is not aligned with GCS Waste Budget. Alignment of budgets need to be undertaken	(85,357)	Fiona Bryant
	Other Variances		(94,284)	
	Total variance Climate Change, Environment and City Centre Portfolio		232,124	

Communities Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Bereavement Services	City Cambridge Cemeteries	The positive variance is due to increased income as a result of a higher than expected number of burials and the increase in exclusive right purchases and pre purchase of plots	(153,947)	Glyn Theobald
	Cambridge Crematorium	This is mainly due to the reduction in the number of cremations that have taken place in the past year. This is partly due to the higher death rate in 20-21 and correspondingly lower rate in 21-22 due to Covid but also due to the increased competition as new crematoriums open.	449,034	Glyn Theobald
	All bereavement cost centres	Transfer to/from earmarked reserve for balances on the bereavement cost centres	(272,607)	Glyn Theobald
Children and Youth	Children & Young People's Service	The year end variance is mainly due to staff vacancies within the team. Vacant posts have been frozen awaiting the Children and Young People's Service Review. Although the under spend was partly offset by a significant shortfall of income the reduction in employee costs is much greater. Progress with review	(62,754)	Paula Bishop
Community Centres	Clay Farm Community Centre	The overspend is a culmination of several areas; The Commercial Rent lines for the Doctors surgery still account for £160,000 of the shortfall of income and is due to the medical centre subsidy being outstanding from Countryside. This has now been resolved and is awaiting payment. Going forward this will no longer appear in this cost centre and is to be transferred to Property Services budgets. The other reason is an under achievement in rental and room hire income of around 50% £41k due to reduced group hires and Covid restrictions in 2021/22. A latent defects issue on the Security Door Controls and CCTV system required a replacement of the systems and costs for these are included in the cost centre. Increased costs of maintenance services and materials along with a rise in utility costs are other factors for the overspend. Transfer the Commercial income budget for the Doctors surgery to Property Services for 2022/23 onwards.	296,577	Ian Ross
Culture & Community	Corn Exchange and Guildhalls Cambridge Live	There have been gaps in finding staff after closure and recruitment into the new structure, these are now filled or nearly being filled. Repairs and maintenance work has been limited due to staff absence. Covid Relief funding and City Council contingency funding has led to a higher final surplus. Council funding was received when, due to covid, it was unknown when venues would be allowed to reopen and trade.	(332,455)	James Bland
	Cambridge Live - Central Cambridge Live	Underspend mainly due to vacancies following the restructure, these posts have or are in the process of being filled.	(52,647)	Frances Alderton
Sport & Recreation	Sport & Recreation Administration	The cost centre has a range legacy cost of utilities and water attributed to it for open space sites such allotment and cattle water troughs, watering standpipes and Cherry Hinton Hall. The expenditure especially for Cherry Hinton Hall electricity has put this cost centre over budget by £41K, but the utilities recovered from the tenant are in a separate cost centre outside of Community Services. Investigate and move legacy sites costs and part budget to the open spaces and commercial property teams.	53,856	Ian Ross
	Leisure Contract Client Costs	There are a couple of factors affecting the under spend within the cost centre. £37K of rate relief as the Leisure Sector had a second year of zero rates for Covid recovery. A Direct Revenue Funding budget of £75k which has not been used. General under spends and careful budget management along with Covid test centre rental income accumulating to contribute to the overall position.	(160,974)	Ian Ross
Voluntary Sector	Community Development Voluntary Support	The major year end variance is due to vacancies and a staffing review virement which has now been actioned for the 22/23 budget. Events have been unable to take place due to Covid restrictions. The main grant underspend is due to organisations unable to deliver services as planned and discretionary rate relief is lower than we had expected due to the government revising the Retail Relief subsidy. Seed Funding to originally support covid recovery grass root projects was inappropriate due to restrictions so a carry forward of the £20k has been requested. Carry Forward of seed funding budget £20k	(136,704)	Julie Cornwell
Other Variances			(167,570)	
Total variance Communities Portfolio			(540,191)	

Open Spaces, Sustainable Food & Community Wellbeing

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
CCTV	CCTV	Historically City's CCTV budget has been greater than the Shared Service base budget. Also the CCTV Shared Service has consistently delivered an underspend. The total of £78k underspend is a combination of both factors. A £50k saving for 2022/23 onward was approved in the BSR.	(78,857)	Joel Carre
Community Safety	Community Safety	Main variance is due to staff vacancies which are partially offset by agency staff fees. The carry forward relates to the Community Youth Liaison Officer post which will support in the delivery of the Cambridge's statutory Community Safety Partnership Plan 2022-23 Carry forward of £47,200 for the Community Youth Liaison Officer post	(128,458)	Keryn Jalli
S&OS Operations (excluding Markets and Street Trading)	Grounds Maintenance & Street Cleaning	Underspend on Tools and Equipment. Review of equipment has been carried out and allocated budget will be used. Increase in fuel cost/usage for operational fleet currently being reviewed, Large LGV Channel Sweeper on hire during the leaf clearing season, and off hired end of 2021.	89,007	Don Blair
	Other Variances		65,038	
	Total variance Open Spaces, Sustainable Food & Community Wellbeing		(53,270)	

Housing (GF) Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Homelessness	Homelessness Costs	The position remains substantially as described in the earlier commentary in that the largest cause of the variant is the shortfall between the cost of B&B accommodation and the maximum that can be claimed back in housing benefit. That said, some of the shortfall is due to a failure by clients to make a timely claim and a remedy for this is being put in place as described below. The increase in premises costs is mainly due to us taking on, and then having to furnish, additional temporary accommodation units from our council housing stock. The increase in the number of units is one element of our plan to reduce dependency on B&B accommodation. Making use of savings on staff in other parts of the service, we are recruiting an officer who will be responsible for chasing HB claims and service charge arrears, among other activities. We are also progressing a TA action plan.	145,039	James McWilliams
	Grants to Housing Agencies (CCC funded)	The full allocation of grants were not fully allocated and claimed in 21/22	(68,340)	James McWilliams
	COVID-19 Rough Sleepers Services	In line with government guidance and advice, the City Council continued to provide accommodation to rough sleepers under the Everyone In initiative through until July 2021. Again, there was a partial offset of cost through housing benefit but some people assisted were unable to claim public funds and the overall cost of meeting Everyone In - particularly the cost of necessary security and support - was considerable.	209,115	James McWilliams
Housing Development	Housing Development Agency	Employee costs slightly under budgets due to vacancies at various times in the year. Actual transport costs below expected due to Covid restrictions and use of teams for meetings etc. Overall the department has brought in the necessary income to cover its costs. Carry forward has been requested for housing company work. Carry forward £73,000 for housing company work	(106,495)	Claire Flowers
	Other Variances		(10,197)	
	Total variance Housing (GF) Portfolio		169,122	

Planning Policy & Transport Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Parking Services	Grand Arcade Car Park	Over-achievement against income budget. Budget was reduced as a result of Covid but there has been a general return of usage and also increased numbers at Grand Arcade due to the Park Street car park closure. There has been a overspend against employee costs during the pandemic for both agency staff and overtime. Additional expenditure for repairs to the failed car park fan extraction system which required urgent work on H&S grounds. Continue to monitor budgets	(332,128)	Sean Cleary
	Park Street Car Park	Underachievement of £170k against income due to a slow Covid recovery and downturn in usage pre car park closure. There was a significant reduction in commercial rent as a result of the car park redevelopment. To monitor and report against budgets	140,108	Sean Cleary
	Grafton Centre East Car Park	As a result of Covid and downturn in usage there was a £56k underachievement against car park ticket income and £69k underachievement against season ticket income. This has been partly offset by an underspend on expenditure Continue to monitor and report against budgets	77,083	Sean Cleary
	Castle Hill Car Park	Castle Hill car park is predominantly used by businesses. COVID restrictions created changing work practices which has resulted in a significant reduction in usage and an underachievement in income Continue to monitor and comment against budgets	85,471	Sean Cleary
	Parking Administration	This is mainly due to lower than budgeted expenditure on consultancy and IT maintenance costs Continue to monitor and comment against budget	(53,325)	Sean Cleary
Planning	Greater Cambridge Planning Service	Income was better than budgeted due to strong performance on Planning Performance Agreement (PPA) income. Staff costs were lower than budgeted largely due to increased staff turnover and difficulties recruiting specialist/qualified staff. Agency costs were higher than budgeted due to a combination of having to using agency staff for hard to fill roles and to resource the PPA work. Other costs higher than budget largely due to the higher direct running costs of remote working. Total GCSP City overspend £378k. Grand from DEFRA £10k. City Contribution adjustment for 20/21 FY £92k. Net GCSP City overspend £275k.	275,696	Stephen Kelly
S&OS Operations (excluding Markets and Street Trading)	Operations Salaries	A large number of vacant positions with SOS Operational Unit. Recruitment frozen for financial year 2022/2023 on 3 General Operative roles. The remaining posts to be recruited into.	(216,088)	Don Blair
Transport Services	Taxicard Service	Taxicard has been underspent for a number of years. As we emerge from Covid we hope to see an increase in usage of the scheme. Recommendations for improvements to the scheme from 1 April 2022 to encourage new members to join and existing members to increase their use of the scheme were approved at Committee in January 2022. 1) Continued monitoring of usage during 2022/23 2) As discussed with the Transformation Team, the provision of Taxicard to be considered as part of a wider project looking at Discretionary Services and funding across the organisation.	(81,387)	Sharon Line
	Other Variances		(148,663)	
	Total variance Planning Policy & Transport Portfolio		(253,233)	

Finance & Resources Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Accountancy & Support Services	Accountancy and Support Services	Favourable variance due to vacant posts net of agency staff costs plus underspends on consultancy and training. A carry forward is requested for this Carry forward of £54k has been requested for committed consultancy work and training budget	(174,442)	Caroline Ryba
Admin Buildings	Mandela House	Underspend on premises is mainly electricity and gas expenditure (approx. £60,000) plus other premises related expenditure. Review gas and electricity budget in 22/23.	(73,702)	Will Barfield
Corporate Business	Corporate Business Support	Underspends: 1 vacant post and £10k as part of budget savings for 2022/23 (total £34.5k) Other variances due to underspends across a range of budget areas. 1) Further review of Business Support is underway, including of a recently vacant post. 2) Savings offered up from this cost centre for 2022/23 as part of budget process for 2022/23.	(68,468)	Sharon Line
Finance General	Finance General	Interest income from CIP loans £561k over budget due to increased borrowing - but excess over average interest rates is transferred to an earmarked reserve. Lower rates overall mean a corresponding £584k adverse variance on cost centre 2003. Minimum Revenue Provision cost £255k under budget due to removal of Lion Yard from capital plan and ongoing reduction in Clay Farm rental income. Net other investment income for GF £125k over budget as lower rates impact HRA more, so GF retains a greater share. £213k fee for Park St borrowing not in budget. £59k decrease in bad debt provision not in budget. Miscellaneous expenditure £43k over budget due to higher council tax discounts. Carry Forward £60,670 of the remaining budget for the expansion of the Cambridge City Housing Company which is in progress and will be completed in 22/23	(738,082)	Jody Etherington
Head of Finance - Holding/Suspense Accounts	Insurance Fund	The variance is due to lower than expected insurance claims	(139,116)	Mark Greenall
	Pensions Costs Recharged	Monthly charge to County for past early retirements less than expected. Will review for the BSR.	(96,066)	Karen Whyatt
ICT	IT Contract Costs	3C ICT Reported £33k underspend on Cambridge City Council's budgeted contribution. However, this does not reflect true representation of the variances. Within the 3C ICT Shared Service there are 3 parts of the budget and one of them is City only ringfenced budget for which City is expecting a sizable underspend. Further information and workings are required to established true variances and savings from 3C ICT on the detail of the Shared Service, Digital Team, and Cambridge City Council only budget. Cambridge City Council ICT would like to request a £100k carry forward to 2022/23 for emergency laptop replacements.	(153,289)	Heather Jones
Internal Audit	Audit	Overall under-spend due to controlled employee and service expenditure, and receipts greater than original budget.	(93,645)	Jonathan Tully
Legal Services	Legal	The City position is a £88k underspend reflecting the lower than anticipated consumption. It also reflects the careful management of service expenditure and salary.	(88,835)	Tom Lewis
Property Services	The Lion Yard	The variance is due to a one-off reduction in Lion Yard ground rent income. The ground rent income is received on a prior year basis; the reduction in income is primarily due to the impact of Covid-19 e.g. rent concessions granted. N.B. We receive a percentage of the net income for the Lion Yard Centre, but the property is managed by the long leaseholder. Continue to monitor the Lion Yard Centre income. Philip Doggett, ongoing.	593,037	Philip Doggett
	Other Commercial Properties	The primary variance is in respect of backdated rental income following the completion of a rent review - £129k. The remaining underspend is primarily due to a delay in the progression of the Mill Lane Boathouse feasibility scheme for which a carry forward of budget of £20k was requested via a report that went to Strategy & Resources Scrutiny Committee on 28 March 2022. (1) Continue to monitor income and expenditure. Philip Doggett, ongoing. (2) Request that the one-off budget of £20k for the Mill Lane Boathouse feasibility scheme is carried forward to the 2022/23 financial year as per the Strategy & Resources Scrutiny Committee Agenda papers for 28 March 2022. Philip Doggett.	(150,571)	Philip Doggett
	Other Industrial Properties	The variance is primarily due to an unspent one-off budget for dilapidation repairs for a unit in Nuffield Close, which is currently vacant - £105k. The dilapidation repairs will not commence until the 2022/23 financial year therefore budget of £105k is requested to be carried forward to the 2022/23 financial year in order that the repairs can be completed and the property can be re-let. Request that the one-off budget of £105k for Nuffield Close dilapidation repairs is carried forward to the 2022/23 financial year as per the Strategy & Resources Scrutiny Committee Agenda papers for 28 March 2022. Philip Doggett.	(106,784)	Philip Doggett
Revenues and Benefits	Local Taxation	The variance is primarily due to higher than budgeted fees collected income (mainly court costs income) - £45k plus a Business rate pooling adjustment of £67k which was unexpected. Continue to monitor Local Taxation income and expenditure. Kevin Jay, ongoing.	(120,101)	Kevin Jay
	Other Variances		(185,792)	
	Total variance Finance & Resources Portfolio		(1,595,856)	

Strategy and External Partnerships Portfolio

Revenue Budget 2021/22 – Major variances (>£50k) from final revenue budgets

Service Grouping	Cost Centre	Reason for Variance	Amount £	Contact
Central Costs	Central Provisions to be Allocated	This cost centre is used primarily for adjustments to budgets during budget setting and in-year. As a result, budgets on this code will vary from year to year. Further work is being done to identify and confirm whether any of the favourable variance here relates to unfavourable variances elsewhere and implications for the 2022/23 budget.	(877,672)	Karen Whyatt
	Support Services Trading Balances	The variance is prior to the transfer of individual support service year-end balances which are reported elsewhere. The variance also reflects changes in support service costs which are not fully allocated during the budget process.	(255,480)	Richard Wesbroom
Corporate Strategy	Corporate Marketing	This variance arises largely from MTFs funds for salaries for two posts that were recruited to in March 2022. One postholder took up post in April 2022 and the second will start on 30 May 2022.	(52,329)	Ashley Perry
Democratic Services	Elections	Underspend resulting from cost of May polls being split four ways. Not an ongoing saving.	(51,527)	Vicky Jenner
Strategic Director 1	Cambridge Northern Fringe East (CNFE)	The underspend is due to a delay in the project. Outstanding invoices are to be paid in 22-23 and as a result the remainder of the budget is required to be carried forward to 22-23	(172,162)	Fiona Bryant
	Other Variances		(50,293)	
	Total variance Strategy and External Partnerships Portfolio		(1,459,463)	

GF Current Carry Forward Requests from 2021/22 into 2022/23

Cost Centre	Portfolio	Draft variance position of cost centre (underspend)/overspend at March month end. Prior to carry forward	Cost Centre Description	Carry Forward Budget £	Cost Centre Contact	Comments
Original Carry forwards provisionally approved at Strategy & Resources 28 March 2022 (notes are included where amounts have been revised)						
1425	Climate Change, Environment and City Centre	(45,556)	Tascomi - Env Health Software	45,550	Yvonne O'Donnell	Revenue costs to implement Tascomi (new EH data base) - Major delays by supplier IDOX and unforeseen costs have been uncovered as the project progressed. The project was due to be completed March 2021, however there were still a number of issues to be resolved which may incur further costs going into 2022/23 involving additional consultancy days. Revised carry forward amount from £53,870.
1057	Communities	(136,704)	Community Development Voluntary Support	20,000	Julie Cornwell	The original one year bid of Seed Funding to support Covid recovery grass root projects had not been utilised as this was not appropriate due to continuing restrictions during the past year. We anticipate being able to allocate funds as was originally intended as we recover from the pandemic in 22/23
1064	Communities	(42,138)	Neighbourhood Community Development	17,870	Vicky Haywood	The Food redistribution hub and kitchen is a key priority project; the project has been delayed in starting due to the pandemic and high workload of emergency food aid programme as well as difficulties securing a permanent suitable site. The full revenue budget allocated for the project is still required with the remainder for 21/22 required to be carried forward into 22/23. The revenue funding will pay for the installation of services at new site (North East Cambridge meanwhile site, off Cowley Road), the project manager for the food distribution hub and kitchen, the lease agreement on temporary unit for 2022/23, the programme development with food hubs and the development of the business plan which will ensure the long term financial stability of the project beyond the life of CCC funding.
1251	Communities	(49,517)	Culture and Community	15,120	Frances Alderton	Holocaust Memorial Day £1,620 carry forward request - Most of the work in schools has already been delivered. The main civic event itself is not being delivered until June because the council, contractor and schools Covid risk assessed the event and decided it was not safe to run the event in January. The event attracts an audience of 1000+ in the Corn Exchange, with children from different schools and elders from the community. The £6,000 carry forward will cover the costs of the event in June. Original request was £6k Celebration of women - £13.5k carry forward request - Initially the bid was £20,000 over 2 years. Due to adjustments in the Interim MTFs and a carry forward last year the full budget was transferred to 20-21. Spend in 21-22 was less than planned as a result of further delays occurring due to the pandemic. Carry forward of the remaining budget is requested to enable this project to be completed. Original request was £12k
2005	Finance and Resources	(738,082)	Finance General	60,670	Jody Etherington	A budget of £70k was approved in the October 2021 MTFs for the Cambridge City Housing Company expansion. The work commenced in 21-22 but was not fully completed. It is requested that the balance of the budget is carried forward to 2022/23. (Original carry forward request £62k)
1758	Finance and Resources	(150,571)	Other Commercial Properties	20,000	Phil Doggett	Mill Lane Boathouse is one of 10 development schemes identified and approved at Strategy and Resources Scrutiny Committee in February 2021. This request is to carry over the prior approved feasibility funding, for architectural services, cost consultancy, planning services and valuation advice. The Boathouse and river frontage is included in the footprint of the wider planned Mill Lane redevelopment proposed by the University and forms part of the Mill Lane Supplementary Planning Document. There have been recent delays by the University bringing this forward. The Council's land holding includes a significant part of the river frontage in this location and as such, is considered to be an important element to any re-development proposals by the University. The proposal is to explore redevelopment of the site to create a new boathouse with associated office for punt operations, possibly a café and/or small residential scheme, either single or two storey. This is an opportunity to undertake a redevelopment to generate new revenue streams and improve the public realm.
1768	Finance and Resources	(106,784)	Other Industrial Properties	105,000	Christopher Davey	Unit 5 Nuffield Close – Dilapidation Repairs. The unit is currently vacant and requires dilapidation repairs of £105,000 to be carried out before the property can be re-let and become income generating again. N.B. The City Council received dilapidations income of £105,000 from the former tenant of the above unit at the end of the tenancy. Advice from the Council's Procurement Team has been taken. A Request for Quotation for the project was published on 24 January 2022 and has a closing date of 18 February 2022. The contract for the work did not commence until the end of the 2021/22 financial year and therefore budget of £105,000 is requested to be carried forward to the 2022/23 financial year in order that the work can be carried out/completed. If the carry forward request is denied, this will have an adverse impact on income of circa £55,000 per annum and empty property rates of circa £15,000 per annum will be incurred as well until works are completed.
8006	Finance and Resources	(174,442)	Accountancy and Support Services	54,000	Caroline Ryba	The carry forward is to cover support for committed project work in relation to the review of budget setting processes and FMS improvements plus training planned for the current year but delayed until 22-23.
1506	Housing General Fund	(106,495)	Housing Development Agency	73,000	Claire Flowers	This was a specific fund approved in September 2021 to fund work to set up a new Registered Provider to enable a wider range of housing offers that could be eligible for funding. Work on this has started however been delayed with procurement. The work is still required and the commissions are being made. A request that this amount is carried forward into 2022/23 is made to enable this critical piece of work.

GF Current Carry Forward Requests from 2021/22 into 2022/23

Cost Centre	Portfolio	Draft variance position of cost centre (underspend)/overspend at March month end. Prior to carry forward	Cost Centre Description	Carry Forward Budget £	Cost Centre Contact	Comments
1050	Open Spaces, Sustainable Food and Community Wellbeing	(128,458)	Community Safety	47,200	Keryn Jalli	Funding for this two year post of Community Youth Liaison Officer (supporting partnership work on child criminal exploitation and violent crime) was approved in Feb 2020. Due to Covid 19 and various issues around County Lines we have had to delay this project and have only recently recruited to the post. We are requesting that remaining budget is carried forward so that we can honour the contract and carry out this essential work. Post holder currently in post and will be delivering on objectives that support in achieving the Community Safety Partnership Plan 2022-23. Original request was £50,720
1865	Open Spaces, Sustainable Food and Community Wellbeing	(29,902)	Lettings & Events on Open Spaces	15,850	Anthony French	During 2021 the first phase of a project to introduce power onto Parker's Piece was completed by introduction of the station required on the corner of the park. The second phase of this work is to install the cabling from the box into the Centre of the park to enable event providers a point of use and to reduce requirement for use of generators which are not environmentally friendly. This will be completed in 22/23 and a carry forward of budget is requested
1883	Open Spaces, Sustainable Food and Community Wellbeing	(34,607)	Flood Risk Management	20,000	Rachel Veysey	Feasibility Funding - Bishops Mill Sluice - Difficulty in sourcing necessary expertise during COVID period. It is a very specialist area of mechanical and electrical engineering and recent RFGs have not led to anyone with the correct background coming forward. A carry forward of budget is requested to progress this in 22-23
1350	Strategy and External Partnerships	(22,216)	Civic Affairs and Twinning	8,700	Gary Cliff	Civic reception unable to take place in November 2021 due to Covid restrictions. Re-scheduled to April 2022.
1454	Strategy and External Partnerships	(172,162)	Cambridge Northern Fringe East (CNFE)	172,160	Fiona Bryant	The refined programme to enable the AAP to be better aligned to the DCO and Local plan processes and resource capacity has meant a delay to the progress on the Core site development to 2022/3. The funding carried over is for project management. Original request was £16,000.
				675,120	Total carry forward request from provisional list	
New carry forward requests to be considered						
1424	Climate Change, Environment and City Centre	(134,919)	Environmental Health Salaries	130,000	Yvonne O'Donnell	Due to Covid we have had a significant backlog on food inspections, to enable EH to deliver on recovery plan for the FSA we require temporary staff to carry out backlog of food inspections
1208	Climate Change, Environment and City Centre	(63,517)	Sustainable City	20,000	David Kidston	The proposed carry forward is to cover climate action training for residents which will be developed and delivered by a local community organisation. The Council's Climate Change Strategy shares a vision for Cambridge to be net zero by 2030 and as part of this we committed to encouraging more residents to take more choices and decisions with low carbon impacts through increased engagement and communication activities. The carry forward would be used for this aim, to engage with residents on climate change, and educate and empower them to take action. The training aims to help residents gain a better understanding of climate change so that they consider the impact of their decisions and their behaviour on climate change, and understand how to make more choices with low carbon impacts to reduce their carbon footprint and understand how they can play their part in working towards a net zero Cambridge by 2030.
8021	Finance and Resources	(153,289)	IT Contract Costs	100,000	Heather Jones	Cambridge City Council ICT would like to request a £100k carry forward to 2022-2023 for emergency laptop replacements. 3C ICT identified around 60 Laptops that are from the first batch of Council Anywhere "lite rollout" in 2018. Identified laptops are old and showing signs of moderate to severe battery degradation. Some of the laptops have had complete failure. Laptops are lasting and performing better than originally forecast but the identified laptops need to be replaced sooner to prevent potential knock on effect.
2006	Central Budgets	(1,207,801)	Project plan Expenditure Charged to revenue	1,207,800	Karen Whyatt	A request to carry forward unused budget for capital financing in 2022/23. This budget is fully allocated to capital projects which, as a result of slippage, will now be delivered in future years.
				1,457,800	Total new carry forwards	
				2,132,920	Total carry forwards - provisional and new	

Overview Capital Budget Outturn

Appendix D

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Committee	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's
Climate Change, Environment and City Centre Portfolio	2,326	3,505	398	(3,107)	3,091	(16)
Communities Portfolio	1,620	6,110	896	(5,214)	5,204	(10)
Open Spaces, Sustainable Food & Community Wellbeing	548	2,007	568	(1,439)	1,429	(10)
Housing (GF) Portfolio	1,952	3,708	2,627	(1,081)	1,081	0
Planning Policy & Transport Portfolio	574	1,009	124	(885)	849	(36)
Finance & Resources Portfolio	33,838	85,135	18,149	(66,986)	60,255	(6,731)
Strategy and External Partnerships Portfolio	0	85	86	1	0	1
Total Committees	40,858	101,559	22,848	(78,711)	71,909	(6,802)

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- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTF5)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year

Capital Budget 2021/22 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100171 - PR017	Vehicle Replacement Programme	David Cox	985	1,009	31	(978)	978	0	One vehicle replaced this FY - fleet 223 replacement tractor. The remaining budget was for replacement of waste vehicles for which delivery has been delayed - Rephase remaining budget to 22/23
Total Programmes			985	1,009	31	(978)	978	0	
100112 - SC645	Electric vehicle charging points - taxis	Jo Dicks	0	356	136	(220)	220	0	This project is now close to completion with 16/21 charge points installed and operational 2 further charge points installed awaiting connection and 2 further locations in progress - Rephase remaining budget to 22/23
100200 - SC654	Redevelopment of Silver Street Toilets	Declan O'Halloran	476	465	5	(460)	460	0	Project currently awaiting decision on strategic/budgetary input to move to RIBA4 - Rephase remaining budget to 22/23
100220 - SC651	Shared ICT waste management software - Alloy/Yotta	Sarah Tovell	0	173	56	(117)	117	0	Following go live in Oct 2021 the project is now in System Development Phase with ongoing system development resource costs circa £3,300 per month plus any other commissioned system development work costs throughout the year - Rephase remaining budget to 22/23
100252 - SC688	Environmental Health software	Yvonne O'Donnell	0	23	0	(23)	23	0	Due to contractual issues there is a dispute over the invoice which has not been paid, until such time as the work is completed to a satisfactory conclusion - Rephase remaining budget to 22/23
100279 - SC712	Automation of Bishops Mill sluice gate	Alistair Wilson	0	90	2	(88)	88	0	First market test was not successful, preparing for an adapted second market test - Rephase remaining budget to 22/23
100280 - SC713	Replacement air quality monitoring equipment	Justin Smith	0	200	0	(200)	200	0	Procurement has been completed and order placed. Therefore budget is committed. Equipment is on order from our supplier and currently awaiting confirmed supply and installation dates - Officers to continue to drive project forward and work with contractors to install. Rephase remaining budget to 2022/23.
100281 - SC714	Changing Places toilets at Quayside	Alistair Wilson	0	100	0	(100)	100	0	Business case to be completed which reviews this allocation following an award from Changing Spaces for match funding - Rephase remaining budget to 22/23
100282 - SC715	Additional refuse vehicle for property growth	Michael Parsons	375	375	0	(375)	375	0	Delayed delivery of an electric refuse truck ordered as a result of growth within the Greater Cambridge area - Rephase remaining budget to 22/23
100292 - SC724	Residential electric charging points	Jo Dicks	50	100	39	(61)	61	0	Although subject to some delays relating to Traffic Regulation Orders and street works permission this project remains on target to deliver 38no. 7kw residential on-street chargepoints and a further 4no. 50 kw with work commencing in May 2022 in the Defreville and Riverside areas of the City. This includes 4 7kw and 1 50kw charger in the City Council owned Riverside Car Park. The project is being taken forward by the County Council with contractor BP Pulse and has benefited from significant funding from OZEV (Office for Zero Emission Vehicles and over £1m in electric network reinforcement work from UKPN) - Rephase remaining budget to 22/23
100295 - SC727	Logan's Meadow vehicular access	Guy Belcher	0	32	0	(32)	32	0	Procurement complete for delivery summer 2022, Spend £36,000 due to increase in metal prices - Rephase remaining budget to 22/23
100332 - SC758	Charging infrastructure for electric vehicles - Cambridge	Michael Parsons	50	50	0	(50)	50	0	Planned spend in 2022/23 FY - Rephase remaining budget to 22/23
100334 - SC760	Investment programme for public toilet re-purposed property	Anthony French	50	50	0	(50)	50	0	Phased expenditure project. Full business case being prepared and consideration being made of additional £100k grant awarded to CCC in January 22 to provide 2 x changing place facilities at Drummer St and Cherry Hinton Hall. £50k budgeted in 21/22 will be part of this process - Rephase remaining budget to 22/23
100339 - SC765	Introduction of car parking charges at Cherry Hinton Hall	Anthony French	20	20	1	(19)	19	0	Project delivery expected in 22/23. Delays owing to pandemic - Rephase remaining budget to 22/23
100346 - SC772	Market Square project	Sarah French	320	319	1	(318)	318	0	Limited spend taking place while we identify and assess workstreams and revisit design elements in light of comments from public consultation and commitments made at Committee. It has also since become clear there are other key projects that have interdependencies (City Urban Heat Network, County Council Network Hierarchy Review) and all need to be aligned. A project re-set report, presenting a revised Vision, informed by responses to the public consultation results, was presented and accepted at the March 2022 meeting of Environment & Community Scrutiny Committee. We will continue to address the current project information gaps while we await the outcome of the Feasibility Assessment into installing a ground source heat pump underneath market square. Sign off for a revised design and timetable for the project is being planned for January 2023 - Rephase remaining budget to 22/23
Total Projects			1,341	2,353	240	(2,113)	2,113	0	
Other closed schemes and those with a variance under 15%			0	143	127	(16)	0	(16)	
Total			2,326	3,505	398	(3,107)	3,091	(16)	

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- in September (as part of the Medium-Term Financial Strategy, MTF5)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)

Capital Budget 2021/22 - Outturn

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Capital Ref	Description	Lead Officer	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100154 - SC644	Acquisition of land adjacent to Huntingdon Road Crematorium	Glyn Theobald	0	37	0	(37)	37	0	The budget will need to be re-phased into 22/23. A value engineering exercise is to be undertaken prior to commencement
100203 - PR042g	S106 To the River - artist in residence	Nadine Black	0	49	9	(40)	40	0	The artist has spent 2 years as artist in residence for the river Cam; engaging thousands of people. Due to the pandemic, the project had a revised timeline with a completion date of September 2022. A public consultation has taken place, which was extended to provide more information as factually incorrect information was being shared to stir up negativity for the project. Analysis of the consultation is still in progress and the way forward is yet to be decided. The aim is to follow due process for the project, whilst performing a duty of care for the artist. The budget will require revising due to impacts on costs of materials by Brexit and inflation etc. - Officers will be working with the artist, stakeholders, the Public Art Panel and Councillors to agree the way forward with the project. The remaining budget will need to be rephased to be used in 2022/23
100217 - PR040z	S106 Public art: Historyworks: Michael Rosen Walking Trail 2	Nadine Black	0	10	0	(10)	10	0	Taking stock of the progress made on the on-going History Trails 2. Project in order to identify next steps and bring the project to a conclusion in 2022/23 - Remaining budget will need to be rephased to 2022/23
100232 - PR042m	S106 Public art grant - Chesterton village sign	Nadine Black	0	10	0	(10)	10	0	Reviewing proposal to confirm the funding allocation via the development of the Public Art Commissioning Strategy or whether to release the earmarked funds for future public art projects. To be rephased until decision is made.
100236 - SC678	Crematorium - additional car park	Glyn Theobald	0	339	0	(339)	339	0	Value engineering consultancy is required for the project the funds will need to be re-phased into 22/23 FY
100237 - SC679	Crematorium - cafe facilities	Glyn Theobald	0	304	10	(294)	294	0	Value engineering consultancy will take place prior to the project start. The remaining budget will need to be rephased to 2022/23
100256 - SC795	CHUB - community extension to Cherry Hinton library	Allison Conder	0	764	0	(764)	764	0	12 month delay while RBL made a decision not to fund the scheme. Additional capital funding then approved through Committee to address RBL gap. HDA tender for contractor completed awaiting contract letter from procurement to be issued - Rephase budget to 22/23
100273 - SC708	Replacement plantroom at Jesus Green outdoor pool	Ian Ross	0	140	0	(140)	140	0	Project has been ON HOLD as a result of Covid. It is now being reinstated and work with consultants for options for delivery is being undertaken - Rephase remaining budget to 22/23
100277 - SC710	Guildhall Small Hall wooden floor	Frances Alderton	45	45	33	(12)	0	(12)	Project complete and below budget
100278 - SC711	Guildhall PA system	Frances Alderton	25	25	0	(25)	25	0	Currently obtaining quotes - Rephase remaining budget to 22/23
100299 - SC731	Cambridge Food Hub	Vicky Haywood	0	100	0	(100)	100	0	Project capital spend delayed. New location agreed as Unit 17 Barnwell Drive. Awaiting service closure of Scrapstore in order to refurb unit to project requirements. Move to temp location Sept 2022. New permanent site at NEC available from Aug 2023 - Rephase remaining budget to 22/23
100304 - SC736	S106 Grant for St George's Church improvements	Ian Ross	0	13	10	(3)	3	0	Works being finalised by the Church project nearing completion - Rephase remaining budget to 22/23
100306 - SC738	S106 Wilberforce Road artificial pitches	Ian Ross	0	250	0	(250)	250	0	CUA to be signed by the University - Rephase remaining budget to 22/23
100307 - SC739	S106 Abbey Pool improvements	Ian Ross	0	144	0	(144)	144	0	Works ongoing and now scheduled for installation in July & Aug 2022 - Rephase remaining budget to 22/23
100308 - SC740	S106 Chesterton Rec pavilion	Ian Ross	0	167	188	21	(21)	0	Works Ongoing - Additional funding of £54k was approved at Environment & Community Scrutiny Committee on 7.10.21 and has been allocated to 22/23. The additional spend in the current year will be rephased and funded by this additional budget
100309 - SC741	S106 Nightingale Rec Ground pavilion	Ian Ross	0	503	0	(503)	503	0	Works ongoing - working with modular company to secure workshop dates for delivery. Outdoor survey works nearing completion. Start on site expected in May - Rephase remaining budget to 22/23
100325 - SC776	BEIS grant for Parkside pools decarbonisation works	Ian Ross	0	989	122	(867)	867	0	Works ongoing. Extension of time awarded to 30/06/2022 due to market force delays of supplies for ASHP, BMS & Digital motor fans and parts. - Rephase remaining budget to 22/23
100326 - SC777	BEIS grant for Abbey pool decarbonisation works	Ian Ross	0	718	364	(354)	354	0	Works complete - currently being commissioned and BMS setup. Extension of time awarded to 30/06/2022 due to market force delays of supplies for ASHP, BMS & Digital motor fans and parts. - Rephase remaining budget to 22/23
100328 - SC754	Cambridge Corn Exchange - infrastructure improvements	Ian Ross	1,000	1,000	0	(1,000)	1,000	0	Works ongoing - Boiler works and BMS system installed. Next phases of business case projects being worked up for delivery - Rephase remaining budget to 22/23
100329 - SC755	Carbon saving investments within the Leisure portfolio	Ian Ross	325	325	46	(279)	279	0	Ongoing works linked in with the PSDS funding grants & upgrades. Upgrades and additional works to LEDs at Pools completed. Upgrades to Flues at Parkside. Solar Thermal Upgrade at Abbey being worked up - Rephase remaining budget to 22/23
100336 - SC762	Digital signage at Mandela House	James McWilliams	6	6	9	3	0	3	The difference between the initial quote which informed the budget bid, and the final cost is accounted for by the more-than two year gap due to Covid. Scheme completed
100350 - SC780	S106 Darwin Green community centre equipment and furnishings	Vicky Haywood	0	25	12	(13)	13	0	Furniture purchased and delivered. ICT on order (£10K) and awaiting installation on completion of the lease agreement being signed by both parties - Rephase remaining budget to 22/23
100361 - SC790	S106 Chesterton Rec wheelsport project	Peter Mullord	0	80	4	(76)	76	0	COVID, further consultation, and applications for additional S106 funding have delayed delivery. Contract is with contractor for signing - expected to be completed early May. Delivery expected Summer 2022. Contract is currently with contractor for signing, and is anticipated for return to CCC Legal who will sign seal - expected early May. Works expected to begin on site w/c 27th June 2022. Pavilion redevelopment ongoing - awaiting confirmation of end date (Originally expected end March). The pavilion works currently present issues with vehicular access on to the site - CCC Legal Team to sign and seal contract. Project Manager to arrange pre-start meeting with contract on site. Sports and Rec Team to confirm when pavilion works will complete (Adjacent project area) - currently these impact vehicular access to site. Rephase of the remaining budget is required to complete this project
100378 - SC807	S106 Akeman Street community centre Improvements	Debbie Kaye	0	0	23	23	(23)	0	The budget has been approved and has been allocated to 22-23. The spend will be rephased so that it is matched against the budget
Total Projects			1,401	6,043	830	(5,213)	5,204	(9)	
Other closed schemes and those with a variance under 15%			219	67	66	(1)	0	(1)	
Total			1,620	6,110	896	(5,214)	5,204	(10)	

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Capital Budget 2021/22 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100001 - PR010a	Environmental Improvements Programme - North Area	John Richards	0	4	6	2	0	2	Project delivery progressing
100002 - PR010b	Environmental Improvements Programme - South Area	John Richards	0	56	15	(41)	41	0	Project delivery progressing - Rephase remaining budget to 22/23
100003 - PR010c	Environmental Improvements Programme - West/Central Area	John Richards	0	61	3	(58)	58	0	Project delivery progressing - Rephase remaining budget to 22/23
100004 - PR010d	Environmental Improvements Programme - East Area	John Richards	0	47	9	(38)	38	0	Project delivery continuing - Rephase remaining budget to 22/23
100259 - PR010	Environmental Improvements Programme	Alistair Wilson	0	137	51	(86)	86	0	Delivery of projects identified in previous funding rounds - on going work - Rephase remaining budget to 22/23
Total Programmes			0	305	84	(221)	223	2	
100227 - PR031r	S106 Chesterton Rec Ground skate and scooter park	John Richards	0	47	0	(47)	47	0	Project has slipped due to re-design and consultation needed. Delivery planned for Summer 2022, following completion of pavilion works - Remaining budget to be rephased be used in 2022/23
100317 - SC747	S106 Nightingale Avenue rec ground: new all-weather footpath	John Parrott	0	15	11	(4)	4	0	Works ongoing. Completion expected June 2022 - Rephase remaining budget to 22/23
100322 - SC752	S106 Byron's Pool ecological mitigations	Guy Belcher	199	229	18	(211)	211	0	Procurement for fish pass enhancements, carpark surface, signage and fencing complete. Delivery summer / autumn 2022 - Rephase remaining budget to 22/23
100323 - SC753	S106 Nine Wells ecological mitigations	Guy Belcher	40	80	6	(74)	74	0	4 x foot bridges installed. Natural log bee installed - Rephase remaining budget to 22/23
100324 - SC775	City centre recovery - Combined Authority grant funding	John Richards	0	690	175	(515)	515	0	Project delivery ramping up with completion expected Summer 2022 - Continue to monitor project delivery and spend of grant monies. Rephase remaining budget to 2022/ 23
100327 - SC778	S106 Jesus Green ditch biodiversity improvements	Alistair Wilson	0	53	6	(47)	47	0	The Project is to be modify to reflect a change in position where some proposed works are no longer deliverable - Rephase remaining budget to 22/23
100335 - SC761	Installation of cattle ramp on Midsummer Common	Alistair Wilson	45	45	7	(38)	38	0	Current planning application yet to be determined. Licences to be progressed with Cam Conservators - Rephase remaining budget to 22/23
100338 - SC764	Environmental Improvements Programme (EIP) options	Alistair Wilson	264	264	2	(262)	262	0	Review of EIP complete and a further funding round is to be conducted in Summer 2022 - Rephase remaining budget to 22/23
100349 - SC779	Parker's Piece tree planting	Matthew Magrath	0	18	13	(5)	5	0	Underspend to be used for match funding grant allocation for establishment cost for the next 2 years - Rephase remaining budget to 22/23
100353 - SC783	S106 tree planting at Coleridge Rd rec and Lichfield Rd	Matthew Magrath	0	13	8	(5)	5	0	Spend on establishing trees will continue in 2022/23 - Rephase remaining budget to 22/23
100354 - SC784	S106 Restoration of natural habitats at Norman cement works	Guy Belcher	0	10	7	(3)	3	0	Survey works complete and initial site clearance with volunteer work parties, Contractor works due for completion in autumn / winter 22/23 - Rephase remaining budget to 22/23
100355 - SC785	S106 The Art of Play	Nadine Black	0	99	95	(4)	4	0	Artists are now appointed. The timeline for the project was flexible to some extent, depending on learnings from the research stage of the project. The artists are at this stage now and are developing their approach to the project, including an agreed timetable Engagement events will take place in the summer - Rephase remaining budget to 22/23
100357 - SC787	S106 Thorpe Way Rec Ground: new footpath	John Parrott	0	15	0	(15)	15	0	Works ongoing. Completion expected July 2022 - Rephase remaining budget to 22/23
100383 - SC813	S106 Trumpington Rec ground environmental enhancements	James Ogle	0	0	24	24	(24)	0	There is a budget of £70k approved in 22/23. This prior year spend will be rephased to next year and funded from this budget
Total Projects			548	1,578	372	(1,206)	1,206	0	
Other closed schemes and those with a variance under 15%			0	124	112	(12)	0	(12)	
Total			548	2,007	568	(1,439)	1,429	(10)	

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Capital Budget 2021/22 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100258 - SC694	Meadows Community Hub and Buchan St retail outlet	Jake Smith	1,892	3,128	2,568	(560)	560	0	Underspend as programme was slower than expected. Start on site was delayed due to pre commencement planning conditions being signed off later than expected - Rephase remaining budget to 22/23
100337 - SC763	Refurbishment of 125 Newmarket Road and refurbishment	James McWilliams	60	60	0	(60)	60	0	Building work at 451 Newmarket Road has now begun. This will take the main share of the funding. Negotiations are ongoing which may see the tenant of 125 Newmarket Road foot most of the bill for redecorations, which may leave an amount to be returned to the fund - Rephase remaining budget to 22/23
100364 - SC793	Sustainable Warmth Grant - Local Authority Delivery Phase 3	Justin Smith	0	150	0	(150)	150	0	Funding was awarded in 2021/22, however spend is scheduled for 2022/23 - Early phases of the programme is underway with leads being generated. We should expect to start seeing work being carried out and spend in the next few months. Rephase remaining budget to 2022/23
100365 - SC794	Sustainable Warmth Grant - Home Upgrade Grant	Justin Smith	0	370	0	(370)	370	0	Funding was awarded in 2021/22, however spend is scheduled for 2022/23 - Early phases of the programme is underway with leads being generated. We should expect to start seeing work being carried out and spend in the next few months. Remaining budget rephased to 2022/23
100366 - SC809	Green Homes Grant (GF)	Justin Smith	0	0	59	59	(59)	0	LAD1b funding which was originally due to close in December 2021, however due to a number of external implications BEIS have granted an extension until July 2022 for delivery of this funding - Scheme will run until July 2022, with funded work, and installations already underway and being completed. The budget was originally allocated to 22-23. The spend in the current year will be rephased and funded by this additional budget
Total Projects			1,952	3,708	2,627	(1,081)	1,081	0	

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Capital Budget 2021/22 - Outturn

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100050 - PR039	Minor Highway Improvement Programme	John Richards	30	64	23	(41)	41	0	Rolling programme of improvements with delivery largely by County Council - Rephase remaining budget to 22/23
Total Programmes			30	64	23	(41)	41	0	
100025 - SC571	Procurement of IT System to Manage Community Infrastructure	Stephen Kelly	0	20	0	(20)	0	(20)	Scheme completed
100032 - SC590	Structural Holding Repairs & Lift Refurbishment - Car Parks	Sean Cleary	0	199	0	(199)	199	0	Year on year structural holding repair budget. - Rephase remaining budget to 22/23
100197 - SC662	Shared Planning Service software implementation	Stephen Kelly	0	32	0	(32)	32	0	System audit to determine whether any further enhancement is required to be completed by end of September - Rephase remaining budget to 22/23
100330 - SC756	EV infrastructure at the Cambridge City Council depot	Sean Cleary	57	57	0	(57)	57	0	Code to support the EV infrastructure and hardware for the Councils fleet at the new operational hub. The balance will be rolled over to mirror to project timelines - Rephase remaining budget to 22/23
100331 - SC757	Software upgrade for parking services	Sean Cleary	100	100	83	(17)	0	(17)	Project came in under budget, project completed and can be closed
100359 - SC788	S106 bee banks	Guy Belcher	0	5	0	(5)	5	0	Final invoicing to be completed in 2022/23 - Rephase remaining budget to 22/23
100360 - SC789	S106 Jubilee Gardens open space improvements	James Ogle	0	45	2	(43)	43	0	Main contract works (£37k) currently on site due to complete by the end of June other minor works to follow in 2022 - Rephase remaining budget to 22/23
100362 - SC791	S106 Coldhams Common BMX track	Declan O'Halloran	0	85	4	(81)	81	0	Project going through community consultation, to determine final specification – target date end of May - Rephase remaining budget to 22/23
100363 - SC792	S106 pubic art grant for Abbey People's Creative Canopy	Nadine Black	0	20	8	(12)	12	0	The project is underway and it is anticipated that it will be completed on time and within the schedule in the approved funding application - Rephase remaining budget to 22/23
Total Projects			157	563	97	(466)	429	(37)	
100156 - PV007	Cycleways	John Richards	387	382	3	(379)	379	0	Joint programme with County Council and GCP, with delivery subject to complex dependencies - Review way forward, and future funding needs, with Exec Cllr. Rephase budget to 22/23
Total Provisions			387	382	3	(379)	379	0	
Other closed schemes and those with a variance under 15%			0	0	1	1	0	1	
Total			574	1,009	124	(885)	849	(36)	

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Finance & Resources Portfolio

Appendix D

Capital Budget 2021/22 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2021/22 £'000's	Final Budget 2021/22 £'000's	Outturn 2021/22 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2022/23 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100139 - PR050	Office Accommodation Strategy Phase 2 (OAS)	Dave Prinsep	0	2	0	(2)	2	0	Final Office Accommodation Strategy scheme expenditure to be incurred in the 2022/23 financial year. Remaining budget to be rephased to 2022/23.
100155 - PR051	Building works at the Guildhall to reduce carbon emissions	Will Barfield	0	15	66	51	0	51	Project is complete. Costs in 21/22 were for monitoring period and retention
100275 - PR053	Commercial property repair and maintenance	Will Barfield	300	372	135	(237)	100	(137)	There have been delays starting some projects (e.g. Museum of Cambridge refurbishment (£100k) and some budget was held for projects that did not materialize in 2021/22 (approx. £75k). A rephasing of £100k budget is requested for the work on the Museum which is committed for completion in 22/23.
100276 - PR054	Administrative buildings maintenance	Will Barfield	216	285	45	(240)	85	(155)	Works were put on hold as result of Covid lockdowns and use of Guildhall. New goods lift is proceeding but delays meant work was not completed by 31/3/22. Spend on the lift totalling £85k is committed and therefore a rephase of budget to 2022/23 is requested to complete the installation. Other planned works at the Guildhall were put on hold subject to review as part of development of a revised Corporate Asset Strategy in 22/23. The 22/23 and ongoing budget which was approved in the BSR February 2022 is needed in full to progress other planned work within the Guildhall.
100358 - PR055	Depot Relocation programme to create Operational Hub	Sean Cleary	0	10,000	24	(9,976)	9,976	0	Project lifetime until 24/25 - Rephase remaining budget to 22/23
Total Programmes			516	10,674	270	(10,404)	10,163	(241)	
100109 - SC627	Guildhall Large Hall Windows refurbishment	Will Barfield	101	101	0	(101)	101	0	This project was put on hold as result of Covid lockdowns and use of Guildhall. The work is still required, subject to review as part of development of Corporate Asset Strategy in 22/23 - Rephase remaining budget to 22/23
100194 - SC659	My Cambridge City online customer portal	Nick Kemp	40	22	0	(22)	22	0	Remaining budget to be carried forward to the 2022/23 financial year for completion of the project - Rephase remaining budget to 22/23
100205 - SC672	Mill Road Redevelopment - Development Loan to CIP	Caroline Ryba	0	5,300	2,085	(3,215)	0	(3,215)	The development scheme is now drawing to a close. Projected cashflows of the development now indicate that future drawdowns will not be necessary
100206 - SC674	Mill Road Redevelopment - Equity Loan to CIP	Caroline Ryba	0	4,265	1,000	(3,265)	0	(3,265)	The development scheme is now drawing to a close. Projected cashflows of the development now indicate that future drawdowns will not be necessary
100225 - SC692	Cromwell Road Redevelopment (GF)	Mark Wilson	0	6,482	3,052	(3,430)	3,430	0	Budget phasing was incorrect and the budget needs to be rephased
100243 - SC684	Property Management software	Philip Doggett	0	88	29	(59)	59	0	Contract with the chosen supplier was completed on 25 March 2021. Implementation/software installation is currently underway and planned to be completed in the 2022/23 financial year - Monitor/oversee the final stages of the project. Philip Doggett by September 2022. Rephase of the remaining budget to 2022/23 is requested
100253 - SC689	Income management software	Clarissa Norman	63	78	0	(78)	78	0	The budget was secured to procure a replacement Income Management System in partnership with South Cambridgeshire District Council & Huntingdon District Council. Project Manager is not yet in place, there is a project prioritisation review happening within 3C's and City's Intelligent Client, is aware of the importance of this project and is working with 3C's to have a project manager appointed early in the 2022 - 2023 financial year - Rephase remaining budget to 22/23
100254 - SC690	Secure phone payments	Clarissa Norman	0	24	0	(24)	24	0	This budget has dependencies with the income management procurement and telephony system implementation. CCity's new telephony system is scheduled to be implemented by 31 May 2022. Once the telephony migration is complete and a project manager is appointed for the income management system procurement expected by the end of Q2 22/23 a decision can be made in respect of this budget - Rephase remaining budget to 22/23
100260 - SC695	Cromwell Road Redevelopment - equity loan to CIP	Caroline Ryba	350	5,350	0	(5,350)	5,350	0	Development scheme in progress with loan drawdowns dependent on cash flow management within the SPV. Remainder of budget to be rephased to 2022/23 - Rephase remaining budget to 22/23
100261 - SC696	Cromwell Road Redevelopment - development loan to CIP	Caroline Ryba	1,000	6,600	2,000	(4,600)	4,600	0	Development scheme in progress with loan drawdowns dependent on cash flow management within the SPV. Remainder of budget to be rephased to 2022/23 - Rephase remaining budget to 22/23
100283 - SC716	Replacement telephony system with call centre	Nick Kemp	0	150	98	(52)	52	0	Telephony project has experienced a number of delays due to issues with the supplier. Go live for new system has been confirmed as 6 May 2022 with the project looking to close shortly thereafter. Remaining budget to be carried forward to the 2022/23 financial year for completion of the project - Rephase remaining budget to 22/23
100288 - SC721	Call management for 3C ICT service desk	Heather Jones	0	7	0	(7)	7	0	Underspend will be utilised on the Telephony project. Rephase and allocate to project 100283
100300 - SC732	Park Street car park development	Dave Prinsep	26,521	35,700	6,086	(29,614)	29,614	0	Contractor re-procurement delayed original start on site date. Contractor appointed and started on site on 10/1/2022. This delayed spend in year and so the remaining budget needs to be rephased to 2022/23 financial year. Programme on track for completion by 31/3/2025 - Rephase remaining budget to 2022/23 financial year.
100312 - SC742	L2 development loan to CIP	Caroline Ryba	3,400	3,400	555	(2,845)	2,845	0	L2 development commenced, with initial loan drawdown in year. Remainder of budget to be rephased to 2022/23 - Rephase remaining budget to 22/23
100313 - SC743	L2 equity loan to CIP	Caroline Ryba	800	1,300	0	(1,300)	1,300	0	L2 development commenced. Equity funding to be rephased to 2022/23 - Rephase remaining budget to 22/23
100340 - SC766	Geographical Information System (GIS) test environment	Heather Jones	24	24	14	(10)	0	(10)	Project complete, pending closure report and final accounts.
100341 - SC767	Mobile phone replacement	Heather Jones	117	117	0	(117)	117	0	Replacement project has been delayed due to decisions from the councils on handsets. Decision has been reached but funds will need carried forward for purchase Q1 2022/23. -
100342 - SC768	Extend data capacity in shared data centre	Heather Jones	60	60	0	(60)	60	0	Options paper is being written and will go to IC's and 3C ICT SLT for direction and approval. - Rephase remaining budget to 22/23
100343 - SC769	Network equipment refresh	Heather Jones	140	140	67	(73)	73	0	Further equipment to support the installation will be purchased in 2022/23. - Rephase remaining budget to 22/23
100344 - SC770	ICT project delivery: project management, technical resource	Heather Jones	40	40	0	(40)	40	0	Digital delivery expected to be completed in 2022/23. - Rephase remaining budget to 22/23
100345 - SC771	Data and analytics - putting building blocks in place for	Heather Jones	70	70	0	(70)	70	0	Project being worked up within transformation programme and will need to be rephased.
100347 - SC773	Colville Rd Phase 3 - replacement of commercial units	Dave Prinsep	441	441	5	(436)	436	0	Project relates to the cost of new commercial property units, which are part of the wider Colville Road development. The new commercial property units are not scheduled to be completed until December 2023 so budget of £436k is requested to be rephased to cover this - Rephase remaining budget to 2022/23
100348 - SC774	Information at work consolidation	Heather Jones	29	29	0	(29)	29	0	Delayed due to vendor working on a script to resolve an outstanding issue. The work will slip into the next financial year (22/23). - Rephase remaining budget to 22/23
100377 - SC806	Acquisition of Nursery, Timberworks, Cromwell Rd, Cambridge	Dave Prinsep	0	1,548	0	(1,548)	1,548	0	Acquisition of the nursery is now scheduled to take place in the 2022/23 financial year. Request for the remaining budget to be rephased to 2022/23.
Total Projects			33,196	71,336	14,991	(56,345)	49,855	(6,490)	
100020 - PV554	Development Of land at Clay Farm	Dave Prinsep	49	275	38	(237)	237	0	A contractual agreement is in place whereby we contribute 7% of the net costs incurred in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Forecast end date for the scheme is currently December 2024. Remaining budget to be rephased to 2022/23.
Total Provisions			49	275	38	(237)	237	0	
Other closed schemes and those with a variance under 15%			77	2,850	2,850	0	0	0	
Total			33,838	85,135	18,149	(66,986)	60,255	(6,731)	

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100352 - SC782	Livestream/hybrid meetings at Council Chamber and Committee	Gary Clift	0	85	86	1	0	1	Scheme completed
Total Projects			0	85	86	1	0	1	

Total	0	85	86	1	0	1
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