



Cambridge City Council

Notice of Council

Date: Thursday, 2 March 2023

Time: 6.00 pm

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

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

This meeting is the continuation of the adjourned meeting of Thursday 23 February 2023. The meeting will start from agenda item 6.

Agenda

Public Speakers

- 6 Leader of the Council - Senior Management Review (Pages 359 - 406)
- 7 To consider the recommendations of Committees for adoption
- 7a Civic Affairs Committee: Pay Policy Statement 2023/24 (Pages 407 - 430)
- 7b Recommendations of Employment Senior Officer Committee 1 March 2023 (to follow)
- 8 To deal with oral questions
- 9 To consider the following notices of motion, notice of which has been given by:
 - 9a Councillor Ashton - Appointment to the post of Honorary Recorder of Cambridge
The Council resolves to appoint His Honour Judge Mark Bishop to the post of Honorary Recorder of Cambridge for as long as they hold the position of Resident Judge at Cambridge Crown Court.
 - 9b Councillor Gilderdale & Councillor Pounds - Protecting Workers' Right to Strike

The council acknowledges:

- The vital work that trade unions play in workplaces in Cambridge and beyond;
- That the right to strike is a fundamental human right;
- That without unions, we would not enjoy many of the workplace rights we have today.

The council notes:

- That unionised workplaces are more likely to have better terms and conditions, higher wages, improved maternity, paternity and carer leave policies, better job stability for staff, as well as stronger health and safety arrangements.
- That the UK has the most restrictive anti-union laws and some of the tightest regulations on strikes in Europe.
- That the Government intends to introduce the Minimum Service Levels Bill covering six service sectors, which the TUC has described as an ‘attack’ on the right to strike.
- That the intention of this legislation would require Unions and employers to agree minimum levels of service during times of strike action, and in the event of no agreement Government Ministers could impose these limits, with Unions then liable to be sued and workers potentially dismissed if they don’t comply.
- This legislation has raised many concerns with some legal experts noting that there are likely to be legal challenges raised.

The council believes:

- That industrial disputes are best resolved through negotiation not measures designed to undermine and potentially outlaw industrial action.

The council resolves to:

- Stand in solidarity with striking workers who are fighting for better pay and conditions.
- Continue to work alongside the local Trades Council on relevant work such as the TUC’s ‘Stay Safe, Join a Union’ Campaign and ‘Heart Unions Week’.
- Write a letter from the leader of the council to the Prime Minister and Business Secretary Kemi Badenoch, outlining this council’s concerns and opposition to the Minimum Service Levels Bill.

9c Councillor Howard & Councillor Bennett - Cost of Living Emergency and Making Connections

This Council resolves to write to the CEO of the Greater Cambridge Partnership (“GCP”) and advise her that Cambridge City Council has declared a Cost of Living Emergency in Cambridge.

The Council requests that the GCP considers the Cost of Living Emergency when reviewing the Making Connections consultation and preparing proposals for review by the County Council at a later date.

The Council requests that the GCP gives particular consideration to the economic impact on city residents, city businesses and city commuters.

The council requests that the GCP gives particular consideration to the primary impact on small business and the secondary impact on residents' cost of living.

The council requests that the GCP considers reliefs and exemptions for small businesses and other organisations in the city including but not limited to a corresponding discount or exemption for businesses and any other organisations in receipt of small business rates relief or any other business rates reduction in force at the start of the financial year in which any congestion charge is made.

The council notes that the current Making Connections consultation draft includes unspecified reliefs and exemptions for individuals on low incomes and requests that the GCP reviews these to ensure that exemptions and discounts are sufficient to avoid financial hardship. The council notes that a number of proposals for such exemptions have already been submitted to GCP during the public consultation and accordingly does not wish to put forward new proposals at this stage.

The council requests that the GCP publishes a formal socio-economic impact on the city of Cambridge of the effect of any "Making Connections" proposal before it is put before the County Council and that the workings and modelling behind that socio-economic impact be published and independently audited.

Notes:

- 1 The GCP "Making Connections" consultation which currently includes a congestion charge proposal closed on 23 December 2022
- 2 It is the intention of the GCP to place a proposal based on the responses to that consultation before the County Council in June 2023.

- 3 The GCP do not require the approval of the city council or any other district council for their proposals.
- 4 On Thursday 21 July 2022, the city council unanimously voted to declare a Cost of Living Emergency.
- 5 Among other provisions, this committed the council to:
 - a. **Ensure that council decisions are not disproportionately impacting on residents who are struggling the most,**
 - b. *through introducing a socio-economic duty and separately considering socio-economic impacts in all our equality impact assessments.*
- 6 There can be no doubt that the cost of living emergency continues and that Cambridge is not immune.
- 7 Cost of living pressure on residents is expected to continue for three years (at the date of this motion) and still be of concern to residents on the proposed congestion charge introduction date.
- 8 The full impact on cost of living from the national government Conservative mini budget maxi shambles last Autumn and subsequent interest rate rises has yet to be felt. This is because of the high proportion of mortgage loans financed by fixed term fixed rate mortgages. Until the fixed term runs out, the mortgage payments stay the same.
- 9 Shop and hospitality business closures are running at the highest rate for 5 years.
- 10 Cllrs Howard and Bennett propose to publish an updated note on 2 March 2023 if any of the economic indicators published before that date show any material change.

9d Councillor Nethsingha - Türkiye and Syria

This Council notes with horror the shocking scale of devastation and loss of life following the earthquake in southern Türkiye and northern Syria.

This Council expresses its profound support for and solidarity with all those suffering as a result of the earthquake, both those facing trauma

and loss in the region, and those here in the UK who grieve for family and friends and the damage to communities. We commit to work closely with the Turkish and Syrian communities here in Cambridge to understand how we can best support the relief and recovery effort.

This Council also calls upon the UK government, parliamentary representatives, and spokespeople to explore whether a scheme similar to the homes for Ukraine scheme could be set up to allow those who have been made homeless and who have family or friends in the UK to travel here and remain in safety while recovery in the region takes place.

9e Councillor Payne & Councillor Bick - Murketts Garage Site

The Council welcomes the recent city council-funded acquisition of the former Murketts Garage site on Histon Road through the Cambridge Investment Partnership, the joint venture between the City Council and private developer Hill. It notes the intention to develop it for a mixture of market and social housing, similar to the Ironworks and Timberworks developments.

At the outset of this new scheme, Council calls for a clear commitment that, unlike Ironworks and Timberworks, overseas property investors will not be targeted for sales, which inflates the local housing market for all, and that marketing will focus on purchasers planning to live or work in Cambridge whether they be from the UK or elsewhere.

9f Councillor A Smith- Mandatory Voter ID

This council notes that:

- The Government intends to implement mandatory photo voter ID at the local elections in May 2023.
- Over 2 million voters are estimated to need the government-issued voter ID cards¹.
- Only 10,000 people have applied so far for these, representing just 0.5% of those who might need the new cards².
- Parliament's Joint Committee on Human Rights have said that the impact of the proposals may fall disproportionately on those with protected characteristics³.

¹ <https://committees.parliament.uk/committee/93/human-rights-joint-committee/news/157247/voter-id-law-must-be-shown-to-be-necessary-and-proportionate/>

²² <https://www.theguardian.com/politics/2023/jan/31/only-10000-people-in-uk-have-applied-for-government-issued-voter-id>

- The Electoral Reform Society has called the project ‘an expensive distraction’ which may disproportionately disadvantage already disadvantaged groups. They say that the Government’s own figures suggest that this project will cost £180,000,000 a decade.⁴
- The electoral commission have been given a budget of £5,650,000 to spend on advertising, resources and research for this project⁵.
- The Local Government Association has expressed serious concerns about the implementation of this project for May 2023 and is calling for a delay⁶.
- The Chief executive of the Association of Electoral Administrators has raised concerns about the safety of staff in polling stations.⁷

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This Council believes that:

- Any democratic deficit could be better addressed by reaching out to the estimated 9 million people who are currently not on the electoral roll at all, or by seeking to raise electoral turnout, rather than putting up barriers to voting.
- The Government should abandon this costly project which will undermine, not enhance, democracy.
- At the very least, the Government should delay implementation, to avoid the risk of significant disenfranchisement.

This council resolves to:

- call upon the Government to:
 - delay the requirement for photo ID in the May 2023 elections
 - give serious consideration to scrapping the project entirely and focussing on other actions more likely to improve democratic engagement
 - undertake to cover fully the additional costs arising for councils due to the implementation of the Elections Act 2022
- Ask the leader to write to our Cambridge MPs informing them of this motion and asking them to share our concerns with Central Government and ask the Leader to write to Michael Gove asking him to act.

³ <https://committees.parliament.uk/committee/93/human-rights-joint-committee/news/157247/voter-id-law-must-be-shown-to-be-necessary-and-proportionate/>

⁴ <https://www.electoral-reform.org.uk/campaigns/voter-id/>

⁵ <https://www.independent.co.uk/news/uk/angela-rayner-britain-sarah-olney-labour-government-b2258668.html>

⁶ <https://www.local.gov.uk/about/news/lga-statement-parliamentary-vote-plans-introduce-voter-id>

⁷ <https://www.theguardian.com/politics/2022/dec/10/council-leaders-urge-ministers-to-delay-plans-for-photo-id-at-may-elections>

- Publicise this motion and do all it can locally to urge voters to make sure they have the necessary voter ID.

10 Written questions

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

11 Officer Urgent Decisions

11a Cambridgeshire and Peterborough Combined Authority- Appointment of the Council's Board member and substitute member (Pages 431 - 432)

11b Approval of Additional Energy Investment 2023/24 (Pages 433 - 434)

11c Approval of funding to Cambridge Investment Partnership for a land purchase (former Murketts Garage Site, Histon Road Cambridge) (Pages 435 - 450)

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

11d £500M Local Authority Housing Fund Refugee Scheme – Approval to Deliver Longer Term Humanitarian Scheme Accommodation Through the 22-32 New Build Housing Programme, Partly Funded by Central Government (Pages 451 - 466)

Information for the public

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

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

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

This Meeting will be live streamed to the Council's YouTube page. You can watch proceedings on the livestream or attend the meeting in person.

Those wishing to address the meeting will be able to do so virtually via Microsoft Teams, or by attending to speak in person. You must contact Democratic Services democratic.services@cambridge.gov.uk by 12 noon two working days before the meeting.

COUNCIL

20 October 2022

6.00 - 11.17 pm

Present: Councillors Ashton, D. Baigent, Bennett, Bick, Bird, Carling, Collis, Copley, Davey, S. Davies, Divkovic, Flaubert, Gawthrope Wood, Gilderdale, Hauk, Healy, Holloway, Howard, Lee, Levien, McPherson, Moore, Nethsingha, Page-Croft, Payne, Porrer, Pounds, Robertson, Sheil, Smart, A. Smith, S. Smith, Sweeney, Swift, Thittala Varkey, Thornburrow and Todd-Jones

Also present (virtually) Councillor: S.Baigent

FOR THE INFORMATION OF THE COUNCIL

22/33/CNL Minutes

The minutes of the 21 July 2022 were confirmed as a correct record and signed by the Mayor subject to the following amendments:

- i. Noting apologies from Councillor Sheil
- ii. Noting that one of the declarations listed for Councillor Dryden for item 22/29/CNLb should have been listed as a declaration for Councillor Ashton.

22/34/CNL Mayor's announcements

Apologies

Apologies were received from Councillors Dryden, Herbert, McQueen.

It was noted that Councillor Sarah Baigent joined the meeting virtually via Microsoft Teams.

Mayors Announcements

Members were reminded that the Remembrance Sunday civic service was taking place on Sunday 13 November at Great St. Mary's Church at 10.55 a.m.

The Mayor would be laying a wreath on behalf of the City at the War Memorial.

The Chevin Sermon would take place on Sunday 29 January 2023.

The Annual Meeting of Council passed a Resolution of Thanks to Councillor McPherson and Mrs McPherson for their period of office as Mayor and Mayoress. The framed Resolution was presented to Councillor McPherson.

Declarations of Interest

Member	Item	Interest
D.Baigent	All	Personal: Member of Cambridge Cycling Campaign
Gilderdale	22/44/CNLd	Personal: Member of Acorn Union
Bennett	22/38/CNL	Personal: Member of LITRG, CIOT and CPAG being organisations campaigning about Universal Credit.
Bick	22/44/CNLd	Personal: Owned a rental property in Cambridge.
Levien	22/44/CNLd	Personal: Owned a two properties in Cambridge.

22/35/CNL Public questions time

Members of the public asked a number of questions, as set out below.

Question 1.

As the nights draw in, more and more students are becoming aware of the low levels of lighting on some of the most well used paths around Cambridge. Many of these paths cross beautiful areas, rich in wildlife, and I know there are concerns about the impact increased permanent lighting might have on wildlife, in particular bats. However, for the winter months, when the lighting is most important for the human residents in Cambridge, many bat species are hibernating. Would the Executive member for Open Spaces be willing to meet with me to discuss a program to use "Christmas" lighting (perhaps in the trees) as a temporary and attractive way to improve the lighting on some of our paths make them feel safer for walkers and cyclists without having an undue impact on bats or other insects in the summer?

The Executive Councillor for Open Spaces, Food Justice and Community Development responded:

- i. Thanked the member of the public for raising the question and agreed the question was important from the point of view of protecting not only members of the public but also protected species.
- ii. Confirmed that they would be happy to meet with the public speaker and suggested that Councillor Gilderdale also joined them.
- iii. Noted that Cambridge had recently been awarded Purple Flag status for the third consecutive year. Purple Flag was an internationally accredited standard which was awarded to towns and cities which delivered a safe, entertaining and diverse evening and night-time experience which included a consideration for lighting.
- iv. Was keen to understand the areas which caused concern. And suggested that colleagues from the Neighbourhood Policing Team, City Council Ecology Officers and Project Officers from the Streets and Open Spaces Team should also be invited to the meeting.
- v. Noted that Cambridgeshire County Council was the lead Authority for street lighting and that permission would need to be sought from them for any additions to street lighting columns. Also noted that applications for changes this winter may be too late.

Question 2.

On September 5th 2022, a group of Travellers were evicted from Arbury Town Rec. It is common for family groups to travel through Cambridge for funerals, weddings, births, hospital visits, and to find work. However, due to the local authorities' failure to provide adequate legal stopping provisions, they are often forced to park their vehicles without authorisation.

In a Facebook post, Cambridge police said of the eviction:

"We were made aware of trespassing on land at Campkin Road – known as Arbury Town Rec – over the weekend and a range of significant impacts on local people including anti-social behaviour. We have been working with the landowners, Cambridge City Council, to respond to those behaviours.

As set out in national guidance on legislation under the Police, Crime, Sentencing and Courts (PCSC) Act 2022, we assess and then respond appropriately to cases based on the individual circumstances.

This includes balancing considerations as to whether the behaviours meet the threshold of ‘causing, or likely to cause, significant damage, disruption or distress’, alongside the potential impact taking enforcement action may have on families involved or other vulnerable people.

This afternoon we agreed with Cambridge City Council that the trespassing has been causing disorder and disruption to the local community and the most appropriate course of action was to direct the group to leave using the new Section 60C(1) powers.”

As Cambridge City Council acknowledged in its July 2021 Motion on the Policing Bill, Section 60C(1) “specifically [targets] Gypsy and Traveller communities, who are some of the most discriminated against and marginalised minority ethnic communities in UK society.” The Council described Section 60C(1) as “discriminatory and disproportionate” and resolved to “stand in solidarity with Traveller and Gypsy communities in Cambridge.”

We now know what the Council thinks solidarity looks like.

Were alternative provisions, such as a negotiated stopping agreement, attempted prior to the Council’s decision to enforce a measure that it claims to condemn; can the Council provide evidence that the alleged “disorder and disruption” met the legal threshold for an eviction under the PCSC Act; and, if so, did this eviction result in criminal proceedings, under the PCSC Act or otherwise?

Sources:

- <https://www.facebook.com/CambridgeCity.police/posts/pfbid0X1cyiY7hHzDRpojT22PadtCqnWfHrThTp3UDYHEeVfRst6JbXYfHfVB1oewWHHDF!>
- <https://democracy.cambridge.gov.uk/mgAi.aspx?ID=27720>

The Executive Councillor for Open Spaces, Food Justice and Community Development responded:

- i. The Police statement on Facebook was correct in its reports that there was significant impact on local people as a result of the gathering referred to, which included a high level of anti-social behaviour. Council Officers visited on the Sunday and the Monday and witnessed the anti-social behaviour. The Executive Councillor also witnessed the behaviour

- themselves and was contacted by a number of residents who were distressed by the high level of disturbance.
- ii. The decision to evict was not one which was taken lightly and there was a lot of dialogue including a thorough appraisal with site meetings in the lead up to the decision. The Council owns Arbury Town Park and has managed several unauthorised encampments on this site in 2022, the visit prior to the one referred to in the public question was a negotiated stopping arrangement.
 - iii. The cross-authority officer working group had been looking at options for negotiated stopping places. With regards to the 26 August visit, Council Officers had talked with the group and established that the group wanted a short stay and the group left by 31 August. The visit on the 4 September was a significant gathering involving 10 vehicles, 6 caravans and 47 people. Council Officers were unable to conduct a welfare assessment on 4 September as a high number of individuals were intoxicated.
 - iv. On the 5 September the Police conducted over 30 door to door visits in the neighbourhood to understand the impact of the unauthorised encampment on the local community. Resident's feedback and Council officers' experiences was that the group's late-night drinking and associated noise had caused significant disruption and distress to residents in neighbouring properties. Despite requests from the Police to be mindful of their proximity to neighbouring homes, the group did not abate their drinking, with approximately 15 people sat drinking at 10am on Monday 5 September. This meant the threshold for significant damage or disruption was met on the following grounds:
 - a. local communities being prevented from accessing or using facilities;
 - b. damage to the environment;
 - c. distress caused by offensive conduct such as verbal abusive and threatening behaviour
 - v. After a lot of discussions, the Council accepted the Police's decision for the need to use their powers to disperse this Group because of the disorder and disruption caused.

Supplementary public question:

- i. Noted that the situation was not an easy one and that there was a duty of care to residents but also felt that there was a duty of care to the people who were stopping in Cambridge and that whilst resident's lives were disrupted the group who stopped also had disruption to their lives when they were evicted. Questioned how the Council was fulfilling their duty of care, when people were evicted without a welfare check being undertaken.

Question 3.

"Recently it has been noticed that there is a significant increase in the number of international students arriving at Cambridge. Anglia Ruskin has published on their website that 2000 international students have been registered in 2022-23.

It is very alarming to see international students are being forced to stay at B&B and/or Travel Lodges, where they have to pay a huge amount of sum as University has not secured accommodation before arrival. It has been reported that students who arrive in Cambridge in the middle of the night, ended up sleeping in the university lounge and some days they have to sleep in the corridors of Travel Lodge. In many cases, they have to pay for Bed & Breakfast for weeks until they could find some accommodation, effectively being homeless for a certain period of time.

Can the council confirm that the students are being provided with secured accommodation and are not forced to become homeless?"

The Executive Councillor for Housing responded:

- i. The University in Cambridge made it clear in communication with overseas students in advance of travel that they should not arrive without securing suitable residential accommodation. Information was published on their website within the allocations policies. The University continued to work to source additional student accommodation either developed themselves or with private sector partners.
- ii. The Council did not have a duty in relation to providing accommodation to those students who arrived in the city having not secured accommodation in advance. The Council did not have any powers to limit the number of international students or the capacity of educational establishments.
- iii. The Council had powers to ensure that accommodation within the city was safe, this included accommodation for international students.

Supplementary public question:

- i. Asked the Executive Councillor to check the figures referred to regarding the number of incidences of international students arriving in the city without accommodation being secured.

Question 4.

While awaiting the now two-year delayed GTANA, upon which the Council seems to put so much store, the need for Transit Sites in Cambridge City and South Cambridgeshire is clearly evident, based on the Council's continuing use of evictions for 'unauthorised encampments'. (1) (2)

At the May Full Council Meeting, the Executive Councillor stated they could not commit to a moratorium on evictions, but did not intend to bring criminal proceedings under the Police, Crime Sentencing and Courts Act (2022) on Council-owned land. The City Council appears to be in breach of this with regard to an unauthorised encampment at Arbury Town Rec in September.

This raises the question what further need a GTANA can demonstrate than the clear evidence which is staring the Council full in the face.

To put this into context, the RRR Consultancy Ltd GTANA was commissioned to inform the housing and planning requirements in emerging Local Plans for the 20 year period 2020–2040, but the current Local Plan (by ORS and not passed until 2018) is still the basis of Planning Policy for Traveller Sites (PPTS). This should have already demonstrated need, yet failed to propose any Transit Sites for Cambridge City and South Cambs' Joint Planning Authority.

In fact Section 149 of the Equality Act 2010 (3) stated 12 years ago that public bodies should have regard to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity; foster good relations; to remove and minimise disadvantages suffered by those due to their protected characteristics; and to encourage them to participate in public life. 'LAs used to have a legal duty to provide sites for Gypsies and Travellers. In 1994 this obligation was removed following the Criminal Justice and Public Order Act and as a result, and along with a change in the use of land and more land being identified for housing, site provision to accommodate the roadside GRT communities is limited.' (4)

The other issue the Council seems to have left in abeyance is the impact of the 2015 new definition of Travellers in planning guidance. For the past 50 years, aspects of law and policy in England have sought to address a shortage of Gypsy and Traveller sites to compensate for the closure of traditional stopping

places on common land since 1960. The new definition recognises only those travelling for work permanently and excludes those who have settled due to age, illness, education or other reasons. In an EHRC study across 20 LPAs, the pre-2015 total requirement was for 1,584 further pitches. After the revised definition was introduced, the assessed need fell to just 345. 'Another way of looking at this is that **instead of 100% of accommodation need coming within the PPTS definition, we have found that since August 2015 this figure is nearer 15% of assessed households.**' (5)

By their very nature, those Travellers involved in unauthorised encampments are the most obviously PPTS-compliant candidates, yet they are difficult to track and suspicious of officials coming onto their encampments and asking questions. This appears to have been the case in Arbury Town Rec.

While failing to provide any new pitches or transit sites, the South Cambridgeshire website helpfully provides an 'Unauthorised Encampments Toolkit' for parishes to assist in enforcement actions either in 3 easy steps using Common Law or through Possession proceedings under Section 55. (6)

What all this means is that the changes to PPTS, the repeal of the duty to specifically assess Gypsy and Traveller accommodation needs, and its replacement with a more general duty to assess the need for caravan sites in the assessment of a general housing need, have led to a significant reduction in pitch numbers in GTAAs.

RRR Consultancy Ltd have submitted their data to the individual Councils in Cambridgeshire and Peterborough, Kings Lynn and West Norfolk. Fenland may reject it and commission their own study and West Suffolk have approved an interim statement of accommodation needs, due to the demands of the emerging Local Plan. The City Council have now received the data from RRR Consultancy Ltd and are reviewing it.

The question is: **When will the new GTANA be made public?**

Notes:

- 1 During the pandemic up until July 2021, there were 11 evictions.
- 2 Since the July 2021 City Council Motion to "stand in solidarity with Traveller and Gypsy communities in Cambridge", 7 further evictions from Arbury Town Park land have taken place between July 2021 and March 2022. In response to a question by Cllr Bennett in March 2022 at the Full Council Meeting.

3 The Equality Act (2010)
<https://www.legislation.gov.uk/ukpga/2010/15/contents>

4 From South Cambridgeshire website.

5 EHRC: G&T sites: the revised planning definitions impact on assessing accommodation needs Research Report 128 September 2019

6 <https://www.scambs.gov.uk/housing/housing-advice/gypsy-and-traveller-information/gypsy-and-traveller-encampment-advice/>

The Executive Councillor for Equalities, Anti-Poverty and Wellbeing responded:

- i. Wanted to note that it had been stated that criminal proceedings had been brought under the PCSC Act 2022 but this was incorrect, they were civic proceedings.
- ii. The consultants carrying out the work had provided a draft Gypsy & Traveller Accommodation Assessment report, which also included an assessment of the needs of caravan dwellers who did not meet the planning policy traveller sites definition.
- iii. Initially there were delays in the 'fieldwork' for this survey as a consequence of the pandemic and the need to minimise the risk to both Gypsy Roma Traveller communities and researchers. However, there were concerns about the robustness of the findings and it was not felt the data was robust enough so the contract was ended. New consultants had been engaged to take the work forward.
- iv. This has not prevented Cambridge City Council from working with partners, including South Cambridgeshire District Council, to explore options for permanent and negotiated stopping place/transit site provision based on existing evidence. An Officer Working Group had been meeting and would continue to take this work forward regardless of when a new assessment was completed.
- v. Once a robust assessment was in place it would be published as part of the evidence base to support the emerging Greater Cambridge Local Plan.
- vi. Noted that a Gypsy Roma Traveller Community worker would be recruited.
- vii. The Council had previously committed to holding a day of activities for Gypsy Roma Traveller communities and this would be held in December at the Guildhall.

Supplementary public question:

- i. Noted that criminal proceedings had not been instigated but felt this was because families left, but felt it was always a pressure on these families.
- ii. The need for transit sites was clear and felt the Council did not need a Gypsy Roma Traveller Needs Assessment (GTANA) to advise them of that.
- iii. Noted the Council said that they were going to identify sites.

22/36/CNL To consider the recommendations of the Executive for adoption

4a Housing Revenue Account Medium Term Financial Strategy 2022/23 (Executive Councillor for Housing)

Resolved (by 23 votes to 0) to:

- i. Approve proposals for changes in existing housing capital budgets, as introduced in the officer's report at sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H, for decision at Council on 20 October 2022.
- ii. Approve proposals for new housing capital budgets, as introduced in the officer's report at sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H, for decision at Council on 20 October 2022.
- iii. Approve the revised funding mix for the delivery of the Housing Capital Programme, recognising the latest assumptions for the use of Grant, Right to Buy Receipts, HRA Resources, Major Repairs Allowance and HRA borrowing.

4b Appointment to Conservators of the River Cam (Executive Councillor Open Spaces, Food Justice and Community Development)

Resolved (unanimously) to:

- i. Appoint Councillor Levien to the Conservators of the River Cam (term ending December 2024 for all city council appointees).

22/37/CNL Cambridgeshire and Peterborough Combined Authority -city council appointments (Leader of the Council)

Resolved (unanimously) to:

- i. Appoint Councillor Anna Smith as the substitute member on the Combined Authority Board and Councillor Simon Smith as a substantive member and Councillor Gawthrope Wood as the substitute member on the Combined Authority Overview and Scrutiny Committee.

22/38/CNL Council Tax Reduction Local Scheme April 2023-March 2026 (Executive Councillor for Finance, Resources and Transformation)

Resolved (unanimously):

- i. Continue with the current Council Tax Reduction scheme (to include annual uprating in line with housing benefit rates) for working age claimants who are not in receipt of Universal Credit.
- ii. Reset the non-dependant deduction rates for both working-age schemes for 1 year from 1 April 2023 and to uprate by September CPI figures thereafter.
- iii. Continue with an earnings based banded local Council Tax Reduction scheme for Universal Credit claimants and to have fixed non-dependant deductions for these claims.
- iv. Reset the earned income bands and contribution amounts set out in 4.03 Table 1 for 1 year from 1 April 2023 and to uprate by September CPI figures thereafter.
- v. Align non-dependant deductions so the rules for application are the same for all schemes (prescribed Pensioner scheme and the two Local Schemes, one for Universal Credit households and one for non-Universal Credit households)
- vi. Not introduce a minimum contribution towards Council Tax for households on Local Council Tax Reduction.

22/39/CNL Treasury Management half yearly report 2022/23 (Executive Councillor for Finance, Resources and Transformation)

Resolved (by 27 votes to 0):

- i. Agree the Council's estimated Prudential and Treasury Indicators for 2022/23 to 2025/26 (Appendix A of the officer's report).
- ii. Approve the revised counterparty list (Appendix B of the officer's report).
- iii. Approve the addition of a loan to the Cambridge Investment Partnership in the counterparty list, to bring these into line with the approved expenditure per the approved capital plan (Appendix B of the officer's report).

22/40/CNL General Fund Medium Term Strategy 2022 (Executive Councillor for Finance, Resources and Transformation)

Resolved (unanimously for recommendations i and iii-vii and by 27 votes to 0 for recommendation ii) to:

- i. Agree the budget process and timetable as outlined in Section 8 [page 25] of the MTFs document.
- ii. Agree the incorporation of changed assumptions as presented in Section 3 [pages 10 and 11], which provide an indication of the net savings requirement, by year for the next five years [page 13], and revised projections for General Fund (GF) revenue and funding as shown in Appendix A [page 26] and reserves, Section 6 [page 18].
- iii. Agree the 2022/23 revenue budget proposal as set out in Section 4 [page 12], for a £1,122k increase in pay budgets to reflect the current pay offer
- iv. Note the changes to the capital plan and funding as set out in Section 5 [pages 15 to 17] and Appendix B [pages 27 to 30] of the MTFs document.
- v. Agree capital spending proposals as set out below.

Ref.	Description - £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Proposals							
SC826	WREN solar project	-	1,170	130	-	-	-	1,300
SC654	Redevelopment of Silver Street Toilets	141	-	-	-	-	-	141
	Total proposals	141	1,170	130	0	0	0	1,441

- vi. Agree changes to GF reserve levels, the prudent minimum balance being set at £6.854m and the target level at £8.225m as detailed in Section 6 [page 18].
- vii. Agree that the remaining balance of £213k on the Cambridge Live Development Fund is transferred to the GF reserve and the fund is closed [page 20].

22/41/CNL To consider the recommendations of Committees for adoption**5a Civic Affairs Committee: Amendment to Contract Procedure Rules****Resolved (unanimously) to:**

- i. Amend the Contract Procedure Rules to enable Grant Agreements to be approved by deed; or signed under hand where appropriate by delegated authority to the Director. The new wording would be as follows: “ALL Grant Agreements paid to third parties must be executed as a deed; or signed under hand where appropriate by delegated authority to the Director”.

5b Civic Affairs Committee: Review of the Budget Setting Process and Wider Financial Governance Issues**Resolved (unanimously for recommendations i – iv and by 25 votes to 9 for recommendation v) to:**

- i. Agree the changes to Council Procedure Rules and Budget Framework rules as set out in the Appendix A of the Officer’s report and that the arrangements are reviewed in good time to inform an agreed approach for the following budget cycle.
- ii. Note the additions and changes to meetings December 2022-February 2023 as a consequence of these changes.
- iii. Agree that Council meets on 23 February 2023 to consider the Budget Setting Report and associated financial recommendations only (ie a budget meeting), with the remainder of the Council Agenda adjourned until the following Thursday 2 March 2023 (ie the same arrangement as 2022).
- iv. Note that this arrangement may not be the best way on-going and Members will be consulted on different options for when Council meetings are scheduled at this time of the municipal year following a review of the above changes to the budget process.
- v. Agree the changes to Virements and carry forwards as described in 3.4 and Appendix B of the Officer’s report.

5c Civic Affairs Committee: Proposal to Increase the current Cambridge Weighting for Employees and Agency Workers**Resolved (unanimously) to:**

- i. Approve the proposal to increase the Cambridge Weighting to be paid to employees and agency workers to a minimum of £11.00 per hour, with effect from April 2023.
- ii. Delegate authority to the Head of Human Resources to update the weightings on each relevant pay point, subject to the limit of £11.00 per hour, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.

22/42/CNL Civic Affairs Committee: Review of the Pensions Discretions Statement

Resolved (unanimously):

- i. Approve the proposed policy statement on employer discretions shown as per Appendix A of the Officer's report.
- ii. Delegate approval to join a shared cost AVC scheme to the Head of Human Resources, following consultation with the Head of Finance, Executive Councillor for Finance, Resources and Transformation and Opposition Spokes for Strategy and Resources, if considered appropriate, following further exploration of a suitable procurement process.
- iii. Note that Council Officers will continue to review the Discretions Statement every 3 years and/or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval.

22/43/CNL To deal with oral questions

Question 1 – Councillor Holloway to the Executive Councillor for Housing.

With rising concerns around the future of the government's scheme for Ukrainian refugees, can the Executive Councillor set out how the council proposes to continue our support?

Executive Councillor response:

The creation and purpose of the Refugee and Asylum Seeker Team was to support guests with housing options advice, help Ukrainian Refugees to settle, build their homes in the UK and enable them to support themselves and secure future accommodation options. The Team would comprise a Team Leader, 3 Homelessness Prevention Officers and 4 Community Settlement roles.

Question 2 – Councillor Bick to the Leader.

One of the surviving initiatives of the government's abandoned economic strategy is the creation of Investment Zones, where financial incentives and light touch planning controls are offered to developers. Has this council supported a formal Expression of Interest to the government for any area within Cambridge to become an Investment Zone and if so, where?

Executive Councillor response:

The Combined Authority was responsible for the submission of expression of interest bids for Investment Zones. The Combined Authority had advised the Council that these bids were currently confidential, it was therefore difficult to answer the question fully. Cautious support had been given to some expressions of interest which may benefit the city. It had been made clear that willingness to allow bids to proceed to further discussion would be subject to i) no relaxation of planning rules ii) no relaxation of environmental rules iii) no changes to workers' rights and a clear demonstration of social value and benefit to the community of any bid which went forward. Support for the bids would be withdrawn if reassurances were not forthcoming.

Question 3 – Cllr Hauk to the Executive Councillor for Open Spaces, Food Justice and Community Development.

What are the City Council and the Executive Councillors planning to do to help the Clay Farm Centre library and community centre to be safe and welcoming spaces in the coming winter months, following a series of very serious failures of basic infrastructure?

Executive Councillor response:

There was an on-going issue with the heating and hot water system at Clay Farm. The City Council had responsibility for the building as a whole and for that particular system. Contractors had been working hard on this issue for some time but hadn't been able to fully resolve it. The result was that the

heating and hot water system was working but prone to cutting out. There were visits twice a day seven days a week to re-set the system. The Executive Councillor acknowledged this was not ideal and was working to bring all parties together to get issues resolved.

Question 4 – Councillor Carling to the Leader.

What is the Leader's perspective on the GCP City Access consultation which has just opened?

Leader response:

The most important message was to encourage as many people as possible to take part in the consultation. Noted that no decision had been made beyond agreement to go out to consultation. The key to the proposal was putting buses first. Noted that for some people there was no other option than to run a car as public transport was not good enough. The proposals also covered several exemptions and exceptions.

Question 5 – Councillor McPherson to the Executive Councillor for Recovery Employment and Community Safety.

In pre-covid 2019, the Children's Commissioner reported that Cambridge was the fourth worst performing area in the country for young people on Free School Meals. How is the Council supporting young people from disadvantaged backgrounds through education and into the job market.

Executive Councillor response:

It was reported by the Department for Education that the GCSE grades gap for disadvantaged pupils was the widest it had been for a decade. Students eligible for free school meals had GCSE results on average half a grade lower than children from better off backgrounds. This was the widest gap since 2011-12. The gap for children with special educational needs was wider than that. Those from the most disadvantaged backgrounds may not have had opportunities in extracurricular activities to develop transferrable skills. Many people equate the city with fantastic research and learning however while many residents benefitted from this, the Council was also working hard to ensure all have access to opportunities especially at times like now where many are facing difficulties. One of the recently launched programmes across Cambridgeshire and Peterborough is the 'Region of Learning'. This was a project where young people were connected with opportunities to develop their

skills in the city through their library cards. The platform targeted specific groups including young people and those from less advantaged backgrounds and included businesses who tailored entry level opportunities to those who were looking for ways to enter the job market in the city. Skills gained were attached as badges to peoples' library cards and could be transferred on to CVs to help with their careers.

Question 6 – Cllr Howard – to the Executive Councillor for Environment, Climate Change and Biodiversity.

Council will be aware of the proposal to do a feasibility study to establish a district heat network under the Market Square based on ground heat. This is an extremely challenging site because of existing underground buildings and archaeological heritage. Would it not be prudent to ask the funders to switch the funding to a less challenging clean site such as Abbey Pools car park?

Executive Councillor response:

Council will be aware of the proposal to do a feasibility study to look at the technical and financial barriers to establish a district heat network in the city centre. This built on an earlier study which identified the city centre as one of the areas potentially suited to a district heat network due to the concentration of heat demand. This was a shared project with Cambridge University and grant funding had been secured to explore this potential to decarbonise the city. The feasibility study was initially proposing to look at the City Council and University open spaces, but it was proposed to include the market square as well. Expected the feasibility study to consider potential areas of expansion into other areas of the city including residential areas.

Question 7 – Councillor Page-Croft to the Executive Councillor for Environment, Climate Change and Biodiversity.

Could the Executive Councillor explain how or if the council are actively engaging with local businesses and offices to reduce their carbon footprint, particularly out of hours, in this troublesome time.

Executive Councillor response:

The Council regularly engages residents, businesses, and organisations on the climate crisis and how everyone can reduce their carbon emissions. Local businesses made a significant contribution to emissions in the city and the latest available estimates were that industrial and commercial sectors

accounted for 21% of Cambridge's carbon emissions. As a comparator the City Council contributed 1%. A lot of work had been undertaken this included providing £156,000 in green business grants to 18 Cambridge businesses this year for practical measures such as solar panels, heat pumps, electric bikes and other energy efficiency measures. Subject to Government funding, which was expected in December 2022, the City Council had included a £220,000 net zero advice and grant programme for 2023/24 as part of its sharing prosperity fund. This would help small to medium size businesses reduce their carbon footprint and lower energy costs. The Council had been funding Cambridge Carbon footprint to develop and promote the Cambridge Climate Charter.

A full list of oral questions including those not asked during the meeting can be found in the Information Pack, which is published on the meeting webpage [Agenda for Council on Thursday, 20th October, 2022, 6.00 pm - Cambridge Council](#).

22/44/CNL To consider the following notices of motion, notice of which has been given by:

7a Councillor Bick and Councillor A.Smith - The Future of Local Bus Services

Councillor Bick proposed and Councillor A.Smith seconded the following motion:

This Council:

Deplores Stagecoach's plan to withdraw 18 bus services across the county, noting the potential loss of independence and financial cost incurred by those who have relied on them, such as those students left without means of getting to sixth form college and CRC;

Believes that this further underlines the failure of the deregulated and purely commercial bus service in our area;

Supports measures by the CPCA Mayor Nik Johnson to protect these services beyond the end of October, should Stagecoach not be persuaded to rethink;

Calls on the Mayor to accelerate consideration of franchising bus services in our area, in particular noting the way this would complement the draft proposals 'Making Connections' from the Greater Cambridge Partnership, which could enable a longer term transformation of services;

Encourages Cambridge people to participate in the public consultation on the GCP's 'Making Connections' proposals, giving feedback on them to shape progress on the agenda of cutting congestion, improving mobility for all, enhancing our public realm and reducing carbon emissions from transport.

Resolved (unanimously) to support the motion.

7b Councillor Nethsingha - The cost of living crisis and the impact of Brexit

Councillor Nethsingha proposed and Councillor Bick seconded the following motion:

Council notes

- The devastating impact the recent fiscal event from Chancellor Kwasi Kwarteng has had on costs facing the majority of UK households through prompting a falling pound and increased interest rates;
- That this sits on top of not only the energy shortage caused by Putin's invasion of Ukraine over which we have limited influence, but also the inflationary effect and the constraints on trade and migration arising from Brexit, which is leaving us all relatively poorer overtime;

This Council calls on MPs of all parties, especially Daniel Zeichner as MP for Cambridge and Keir Starmer as Leader of the Opposition to:

- be clear of that Brexit remains a key and persistent cause of the cost of living crisis which is completely unique to the UK and
- recognise that a closer relationship with the EU, and in particular the restoration of free movement of goods and people is critical to tackling the cost of living crisis and securing sustainable growth, the absence of which disadvantages us all.

Councillor Divkovic proposed and Councillor Swift seconded the following amendment to motion (deleted text ~~struck through~~ and additional text underlined)

Council notes

The significant efforts of this Labour council, to address the cost-of-living crisis and support residents during these increasingly difficult times within a wider context which includes:

- The devastating impact of recent decisions ~~the recent fiscal event from~~ by the Conservative Government and the former Chancellor, Kwasi Kwarteng has had on costs facing the majority of UK households through prompting a falling pound and ~~and~~ increased interest rates;

- ~~That Tthis sits on top of compounds not only the energy shortage caused by Putin's invasion of Ukraine over which we have limited influence, but also the inflationary effect and the constraints on trade and migration arising from Brexit, which is leaving us all relatively poorer overtime;~~
- The risks of a second period of sustained austerity, even worse than previous austerity measures imposed by Coalition and Conservative governments since 2010 which caused so much hardship to so many- particularly those most vulnerable in society.

~~This Council recognises the efforts of Daniel Zeichner MP and Leader of the Labour party, Keir Starmer in relation to European unity, and notes their consistent support of the European project. We calls on MPs of all parties, especially Daniel Zeichner as MP for Cambridge and Keir Starmer as Leader of the Opposition to:~~

- ~~be clear of that Brexit remains a key and persistent cause underpinning of the cost-of-living crisis which is completely unique to the UK and~~
- ~~recognise that a closer relationship with the EU, and in particular the restoration of free movement of goods and people under the leadership of a national Labour Government is critical to tackling the cost of living crisis which will impact negatively on so many of our residents. and securing sustainable growth, the absence of which disadvantages us all.~~

On a show of hands the amendment was carried by 23 votes to 12.

Resolved (by 24 votes to 0) that:

Council notes

The significant efforts of this Labour council, to address the cost-of-living crisis and support residents during these increasingly difficult times within a wider context which includes:

- The devastating impact of recent decisions by the Conservative Government and the former Chancellor, Kwasi Kwarteng has had on costs facing the majority of UK households through prompting a falling pound and increased interest rates;
- This compounds not only the energy shortage caused by Putin's invasion of Ukraine over which we have limited influence, but also inflation and constraints on trade and migration arising from Brexit

- The risks of a second period of sustained austerity, even worse than previous austerity measures imposed by Coalition and Conservative governments since 2010 which caused so much hardship to so many- particularly those most vulnerable in society.

This Council recognises the efforts of Daniel Zeichner MP and Leader of the Labour party, Keir Starmer in relation to European unity, and notes their consistent support of the European project. We call on MPs of all parties to:

- be clear that Brexit remains a key and persistent cause underpinning the cost-of-living crisis unique to the UK and
- recognise that a closer relationship with the EU, under the leadership of a national Labour Government is critical to tackling the cost of living crisis which will impact negatively on so many of our residents.

7c Councillor Collis and Councillor Carling - Tackling the Energy and Cost of Living Crisis Fairly

Councillor Collis proposed and Councillor Carling seconded the following motion:

Inadequate action by national government on the energy crisis, and its failure to levy a sizeable energy company windfall tax, places the burden of spiralling energy costs on residents and businesses. The impacts of these failures and inadequacies will be far-reaching, meaning an extremely difficult winter for many and leaving a sizeable debt to pay off in the future. It will exacerbate the damage to jobs and real incomes caused by Government failure to reduce excessive inflation.

As research by the University of York Social Policy Unit projects, 91% of pensioner couples and 90% of couples with 3 children will find themselves soon spending 10% of their income on energy bills, and researchers' projections indicate that three quarters of UK households are likely to fall into food poverty by January 2023.

Cambridge City Council has set out a clear plan at the local level to address fuel poverty across the autumn and winter, including;

- Securing funding from the Integrated Care Partnership (ICP) for a Heating and Health Project, working with South and East Cambridgeshire District Councils to co-produce local solutions supporting residents who will be at risk of health harms due to the cold and cost of living crisis this winter.

- establishing a network of cost-of-living advice hubs, where residents will be able to get advice on how to reduce their fuel bills.
- working with partners across the city to provide warm spaces, for residents who are struggling to heat their homes.
- issuing cost of living micro grants that groups of residents can apply to for support.
- Delivering £6.5m of Sustainable Warmth funding across Cambridgeshire to increase the energy efficiency of homes for the most vulnerable.
- continuing to insulate our council homes, with a further 100 identified for works.
- Making a £10,000 contribution to the Food Poverty Alliance's (FPA) Cambridge Cost of Food and Living Crisis crowd-funding campaign

However, council notes that the burden of intervention is falling disproportionately onto local authorities, which are already hit by those same rising energy costs and inflationary pressures. Following on from our March 2022 motion on fuel poverty and July motion on the cost of living, the Council calls for a far stronger plan of action from national government and demands that ministers;

1. Undertake a mid-year review and uprate benefits for 2022/23 to account for additional in-year non-energy inflation affecting household costs since the annual review, and not renege on their commitment to pensioners and those on benefits in order to help pay for tax cuts to high earners.
2. Withdraw the selective tax cuts proposed from November apart from the 1p income tax cut, and ensure the tax changes are fair to all.
3. Apply a further windfall tax on energy producing companies, in addition to the modest tax levied in the summer, in line with the tax asked for by council in its March motion.
4. Require Ofgem to review and reduce the electricity price formula to give all energy users a fairer deal, by ending their approach of basing it on the most expensive route to generate electricity, which is currently gas.

A copy of the motion will be sent to the Prime Minister and Chancellor of the Exchequer, and forwarded to our local MPs, asking that they support its proposals and comment in response.

Resolved (by 35 votes to 0) to support the motion.

7d Councillor Holloway and Councillor Pounds - Private Rental Sector in Cambridge

Councillor Holloway proposed and Councillor Pounds seconded the following motion:

The Council Notes

1. That according to research by Savills in 2021, 42% of households in Cambridge live in private rented accommodation.
2. That the strong rental market in Cambridge has led to high rental prices in the city, as displayed by Savills research from Aug 2020-21 where average rental prices increased by 4.1% in a year.
3. The City Council's 2019 review of homelessness and rough sleeping found that one of the most common causes of people becoming homeless in Cambridge were because of the loss of a private rented home.
4. The 2021 Census showed that Cambridge's population has been growing at almost three times the national average during the past decade (17.6% since 2011).
5. According to Government research, '*many low income households may have little choice over which property to rent because of the budget they have available*'. While 1/3 of privately rented homes in the UK don't meet the government's Decent Homes Standard.
6. Requests to Citizens Advice Bureau regarding help for private tenants are most typically about 'repairs and maintenance', 'rents and other charges' and 'tenancy deposit protection'.

The Council Believes

1. Having a safe, secure and affordable home is vital.
2. That with such a growing population, house prices rising even faster, and without adequate funding for the council and housing associations to build affordable housing, the private rental sector in Cambridge is going to continue growing.
3. Tenants who may have little choice over rental properties may feel reluctant to complain about housing problems because they fear being evicted or are restricted by their budgets.
4. That as a city we should aspire for all residents to be living in safe, legal and adequate homes.
5. That working closely with private renters in Cambridge will allow us to better identify issues which can be addressed collaboratively.

The Council Resolves

1. To convene a Private Renters' Forum to consult with private tenants in the city, including stakeholder groups such as ACORN, Students' Unions and Citizens Advice Bureau.

2. To notify Councillors at an All Member Briefing on plans for the Forum, and ensure information about the forum is shared widely.
3. Through the Forum, work with private renters to discuss how the Council can best support and advocate for private renters in the city.
4. To re-consider the need for a Selective Landlord Licensing Scheme in the light of the 2021 census data when it becomes available.
5. To continue to put high priority on work to ensure that all HMOs in the city are inspected, improved if needed, and licensed.
6. To ensure the relevant information on the Council's website (currently listed here: www.cambridge.gov.uk/private-rented-accommodation) is reviewed and promoted.
7. To look into providing resources in other languages which are spoken in the city.
8. To continue working via the Council's Landlord Steering Group to reach out to landlords in the city and ensure there is always private tenant representation on the Landlord Steering Group, either through ACORN or other local organisations.

Councillor Porrer proposed and Councillor Lee seconded the following amendment to motion (deleted text ~~struck through~~ and additional text underlined):

The Council Notes

1. That according to research by Savills in 2021, 42% of households in Cambridge live in private rented accommodation.
2. That the strong rental market in Cambridge has led to high rental prices in the city, as displayed by Savills research from Aug 2020-21 where average rental prices increased by 4.1% in a year.
3. The City Council's 2019 review of homelessness and rough sleeping found that one of the most common causes of people becoming homeless in Cambridge were because of the loss of a private rented home.
4. The 2021 Census showed that Cambridge's population has been growing at almost three times the national average during the past decade (17.6% since 2011).
5. According to Government research, '*many low income households may have little choice over which property to rent because of the budget they have available*'. While 1/3 of privately rented homes in the UK don't meet the government's Decent Homes Standard.

6. Requests to Citizens Advice Bureau regarding help for private tenants are most typically about 'repairs and maintenance', 'rents and other charges' and 'tenancy deposit protection'.

The Council Believes

1. Having a safe, secure and affordable home is vital.
2. That with such a growing population, house prices rising even faster, and without adequate funding for the council and housing associations to build affordable housing, the private rental sector in Cambridge is going to continue growing.
3. Tenants who may have little choice over rental properties may feel reluctant to complain about housing problems because they fear being evicted or are restricted by their budgets.
4. That as a city we should aspire for all residents to be living in safe, legal and adequate homes.
5. That working closely with private renters in Cambridge will allow us to better identify issues which can be addressed collaboratively.

The Council Resolves

1. To convene a Private Renters' Forum to consult with private tenants in the city, including stakeholder groups such as ACORN, Students' Unions and Citizens Advice Bureau.
2. To notify Councillors at an All Member Briefing on plans for the Forum, and ensure information about the forum is shared widely.
3. Through the Forum, work with private renters to discuss how the Council can best support and advocate for private renters in the city.
4. To re-consider the need for a Selective Landlord Licensing Scheme in the light of the 2021 census data when it becomes available. To review progress on the targeted measures adopted by the council in 2021 to uphold acceptable standards in the Private Rental Sector following the clear conclusion of the report prepared for the council at that time that circumstances in Cambridge would not support a Selective Landlord Licensing Scheme under current legislation;
5. To continue to put high priority on work to ensure that all HMOs in the city are inspected, improved if needed, and licensed.
6. To ensure the relevant information on the Council's website (currently listed here: www.cambridge.gov.uk/private-rented-accommodation) is reviewed and promoted.
7. To look into providing resources in other languages which are spoken in the city.
8. To continue working via the Council's Landlord Steering Group to reach out to landlords in the city and ensure there is always private tenant

- representation on the Landlord Steering Group, either through ACORN or other local organisations;
9. To support moves to address the supply of decent and affordable private rental homes by making the most of the opportunity under our Housing Strategy and new Local Plan for the provision of new, modern, purpose-built rental accommodation with fair service charges, and to maximise use of enforcement powers to control losses through the conversion of existing homes to short term lets (Airbnb-like), whilst actively seeking improved powers to do so more effectively in future.

On a show of hands the amendment was lost by 13 votes to 23.

Resolved (unanimously) that:

The Council Notes

1. That according to research by Savills in 2021, 42% of households in Cambridge live in private rented accommodation.
2. That the strong rental market in Cambridge has led to high rental prices in the city, as displayed by Savills research from Aug 2020-21 where average rental prices increased by 4.1% in a year.
3. The City Council's 2019 review of homelessness and rough sleeping found that one of the most common causes of people becoming homeless in Cambridge were because of the loss of a private rented home.
4. The 2021 Census showed that Cambridge's population has been growing at almost three times the national average during the past decade (17.6% since 2011).
5. According to Government research, '*many low income households may have little choice over which property to rent because of the budget they have available*'. While 1/3 of privately rented homes in the UK don't meet the government's Decent Homes Standard.
6. Requests to Citizens Advice Bureau regarding help for private tenants are most typically about 'repairs and maintenance', 'rents and other charges' and 'tenancy deposit protection'.

The Council Believes

1. Having a safe, secure and affordable home is vital.
2. That with such a growing population, house prices rising even faster, and without adequate funding for the council and housing associations to

build affordable housing, the private rental sector in Cambridge is going to continue growing.

3. Tenants who may have little choice over rental properties may feel reluctant to complain about housing problems because they fear being evicted or are restricted by their budgets.
4. That as a city we should aspire for all residents to be living in safe, legal and adequate homes.
5. That working closely with private renters in Cambridge will allow us to better identify issues which can be addressed collaboratively.

The Council Resolves

1. To convene a Private Renters' Forum to consult with private tenants in the city, including stakeholder groups such as ACORN, Students' Unions and Citizens Advice Bureau.
2. To notify Councillors at an All Member Briefing on plans for the Forum, and ensure information about the forum is shared widely.
3. Through the Forum, work with private renters to discuss how the Council can best support and advocate for private renters in the city.
4. To re-consider the need for a Selective Landlord Licensing Scheme in the light of the 2021 census data when it becomes available.
5. To continue to put high priority on work to ensure that all HMOs in the city are inspected, improved if needed, and licensed.
6. To ensure the relevant information on the Council's website (currently listed here: www.cambridge.gov.uk/private-rented-accommodation) is reviewed and promoted.
7. To look into providing resources in other languages which are spoken in the city.
8. To continue working via the Council's Landlord Steering Group to reach out to landlords in the city and ensure there is always private tenant representation on the Landlord Steering Group, either through ACORN or other local organisations.

22/45/CNL Written questions

Members were asked to note the written questions and answers that had been placed in the information pack circulated around the Chamber.

22/46/CNL Officer Urgent Decision

22/47/CNL Cambridgeshire and Peterborough Combined Authority - Appointment of the Council's Substitute Member

The urgent decision was noted.

The meeting ended at 11.17 pm

CHAIR



Item

**RECOMMENDATION TO COUNCIL
EXECUTIVE COUNCILLOR FOR HOUSING –
COUNCILLOR BIRD**

2023/24 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

To:

Councillor Gerri Bird, Executive Councillor for Housing

Report by:

Julia Hovells, Assistant Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@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

Key Decision

1. Executive Summary

- 1.1 As part of the 2023/24 budget process, the range of assumptions upon which the HRA Business Plan and Medium Term Financial Strategy were based, have been reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.

- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals and is the basis for the finalisation of the 2023/24 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA Budget Setting Report was presented to Housing Scrutiny Committee on 24 January 2023, to allow consideration and scrutiny of proposals for both the review of rents and service charges and the revenue bids and savings, which form part of the HRA budget. The Executive Councillor for Housing approved rents, service charges and the HRA revenue budget, after consideration of any budget amendments for the Housing Revenue Account.
- 1.5 The Housing Scrutiny Committee also considered and scrutinised the Housing Capital Investment Plan, including capital bids and all associated funding proposals, prior to the Executive Councillor for Housing making final capital recommendations for approval at this meeting of Council.
- 1.6 However, an amended version of the HRA Budget Setting Report is presented to Council, recognising a number of key changes:
 1. Reflecting the financial impact of an urgent decision made post Housing Scrutiny Committee, approving the acquisition or development of at least 30 homes to accommodate Ukrainian or Afghan refugees, subject to receipt of grant funding from Department for Levelling Up, Housing and Communities (DLUHC) to part fund the programme (see section 5, page 53 and appendices E, H and K, of the HRA Budget Setting Report).
 2. Inclusion of £1,000,000 of Department for Business, Energy and Industrial Strategy (BEIS) Capital Investment Fund Grant funding towards the land assembly costs for the scheme at Fanshawe Road, which was awarded after publication of the original HRA Budget Setting Report (see section 5, page 50 and appendices H and K, of the HRA Budget Setting Report).
 3. Draw down from the unallocated new build budget, and separate identification of £2,000,000 in 2023/24 to allow strategic acquisition of property on potential future redevelopment sites to

ensure best value is achieved in the marketplace (see appendices E, H and K, of the HRA Budget Setting Report).

4. Confirmation that Homes England Grant has been awarded for the schemes at Aragon Close and Sackville Close (see section 5, page 47 and 49 of the HRA Budget Setting Report).
5. Technical amendment to defer the use of the ear-marked reserve for debt redemption or re-investment in new homes, in line with the changes made to the use of revenue financing of capital expenditure in the original HRA Budget Setting Report (see appendices D(1), D(2) and J, of the HRA Budget Setting Report).
6. Reflecting the intention to re-phase £400,000 of resource from 2022/23 into 2023/24 in respect of communal door replacement, and not doors to individual properties, as had been incorrectly represented in some places in the original HRA Budget Setting Report (see appendices K of the HRA Budget Setting Report).

2. Recommendations

The Executive Councillor, is recommended to:

Revenue – HRA

Revised Budget 2022/23:

- a) Approve the Revised Budget identified in Section 4 and Appendix D (1) of the HRA Budget Setting Report, which reflects a net reduction in the use of HRA reserves for 2022/23 of £4,327,200.

Budget 2023/24:

- b) Approve any Non-Cash Limit items identified in Section 4 of the HRA Budget Setting Report or shown in Appendix D (2) of the HRA Budget Setting Report.
- c) Approve any Savings, Increased Income, Unavoidable Revenue Bids, Reduced Income Proposals and Bids, as shown in Appendix D (2) of the HRA Budget Setting Report.

- d) Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2022/23 to 2027/28 shown in Appendix J of the HRA Budget Setting Report.

Council is recommended to:

Treasury Management

- e) Approve the revised need to borrow over the 30-year life of the business plan, with the first instance of this anticipated to be in 2023/24, to sustain the proposed level of investment, which includes ear-marking funding for delivery of the 10 Year New Homes Programme.
- f) Recognise that the constitution delegates Treasury Management to the Head of Finance (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on borrowing, investment or financing shall be delegated to the Head of Finance, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- g) Recognise that the decision to borrow significantly to build new homes impacts the authority's ability to set-aside resource to redeem the HRA Self-Financing debt at the point at which the loan portfolio matures, with the need to re-finance debt in the latter stages of the business plan.

Housing Capital

- h) Approve capital bids, as detailed in Appendix D (3) and Appendix E of the HRA Budget Setting Report.
- i) Approve the latest Decent Homes and Other HRA Stock Investment Programme, to include re-phasing of elements of the programme into later years, as detailed in Appendix E of the HRA Budget Setting Report.
- j) Approve the latest budget sums, profiling and associated financing for all new build schemes, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- k) Approve the allocation of £10,964,000 of funds from the budget ear-marked for the delivery of new homes into a scheme specific budget for

East Road, in line with the scheme specific report presented as part of the committee cycle.

- l) Approve the allocation of £11,387,366 000 of funds from the budget ear-marked for the delivery of new homes into a specific budget to allow the acquisition or development of a minimum of 30 homes for Ukrainian and Afghan refugees in 2023/24, subject to final award of DLUHC grant of £4,968,683, with the original funding for new homes replaced in later years of the programme.
- m) Approve the allocation of £2,000,000 of funds from the budget ear-marked for the delivery of new homes into a specific budget for the acquisition of existing homes on potential future development sites.
- n) Approve the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.

General

- o) Approve inclusion of Disabled Facilities Grant expenditure and associated grant income from 2022/23 onwards, based upon 2022/23 net grant awarded, with approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants in any year, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- p) Approve delegation to the Head of Finance, as Section 151 Officer, to determine the most appropriate use of any additional Disabled Facilities Grant funding, for the wider benefit of the Shared Home Improvement Agency.
- q) Approve delegation to the relevant Director to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any recommendations made by the Shared Home Improvement Agency Board.
- r) Approve delegation to the relevant Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserves for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build

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

- s) Approve delegation to the Head of Finance, as Section 151 Officer, to make any necessary technical amendments to detailed budgets in respect of recharges between the General Fund and the HRA, with any change in impact for the HRA to be reported and incorporated as part of the HRA Medium Term Financial Strategy in September 2023.
- t) Note the result of the Homes England Compliance Audit in respect of rough sleeper property acquisitions at confidential Appendix M, recognising there is no corrective action to be taken.

3. Implications

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

(a) Financial Implications

The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2023/24, appended to this report, for consideration by Council.

(b) Staffing Implications

Any direct staffing implications are summarised in the HRA Budget Setting Report 2023/24, appended to this report.

(c) Equality and Poverty Implications

An Equalities Impact Assessment has been undertaken in respect of new budget proposals where any impact (positive or negative) is anticipated. The consolidated assessment is presented at Appendix L of the HRA Budget Setting Report.

(d) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2023/24, appended to this report.

(e) Procurement Implications

Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) Community Safety

Any community safety implications are outlined in the HRA Budget Setting Report 2023/24, appended to this report.

4. Background papers

Background papers used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2022/23

Housing Revenue Account Medium Term Financial Strategy 2022/23

5. Appendices

The Housing Revenue Account Budget Setting Report 2023/24 is appended to this report.

6. 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 and Business Manager

Telephone: 01223 – 457248 or email: julia.hovells@cambridge.gov.uk.

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Version 3
Council Final

Housing Revenue Account Budget Setting Report 2023/24



February
2023

Version Control

Version	for:	Anticipated Content
1	Draft	Draft content for consultation
2	Housing Scrutiny Committee 24 January 2023	Member Scrutiny Tenant and Leaseholder Representative Input Amendments to Executive proposals Opposition budget amendment proposals Rents and Service Charges approved Revenue budgets considered and approved
3	Council Meeting 23 February 2023	The Executive Councillor for Housing's recommended final budget proposals Capital budgets considered and approved
4	FINAL	Final version for publication following Council

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Section 1

Introduction

Foreword by the Executive Councillor

As reported in the Housing Revenue Account Medium Term Financial Strategy, the HRA continues to face significant financial challenges as a result of interest rate rises, the unexpected high rate of inflation, and the need to comply with changes to policy from central government.

We are also still living with the consequences of COVID, which has generated a backlog in our maintenance list that is taking time to deal with, especially as lead times for materials have increased.

Setting rent levels for our tenants is one of the most important elements of the budget process. While the maximum rise was capped at 7% following the government consultation process, we decided that a 5% increase struck the right balance to enable us to carry out vital programmes of work without making things too difficult for tenants. Around 60% of our over 7,000 tenants receive some form of help with their rent, and this may rise after the rent increase.

At this level of rent increase we will be able to make significant progress in improving the energy efficiency of any of our homes that are currently below C for their energy performance. We will have all 1,700 remaining homes improved to EPC 'C' by 2035 and as well as being important for our net zero plans, this will reduce energy bills for tenants.

We continue to invest in new housing stock and have 475 homes currently on site, with more planned. We have revised our Ten Year New Homes Programme because of the significant increase in borrowing costs and the worsening economic situation, while retaining our ambition to build one thousand new homes over a longer timescale.

As a social housing tenant myself, I appreciate the need for a good landlord who will respond quickly and carry out repairs properly first time, and we aim for this. I don't expect the landlord to do everything – a tenancy is a two-way thing – but we can help tenants understand what is needed of them.

This is really clear when it comes to damp, mould and condensation (DMC). Fewer than 1% of our properties have DMC issues, but we are anticipating an increase due to both increased energy costs and cost of living. Since spring, officers have been working on a programme of insulation improvements, including sensors to assess humidity and temperature, and as soon as someone complains of a case of damp, they jump on it.

DMC is often caused by real problems with the building, but it can be made worse by the way people use the space, for example covering air vents and turning off extractor fans. Where problems can be solved by changing behaviour, we are advising tenants on the best things to do.

The stock condition survey has been very successful in identifying issues with housing stock and also opportunities to help tenants. Officers are also going round every council house over the next few years as part of our tenancy audit process, to check the property looking for issues with building and spotting things we can help with like improving access. We have had a very positive response, and I commend officers for getting ahead of the problems.

Finally, I'd like to thank officers and our tenant and leaseholder representatives for their continued commitment and support.

Councillor Gerri Bird

Executive Councillor for Housing

Background

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

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

The level of resource available to invest in housing is dependent upon the income streams in the Housing Revenue Account, with rental income for the housing stock being the key contributor to this. The HRA can borrow to invest in housing, but the income stream must be able to fully support the borrowing. The authority is currently required to comply with a national approach to rent setting, where rents can be increased annually by up to inflation (as measured by the Consumer Price Index) plus 1%. This applies from April 2023, and for a further year, although government have imposed a cap at 7% for the 2023/24 rent increase due to the high levels of current inflation.

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

- The level of investment required to maintain decency in the existing housing stock
- The need to spend on landlord services (management and maintenance)
- The need to support, and potentially set-aside for repayment of, housing debt
- The ability to identify resource for investment in new affordable housing
- The commitment to reach net zero carbon in Cambridge by 2050.
- The desire to invest in income generating activities and discretionary services (i.e.; support)
- The ability to respond quickly to changes in both housing and building legislation

The HRA must be able to support a significant level of housing debt whilst also ensuring the ongoing delivery of housing services. On 1 April 2022, the authority supported a net housing debt of £211,705,958.

Purpose and Scope

Both the HRA Medium Term Financial Strategy and the HRA Budget Setting Report review internal and external factors impacting the housing service, taking account of any emerging changes in national housing policy, health and safety and building safety requirements, changes in risk profile and the impact of any anticipated change in the economic climate. The review undertaken in the autumn of each year determines the financial strategy for the HRA and the framework for the detailed budget work to develop proposals for the coming budget year. As part of the Budget Setting Report, consideration is given to whether any aspects of the strategy need to be revised and sensitivity analysis is undertaken to ensure that effective contingency plans are considered and that appropriate reserves are maintained in light of any change in assumptions.

This document, provides the basis for setting the HRA budget and rents and charges for 2023/24, culminating in recommendations to both Housing Scrutiny Committee on 24 January 2023, and ultimately Council on 23 February 2024.

The work on the 2023/24 HRA Budget Setting Report adopts the following key parameters:

- A financial model assuming borrowing in order to deliver new homes alongside maintaining and improving the existing housing stock.
- A rent increases of 5% for 2023/24, which is below the government cap of 7%, followed by an increase of CPI plus 1% for 2024/25, in line with the Rent Standard.
- Housing stock maintained at a minimum of the current decency standard, with investment in respect of energy efficiency improvements being a key priority.
- An efficiency savings target of £180,000 per annum included for 5 years, offset by a corresponding Strategic Investment Fund that allows resource to be re-invested in new and emerging priorities.
- Adjustment to responsive repairs expenditure in line with anticipated stock changes.
- Minimum working balance for reserves of £2m, with a target level of £3m.

Section 2

Review of National and Local Policy Context and External Factors

Review of National Policy Context

National Rent Setting Policy

Local authority rents are regulated by the Regulator of Social Housing, alongside housing associations and other registered providers.

Rent increases have been limited to an increase of up to CPI (based upon CPI at the preceding September) plus 1% each year since April 2020. This was intended to be for a period of 5 years, but the current high levels of inflation prompted a government consultation seeking views on the intention to cap rent increases for 2023/24 at 5%, but with a 7% cap being the outcome of the consultation, recognising the increased costs being borne by social housing landlords, the need to improve energy efficiency in rented homes and the need for more affordable housing.

Properties below target rent levels move directly to target rent only when they become void. Target rents continue to be set with reference to January 1999 property values.

Affordable rent increases are subject to the same constraints as social rents, but with the ability to re-set the rent at up to 80% of market rent upon re-let.

The Charter for Social Housing Residents

The Charter for Social Housing Residents sets out what every social housing tenant should be able to expect:

- To be and feel safe in your home
- To have information from your landlord about the services they provide
- To have any complaints dealt with quickly and fairly
- To be treated with respect
- To be able to speak up and have your voice heard
- To have a good quality home and neighbourhood to live in
- To be supported to be able to own your own home

The government launched a Social Housing Quality Resident Panel in March 2022 to involve residents in shaping the future of social housing and published data on the panel membership in August 2022.

We await the introduction of legislation to fulfil the commitments of the charter and to improve the regulation of social housing, to strengthen the rights of tenants and ensure better quality, safer homes.

The government has committed to halving the number of non-decent social homes by 2030 requiring social housing landlords to install smoke alarms and carbon monoxide alarms by October 2022. The government has also concluded stage 1 of the Decent Homes Standard Review with the expectation that stage 2 will now seek to deliver a refreshed Decent Homes Standard by the end of 2022.

The Regulator of Social Housing has consulted on the proposed tenant satisfaction measures to both inform regulation and help tenants hold their landlords to account, with the outcome of the consultation now published. From April 2023 all registered providers of social housing will be required to collect and publish a range of comparable information in areas such as repairs, safety checks and complaints

Welfare Reforms

Universal Credit

New tenants, and existing tenants who have a change in circumstances, now need to apply for Universal Credit, unless in temporary or supported accommodation. Tenants in temporary,

specified or supported accommodation continue to receive Housing Benefit for their housing costs.

The authority had an estimated 2,034 HRA tenants identified as claiming Universal Credit at the end of October 2022, based upon accounts that have been flagged in the Housing Management Information System. This will not be 100% accurate as the data is reliant upon the authority being notified by the tenant that they are in receipt of Universal Credit or have ceased to be eligible, or by the DWP, who requires landlords to validate the sums being stated in a new or re-assessed claim.

Between now and 31 December 2024, a process of managed migration will begin to move the remaining Housing Benefit claimants to Universal Credit, with completion of the transition for all by 31 March 2025.

Other Benefit Changes

The Benefit Cap and removal of the spare room subsidy still continue to impact residents, with some claimants receiving short term Discretionary Housing Payments (DHPs) to support them until they are able to gain employment, improve their financial circumstances or move to more suitable accommodation. The HRA retrains a budget (£24,440 for 2023/24) to provide financial support and incentive to assist tenants in downsizing. In order to support more tenants to downsize using this funding, those in receipt of DHP are also eligible to have the removal costs associated with downsizing met through DHP funding, leaving the HRA funding available to support other tenants who wish to downsize.

Right to Buy

Right to Buy Sales

During 2021/22, 89 right to buy applications were received and recorded, resulting in 34 completions. This compares to 65 applications in the previous year, which gave rise to 16 completions, where delay in completions was caused by the coronavirus pandemic. In the first 7 months of 2022/23, 44 right to buy applications were received with 18 sales completed. This

indicates a steady continued interest in the scheme, with activity to date only marginally lower than that of the previous financial year.

In the HRA Medium Term Financial Strategy the assumption of 25 sales per annum from 2023/24 onwards was retained, but with 32 sales assumed in 2022/23. For the HRA Budget Setting Report, 25 sales continue to be assumed from 2023/24 and beyond, as the current cost of living crisis and increase in interest rates is expected to dampen the current level of activity marginally,

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

Status	Year	Right to Buy (RTB)			Total
		House	Flat	Bedsit	
Actual Sales	2017/18	26	20	1	47
	2018/19	13	14	0	27
	2019/20	14	15	0	29
	2020/21	10	6	0	16
	2021/22	18	15	1	34
Estimated Sales	2022/23	16	16	0	32
	2023/24	13	12	0	25
	2024/25	13	12	0	25
	2025/26	13	12	0	25
	2026/27	13	12	0	25

Right to Buy Receipts

At 31 March 2022, the authority held £7,243,745 of right to buy receipts under the retention agreement with the Department for Levelling Up, Housing and Communities (DLUHC), now to be spent within 5 years of their original receipt date, with a maximum of 40% of any new dwelling now able to be funded via this mechanism. The balance must be funded from Devolution Grant, the Council's own resources, or through borrowing. Retained right to buy receipts can't be used to fund replacement dwellings or dwellings receiving any other form of public subsidy but can now be utilised in the delivery of shared ownership homes. With the Bank of England base rate currently at 3%, the highest since 2008, any penalty interest payable on receipts not re-invested appropriately will be at the rate of 7%.

A cap also applies now in relation to the reinvestment of right to buy receipts in the form of acquisitions from the open market. The cap is being phased in between 2022/23 and 2024/25, with a cap of 50% reducing to 30% over this period, but with the first 20 units of delivery excluded from the cap altogether.

The quarterly deadlines for reporting expenditure against targets no longer exist and have been replaced with an annual financial return. On a quarterly basis, only performance data in respect of starts on site is required.

Appendix G summarises the latest position in respect of receipts held and appropriately re-invested. With the new 5-year timescales for reinvestment the authority is not currently at risk of breaching any deadlines and therefore expects to avoid payment of any penalty.

Newly arising receipts continue to be retained, with any decision to pay over receipts to DLUHC made by the Head of Finance, in consultation with the Strategic Director, taking into consideration any need to borrow to appropriately re-invest the resource and the implications of this on the business plan. The Executive Councillor for Housing will be informed if the recommendation were to be to pay receipts directly back to Central Government.

Review of Local Policy Context

Housing Stock

The Housing Revenue Account owns and manages the following properties:

Housing Category	Actual Stock Numbers as at 1/4/2022	Estimated Stock Numbers as at 1/4/2023
General Housing – Social Rent	6,008	5,928
General Housing – Affordable Rent	479	750
Sheltered Housing	514	522
Supported Housing	17	17
Temporary Housing (Individual Units)	92	98
Temporary Housing (HMO's / EA)	26	26
Miscellaneous Leased Dwellings	19	19
Sub Total Rented Dwellings	7,155	7,360

Shared Ownership Dwellings	91	91
Total Dwellings	7,246	7,451

The number of properties anticipated to be held by 1/4/2023 is higher than the number held at 1/4/2022, with the authority taking hand over of more new homes than those lost through either right to buy or demolition for redevelopment.

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

Property Type	Actual Stock Numbers as at 1/4/2022	Estimated Stock Numbers as at 1/4/2023
Bedsits	94	94
1 Bed	1,751	1,868
2 Bed	2,531	2,614
3 Bed	2,240	2,237
4 Bed	107	107
5 Bed	7	7
6 Bed	2	2
Sheltered Housing	514	522
Total Dwellings	7,246	7,451

Leasehold Stock

At 1st April 2022, the Council retained the freehold and managed the leases for 1,191 leasehold flats.

Housing Demand

The mix of new housing delivered by the Housing Revenue Account is influenced by a combination of the need as identified by the housing register locally, the housing requirements of those accommodated as homeless and strategic forecasts of future housing need.

Cambridge City Council had 2,256 households on the housing register at the end of September 2022. 507 applicants were housed in 2021/22, with the majority (86%) of lettings being to applicants at band A or B.

The greatest demand for housing is still one and two bedrooled properties, with one-bed applicants accounting for 55% of the register, two-bed applicants 25%, three-bed applicants 16% and 4% of applicants waiting for properties with 4 or more bedrooms.

Applicants are banded according to housing need. Band A represents the highest housing need, making up approximately 10% of the register. Band B applicants represent approximately 26%, band C 36% and band D 28% at the end of September 2022.

Support for Vulnerable People

The Housing Service has a Tenancy Support Team, with three full time equivalent staff employed to help and support tenants, with a focus on supporting the more vulnerable tenants in council homes to help them sustain their tenancies and two part-Neighbourhood Support Officers supporting specific residents in new homes, The HRA also employs two permanent Financial Inclusion Officers and a dedicated Assistant Housing Officer who work with tenants to ensure that they are receiving all the financial support to which they are entitled.

Cambridge City Council expects to continue to be engaged by the County Council for the delivery of tenure neutral support services to older people across the city as a whole, with a new contract anticipated to be in place shortly. The contract sum is currently £183,600 per annum.

External Factors

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

Inflation Rates

The base rate of inflation used to drive expenditure assumptions in the HRA financial forecasts is the Consumer Price Index (CPI). The last 2 years have been particularly volatile, with rates ranging from 0.2% in August 2020 as a result of the early impact of the coronavirus pandemic lockdowns up to 11.1% by October 2022, contributed to by increased energy prices.

The Bank of England's Monetary Policy Report of November 2022 forecast a level of CPI in quarter 4 of each year at 10.9% for 2022, 5.2% for 2023, 1.4% for 2024 and 0% by 2024. The over-arching view is that inflation will reduce to below the target of 2% in the medium term.

The Office of Budgetary Responsibility (OBR), in their Economic and Fiscal Outlook in November 2022, forecast an increase in CPI during 2022 to 9.1%, reducing to 7.4% in 2023, 0.6% in 2024, and -0.8% in 2025 before beginning to climb again over the following two years back towards the target level of 2%.

The HRA Medium-Term Financial Strategy allowed 9.4% inflation for 2023/24, returning to the target of 2% from 2024/25.

Taking account of recent views of both the Bank of England and the OBR it is considered prudent to retain the assumption of a return to the target level of 2% inflation in the HRA business planning assumptions from 2024/25 onwards. This will be reviewed again as part of the HRA Medium Term Financial Strategy in September 2023.

The assumptions surrounding building maintenance expenditure inflation are derived from a mix of forecast using the RICS (Royal Institution of Chartered Surveyors) Building Cost Information Service (BCIS) all in tender price index and CPI. The Fosters contract is a lump sum priced contract, which adopts CPI as the measure of inflation. The TSG contract, which was recently re-procured with the incumbent supplier being re-appointed, is a target price contract, which adopts the BCIS as its measure of inflation. It should be recognised that the contract prices which the authority will initially pay under the new contract are likely to be driven by anticipated increases in the building cost inflation indices and the industry predictions of what might happen to these over the minimum 5-year contract term. The impact of this will need to be incorporated as part of the HRA Medium Term Financial Strategy in September 2023. Other specialist contractors will price work on a project basis, also taking account of industry forecasts.

The latest projections for the BCIS Index over the next 5 years currently predict a growth rate of 7.4% by 2023, with forecasts of 5.9%, 4.5%, 3.4% and 2.3% over the following 4 years. Taking an average of these rates of growth for the forecast five years gives rise to an annual increase of 4.7%. This has increased marginally since the last projections, with material and labour shortages

and increased utility costs pushing up contract prices, particularly in the short-term. This rate is adopted for new build housing investment.

On a similar average basis, the assumptions we are adopting for CPI over the same period are 3.48%, a difference of 1.22%.

Recognising the continued mix of inflation drivers using both CPI and the BCIS indices, the assumption has been made that 50% of the work programme will be subject to the BCIS indices and 50% by the rate of CPI for the next 5 years. A blended rate of 4.09% (average CPI plus average BCIS divided by 2) has therefore been incorporated into the business plan forecasts for this period, reverting to standard CPI after this,

The pay award from April 2022 has now been agreed, with a flat rate of £1,925 per full time equivalent employee across all pay grades. This was incorporated into the assumptions in the Medium Financial Strategy, prior to acceptance of the offer.

Pay inflation has been incorporated at 3% for 2023/24, before returning to the previous assumption of 2% from 2024/25. The allowance for incremental progression has been retained at 1% per annum, recognising staff retention figures and the number of staff who are currently paid at the top of their pay scale.

Interest Rates

The Housing Revenue Account is entitled to claim a proportion of interest earned on cash balances invested by the authority. The rate of interest assumed for 2022/23 in the HRA Budget Setting Report was 0.6%, based upon the HRA clawing back interest from the General Fund on investments with minimal risk. The actual average rate of interest earned on investments that benefited the HRA for 2021/22 was 0.24%.

Over the last 12 month, the Bank of England base rate has risen, with the latest rise to 3% on 3 November 2022 taking the rate to the highest it has been since 2008. The increase in the base rate has resulted in the authority beginning to realise higher rates of interest on its investments.

Based upon the current levels of interest being achieved on investments and taking account of industry projections, an increased rate of 1.6% has been adopted for 2022/23, rising to 2% from 2023/24 onwards. The interest rate assumptions are included in **Appendix A**.

In respect of existing HRA borrowing, the self-financing loan portfolio with the Public Works Loans Board of £213,572,000 remains, with rates of between 3.46% and 3.53%.

With no cap on HRA borrowing, subject to financial viability and the ability to support the borrowing, the authority can borrow to invest in the provision of affordable housing with no external constraint.

The Local Authority Investment Guidance continues to be a risk to HRA borrowing, stating that where an authority invests in any 'investment asset primarily for yield', they will not be able to access loans from the PWLB in the financial year in which it makes this investment. A 3 year capital investment strategy must be submitted to be able to borrow, and the Section 151 Officer is required to certify that none of the capital projects fall into this category. There is therefore the potential for any investment decisions made by the General Fund to detriment the HRA's ability to borrow from the PWLB in any given year. This would not stop the HRA borrowing but would mean that an alternative lending source would need to be identified, with rates potentially not being as preferential.

Any transfer of land or financial resource between the General Fund and the HRA to facilitate development continues to impact the HRA Capital Financing Requirement, effectively increasing borrowing, with such decisions to be made in the knowledge of the revenue impact of transferring the asset.

For business planning purposes, the assumption has previously been made that borrowing is externalised, with anticipated PWLB maturity loan rates for loans of a 30-year duration used. Due to a number of external factors, the PWLB borrowing rate has seen a marked increase over the last few months, as have all lending rates in the marketplace.

At the time of drafting this report a PWB rate of 4.25% (4.45% published rate less the 0.2% certainty rate discount) was available, compared with a rate of 3.46% assumed when the HRA Medium

Term Financial Strategy was drafted and 2.5% when the Budget Setting Report was produced last year. It should be noted that the PWLB rate is reviewed and can change twice each day.

The significant increase in borrowing rates over the last 12 months has a significant impact on the HRA business plan, particularly when combined with other assumption changes.

For the purpose of preparing the business plan, and to mitigate the daily rate fluctuations in PWLB rates, forecasts made by Link, the Council's treasury advisors are adopted, which project that PWLB 25 year lending rates will be 5.1% in December 2022, before declining slowly over 3 years to a forecast of just over 3% by September 2025.

Based upon these projections, revised rates of interest have been adopted for PWLB borrowing, using 4.6% for 2023/24, 3.8% for 2024/25 and 3.5% from 2025/26 and these have been incorporated into the borrowing assumptions, excluding the certainty rate for prudence.

This is a significantly more positive outlook than was anticipated during the earlier drafting of this report, but it must be noted that projections and forecasts are changing rapidly in the current economic climate and there is no guarantee that these interest rates will be available at the point at which the authority needs to borrow each year and plans, and decisions will need to be reviewed regularly to take account of this. The rates available currently are still far higher than those that have been available over the last few years but do seem to have stabilised over the last few weeks.

The HRA is also exploring a degree of internal borrowing from the General Fund, where the General Fund currently has reserves which could be utilised in this way. Any lending to the HRA would be managed through the Item 8 charge to the HRA and resource would need to be lent at an appropriate interest rate. The sums available and the rate would be charged are yet to be confirmed.

Section 3

Housing Revenue Account Resources

Rent

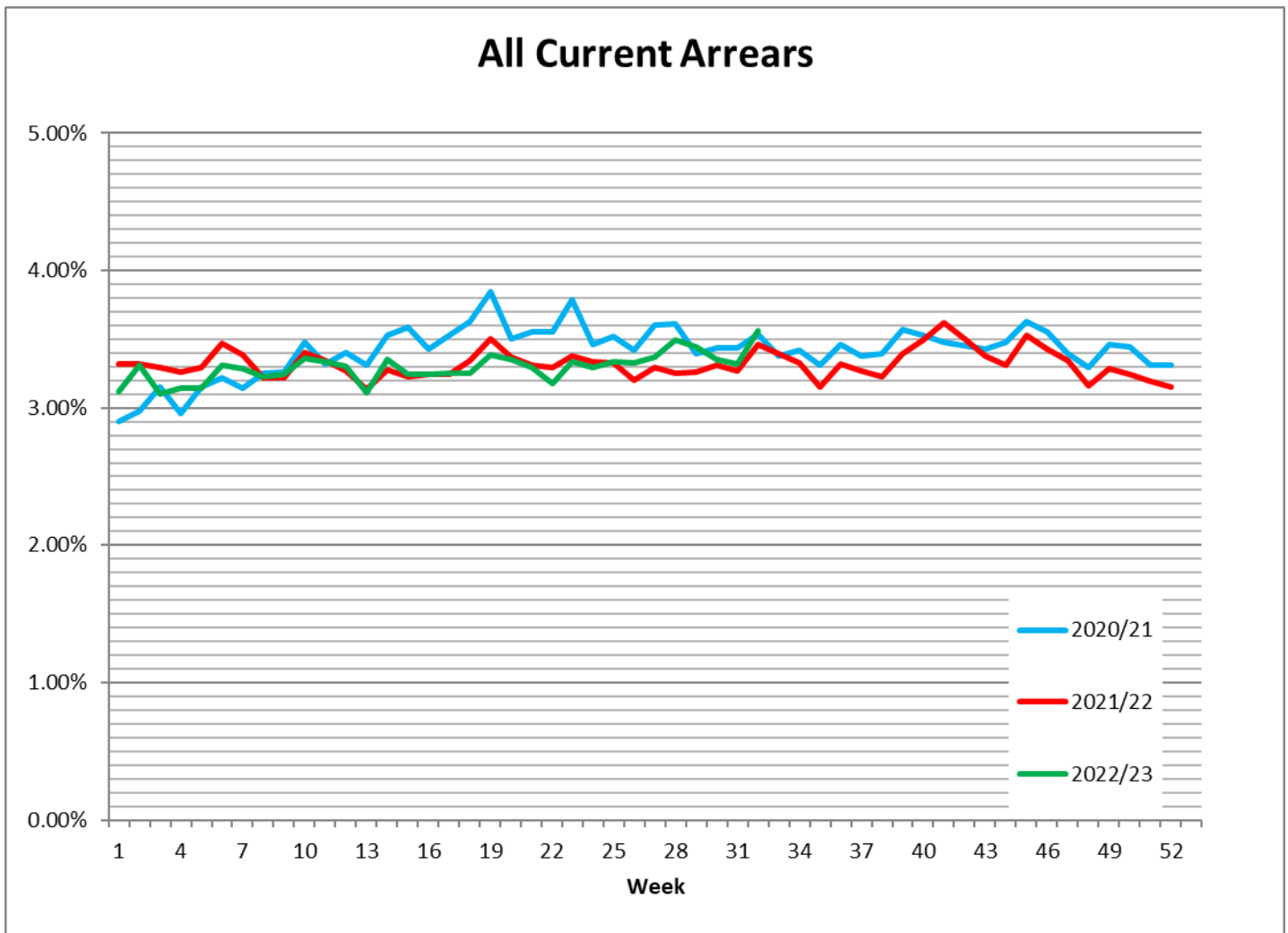
Rent Arrears, Bad Debt Provision and Void Levels

Rent collection performance was maintained during 2021/22, with 99.5% of the value of rent due, collected in the year, compared with 98.9% in the previous year.

Current arrears levels were maintained during 2021/22, with current tenant arrears of just over £1.3 million by 31 March 2022, as detailed in the table below. However, the level of former tenant arrears increased quite sharply to just over £1.1 million:

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2018	£779,904	1.96%	£871,620
31/3/2019	£776,961	1.93%	£932,156
31/3/2020	£1,091,161	2.70%	£915,585
31/3/2021	£1,374,167	3.30%	£925,982
31/3/2022	£1,337,622	3.14%	£1,121,082

In 2022/23 to date there has been an increase in current tenant arrears, which by the end of November 2022, stood at £1,499,036.56 whilst former tenant arrears had reduced marginally to £1,056,154.11. This demonstrates that the current economic climate is making it more challenging to recover tenant arrears.



The Income Management Team continue to work extensively with tenants and financial support providers to mitigate the impact of rent arrears for both tenants and the authority. The team continue to use the Income Analytics software, which facilitates improved arrears management and have recently implemented LIFT software, which combines financial data sets across the authority in an attempt to identify arrears risks and intervene to provide support before rent arrears prove a risk to the tenant's occupation of their home. The HRA hopes to see tangible benefits of being able to identify tenants who are not claiming all of the financial support to which they may be entitled and supporting them to do this.

Tackling former tenant arrears continues to be challenging. The dedicated fixed term officer employed to focus on former tenant arrears has succeeded in writing off over £242,000 in the first 8 months of 2022/23. Unfortunately, due to current tenancies in arrears coming to an end, the net reduction in former tenant arrears in the year to date has been only £64,928. Continuation of

the work to either collect or write off former tenant arrears is a critical aspect of managing the housing business and is something which saw some increased focus by our external auditors as part of auditing the 2021/22 accounts.

Debt that is not realistically collectable is routinely recommended for write off and provision is currently made in the Housing Revenue Account to write off 86.43% of former tenant debt. Any decision to do this is not taken until all avenues for collection have been exhausted.

At 31 March 2022 the total provision for bad debt stood at £1,965,939.96 representing 80% of the total debt outstanding.

Taking into account the value of the existing bad debt provision and recognising that current arrears levels have only risen marginally in 2022/23 to date, it is recommended to retain the ongoing assumption that the annual contribution into this reserve is set at 1.5% from 2022/23 onwards. This will be reviewed periodically, as more tenants transition to Universal Credit and the impact of the current cost of living crisis becomes clearer.

The value of rent not collected as a direct result of void dwellings in 2021/22 was £656,205 representing a void loss of 1.67%, compared with £613,999 in 2020/21 (1.58%).

Void levels have increased significantly in 2022/23 to date, with the void loss between April and October 2022 (7 months) being £627,749, representing a 2.63% void loss. A proportion of this relates to homes held intentionally vacant for redevelopment. A snapshot of the proportion of stock vacant at the end of October 2022 confirms that 2.19% of homes (159 homes) are unoccupied, but with 0.04% (3) of these being new homes awaiting their first let and 0.8% (58) of these held vacant for demolition. Decisions to redevelop existing homes, requiring them to be vacated prior to demolition, causes a temporary increase in the void performance statistics, until the entire site is vacated, and the homes are formally removed from stock.

With the impact of irregular void transactions removed from the statistics, the void performance in general voids for 2022/23 to date is an average void loss of 2.01%. Additional resource has been directed at tackling the current backlog of void property and subcontractors are being deployed to supplement our own workforce. A review of void processes has also been

conducted in an attempt to improve performance by the end of 2022/23. As a result of this, it is recommended to retain the voids assumption for 2022/23 at 2%, before returning to the longer-term assumption of 1% from 2023/24 in this iteration of the business plan.

Rent Restructuring and Rent Levels

The authority now lets wholly rented property on a number of differing rent levels, social rent, affordable rent linked to an inflated pre-COVID Local Housing Allowance, affordable rent set at 60% of market rent and also at 80% of market rent.

The average target 'rent restructured' rent at the start of 2022/23 across the general housing stock was £110.44, with the average actual rent charged being £106.99. By April 2022, 35.5% of the social rented housing stock was being charged at target rent levels, compared with 31.8% in April of the previous year. The loss of rental income that arises for the gap between actual and target rent levels in the general housing stock equates to an annual loss of income of approximately £1,201,000. The authority only has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, when a property becomes void, and actively continues to do this.

There were 536 new build rented and shared ownership properties charged at the higher 'affordable rent' levels at the end of October 2022.

The table below confirms the current average rent levels charged or assumed in financial modelling:

Property Size	2022/23 Published LHA Rate (not adopted by CCC unless lower than a 60% rent)	2020/21 Pre-COVID LHA rate inflated by 1.5% and 4.1% Used by CCC for 2022/23	Indicative Programme Average 2022/23 Rents at 60% of Market Rent	Indicative Programme Average 2022/23 Rents at 80% of Market Rent
Shared Room	97.00	86.53	N/A	N/A
1 Bed	178.36	143.69	160.72	215.53
2 Bed	195.62	165.26	182.18	248.54
3 Bed	218.63	192.04	204.83	281.44

Property Size	2022/23 Published LHA Rate (not adopted by CCC unless lower than a 60% rent)	2020/21 Pre-COVID LHA rate inflated by 1.5% and 4.1% Used by CCC for 2022/23	Indicative Programme Average 2022/23 Rents at 60% of Market Rent	Indicative Programme Average 2022/23 Rents at 80% of Market Rent
4 Bed	299.18	256.16	242.28	333.58

Rent Policy

The local rent setting policy was last updated and approved in September 2022. The policy outlines that affordable rented homes will be re-let at no more than or at no more than 60% of market rent or the current Local Housing Allowance, whichever is the lower, or at no more than 80% of market rent depending upon the category of housing they were built as. This ensures compliance with both government policy and the Greater Cambridge Housing Strategy.

As part of this iteration of the business plan it is identified that there a commitment to moving affordable rented homes let under the old inflated pre-COVID Local Housing Allowance rates, when they become vacant and are re-let, to affordable rents at 60% of market rent or the current Local Housing Allowance, whichever is lower, to be consistent with the Greater Cambridge Housing Strategy and associated Affordable Rents Policy. This will also ensure that over time we move away from these rents being set a locally derived rate that no longer fits within our Rent Policy. New build homes where letting has not begun will also be introduced at 60% of market rent as opposed to the old inflated pre-COVID Local Housing Allowance rates.

Rent Setting

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

From April 2023, under the current government Rent Standard, the authority would be expected to increase rents by up to a maximum of CPI (at the rate in September 2022 of 10.1%) plus 1%, arriving at an overall increase of up to 11.1%. It is recognised however, that this would be a significant rent rise at a time when other living costs are also increasing. In response to this, the government conducted a consultation in September / October 2022, with the suggestion that a

cap could be imposed in rent increase at an overall 5% from April 2023. Views on increases at 3% and 7% were also sought, but with the recommendation that 5% be adopted in recognition of the rising cost that social housing providers were having to meet and the need to invest in the housing stock to improve energy efficiency. It was announced as part of the Autumn Statement on 17 November 2022 that the cap would be imposed at 7%, recognising increased costs, the need for decent homes and energy investment in existing housing stock and the need for more affordable housing. Target rents will still be increased by CPI plus 1%, equivalent to 11.1%.

The authority has however incorporated a rent increase 5% from April 2023, as opposed to the 7% allowed under the rent cap. Even so, this is not a recommendation made lightly, as the authority is aware that tenants are currently facing increased costs elsewhere. However, the HRA needs to incorporate resource to allow for energy improvement works to the existing housing stock, to ensure that homes are brought up to at least an EPC 'C' standard by 2035. This will mean that over the longer-term tenants who receive these works to their homes should begin to realise reductions in utility costs.

Over the last 7 years, social rented tenants have received 4 years of 1% rent cuts, followed by increases of 2.7%, 1.5% and 4.1%, resulting in a total increase over 7 years of 4.24%. In real terms, when you take account of the rate of inflation in September of each year, this represents a real term rent cut of 7.9%.

Implementing a rent increase at 5% as opposed to the 3% included in the forecasts at the Medium Term Financial Strategy stage will impact the HRA positively by approximately £843,000 per annum from April 2023. This will assist greatly in meeting the £3,640,000 per annum capital investment that is required from 2023/24 for 13 years to allow all homes to be brought up to an EPC 'C' standard by the end of 2035.

For those in receipt of full housing benefit or Universal Credit the increase will be met through these routes. There is the potential for tenants who are under-occupying or are impacted by the benefit cap to be adversely affected, with the latter depending upon whether there are any increases in the benefit cap levels. Those impacted by the benefit cap continue to be considered for discretionary housing payments to mitigate the impact on them, and those who are under-occupying can seek support to downsize through the under-occupation scheme. For

those who pay their rent themselves, there will be an increase in rent to find, but the authority will continue to provide financial and budgeting advice to those who require it and will work with tenants to ensure that they are claiming all financial assistance to which they are entitled.

The assumption of an increase of CPI plus 1% is retained for the following year, with an assumption of CPI (as measured at the preceding September), plus 0.5% for five years after this period, before moving to an assumption of just CPI increases.

Existing affordable rented homes will be subject to the same inflationary increase, but with the requirement for local authorities to have regard for the Local Housing Allowance. With the steep increase in the Local Housing Allowance from March 2020, annual inflationary increases are not expected to breach these levels in the short to medium-term. At re-let, the authority must ensure that the combined rent and service charges levied do not exceed 80% of the market rent for each dwelling.

As existing affordable rents are currently still well below the current Local Housing Allowance, the combined rent and charges for all existing tenants in affordable rented homes will also increase by 5% from April 2023, as the cap on the increase will still be lower than the Local Housing Allowance.

Earlier affordable rented homes continue to be charged an inflated version of the pre-COVID Local Housing Allowance rates, for existing tenants. Re-lets of these and new affordable rented homes will be introduced at 60% of market rent or the prevailing Local Housing Allowance, whichever is the lower, in line with the new Greater Cambridge Housing Strategy, or at 80%, depending upon the agreed rent levels for the scheme.

The table below includes details of what the inflated January 2020 Local Housing Allowance levels will be from April 2023, which will apply to affordable rented homes linked to the old LHA rate. Any newer affordable rents linked to 60% or 80% of market rent will also increase by 5%.

Property Size	2020/21 LHA rate January 2020	LHA rate March 2020 to 2022 (assumed frozen for 2023)	2020/21 LHA rate inflated to 2023/24 levels
Shared Room	81.89	97.00	90.86
1 Bed	135.99	178.36	150.87
2 Bed	156.40	195.62	173.52
3 Bed	181.75	218.63	201.64
4 Bed	242.43	299.18	268.97

Service Charges

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

In respect of social housing tenancies, service charges are separately identified on rent accounts, so that tenants can see what they are paying for alongside their core rent. For affordable rented homes, the tenant pays a total sum for rent and charges combined, which is introduced at either the inflated March 2020 Local Housing Allowance level, 60% or 80% of market rent depending upon the scheme, making any breakdown between rent and service charges less meaningful.

Guidance expects registered providers to endeavour to ensure that service charge increases do not exceed CPI plus 1%, and to consult tenants in respect of the introduction of new services or before making any material change to existing services.

The approach to setting service charges for 2022/23 is detailed at **Appendix B**.

Other Sources of Income

Garages

The Housing Revenue Account currently owns 1,386 residential garages and 35 parking spaces and manages a further 16 garages and 6 parking spaces on behalf of the General Fund. A

number of HRA garages and parking spaces are on sites being explored for potential demolition and re-development, and so this number may reduce in the medium-term.

Of the garages available for letting, approximately 10.6% (150 garages) are currently void (compared to 13.3% at this time last year). Of the 150 vacant garages however, 49 have been vacated as the sites have been approved for redevelopment. A garage block is not removed from the system until all of the garages have been vacated. The void loss in the year to date at the end of October 2022 of approximately 13% (compared to 16% at the same point last year) is made up of 61% general void loss and 39% redevelopment void loss.

The proposed charges for garage, parking spaces and parking permits for 2023/24, increased by 3%, are as follows, with any existing tenants who are being phased up to full rent levels following the charging review conducted in 2017/18 having their rents increased by 3% plus £2.00 per week until the levels below are achieved:

Category	Base Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week
Parking Spaces in standard area (tenants only)	7.86	0.00	7.86
Parking Spaces in standard area (other city residents)	7.86	1.57	9.43
Garage in standard area (tenants only)	10.11	0.00	10.11
Garage in standard area (tenants storage use)	10.11	2.02	12.13
Garage in standard area (other city residents)	10.11	2.02	12.13
Garage or Parking Space in high value / high demand area (tenants only)	19.29	0.00	19.29
Garage in high value / high demand area (tenants storage use)	19.29	3.86	23.15
Garage or Parking Space in high value / high demand area (other city residents)	19.29	3.86	23.15
A £5.00 premium is added to all base rates above when rented for non-city resident, commuter, business or commercial use			

Parking Space - Non-City Resident / Commuter or Business / Commercial use	12.86	2.57	10.29
Garage in standard area - Non-City Resident / Commuter or Business / Commercial use in standard area	15.11	3.02	18.13
Garage in high value / high demand area - Non-City Resident / Commuter or Business / Commercial use in high value / high demand area	24.29	4.86	29.15
Category	Base Charge £ per year	VAT £	Total Charge £ Per year
Resident's Parking Permit (new schemes)	50.00	VAT applies	60.00
Resident's Parking Permit *	20.00	VAT applies	24.00
Visitor's Parking Permit	20.00	VAT applies	24.00
Replacement Parking Permit	10.00	VAT applies	12.00
* 50% discount for vehicles with CO2 emissions under 75g/km (resident parking permits only)			

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

Commercial Property

The level of rental income from commercial property is dependent upon the timing of lease renewals for the small portfolio of shops and other business premises that are owned by the HRA. In 2023/24 the income generated by the commercial property portfolio is anticipated to be in the region of £491,000. This may reduce in future years, where HRA commercial property may form part of housing development options.

General occupation of the HRA commercial property portfolio has historically been good, with vacant shop units usually re-let within reasonable timescales. Difficulties have been experienced more recently, with the re-modelled shops at Akeman Street proving very difficult to let. Rent reviews continue to be challenging, with business owners facing increased costs in a number of areas.

Interest / Investment Income

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

Interest rates available to the Council have been very low for several years, but with the recent increases in the Bank of England base rate (currently 3%), higher investment returns are beginning to be realised. The HRA benefits only from the lower risk, and therefore lower return areas of Council investment.

The rate that the HRA can earn on investments, recognising the low risk nature of their investments, has been increased to 1.6% for 2022/23 and 2% from 2023/24 onwards as part of this iteration of the HRA Business Plan.

Other External Funding

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

- Devolution Grant – The authority received grant as part of the Devolution Agreement with Government and the Combined Authority, totalling £70,000,000, with some of this resource still retained and being actively applied to schemes to deliver the 500 homes agreed.
- Support Funding – Funding of £183,600 per annum to provide tenure neutral support for older people across the city is anticipated to be contracted with the County Council for a further period from late 2022, subject to final contractual agreement,
- Homes England Grant Funding – The authority actively bids through the continuous market engagement process, to secure grant funding for some new build schemes.
- Brownfield Land Release Fund (BLRF2) – The authority has been awarded grant of £643,329 towards the site preparation works for the redevelopment of Aylesborough Close.
- Department for Business, Energy and Industrial Strategy (BEIS) Capital Investment Fund Grant – The authority has been awarded £1,000,000 towards the land assembly cost at Fanshawe Road

- Department for Levelling Up, Housing and Communities (DLUHC) Local Authority Housing Fund – The authority has been pre-awarded grant of £4,968,683 to build or acquire 30 homes by 30 November 2023 to accommodate Ukrainian and Afghan refugees
- Social Housing Decarbonisation - The authority is actively bidding for grant funding to deliver energy improvements in the existing housing stock., with the outcome anticipated in February / March 2023.
- Section 106 Funding – The HRA can benefit from the ability to invest sums received for affordable housing through Section 106 Agreements on development sites across the city, although these sums often come with both time and investment criteria constraints

Earmarked & Specific Funds

Earmarked Funds – Revenue Reserves

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

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

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

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

HRA Set-Aside for Potential Debt Repayment or Future Re-Investment - The business plan historically assumed the authority would notionally sets aside 25% of the value of the self-financing housing debt over the life of the plan, to retain flexibility in whether to invest the sum in new homes or redeem or re-finance some of the loan portfolio as loans mature. Using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), allows the HRA to retain

flexibility over the use of any resource that is available for set aside in the future. This resource is now being fully utilised prior to borrowing further to deliver new homes.

Earmarked Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt - The HRA retains an element from all right to buy receipts over and above those assumed in the self-financing settlement, in recognition of the debt held in respect of the asset. These sums are held in a separate ear-marked capital balance, allowing them to be utilised to repay the associated debt. Alternatively, the authority could reinvest the resource in the delivery of new homes.

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

Section 4

Housing Revenue Account Budget

Revised Budget 2022/23

The Housing Revenue Account revenue budget for the current year was amended as part of the HRA Medium Term Financial Strategy in September 2022, taking account of any major changes. As part of this HRA Budget Setting Report, major unavoidable pressure or material change in income for the year is recognised, alongside the impact in revenue terms of the need to revisit funding requirements (DRF) for the Housing Capital Investment Plan in 2022/23 following re-phasing of the programme. Investment income in the HRA is anticipated to be significantly more than budgeted due to recent increase in interest rates, rent income is not expected to reduce quite as much in year as forecast and the use of direct revenue financing of capital and the earmarked reserve for debt redemption or re-investment are delayed. A net change of £4,327,200 in the 2022/23 HRA budget is identified, as summarised below.

2022/23 Revised Budget	Original Budget January 2022 £	HRA MTFS September 2022 £	HRA BSR Proposed Changes £	HRA BSR January 2023 £
Net HRA Use of / (Contribution to) Reserves	1,029,530	13,474,180		
Savings / Increased Income			(43,470)	
Unavoidable Revenue Bids / Reduced Income			0	
Non-Cash Limit Adjustments (net)			(3,783,730)	
Revenue Re-phasing			(500,000)	
Revised Net HRA Use of / (Contribution to) Reserves				9,146,980
Variation on previously projection				(4,327,200)

The above figures include carry forward approvals from 2021/22 in the second column, in addition to changes approved as part of the Medium Term Financial Strategy in September 2022, with any net revenue impact identified in the current year, as part of the January 2023 committee cycle, incorporated in the right-hand column. The net reduction in costs and financing and increase in income for 2022/23 will result in a reduced call on Housing Revenue Account reserves for the current year, when compared to that anticipated in the HRA Medium Term Financial Strategy. Details are provided in **Appendix D (1)**.

Overall Budget Position - 2023/24 onwards

Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below and at **Appendix J**, with detail for the period to 2027/28 provided in **Appendix D (2)**:

Targets Set	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Efficiency Savings	0	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)
Strategic Investment Fund	0	180,000	180,000	180,000	180,000	180,000
Net Change Required	0	0	0	0	0	0

Summary of Proposals	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
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Unavoidable Revenue Bids	0	357,400	257,630	255,790	55,790	55,790
Reduced Income Proposals	0	14,800	14,800	14,800	14,800	14,800
Unavoidable	0	372,200	272,430	270,590	70,590	70,590

Savings Proposals	(4,190)	(569,620)	(618,370)	(666,930)	(666,930)	(666,930)
Increased Income Proposals	(39,280)	(747,870)	(408,600)	(593,800)	(1,090,900)	(607,180)
Bids	0	350,470	350,470	350,470	350,470	350,470
Discretionary	(43,470)	(967,020)	(676,500)	(910,260)	(1,407,360)	(923,640)

Non-Cash Limit Adjustments	(3,783,730)	4,159,660	599,950	1,254,680	803,090	1,133,780
Revenue Re-phasing	(500,000)	500,000	0	0	0	0
Total Revenue Proposals	(4,327,200)	4,064,840	195,880	615,010	(533,680)	280,730
Under / (Over) Achievement against Target	(4,327,200)	4,064,840	195,880	615,010	(533,680)	280,730
Cumulative Under / (Over) Achievement against Target	(4,327,200)	(262,360)	(66,480)	548,530	14,850	295,580

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example direct revenue funding of capital expenditure (DRF), interest and depreciation. These items are treated outside of the 2023/24 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and investment priorities. For 2023/24 there is a cash limit adjustment to recognise that the funding for bids to increase staffing in line with increased stock numbers is already built into the overall finances for the HRA and so will not affect the bottom line. There are also non-cash limit adjustments in respect of depreciation, direct revenue financing of capital expenditure, use of ear-marked reserves, interest received based upon the latest balances and rate assumptions and interest paid based upon the latest forecast borrowing rates.

Performance against Net Savings Target

An efficiency savings target of £180,000 was included in the HRA forecasts for 2023/24 as part of the HRA Medium Term Financial Strategy approved in September 2022. The efficiency target was set in the context of the ability to deliver a balanced HRA budget, recognising the need to borrow to build new homes from 2023/24 and to maintain delivery of quality housing services whilst also allow resource for strategic reinvestment in new initiatives.

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

The savings and increased income that have been identified for 2023/24 are partially offset by the HRA reacting to unavoidable revenue pressures and reductions in income and considering strategic investment fund bids. The net position is an over-achievement against the targets set of £262,360 by the end of 2023/24, £66,480 by the end of 2024/25, moving to an under-achievement of £548,530 by 2025/26, an under-achievement of £14,850 by 2026/27 and an under-achievement of £295,580 by 2027/28. Details of the net savings can be found in **Appendix D (2)**.

If approved on this basis, the budget proposals for 2023/24 onwards result in a cumulative net under-achievement against the savings target of £295,580 by the end of the 5 year period. This is sustainable in the HRA business plan as the assumption that new homes are still being delivered in year 6 to 10 of the business plan will generate rental income in future years from investment made in the earlier years.

Corporate costs and overheads have been reviewed in respect of any budget proposals that may span both funds, with the financial impact of this incorporated into the Housing Revenue Account budget process. This may be subject to further change as the General Fund finalises its budget proposals, but any resulting changes will be built into the HRA as part of the 2022/23 Medium-Term Financial Strategy process.

Further efficiency targets have been incorporated from 2023/24 for four years, also at the level of £180,000 per annum. This will allow continued strategic re-investment at the same level each year, to be able to respond to challenges presented by changes in local and national housing and welfare policy and also in construction and maintenance regulations.

Strategic Investment Fund

As part of the HRA Medium Term Financial Strategy, approved in September 2022, approval was given to retention of the Strategic Investment Fund at £180,000 per annum, to be directly offset by efficiency savings identified in the HRA each year, for the next 5 years.

Bids against this fund have been identified as part of the 2023/24 budget process, with the proposals detailed in **Appendix D (2)** and incorporated into the table above.

Transformation Fund

An ongoing budget of £120,970 per annum is retained in the HRA to allow investment in service transformation projects, spend to save initiatives and to allow a quick response to in-year changes in legislation or major change in national housing policy. The fund can be allocated to one-off projects or to meet ongoing commitments, recognising that if committed on an ongoing basis, there will be less capacity in future years to respond to arising issues.

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

Section 5

Housing Capital Budget

Stock Condition and Decent Homes

The housing service reported achievement of decency in the housing stock as at 31 March 2022 at just under 98%, with 158 properties that were considered to be non-decent (in addition to 1,405 refusals).

The latest Asset Management Strategy was approved in September / October 2019. The outstanding, or in progress items on the Asset Management Action Plan, subject to funding bids when costs have been quantified in some cases, include:

Initiative / Action	Current Status
Implement a rolling programme of stock condition surveys so properties are inspected every five years	This commenced in 2019/20 but was on hold for much of 2020/21 due to COVID-19. Surveys resumed in July 2021, and we continue to deliver the programme that takes account of footpath surveys, void properties and new build properties, although staff secondment has reduced surveying capacity in 2022/23.
Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements	In 2021/22 detailed surveys were being carried out in a number of areas. Some of the schemes have been deferred or amended as a result of pending decisions about the long-term future of the sites – Hanover and Princess Court and Davy Road have been removed from the current tender for Structural & Associated Works. Work was tendered in summer 2022 but no contract was awarded. The work will be re-tendered in December 2022.

	<p>If a contract can be awarded, details of the winning contractor and the tender costs will be passed to Home Ownership to issue the S20 Notice. It is anticipated that works will start on site by April 2023.</p> <p>A brief for structural works at Bermuda Terrace flats is being developed and procurement of a structural engineer is planned for December 2022.</p> <p>Balcony and brickwork repairs at Nicholson Way, Walker Court and Hanson Court are designed and tendered and will start on site in early 2023.</p>
Reduce the electrical inspection cycle to five years in line with best practice	All properties are to be inspected on a 5 year cycle and arrangements have been put in place to achieve this over the next 24 months. This is in progress.
Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules	Implementation project in progress with revised target completion by March 2023.
Develop a methodology which identifies high-cost investment properties across the stock and calculates net present values – using new software in Orchard Asset	This will follow the implementation of Orchard Asset and the housing stock performance module.
Implement a programme of estate investment projects	Estate Investment Programme in progress over a 5-year period from April 2020. Current projects include streetlighting replacement and a project to upgrade all communal lighting in low level blocks of flats.
Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos	<p>The Risk and Compliance team now lead in this area, The asbestos compliance module is still being implemented with assistance from Housing IT Team.</p> <p>Asbestos Analyst is to start 01/08/2022 and will start the review of all communal re-inspections</p>

register based within Orchard Asset	
Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)	A fire door inspection programme has been re-procured, with new contractor Ventro (Passive Fire Protection Specialists) appointed in February 2022. HRA properties completed include all temporary and sheltered accommodation. General needs purpose-built blocks of flats has started and will continue to be the focus for the remainder of the programme. Results from surveys are being used to develop programmes of planned work including new and replacement fire doors.
Review maintenance requirements for flat roofs and sheds replacement and repair	A programme has been identified and implemented from April 2021. There are 88 shed roof replacements and 10 flat roof replacements to houses / flats on the 2022/23 programme for Foster this year. 78 shed roof replacements have been ordered and there is forward programme of over 500 sheds with felt and asbestos cement roofing is programmed to be completed over the next 2 years.
Develop a replacement programme for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting	Programmes of work have been implemented and began in 2020/21. A full survey of communal lighting is underway with a plan to replace all communal lighting with LED lighting, starting in 2022/23. Work to replace communal entrance doors and door entry systems to flats and maisonettes in South Arbury area was due to be completed as part of structural repairs contracts. Initial tenders were not successful so this work will be re-tendered separately with a planned start on site in April / May 2023.

Following changes to fire risk regulations, dwellings continue to have heat and smoke detection upgrades during 2022/23. We are still experiencing access issues to complete this work. Where there is "no access" work will be added to future planned work programmes, and resource has been re-phased as part of this report to facilitate this.

Following a decision to remove all gas supplied to flat blocks at Princess and Hanover Court and Kingsway for fire safety reasons, replacement of the heating system is proceeding at Kingsway, but has been placed on hold at Princess and Hanover Court while decisions on the longer term future of the blocks are made.

Following the decision in January 2022 to begin the decant of the blocks at Princess and Hanover Court, a detailed options appraisal will be presented to a future Housing Scrutiny Committee. The options appraisal will explore options to refurbish, demolish and re-develop or dispose of the scheme.

Following the decision to continue to let the block at Kingsway, £1,200,000 was retained in 2022/23 to undertake required fire compartmentalisation works, with £650,000 deferred until 2025/26 for further fire safety works there if required. The fire alarm installation works at Kingsway started in August 2022 and the compartmentation trial works at Kingsway were completed in November 2022. We are now assessing the results and producing a cost plan for the work which will determine how the work will be procured. The compartmentation works to the remaining flats at Kingsway will be started during the latter part of 2022/23.

Following a programme of structural surveys of flat blocks in 2021/22, some work has been completed at Hazelwood and Molewood Close, and further work will be delivered in South Arbury and Coleridge between September 2022 and January 2023, once a current procurement process has concluded and contracts have been awarded. We are procuring a structural engineer consultancy framework which will be utilised to undertake structural monitoring of blocks where structural works have been completed.

Net Zero Retrofit Pilot Project

Following approval last year of £5,000,000 for a net zero pilot project and receipt of the final Fielden and Mawson Report in 2021, a Net Zero Retrofit Project Officer was appointed. Due to delays in recruiting a permanent member of staff to deliver the project, design works have been delayed and we expect works to start on site in 2023. Initial resident engagement commenced in July 2022 and 48 residents in the Ross Street area have opted-in to take part in this pioneering project. We have also successfully appointed an architect team to fully design the project for the 50 Council homes.

The objectives for this funding are to allow the authority to prove whether the estimated costs in the Fielden and Mawson report are achievable, to allow time to lobby government and other bodies, backed by real evidence, in an attempt to secure external investment and to allow further exploration of the potential to use the 5% flexibility in the rent restructuring formula and / or to introduce a 'comfort' charge for tenants. There is also a skills shortage in this industry currently, and the approach should also allow local providers to upskill their workforce.

Whilst we are unlikely to have procured the works contractor before summer 2023, market research is currently being conducted to determine the costs for different measures and we are conducting trials of the measures that are likely to form part of the final design. More informed pricing for individual measures is expected to be available in early 2023.

Therefore, expenditure of £500,000 is anticipated this financial year in undertaking full design works and trials, with the balance of £4,500,000 now being required in 2023/24 when the construction phase is now due to start. Budget has been re-phased as part of this HRA Medium Financial Strategy Report.

Other Energy Works

Offices are in the process of appointing a contractor to deliver energy efficiency works under the planned works programme and expect to deliver 80 properties with external wall insulation and solar pv, where suitable, in 2022/23. In addition, we will continue with loft insulation upgrades and cavity wall insulation, extraction and re-fill, to other properties. We have also carried out some trials of internal wall insulation to flats. We have a forward programme of around 800 EPC "D" rated solid walled houses that will need to be insulated if they are to reach EPC 'C'.

Despite being unsuccessful in Wave 1, the authority has bid for Social Housing Decarbonisation Fund Grant as part of Wave 2. The value of the grant bid is £2,260,175 and the criteria is to ensure property reaches EPC 'C' and reduces energy demand to below a set level. If successful, these funds will be available to deliver external wall insulation works to HRA properties from April 2023. An urgent decision was taken in November 2022 to include £3,640,000 in the Housing Capital Investment Plan in 2023/24 to facilitate the bid, which requires the authority to have approved investment that can be topped up by the grant award. This

funding will allow external wall insulations and solar pv works to improve around 130 homes to an EPC 'C' standard.

A bid is incorporated into the 2023/24 budget process to extend the annual sum of £3,640,000 for a further 12 years to allow the authority to move all of its housing stock to a minimum of EPC 'C' by 2035, the target date for achieving this.

Over the course of a year the difference in energy costs between a 'G' rated property and a 'A' rated property is estimated at £1,500, and this can be split between each step in between. Effectively, we can assume, on average, that for every full step up the EPC ladder that we improve the energy efficiency of a home, the tenant could save up to £250 each time. Taking a home from a 'D' to a 'B' for example, could save £500 per year.

New Build Affordable Housing

General Approach

The Council's approach to building new homes continues to develop, with both Passivhaus and Net Zero Carbon pilot schemes now approved the former now beginning on site. The authority is having to explore a multitude of options for the delivery of new homes, with inflation rate and interest rate rises making it more challenging to demonstrate scheme viability.

There is still a strong commitment to delivering good quality, affordable rented accommodation in the city, but there is a recognition that it might take longer than originally planned to deliver against the aspirational targets, and some compromise may need to be made.

Future New Build Programme

As a result of increases in inflation rates for expenditure and interest rates for borrowing, the assumptions in the HRA Business Plan for the delivery of new homes have currently had to be scaled back. There is still a strong commitment to deliver as many new homes as financially feasible, with a recognition that if the economy recovers more quickly than anticipated, the programme can easily be scaled back up again.

The key assumptions now made in respect of the funding incorporated are:

- 634 net additional council rented (social rent and 60% of market rent) homes delivered over the 10 years from 2022.
- 362 affordable rented homes at 80% of market rent.
- Delivery of the net new council rented homes assumes the need to demolish and re-provide 337 existing properties as part of site regeneration schemes.
- To deliver the net new council rented homes in mixed and balanced communities, market housing will also be delivered by developers on some of the identified sites.
- A range of delivery routes will be adopted, with a mix delivered via Joint Venture or Section 106, land led schemes, existing HRA sites and potentially off the shelf purchases.
- A build cost of £3,290 per square metre, which assumes building to Passivhaus or equivalent performance standards informed by up to date valuations, This assumes that building to Passivhaus standard or similar may be deliverable on all sites.
- Inflation in build costs incorporated at 4.7% per annum for the life of this programme
- Homes England grant of £66,877 per unit assumed across all affordable tenures, recognising that not all units will be eligible for grant, particularly where a larger proportion of market sale or replacement units are proposed.
- Brownfields Land Release Fund (BLRF) grant included where awarded (currently £643,329 for Aylesborough Close).
- Retained right to buy receipts continue to be available for re-investment at the assumed rate of approximately £3,500,000 per annum but can't be appropriately reinvested in addition to Homes England Grant, and instead will be utilised for sites which are ineligible for grant or where grant is not awarded. This sum assumes continued sales at the rate of 25 per annum to generate this resource.
- Borrowing has been assumed at the higher rate of 4.6% for 2023/24, 3.8% for 2024/25 and 3.5% from 2025/26 ongoing, based upon Link, our treasury advisors, forecasts of the PWLB rates over the medium term.
- Investment profile is spread across the 10-year programme based upon indicative delivery timescales, which are subject to change
- Annual servicing and maintenance costs have been increased by £130 per unit, recognising the need to maintain solar pv installations and a mechanical ventilation with heat recovery (MVHR) unit in each dwelling.

- Future replacement costs have been increased by an average of £457 per annum to allow for the replacement of the additional components required to deliver a Passivhaus dwelling.

This requires an estimated £424,000,000 of borrowing in the HRA over the next 10 years of the plan.

Work is still ongoing to identify and explore potential HRA sites and land acquisition opportunities that could be included within the 10 Year New Homes Programme. Sites and schemes will continue to be brought forward for formal consideration and approval individually as opportunities arise, on a prioritised basis.

Taking into consideration site constraints and the delivery vehicle adopted for each scheme as it is identified for inclusion in the programme, different recommendations may be made in respect of tenure mix and sustainability standards. The option currently incorporated into the plan assumes new homes will be built using Passivhaus principles wherever considered possible but there is recognition that the intention would be to move towards net zero-carbon during the life of the programme, where it is feasible and viable to do so.

The programme, as incorporated, is still dependent upon securing Homes England Grant funding, bid for on a scheme-by-scheme basis. Grant rates are not as high as initially hoped, but the authority has been successful in securing grant for a number of sites to date. If unsuccessful, the ability to replace grant with retained right to buy receipts would only help deliver a very small proportion of the planned programme. Failure to achieve grant will mean that the programme will need to be reviewed to identify alternative sources of funding, to increase the amount of market sale housing provided, to reduce build standards or to reduce the number of council rented homes delivered overall. The authority has been successful in securing additional infrastructure funding for Aylesborough Close through Brownfield Land Release Funding and will explore further opportunities like this to aid delivery of the programme.

The resource ear-marked in the business plan will be reviewed and re-profiled as the programme develops, with detailed borrowing options explored and decisions made as part of the Medium-Term Financial Strategy or budget setting process for any year in which borrowing is deemed necessary. The first year that external borrowing is currently anticipated is now 2023/24.

New Build Schemes Completed – Devolution 500 Programme

At the time of writing this report in December 2022, 291 new homes had been completed since the beginning of 2018 as part of the Devolution 500 Programme, with a net gain of 260 council rented homes, as detailed below:

Scheme	Total Social Housing / SO Units	Gain in Social Housing Units	Percentage Social Housing on Site
Uphall Road	2	2	100%
Nuns Way/Cameron Road	7	7	100%
Wiles Close	3	3	100%
Ditchburn Place	2	2	100%
Queensmeadow	2	2	100%
Anstey Way	56	29	100%
Colville Road Garages	3	3	100%
Gunhild Way	2	2	100%
Wulfstan Way	3	3	100%
Markham Close	5	5	100%
Ventress Close	15	13	100%
Akeman Street	14	12	100%
Mill Road	112	112	50%
Cromwell Road	65	65	40%
Total	291	260	

New Build Schemes On Site

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

Devolution 500 Programme

Scheme	Approved Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Devolution Grant / S106 Funding	Rent Basis
Mill Road	6 (112 taken)	6 (112 taken)	24,965,630	(7,489,690)	(17,475,940)	Inflated Old LHA
Cromwell Road	53 (65 taken)	53 (65 taken)	24,865,800	(6,741,600)	(17,406,060)	Inflated Old LHA
Colville Road II	67	47	14,467,580	(2,743,430)	(6,272,280)	Inflated Old LHA
Meadows and Buchan	106	106	25,929,000	(7,778,700)	(8,163,900)	60%
Campkin Road	75	50	18,063,260	(3,243,930)	(6,509,450)	60%
Clerk Maxwell	14	14	3,046,760	(914,030)	(2,132,730)	60%
Total	321	276				

10 Year New Homes Programme

Scheme	Approved Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Homes England Grant	Rent Basis
Histon Road	10	10	1,978,000	(258,610)	0	60%
L2	75	75	17,727,000	0	(4,830,000)	30 Social Rent / 45 80%
Fen Road	12	12	4,015,000	0	(1,077,000)	Social Rent
Colville Road III	48	32	12,681,000	0	(2,144,000)	32 Social Rent / 16 80%
Ditton Fields	6	6	1,944,000	0	(534,000)	Social Rent
Borrowdale	3	3	1,044,000	0	(258,000)	Social Rent
Total	154	138				

New Build Schemes in the Pipeline

There are a number of sites which have scheme specific approval, but at the time of writing this report, were not on site.

The tables below details the latest budget requirements either approved or for approval as part of the HRA Budget Setting Report and the assumed number of new homes which can be delivered, recognising that this may still be subject to both planning approval and procurement of a contractor or transfer to CIP for some of the sites. The latest budget approvals for sites identified for transfer to CIP are based upon the most recent cost estimates provided by CIP but will not be finalised until the Affordable Housing Agreement or design and build contract is entered into.

Devolution 500 Programme

Scheme	Approved Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Devolution Grant / Section 106 Funding / Assumed Homes England Grant	Rent Basis
Tedder Way	1	1	506,000	(151,800)	0	60%
Kendal Way	1	1	524,000	(157,200)	0	60%
Total	2	2				

10 Year New Homes Programme

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England / BLRF Grant / BEIS Grant	Rent Basis
Aragon Close	7	7	2,103,000	0	(413,000)	80%
Sackville Close	7	7	2,121,000	0	(413,000)	80%
Aylesborough Close	70	37	19,030,000	0	(2,743,329)*	41 Social Rent / 29 80%

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England / BLRF Grant / BEIS Grant	Rent Basis
St Thomas's Road	8	8	2,953,000	(614,000)	(560,000)*	60%
Paget Road	4	4	1,421,000	0	(300,000)*	2 Social Rent / 2 80%
Fanshawe Road	93	71	28,587,000	0	(1,000,000) (5,508,890)*	44 Social Rent / 49 80%
Princess and Hanover Court	82	0	28,610,000	0**	0	Social Rent
East Road	40	40	10,964,000	0	(2,576,000)*	16 Social Rent / 24 80%
Total	311	174				

* Homes England Grant is assumed, but no grant has yet been secured, but BLRF Grant approved.

** The anticipated land receipt to the HRA for the element of land transferred to deliver market housing is currently netted off against the costs until details have been finalised.

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

Scheme	Site Type	Status	Potential New Build Units
Tedder Way	In-fill	Planning approved	1
Kendal Way	In-fill	Planning approved	1
Aragon Close	Existing HRA Garages	Planning approved	7
Sackville Close	Existing HRA Garages	Planning approved	7
Aylesborough Close	Existing HRA Housing	Planning approved	70
St Thomas's Road	Existing HRA Garages	Pre-planning	8
Paget Road	Existing HRA Garages	Pre-planning	4
Fanshawe Road	Existing HRA Housing	Pre-planning	93

Scheme	Site Type	Status	Potential New Build Units
Princess and Hanover Court	Existing HRA Housing	Options appraisal in progress	82
East Road	Demolished HRA Garages	Pre-planning	40

The Housing Capital Investment Plan, an updated version of which is attached at **Appendix K**, incorporates the funding for new build schemes as identified in the tables above. It recognises the need for gross spend on the housing scheme, land values, devolution grant, other grant and right to buy receipts.

Tedder Way

This scheme now anticipates delivering a single, very large, mobility adapted dwelling on the site to meet an identified need on the housing register. The scheme achieved planning approval in November 2022. Start on site is anticipated in May 2023.

Kendal Way

This scheme will deliver a large, mobility adapted 3 bedroom house to meet an identified need on the housing register. Start on site is anticipated by January 2023.

Aragon and Sackville Close

The two sites at Aragon and Sackville Close comprise existing HRA garage and parking bay provision, with an anticipated 12 new homes to be provided across both sites. Both schemes now have planning approval and confirmation of Homes England grant, with start on site anticipated in March 2023.

Aylesborough Close

This scheme comprises the redevelopment of 33 existing tenanted and 3 leasehold properties, to deliver an anticipated 70 new homes. Planning approval was granted in October 2022 as a pilot Passivhaus flatted development. At the time of writing this report, 2 tenants remain to be relocated and 1 leasehold property is still to be re-acquired.

St Thomas's Road

This is an existing HRA garage and in-fill site, which involves the demolition of 20 garages. The original proposals indicated the delivery of 8 homes, but this is being reviewed as part of the design work. This scheme was originally anticipated to be delivered to net zero carbon standards, with grant funding from the European Regional Development Fund (ERDF). Unfortunately, the funding was not secured by our identified partner, and as a result the budget for the scheme will also need to be reviewed. At this stage the budget has only been amended to reflect the need to acquire, modify and sell on an adjacent dwelling to secure appropriate access for the development. Further amendment may be required following the scheme review and detailed design work.

Paget Road

This is an existing HRA garage and in-fill site, which involves the demolition of 34 garages, with a view to re-providing 4 larger family homes. This scheme was originally anticipated to be delivered to net zero carbon standards, with grant funding from the European Regional development Fund (ERDF). Unfortunately, the funding was not secured, but having reviewed the budget as part of the HRA Medium Term Financial Strategy, this standard is still expected to be delivered.

Fanshawe Road

This is an existing HRA site, which involves the demolition of 32 properties (22 tenanted and 10 leasehold) and 39 garages, with a view to delivering 93 new homes. It is anticipated that planning submission will be made in January 2023, with relocation of tenants and buy out of leasehold flats taking place currently. At the time of writing this report, 13 tenanted homes had been vacated, and 4 leasehold flats had been bought back. Grant of £1,000,000 has also been awarded to this scheme through the BEIS Capital Investment Fund, which is expected to be received in 2022/23 and will be used to help secure vacant possession of the site to facilitate the development.

Princess and Hanover Court

Resource of £28,610,000 is now ear-marked in the Housing Capital Investment Plan to allow the relocation of tenants and the buy back of leasehold flats at both Princess Court and Hanover Court and for full redevelopment with the HRA securing a replacement 82 units at social rent

and the balance at market sale should this be the preferred option. A detailed options appraisal is currently in progress. The HRA would receive a capital receipt for the land upon which the market units would be built, which has been netted off against the anticipated costs of the social housing. A report will be presented to a future Housing Scrutiny Committee with final recommendations. At the time of writing this report, 35 tenant relocations were still required and 39 leasehold flats remained to be bought back. Void properties are actively being used to provide temporary housing to minimise extended void loss whilst the options appraisal is being carried out.

East Road

A scheme specific report is presented to Housing Scrutiny Committee as part of this committee cycle for the redevelopment of what was previously a garage site on East Road. The multi-storey garage block was irreparably damaged in storms in early 2022, and the garages were demolished in May 2022 for safety reasons. It is proposed to develop the site to provide 40 affordable homes within the HRA.

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

Asset Acquisitions & Disposals

Strategic acquisition or disposal is considered, in line with the HRA Acquisition and Disposal Policy. The capital receipt generated can still be retained in full by the authority, subject to utilising it to invest in affordable housing or regeneration.

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

Acquisitions or disposals in 2022/23 to date include:

Acquisition / Disposal	Comment	Status
1 Bed Flat *	Purchase of a 1 bed flat in Kings Hedges ward for rough sleepers	Complete
1 Bed Flat *	Purchase of a 1 bed flat in Abbey ward for rough sleepers	Complete
1 Bed Flat *	Purchase of a 1 bed flat in Petersfield ward for rough sleepers	Complete
3 Bed House	Purchase of a 3 bed house in the Abbey ward for potential future development	Complete
2 further existing market dwellings *	Purchase of a further two 1 bed homes on the open market to house rough sleepers as part of the DLUHC Next Steps Programme, with grant funding awarded.	Grant awarded and acquisitions in progress
8 x 1 Bed Flats	Purchase of 8 self-contained flats for use as sheltered housing	In progress

* Acquisitions using an element of Rough Sleeper Accommodation Programme grant funding to acquire 14 homes on the open market to accommodate rough sleepers. The grant conditions require that these homes are ear-marked for this purpose for 30 years, with residents expected to move on within a 2-year time frame to permanent accommodation.

Cambridge City Council was selected by Homes England for a regular compliance audit in respect of one of the rough sleeper property acquisitions. The audit took place over the summer and the authority received the results of the audit on 23 November 2022. Providers are awarded a green, amber or red status following the audit, with a requirement to report the results to the relevant Board Chair or equivalent, noting any breaches or recommendations for action and correcting these in any future schemes. A red rating would conclude a risk of misappropriation of public funds.

The Council was awarded a green rating, confirming that no high or medium severity breaches had been identified and that the authority has a satisfactory overall performance. The Homes England Compliance Audit Report is attached as confidential Appendix M to this report for information.

Homes for Ukrainian and Afghan Refugees

The Department of Levelling Up, Housing and Communities (DLUHC) have introduced a £500 million capital fund to support Local Authorities who have been assessed as facing the greatest challenges in providing move on and settled accommodation for recent humanitarian schemes (Afghan and Ukrainian refugees).

Cambridge has been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation:

- A main element of £4,640,000 in funding to be used to provide a minimum of 29 homes.
- A bridging element of £328,683 in additional funding to allow the provision of at minimum 1 larger 4+ bed home to be allocated to households currently residing in bridging accommodation.

Delivery is required to be part funded by the local authority, with top up funding of £6,090,000 in respect of the main element and £308,683 in respect of the bridging element required. The total budget of £11,387,366 for this scheme has been incorporated into this iteration of the HRA business plan, alongside the assumed receipt of grant funding towards the cost.

Homes can be delivered either by the development of new homes or the acquisition of existing homes, with our proposed programme providing a mix of these, including re-purposing existing pipeline supply of new homes, in order to meet the delivery deadline of the end of November 2023. Any re-purposed existing pipeline supply will be replaced in the later years of the new build programme.

Once the homes are no longer required for housing this cohort, the authority will be able to utilise them to meet their wider affordable housing need, but with grant being repayable if the authority were to dispose of the dwellings.

Capital Bids, Savings and Re-Phasing

There are two formal capital bids incorporated as part of the 2023/24 HRA Budget Setting Report, but there are also a number of areas of updated new build costs, budget re-allocation and re-phasing.

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

- Inclusion of a capital bid for £3,640,000 per annum for 12 years from 2024/24 (£3,640,000 in 2023/24 was approved under urgency in November 2022) to fund energy improvements to the existing housing stock to bring all homes up to at least an EPC 'C' rating by 2035.
- Inclusion of a capital bid for £129,830 in 2023/24, reducing to £23,000 per annum from 2024/25 to meet the HRA share of the cost of corporate ICT investment.
- Increase of £45,000 per annum in the budget for Disabled Facilities Grants, in line with increased grant funding received via the Better Care Fund.
- Inclusion of £10,964,000 for the development of the site at East Road, with a view to delivering 40 new affordable homes for the HRA, in line with the scheme specific report presented to this committee cycle.
- Inclusion of £11,387,366 000 from the budget ear-marked for the delivery of new homes into a specific budget to allow the acquisition or development of a minimum of 30 homes for Ukrainian and Afghan refugees in 2023/24, subject to final award of DLUHC grant of £4,968,683, with the original funding for new homes replaced in later years of the programme.
- Re-phasing of budgets for decent homes works, and other capital works to the existing HRA stock, as identified in **Appendix E**
- Re-phasing of new build schemes as identified in **Appendix E**.

- Adjustment to the level of inflation held in the capital programme, recognising the anticipated increased in building costs in the medium-term.
- Adjustment to the level of resources held for future works to create new build dwellings recognising the increased borrowing cost and associated need to scale back the programme in this iteration of the business plan.

Section 6

HRA Treasury Management

Background

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

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

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

A risk to the HRA's ability to borrow remains the Local Authority Investment Guidance which states that any authority making an investment that is classified as an 'investment asset primarily for yield', will not be able to access loans from the PWLB in the financial year in which it makes this investment. Local authorities need to submit a 3-year capital investment strategy to be able to borrow, and the Section 151 Officer needs to certify that none of the capital projects are classified as investments primarily for yield. There is therefore the potential for any investment decisions made by the General Fund to detriment the HRA's ability to borrow from the PWLB in any given year. This would not stop the HRA borrowing but would mean that an alternative lending source would need to be identified, with rates potentially not being as preferential.

HRA Borrowing

As at 1 April 2022, the Housing Revenue Account supported external borrowing of £213,572,000 in 20 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28th March 2038, and the last on 28th March 2057.

At April 2022, the external loans attributable to the HRA, were notionally reduced as part of the HRA Capital Financing Requirement in recognition of the balance of the land acquisition costs which the HRA met in respect of the land site at Cromwell Road. In the short term, the General Fund is required to pay the HRA annual interest on internal lending, at a reasonable rate, as part of the Item 8 Debit or Credit to the HRA. Once the scheme is complete, and CIP has repaid the loan to the Council for land purchase, this arrangement will no longer exist, and the HRA will return to the previous position where there is a small sum of notional internal borrowing from the General Fund, with interest payable in the same way in return.

If the HRA acquires housing built on General Fund land, the land has to be appropriated (transferred) to the HRA, increasing the HRA Capital Financing Requirement and the resulting interest due to the General Fund. This transfer takes place at market value, but taking into account the intended future use for the site, i.e.: as social or affordable housing.

This iteration of the business plan assumes that the authority will re-invest all revenue resource that has been previously set-aside for potential debt redemption or re-investment, prior to undertaking any additional borrowing, currently estimated at £424,000,000 to deliver the 10 Year New Homes Programme from 2023/24. Borrowing of a further £203,000,000 is required over the life of the plan, to ensure that self-financing borrowing is re-financed, new homes are maintained at Passivhaus standards and that the small ongoing programme of new homes continues to be delivered at this standard where possible.

Due to the current economic uncertainty, and the resulting increase in the Bank of England base rate, lending rates have increased significantly. In the HRA Budget Setting Report in January 2022, a borrowing rate of 2.5% was assumed. The comparable rate at the time of drafting this report was 4.45%, a rate which has a catastrophic impact on the authority's ability to deliver what is

had planned. However, adopting Link (the Council's treasury advisors) view of what may happen to interest rates over the medium term does indicate some recovery, with average rates of 5.1% for 2022/23, 4.6% for 2023/24, 3.8% for 2024/25 and 3.5% from 2025/26. Although still worse than anticipated 12 months ago, the projections do now show a positive trajectory.

The HRA financial forecasts assume that the initial borrowing requirement in 2023/24 is met by borrowing from the Public Works Loan Board (PWLB), adopting the Link forecast rates.

Alternative borrowing routes are being explored, as the authority is required to borrow significantly greater sums. Consideration is also being given to internal borrowing, inter-authority borrowing, market borrowing and institutional investment.

The 2023/24 HRA Budget Setting Report does not review the potential sources of lending, types of borrowing, lengths of loans or alternative rates available for taking out any additional borrowing at this stage. Further review will need to be undertaken during 2023/24 before significant borrowing is undertaken.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

The debt repayment strategy no longer sets aside resource to redeem 25% of the HRA self-financing debt from the point at which the loan portfolio begins to mature in 2037/38, but instead assumes that loans are re-financed to allow a continued programme of new homes to be delivered.

The ear-marked revenue reserve created to allow resource to be informally 'set aside' will be utilised before further borrowing is taken out. Any resource set-aside since April 2012 has been incorporated for use by 2022/23 to fund the delivery of new homes,

Section 7

Summary and Overview

Equality Impact Assessment, Uncertainties and Risk

Equality Impact Assessment

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

As part of this Budget Setting Report, an Equality Impact Assessment has been undertaken in respect of all new 2023/24 HRA budget proposals, where any impact is anticipated. The assessment identifies the impact of a proposal, any mitigation available and includes an action plan detailing how negative impact can be addressed. The Equalities Impact Assessment for the overall HRA budget is included at **Appendix L**.

Risk Assessment

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

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

HRA Reserves

Housing Revenue Account General Reserves

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

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

Financial Assumptions and Sensitivity

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

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

Appendix I provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2023/24.

Conclusion

The budget for 2023/24 seeks to achieve a balance in investment against current priorities, as outlined in the introduction.

Update of the HRA Business Plan and preparation of the 2023/24 budget has been challenging as a result of changes in leadership at national level, realisation of some of the longer-term impacts of the coronavirus pandemic, the impact on energy prices and other commodities as a result of the war in Ukraine and resulting spiralling inflation, increases in the Bank of England base rate and therefore in borrowing rates.

This iteration of the business plan does however strengthen the focus on the challenge to identify resource to allow improvement to the energy efficiency of the existing housing stock, with funding incorporated to improve existing homes to at least an EPC 'C' standard over the next 13 years, whilst also ensuring that new build homes meet high energy efficiency standards. This will ensure good progress towards meeting the aspirational energy efficiency standards across the housing stock and will improve thermal comfort and reduce energy bills for tenants.

To facilitate this level of investment however, it is necessary to impose a 5% rent increase for tenants from April 2023. This increase is significantly lower than the CPI plus 1% increase of 11.1% that would be applied under the government's Rent Standard, recognising both nationally and locally that an increase of this level would not be acceptable in the current economic climate. The 5% increase is also lower than the government's cap of 7%, recognising that it is necessary to impose a rent increase to facilitate energy investment in the housing stock, but not applying an increase as high as the government have indicated.

The 5% rent increase also acknowledges the level of inflation that is being applied to costs for 2023/24, with a base inflation level of 9.4% being adopted. It is imperative that the authority is not only able to continue to deliver quality services, but also to meet its contractual obligations. The building trade continues to experience both materials and labour shortages, with delays and increased costs still being experienced as a direct result.

The authority still awaits the detail surrounding the Charter for Social Housing Residents and the revised Decent Homes Standard (Decent Homes 2), and how this will impact service delivery, with legislation awaited.

The rollout of Universal Credit continues to contribute to uncertainty for the Housing Service, with the impact of direct payment on rent collection and rent arrears, yet to be fully realised.

Work undertaken as part of the 2023/24 budget process has resulted in the development of proposals for setting the budget for the Housing Revenue Account.

In January 2023 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions in respect of the revenue aspects of the budget, making recommendation for the housing capital budget for 2022/23 to 2031/32 to Council for consideration and approval.

The HRA Budget Setting Report recommends approval of, where applicable:

- Property rents, garage and parking space rents and service charges
- Revised budget proposals
- Unavoidable revenue pressure proposals
- Reduced income proposals
- Revenue bids
- Savings proposals
- Increased income proposals
- Non-cash limit items
- Capital bids, capital savings, revised scheme costs and timings
- Capital resource re-allocation

The meeting of Council in February 2023 will consider the final proposed Housing Capital Budget as identified in this report for approval.

Savings identified in the HRA from 2023/24 include reductions in gas servicing costs following a re-procurement, reductions in national insurance following reversal of the social care levy proposals, reduction in pension costs and other operational savings.

Increased income is anticipated from rents due to the proposal to increase rents by 5% from April 2023, and in service charges where full cost recovery is proposed in respect of sheltered housing charges and where the costs of the Engagement, Education and Enforcement Officer are anticipated to be passed on.

Savings and increased income are partially offset by unavoidable revenue pressures, including the need for the HRA to contribute to corporate transformation costs, an increase in recharges from the General Fund for support services, the costs of council tax in vacant dwellings pending redevelopment and increased emergency lighting maintenance costs.

A reduction in garage rental income is anticipated due to declining garage numbers.

Any net saving delivered allows for the creation of a Strategic Investment Fund as approved in the HRA Medium Term Financial Strategy, with bids proposed to increase staffing in the Housing Management Team, Application Support Team, Estates and Facilities Team, Housing Development Team, Risk and Compliance Team and to continue funding the Engagement, Education and Enforcement Officer, subject to charging residents for the service.

There are non-cash limit adjustments to reflect the use of existing resource to fund some of the increased staffing bid for above, where resource has already been built into the HRA as stock numbers increase, increased investment income as rates on cash balances have gone up, but also an increase in interest paid as borrowing costs have also risen sharply.

The overall position for the HRA by 2023/24 (including non-cash limit adjustments) is a cumulative over-achievement of £262,360, reducing by the end of the 5 year term to result in a cumulative under-achievement of £295,580 by 2027/28. This can only be sustained as a result of the decision on setting rent levels for 2023/24, coupled with net new homes being delivered in years 6 to 10 of the business plan, which will bring with them additional rental streams.

There is currently an assumption that efficiency savings of £180,000 per annum will be sought for a further 4 years, allowing the continuation of a corresponding Strategic Investment Fund for the same period. Effectively, any increase in revenue costs or investment in new revenue areas of priority will need to be funded through the identification of efficiency savings or increased income elsewhere across the service.

The HRA's approach to long-term financial planning has previously incorporated the assumption that surplus resource will be set-aside so that 25% of the self-financing loan portfolio can be redeemed at maturity. Now that the authority has committed to further expansion of its new build programme, with significant additional borrowing planned, this approach is no longer adopted.

The HRA is making significant progress in delivering over 500 additional homes using Devolution Grant, with 260 net additional homes handed over and a further 276 net additional homes on site at the time of writing this report. The authority also has a number of schemes approved as part of the new 10 Year New Homes Programme, with 138 net new homes on site at the time of writing this report.

The biggest risks to the business plan currently are the uncertainty in how long interest rates for borrowing will take to come back down to previous levels, if they ever do and the assumption that the authority will be successful in securing Homes England Grant, with assumptions that the majority of sites on the 10 Year New Homes Programme will have grant funding to allow them to proceed. If the authority is unsuccessful in securing grant, each scheme will need to be revisited before entering into contract to ensure that the HRA can borrow sufficient funds to proceed.

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

Any review of the need to identify savings in future years will need to consider not only sustaining a 30 year business plan, supporting borrowing and taking account of the impact of any emerging

housing legislation, but also considering the authorities commitment to the delivery of new build housing and aspiration to improve the sustainability standards of existing housing.

Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	9.4% for 2023/24, returning to 2% from 2024/25	General inflation on expenditure included at 9.4% for 2023/24, with 2% ongoing per Bank of England and OBR forecasts.	Retained
Capital and Planned Repairs Inflation	4.09% for 5 years, then revert to CPI. 4.7% for new build	Based upon the mix of BCIS and CPI forecasts for next 5 years, using averages over this period. Reverts to CPI after 5 years. Adopt 4.7% for new build based upon industry projections.	Amended
Debt Repayment	Re-financing of Self-Financing Debt	Assumes surplus is re-invested in income generating assets, with re-financing of debt as loans reach maturity dates,	Amended
Capital Investment	Partial Investment Standard	Base model assumes a partial investment standard in the housing stock, compared with a basic decent homes standard.	Retained
Pay Inflation	1% Pay Progression & Pay Inflation at £1,925 per FTE for 2022/23, 3% for 2023/24 then 2% ongoing	Assume allowance for increments at 1% and cost of living pay inflation at £1,925 per FTE for 2022/23, 3% for 2023/24, then 2% on an ongoing basis.	Retained
Employee Turnover	3%	Employee budgets assume a 3% turnover, unless service area is a single employee, or is a shared service, externally recharged service or trading account.	Retained
Social Rent Review Inflation	Capped at 5% for 2023/24, CPI plus 1% for 2024/25, then CPI plus 0.5% for 5 years	Rent increases capped at 5% for 2023/24, at up to CPI plus 1% for 2024/25, reverting to inflation plus 0.5% for 5 years after this, then CPI. Assume CPI in preceding September is as above.	Amended
Affordable Rent Review Inflation	Capped at 5% for 2023/24, CPI plus 1% for 2024/25, then CPI plus 0.5% for 5 years	Affordable rents to be reviewed annually in line with rent guidance, ensuring that they do not breach the Local Housing Allowance, 60% or 80% of market rent, depending upon the tenure.	Amended
Rent Convergence	Voids Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained

Key Area	Assumption	Comment	Status
External Lending Interest Rate	1.6% for 2022/23, then 2%	Interest rates based on latest market projections, recognising that the HRA will benefit from low risk investments only	Amended
Internal Lending Interest Rate	1.6% for 2022/23, then 2%	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment either the HRA or the General Fund longer-term.	Amended
External Borrowing Interest Rate	5.1% for 2022/23, 4.6%, 3.8%, then 3.5% from 2025/26	Assumes additional borrowing using LINK projections of PWLB rates at November 2022.	Amended
Internal Borrowing Interest Rate	5.1% for 2022/23, 4.6%, 3.8%, then 3.5% from 2025/26	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Amended
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed.	Retained
HRA Target Balances	£3,000,000	Maintain HRA target balance at £3,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed.	Retained
Right to Buy Sales	25 sales ongoing	Assume 25 sales annually ongoing.	Retained
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, and ear-marked for direct new build spend. Debt repayment proportion assumed to be set-aside.	Retained
Void Rates	2% for 2022/23, then 1% ongoing	Assume increased void rate of 2% for 2022/23, then ongoing void rate of 1% from 2023/24, recognising plans to improve void performance.	Amended
Bad Debts	1.5% from 2023/24 ongoing	Bad debt 1.5% ongoing reflecting the requirement to collect 100% of rent directly through Universal Credit.	Retained
Savings Target	£180,000 (4% of general and repairs administrative expenditure)	Retain an efficiency target of £180,000 from 2023/24 for 5 years. Allows strategic reinvestment or alternatively a response to pressure from national housing policy change.	Retained

Key Area	Assumption	Comment	Status
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Strategic Investment Fund	£180,000	Housing Strategic Investment Fund included from 2023/24 for 5 years at the same value as the savings target.	Retained

Service Charges

Appendix B

Charge Description	Range of Charges 2022/23	Charge Basis	Charges 2022/23
General Stock			
Caretaking Charge	£4.03 to £5.20	Per Week	A
Building Cleaning	£1.95 to £2.99	Per Week	A
Window Cleaning	£0.01 to £0.54	Per Week	A
Estate Services Champion	£0.16 to £0.48	Per Week	E
Door Entry	£0.11 to £2.43	Per Week	A / B
Passenger Lifts	£0.37 to £1.53	Per Week	A / B
Gas Maintenance / Servicing	£0.43 to £2.16	Per Week	A / B
Digital TV Aerial Charge	£0.13 to £0.33	Per Week	A
Grounds Maintenance	£0.02 to £5.05	Per Week	A / B
Communal Electricity	£0.15 to £4.27	Per Week	A / B
Third Party Estate Service Charge	£0.80 to £5.48	Per Week	A
Third Party Service Charge	£5.91 to £21.82	Per Week	A
Disabled Adaptation Charge	£2.23 to £5.28	Per Week	A
Dropped Kerb Charge	£0.05 to £1.08	Per Week	Frozen
General Sheltered Schemes			
Premises Charge	£1.17 to £30.14	Per Week	D
Communal Heating / Lighting	£2.96 to £7.01	Per Week	A
Individual Heating / Lighting	£3.98 to £16.70	Per Week	A
Water	£1.74 to £3.81	Per Week	A
Grounds Maintenance	£0.28 to £2.77	Per Week	A
Electrical / Mechanical Maintenance	£0.38 to £5.09	Per Week	B
Sheltered Support Charge	£5.79 to £7.20	Per Week	C
Alarm Charge	£0.80	Per Week	A
Landlord Emergency Contact	£0.81	Per Week	A

Sheltered Hall Hire	£10.00 (M - F) £20.00 (Sat/Sun) £5.45**	Per Hour	£10.00 (M - F) £20.00 (Sat/Sun) £5.45**
**Reduced hourly rate for events which CCC sheltered residents can attend			
Ditchburn Place			
Premises Charge	£1.45 to £42.52	Per Week	A
Flat Cleaning / Laundry Charge	£34.88	Per Week	A
Communal Heating / Lighting	£0.76 to £5.86	Per Week	A
Individual Heating / Lighting	£8.18 to £15.01	Per Week	A
Water	£2.35	Per Week	A
Catering	£113.16	Per Week	A
Grounds Maintenance	£2.14	Per Week	A
Electrical / Mechanical Maintenance	£2.92	Per Week	B
Sheltered Support Charge	£7.20	Per Week	C
Alarm Charge	£0.80	Per Week	A
Landlord Emergency Contact	£0.81	Per Week	A
Launderette – Wash / Dry / Iron	£9.00	Per Load	£10.00
Cleaning	£9.00	Per 30 Mins	£10.00
Temporary Accommodation			
Premises Charge	£28.06 to £50.65	Per Week	A
Individual Heating / Lighting	£15.90 to £35.77	Per Week	A
Water	£6.37 to £10.20	Per Week	A
Grounds Maintenance	£0.02 to £3.16	Per Week	A
Electrical / Mechanical Maintenance	£0.28 to £3.71	Per Week	B
Leasehold Charges for Services			
Solicitors' pre-sale enquiries	£150.00	Per Request	£150.00
Copy of lease / Document provision	£30.00	Per Request	£30.00
Re-mortgage Enquiry/Copy of Insurance schedule	£30.00	Per Request	£30.00
Notice of Assignment / Notice of Charge	£100.00	Per Request	£100.00

Deed of Variations Administration plus CCC Solicitor Fee and Own Solicitor Fee	£50.00 £550.00+	Per Request	£50.00 £580.00+
Home Improvement Administration Home Improvement Survey	£30.00 £125.00	Per Request	£30.00 £125.00
Retrospective consent for improvements	Above +£25.00	Per Request	Above +£25.00
Registering sub-let details	£75.00	Per Request	£75.00
Advice Interview for Prospective Purchasers	£50.00	Per Request	£50.00
Right of First Refusal – s156a Certificate	£150.00	Per Request	£160.00
Deed of postponement	£140.00	Per Request	£150.00
Other Charges for Services			
Land Acquisition Enquiry / Administration Fee	£50.00	Per Request	£100.00

Key	
A	Proposal to recover the full estimated cost of providing these services in 2023/24, recognising the authority should endeavour to limit increases to inflation at 11.1% (CPI at September 2022 of 10.1% plus 1%). Exception to this will be in respect of affordable homes, where rents and service charges are capped in totality, and therefore full cost recovery will not always be possible. Service charges will be amended, with the rent element acting as the balancing figure.
B	Charges were separated out from rent in 2004/05. Charges can be increased to recover full cost, recognising that the authority should endeavour to limit increases to inflation at 11.1% (CPI in September 2022 plus 1%)
C	Charges levied for support activities will be reviewed in line with services being provided following renegotiation of the support service for older people with the County Council
D	Proposal to recover the full estimated cost of providing these services in 2023/24, where this has previously been subsidised by rental income across the HRA.
E	Proposal to recover the full estimated cost of providing these services in 2023/24, recognising an increase for the Engagement, Education and Enforcement Officer.

HRA Earmarked & Specific Funds

Appendix C

HRA Earmarked & Specific Revenue Funds (£'000)

Repairs & Renewals

	Opening Balance	Contributions	Expenditure to October	Current Balance
General Management	(702.1)	(71.1)	0.0	(773.2)
Special Services	(1,323.8)	(150.3)	57.6	(1,416.5)
Repairs and Maintenance	(586.2)	(49.3)	0.0	(635.5)
Total	(2,612.1)	(270.7)	57.6	(2,825.2)

Tenants Survey

	Opening Balance	Contributions	Expenditure to October	Current Balance
Tenants Survey	(34.7)	(6.5)	8.2	(33.0)

Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to October	Current Balance
Debt Set-Aside	(14,704.5)	0.0	0.0	(14,704.5)

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to October	Current Balance
Debt Set-Aside	(11,215.4)	0.0)	0.0	(11,215.4)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to October	Current Balance
MRR	(11,540.7)	0.0	0.0	(11,540.7)

Appendix D(1)

2022/23 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2022/23 Budget (£)	Budget Amendment in 2023/24 Budget (£)	Comment
Budgeted use of / (contribution to) HRA Reserves pre BSR		13,474,180		
HRA Repairs				
Heat and Smoke Detectors	Re-phasing of heat and smoke detector funding from 2022/23 into 2023/24	(500,000)	500,000	Re-phasing
Total HRA Repairs		(500,000)	500,000	
HRA Summary Account				
Rent Income	Increased rent income due to temporary use of decants	(39,280)		Future years adjusted accordingly
Bad Debt Provision	Reduced contribution to fund based upon latest assumptions	(4,190)		Built into base for future years
Depreciation	Changes to depreciation based on latest assumptions	2,360		Built into base for future years
Interest earned on HRA Balances	An increase in both interest rates and the level of balances held by the HRA result in an increase in the level of interest that will be earned.	(664,610)		Built into base for future years
Interest Paid	Adjustment to interest due in 2022/23 recognising the impact of internal lending	19,110		Built into base for future years
DRF	Re-phasing of DRF recognising slippage in the capital programme	(17,845,100)	17,845,100	Re-phasing
Development ear-marked reserve	Re-phasing of the use of this ear-marked reserve as a direct result of re-phasing of DRF	14,704,510	(14,704,510)	Re-phasing
Total HRA Summary		(3,827,200)	3,140,590	
Revised use of / (contribution to) HRA Reserves post HRA BSR		(9,166,980)		

2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Unavoidable Revenue Pressure

URP5013	Increased Emergency Lighting Costs	30,620	30,620	30,620	30,620	30,620	Nil	No Impact
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Inspections of emergency lighting are resulting in increased repair costs as failures are identified. In the longer-term lighting is being upgraded, but there will be additional repair costs for a period of time, whilst this takes place.

Renier
Barnard

Housing (HRA) Portfolio

URP5029	Increased cost of Council Tax in void dwellings	100,000	0	0	0	0	Nil	No Impact
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Decant of homes at Fanshawe Road, Princess Court and Hanover Court will result in increased void council tax costs for 2023/24.

Julia Hovells

Housing (HRA) Portfolio

URP5124	Anticipated change in recharges between the General Fund and HRA	5,750	5,980	4,140	4,140	4,140	Nil	No Impact
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This is the anticipated net impact on recharges between the General Fund and HRA if all General Fund budget proposals are approved

Julia Hovells

Housing (HRA) Portfolio

URP5125	Employee Pension Rate Increase	12,250	12,250	12,250	12,250	12,250	Nil	No Impact
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It is expected that the employer's contribution towards employees' pensions will increase from 17.4% to 17.6% as a result of the Pension Fund triennial valuation.

Julia Hovells

Housing (HRA) Portfolio

URP5137	Increase in HRA Bad Debt Provision	8,780	8,780	8,780	8,780	8,780	Nil	No Impact
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An increase in rent levels results in an increase in the contribution required for the bad debt provision, as the two are linked by formula.

Julia Hovells

Housing (HRA) Portfolio

URP5140	HRA Contribution to Corporate Transformation	200,000	200,000	200,000	0	0	Nil	No Impact
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2023/24 Budget – HRA Proposals – by Type**Appendix D (1)**

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Funding for Housing Transformation has been increased by £200,000 per annum for 3 years to allow the HRA to meet its share of corporate transformation costs.

Julia Hovells

Housing (HRA) Portfolio

Total Unavoidable Revenue Pressure	357,400	257,630	255,790	55,790	55,790
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Reduced Income

RI5023	Reduced garage rental income	14,800	14,800	14,800	14,800	14,800	Nil	No Impact
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A reduction in garage income is anticipated as a result of decant of garages at Princess and Hanover Court and demolition of garages at East Road.

Julia Hovells

Housing (HRA) Portfolio

Total Reduced Income	14,800	14,800	14,800	14,800	14,800
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Revenue Bids

B5019	Increase in Housing Staffing recognising increased stock	57,610	57,610	57,610	57,610	57,610	Nil	No Impact
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It is proposed to increase housing management staffing by employing a Tenancy and Estate Services Operations Manager, in recognition of an increase in stock numbers. This has already been allowed for in the business plan forecasts

Anna Hill

Housing (HRA) Portfolio

B5020	Continuation of the Tenancy Auditor Function	49,350	49,350	49,350	49,350	49,350	Nil	No Impact
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Following a successful pilot period a report to HSC in September 2022 recommended continued funding of the tenancy audit function .

Anna Hill

Housing (HRA) Portfolio

B5021	Increased staffing in the Compliance Team	38,950	38,950	38,950	38,950	38,950	Nil	No Impact
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Additional resource is required to address fire safety and asbestos recommendations, and to ensure that the authority can carry out and respond to increased fire risk assessments.

Lynn Bradley

Housing (HRA) Portfolio

B5024	Continuation of the Engagement, Education and Enforcement Officer Post	49,460	49,460	49,460	49,460	49,460	Nil	No Impact
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Following a successful pilot, it is proposed to make this post permanent, but to meet the cost through an increase in estate service champion charges to residents

Anna Hill

Housing (HRA) Portfolio

B5027	Appointment of a compliance officer to support the H.D.A in both securing and meeting the audit requirements for Homes England Grant	44,620	44,620	44,620	44,620	44,620	Nil	Low Positive Impact
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The administration and record keeping in order to ensure compliance with Homes England grant conditions is extensive, and the authority is dependent upon this grant to be able to build new homes.

Julia Hovells

Housing (HRA) Portfolio

2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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B5038	Increased Capacity for Housing IT Development	50,930	50,930	50,930	50,930	50,930	Nil	No Impact
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It is proposed to recruit a Housing IT Development Officer to consider and deliver improvements and developments to the housing IT offering, with a focus on digital solutions and customer self-service

Julia Hovells

Housing (HRA) Portfolio

B5049	Continued employment of the Former Tenant Arrears Officer	0	0	0	0	0	Nil	No Impact
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This post was originally approved as a pilot to tackle former tenant arrears recovery and bad debt write off. This is delivering results and it is proposed to extend the post for a further 12 months, recognising that funding has already been incorporated for this

Julia Hovells

Housing (HRA) Portfolio

B5083	Resource to deliver Service Improvement	59,550	59,550	59,550	59,550	59,550	Nil	No Impact
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This resource will facilitate service improvement, manage and reduce complaints, improve data holding and manage the response to legislative change.

Lynn
Bradley

Housing (HRA) Portfolio

Total Revenue Bids	350,470	350,470	350,470	350,470	350,470
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Pressures & Bids Total:	722,670	622,900	621,060	421,060	421,060
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
Savings								
S5005	Saving in Temporary Propping costs	(32,820)	(32,820)	(32,820)	(32,820)	(32,820)	Nil	No Impact
All known structural works where temporary propping is required will be completed by March 2022, with no identified need for props in 2023/24.								Martin Donnelly
Housing (HRA) Portfolio								
S5006	Resident Involvement Saving	(8,450)	(8,450)	(8,450)	(8,450)	(8,450)	Nil	No Impact
A reduction in resident involvement expenditure is proposed, with reduce demand for public transport claims, a lower level of take up of residents association grants and lower expenditure in respect of other services								Nathan Chapman
Housing (HRA) Portfolio								
S5014	Gas Servicing Contract Saving	(63,970)	(63,970)	(63,970)	(63,970)	(63,970)	Positive/Low Impact	No Impact
Savings are anticipated in gas servicing following award of a new contract resulting from a recent procurement exercise, with communal gas boilers being installed on a number of new build sites instead of individual gas boilers and alternative options being considered for the future..								Renier Barnard
Housing (HRA) Portfolio								
S5017	Saving in estate management costs	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	Nil	No Impact
Reduced estate clearance and fly tip removal costs are anticipated, as the Estate Champion Service proactively deals with this on housing sites								Anna Hill
Housing (HRA) Portfolio								
S5018	City Homes Operational Savings	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	Positive/Low Impact	No Impact
Savings in operational budgets such as printing, stationery and travel can be made due to new ways of working								Anna Hill
Housing (HRA) Portfolio								
S5040	Remove provision to allow market supplements for surveying roles	(38,540)	(38,540)	(38,540)	(38,540)	(38,540)	Nil	No Impact

2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Provision was made a number of years ago, with no market supplement arrangements agreed. The majority of posts have now been successfully recruited to, and provision has been retained for a small number of specialist roles in case it is still required

Lynn
Bradley

Housing (HRA) Portfolio

S5096	Reduction in Employer's National insurance	(52,400)	(52,400)	(52,400)	(52,400)	(52,400)	Nil	No Impact
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The social care levy, set to replace the 1.25% increase in employer's national insurance from April 2023 has been reversed by the chancellor in the mini budget on 23/9/2022. As a result the unavoidable revenue pressure (URP4886) included in the 2022/23 HRA budget process will not be required from 2023/24

Julia Hovells

Housing (HRA) Portfolio

S5126	Reduction in pension costs following the triennial valuation	(358,440)	(407,190)	(455,750)	(455,750)	(455,750)	Nil	No Impact
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The triennial valuation performed in 2022 has identified the opportunity to reduce the HRA's share of the overall pension deficit contribution. The saving to the HRA is significant as the contribution has reduced overall, the share of the total cost that the HRA should meet has been reviewed, and inflation allowed for is not required.

Julia Hovells

Housing (HRA) Portfolio

Total Savings	(569,620)	(618,370)	(666,930)	(666,930)	(666,930)			
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Increased Income

II5007	Increased Catering Income at Ditchburn Place	(32,880)	(32,880)	(32,880)	(32,880)	(32,880)	Nil	No Impact
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Increased catering income is anticipated at Ditchburn Place, now that the scheme is operating at full capacity again.

Nathan Chapman

Housing (HRA) Portfolio

II5016	Additional Home Ownership Fee Income	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	Nil	No Impact
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Additional fee income is anticipated based upon previous year's experience.

Anna Hill

Housing (HRA) Portfolio

II5025	Service charge income for the Engagement, Education and Enforcement Officer	(49,460)	(49,460)	(49,460)	(49,460)	(49,460)	Nil	No Impact
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Following a successful pilot, it is proposed to continue with this service, but to charge for it within the estate service champion charge

Julia Hovells

Housing (HRA) Portfolio

II5026	Increased service charge income	(59,810)	(59,810)	(59,810)	(59,810)	(59,810)	Nil	No Impact
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Increased service charge income, predominantly as a result of fully recovering premises charges across sheltered housing

Julia Hovells

Housing (HRA) Portfolio

II5039	Increased commercial rent income	(5,740)	(5,740)	(5,740)	(5,740)	(5,740)	Nil	No Impact
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Based upon current rent review projections and assuming vacant unit are successfully let, HRA commercial rent income will be marginally greater than budgeted

Julia Hovells

Housing (HRA) Portfolio

RI5022	Increased rental income	(596,980)	(257,710)	(442,910)	(940,010)	(456,290)	Nil	No Impact
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Rental income is anticipated to be higher than assumed in the HRA MTFS as a result of applying a 5% rent increase. This is partially offset by delays in the delivery of new homes. This figure will be far less if the current void levels and void backlog continues, but this is anticipated to be resolved by March 2023. Julia Hovells

Housing (HRA) Portfolio

Total Increased Income	(747,870)	(408,600)	(593,800)	(1,090,900)	(607,180)
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Savings Total:	(1,317,490)	(1,026,970)	(1,260,730)	(1,757,830)	(1,274,110)
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2023/24 Budget – HRA Proposals – by Type

Appendix D (1)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Non-Cash Limit Items

NCL5028	Utilise funding for growth from business plan to meet costs of specific HRA bids	(171,800)	(171,800)	(171,800)	(171,800)	(171,800)	Nil	No Impact
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Funding is incorporated into the HRA business plan to recognise an increase in stock numbers. It is proposed to utilise this to meet growth related bids.

Julia Hovells

Housing (HRA) Portfolio

NCL5053	Increased HRA investment income	(523,570)	(195,220)	(199,120)	(198,550)	(202,820)	Nil	No Impact
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The rate of interest that the HRA expects to be able to earn on balances has increased from 0.6% to 1.6%.

Julia Hovells

Housing (HRA) Portfolio

NCL5135	Increase in Interest Payable on HRA Borrowing	343,510	823,570	1,199,590	1,037,470	354,590	Nil	No Impact
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Due to recent rises in the Bank of England base rate, the cost of HRA borrowing is expected to increase significantly for all new loans assumed to be taken out from 2023/24 in the business plan.

Julia Hovells

Housing (HRA) Portfolio

NCL5136	Reduction in Depreciation for HRA Assets	(19,660)	(71,920)	(139,480)	(10,670)	(65,950)	Nil	No Impact
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Based upon the latest stock numbers, anticipated property values and remaining lives a small reduction in depreciation is anticipated from 2023/24.

Julia Hovells

Housing (HRA) Portfolio

NCL5141	Increase in Direct Revenue Financing (DRF) of Capital	19,235,690	215,320	565,490	146,640	1,219,760	Nil	No Impact
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DRF is maximised as a funding source before any further borrowing is taken out

Julia Hovells

Housing (HRA) Portfolio

NCL5152	Use of set-aside reserve to allow additional investment in new homes	(14,704,510)	0	0	0	0	Nil	No Impact
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Use of set-aside reserve to allow additional revenue funding of capital investment prior to borrowing

Julia Hovells

2023/24 Budget – HRA Proposals – by Type**Appendix D (1)**

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Housing (HRA) Portfolio

Total Non-Cash Limit Items	4,159,660	599,950	1,254,680	803,090	1,133,780
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Non - Cash Limit Items Total:	4,159,660	599,950	1,254,680	803,090	1,133,780
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2023/24 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Capital Bids

CAP5122	Funding to improve 130 existing homes per annum to EPC 'C'	0	3,640,000	3,640,000	3,640,000	3,640,000	Positive/Medium Impact	Low Positive Impact
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Funding is incorporated into the HRA Business Plan to improve 130 homes each year to meet EPC 'C' standards. This funding is needed for 13 years from 2023/24 to ensure that all 1,700 homes currently below this standard are improved to this degree. Funding for 2023/24 was approved under urgency powers in November 2022. Julia Hovells

Housing (HRA) Portfolio

CAP5123	HRA contribution to ICT investment	129,830	23,000	23,000	23,000	23,000	Nil	No Impact
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A number of areas of IT investment have been proposed as part of the General Fund budget process, and this sum assumes the HRA contributes proportionally. Julia Hovells

Housing (HRA) Portfolio

Total Capital Bids	129,830	3,663,000	3,663,000	3,663,000	3,663,000	3,663,000		
Capital Total:	129,830	3,663,000	3,663,000	3,663,000	3,663,000	3,663,000		

Appendix E

2022/23 Capital Budget Amendments Summary

Area of Expenditure and Change	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Total Housing Capital Plan Expenditure per HRA MTFS	94,756	101,025	90,530	92,983	97,357
General Fund Housing					
Increase in Disabled Facilities Grants in line with funding received / anticipated	45	45	45	45	45
Decent Homes and Other HRA Stock Investment					
Re-profile decent homes and other stock investment budgets based upon latest delivery forecasts					
Heating and Boilers	(1,012)	1,012	0	0	0
Wall Structure	(2,040)	2,040	0	0	0
Sulphate Works	(102)	0	0	0	0
Decent Homes Contractor Overheads	(531)	454	0	0	0
Communal Doors	(400)	400	0	0	0
Fire Safety Works	(1,500)	1,500	0	0	0
Estate Improvement Scheme	(650)	650	0	0	0
Decent Homes Backlog	0	350	350	350	350
Other Stock Investment Contractor Overheads	24	53	0	0	0
Decent Homes New Build Allocation	0	(100)	(194)	(16)	(92)
Include energy investment to move 1,700 homes to EPC 'C' as a minimum	0	3,640	3,640	3,640	3,640
New Build					
Re-phase budget for Tedder Way	(10)	10	0	0	0
Re-phase budget for Kendal Way	(34)	34	0	0	0
Re-phase budget for Colville Road II	(44)	(13)	57	0	0
Re-phase budget for Meadows and Buchan	680	(511)	(169)	0	0
Re-phase budget for Campkin Road	(257)	30	227	0	0
Re-phase budget for L2	(516)	516	0	0	0
Re-phase budget for Colville Road III	57	381	(438)	0	0
Increase budget for Fen Road	(353)	353	0	0	0
Reduce budget for Ditton Fields	(536)	536	0	0	0
Re-phase budget for Aragon Close	64	(64)	0	0	0
Re-phase budget for Sackville Close and correct carry forward error from 2021/22	106	(166)	0	0	0
Re-phase budget for Borrowdale	(210)	210	0	0	0
Re-phase budget for Aylesborough Close	2	0	(2)	0	0

Area of Expenditure and Change	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Re-phase budget for St Thomas's Road	(691)	691	0	0	0
Re-phase budget for Paget Road	(28)	28	0	0	0
Re-phase budget for Fanshawe Road	(1,202)	1,256	80	80	(214)
Re-phase budget for Princess and Hanover	(1,949)	(5,230)	2,180	3,181	1,818
Include funding for the demolition of the garages at East Road in line with earlier urgent decision and budget for redevelopment	387	1,886	8,167	824	0
Include funding to allow early acquisition of leasehold dwellings on potential HRA development sites	0	2,000	0	0	0
Include budget to recognise the delivery of homes for refugees, partially funded by DLUHC grant	0	7,943	0	0	0
Re-allocation of 10 Year New Homes budget in line with changes to scheme specific approvals and update of sums for latest programme assumptions	(275)	993	(10,821)	1,542	(21,581)
Sheltered Housing					
No changes	0	0	0	0	0
Other HRA Capital Spend					
Include budget for HRA share of corporate IT investment	0	130	23	23	23
Inflation Allowance					
Adjust inflation allowed to reflect new base and revised inflation assumptions	0	861	318	1,420	(3,235)
Total Housing Capital Plan Expenditure per HRA BSR	83,781	120,943	93,993	104,072	78,111

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified</p> <p>Delays in announcement of detail surrounding housing policy change negatively impacts decisions taken at a local level</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> <p>Changes in national housing or rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p>	<ul style="list-style-type: none"> • Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted. Housing Leaders review any publications. • Decisions taken in the context of a business plan which recognises the uncertainty. Savings taken have impacts exemplified to ensure impact is mitigated. • Additional / specific funding requirements for new services can be identified through the budget process, to allow effective prioritisation of resources. Minimum reserves are held to allow immediate investment if required. • Representation made to DLUHC and other national bodies where statutory requirements carry excessive cost. • The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies. • Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible with scenario impact quantified.
Housing Portfolio & Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> • Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact. • The Business Plan includes long-term trend and scenario analysis on key cost drivers. Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures.
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions

Risk Area & Issue arising	Controls / Mitigation Action
<p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital Plan is not available</p> <p>The financial impact of the coronavirus pandemic is far greater, and longer lasting, than anticipated</p> <p>Business plan assumption that all borrowing is re-financed at the end each borrowing term can't be supported</p>	<ul style="list-style-type: none"> • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying general capital receipts for strategic disposals only at point of receipt • Ongoing review of key parameters whilst the long-term impact of the coronavirus pandemic is still uncertain. • Business plan revenue is reviewed annually, housing stock is maintained to decent standards, with an asset management strategy in place.
Use of resources is not effectively managed	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital investment, project on time etc.</p> <p>Value for money in terms of investment in new build homes is challenged</p>	<ul style="list-style-type: none"> • Council employs robust business planning processes for the HRA • Council has adopted a standard project management framework • A business decision is required for all strategic acquisitions, disposals and one-off areas of significant investment • Performance and contractor management procedures are robust and contracts are enforceable • The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources • Council adopts a mix of delivery vehicles • Council employs cost consultants to demonstrate price comparability with the local market • Council has completed an independent review of new build delivery
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> <p>Rent and service charge arrears increase, and bad debt rises, as a direct</p>	<ul style="list-style-type: none"> • Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes • Council seeks to influence national settlements and legislative changes through response to formal consultation • Increased resources identified for income management. Performance closely monitored to allow further positive action if required.

Risk Area & Issue arising	Controls / Mitigation Action
<p>result of the Welfare Benefit Reforms or the Coronavirus pandemic</p> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <p>Changes in the economic environment cause a significant reduction in the number of right to buy sales, reducing the resource available to finance the capital investment programme</p> <p>Changes to the right to buy rules result in an increase in the level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p> <p>Volatility and competition in the property market impacts the ability to fund planned capital investment from the sale of assets</p>	<ul style="list-style-type: none"> • Income Analytics and LIFT software procured to aid arrears recovery. • Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents • Sensitivities modelled so potential impacts are understood • Business plan is regularly reviewed allowing reallocation of resource or consideration of borrowing if required • Sensitivities modelled so potential impacts are understood • Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity • Delivery timeframe extended to 5 years, with ability to invest up to 40% of receipt into the replacement dwelling • Policy on applying general capital receipts for strategic disposals only at point of receipt • Regular review of mix of new build delivered to ensure that assumptions around shared ownership and market sale are realistic

Appendix G

Retained 1-4-1 Right to Buy Receipts

Year End Date for Receipt	Retained 1-4-1 Receipt Value (Per Annum)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)	Retained 1-4-1 Receipt Extinguished (Cumulative) receipts	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)
31/03/2017	6,772,295.12	19,908,434.35	66,361,447.83	31/03/2022	109,235,760.54	0.00	37,058,159.43	-
31/03/2018	6,701,883.54	26,610,317.89	83,116,156.68	31/03/2023		0.00		-
31/03/2019	3,535,325.69	30,145,643.58	91,954,470.91	31/03/2024		0.00		-
31/03/2020	3,345,892.15	33,491,535.73	100,319,201.28	31/03/2025		0.00		-
31/03/2021	2,457,228.82	35,948,764.55	106,462,273.33	31/03/2026		0.00		-
31/03/2022	4,065,708.84	40,014,473.39	116,626,545.43	31/03/2027		7,390,784.89		2,956,313.96

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Based upon current projections, the existing balance of retained right to buy receipts is forecast to be re-invested in full by the end of 2023/24, well before the deadline of 31/3/2027 (see Appendix H).

New Build Investment Cashflow

Appendix H

New Build / Re-Development Scheme	2022/23 £'0000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000
New Build / Acquisition / Re-Development Cash Expenditure										
Anstey Way	63	0	0	0	0	0	0	0	0	0
Tedder Way	144	329	0	0	0	0	0	0	0	0
Kendal Way	111	372	0	0	0	0	0	0	0	0
Akeman Street	62	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	2,258	0	0	0	0	0	0	0	0	0
Cromwell Road	3,213	378	0	0	0	0	0	0	0	0
Colville Road II	5,625	181	262	0	0	0	0	0	0	0
Meadows and Buchan Street	8,700	9,544	4,228	0	0	0	0	0	0	0
Clerk Maxwell Road	2,717	0	0	0	0	0	0	0	0	0
Campkin Road	7,280	1,790	227	0	0	0	0	0	0	0
22	7,763	8,079	0	0	0	0	0	0	0	0
Colville Road III	4,478	7,306	175	0	0	0	0	0	0	0
Histon Road	1,674	0	0	0	0	0	0	0	0	0
Fen Road	2,340	1,430	0	0	0	0	0	0	0	0
Ditton Walk	799	1,067	0	0	0	0	0	0	0	0
Aragon Close	638	1,411	0	0	0	0	0	0	0	0
Sackville Close	686	1,380	0	0	0	0	0	0	0	0
Borrowdale	295	685	0	0	0	0	0	0	0	0
Aylesborough Close	1,652	10,910	6,164	0	0	0	0	0	0	0
St Thomas's Road	896	2,024	0	0	0	0	0	0	0	0
Paget Road	42	1,349	0	0	0	0	0	0	0	0
Fanshawe Road	2,623	8,044	7,844	7,844	2,232	0	0	0	0	0
Princess and Hanover	3,599	4,738	4,094	9,839	6,227	113	0	0	0	0
East Road	387	1,886	8,167	824	0	0	0	0	0	0

New Build / Re-Development Scheme	2022/23 £'0000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000
Acquisition or New Build (Unallocated)	2,444	2,000	0	0	0	0	0	0	0	0
Local Authority Housing Fund Acquisitions and Replacement of Redirection of Existing Pipeline	0	7,943	0	0	0	0	0	0	0	3,424
10 Year New Homes Programme	1,460	12,268	30,811	48,378	34,795	26,573	30,303	36,349	18,504	3,262
Rough Sleeper Acquisitions	1,550	0	0	0	0	0	0	0	0	0
Total New Build/ Re-Development Expenditure	63,499	85,114	61,972	66,885	43,254	26,686	30,303	36,349	18,504	6,686
New Build Devolution Grant Funding / DLUHC Rough Sleeper Next Steps Grant Funding / Assumed Homes England Grant / BLRF Grant										
Anstey Way	(23)	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(1,581)	0	0	0	0	0	0	0	0	0
Cromwell Road	(2,249)	(265)	0	0	0	0	0	0	0	0
Colville Road II	(2,762)	(89)	0	0	0	0	0	0	0	0
Meadows and Buchan Street	(5,054)	(1,036)	0	0	0	0	0	0	0	0
Clerk Maxwell Road	(1,902)	0	0	0	0	0	0	0	0	0
Campkin Road	(3,241)	(540)	0	0	0	0	0	0	0	0
2	(3,623)	(1,208)	0	0	0	0	0	0	0	0
Colville Road III	(1,608)	(536)	0	0	0	0	0	0	0	0
Fen Road	(808)	(269)	0	0	0	0	0	0	0	0
Ditton Walk	(401)	(134)	0	0	0	0	0	0	0	0
Aragon Close	(310)	(103)	0	0	0	0	0	0	0	0
Sackville Close	(310)	(103)	0	0	0	0	0	0	0	0
Borrowdale	(194)	(65)	0	0	0	0	0	0	0	0
Aylesborough Close	(1,575)	(643)	(525)	0	0	0	0	0	0	0
St Thomas's Road	(420)	0	(140)	0	0	0	0	0	0	0
Paget Road	(225)	(75)	0	0	0	0	0	0	0	0
Fanshawe Road	(1,000)	(4,132)	0	(1,405)	0	0	0	0	0	0
East Road	0	(1,932)	0	(657)	0	0	0	0	0	0
Local Authority Housing Fund	(1,490)	(3,478)	0	0	0	0	0	0	0	0

10 Year New Homes Programme	(137)	(1,334)	(2,907)	(4,664)	(3,446)	(2,695)	(2,650)	(2,990)	(1,404)	(238)
Rough Sleeper Acquisitions	(704)	0	0	0	0	0	0	0	0	0
Total New Build / Re-Development Funding	(29,614)	(15,941)	(3,572)	(6,725)	(3,446)	(2,695)	(2,650)	(2,990)	(1,404)	(238)
New Build / Re-Development Scheme	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'0000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Use of Retained Right to Buy Funding										
Anstey Way	(10)	0	0	0	0	0	0	0	0	0
Tedder Way	(43)	(99)	0	0	0	0	0	0	0	0
Kendal Way	(33)	(112)	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(677)	0	0	0	0	0	0	0	0	0
Cromwell Road	(321)	(38)	0	0	0	0	0	0	0	0
Colville Road II	(1,184)	(38)	(55)	0	0	0	0	0	0	0
Meadows and Buchan Street	(2,610)	(2,862)	(1,268)	0	0	0	0	0	0	0
Clerk Maxwell Road	(815)	0	0	0	0	0	0	0	0	0
Campkin Road	(1,433)	(358)	(45)	0	0	0	0	0	0	0
Histon Road	(167)	0	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	0	0	0	0	0	0	0	0	0	0
10 Year New Homes Programme	0	0	0	(3,396)	(3,464)	(3,533)	(3,604)	(3,676)	(3,749)	(3,824)
Total Use of Retained Right to Buy Funding	(7,293)	(3,507)	(1,369)	(3,396)	(3,464)	(3,533)	(3,604)	(3,676)	(3,749)	(3,824)
Total to be funded from HRA Resources (DRF & MRR) and Sales Receipts	26,592	5,741	(10,214)	(14,433)	(11,883)	(9,558)	(15,264)	(22,365)	(23,992)	(2,997)
Total HRA Borrowing	0	59,925	67,246	71,196	48,227	30,016	39,313	52,049	37,343	5,621

Key Sensitivity Analysis

Appendix I

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Rents Inflation	Capped at 5% for 2023/24, then CPI plus 1% for 1 further year from 2024/25, followed by CPI plus 0.5% for 5 years, then CPI	No confirmation from government, for the 2024/25 rent review, but also no guarantee that there will be the ability to return to previously assumed rent increases if rents are set legislatively after 2024/25, so assume CPI only from 2025/26.	Borrowing increases by £52 million during the life of the plan, £36m is lost in rent income and interest payments increase by £20 million.
Rents Inflation	Capped at 5% for 2023/24, then CPI plus 1% for 1 further year from 2024/25, followed by CPI plus 0.5% for 5 years, then CPI	Consultation outcome for rent cap for 2023/24 was 7%, so assume 7% increase is applied.	Borrowing reduces by £67 million during the life of the plan, £43m is gained in rent income and interest payments reduce by £28 million.
Direct Payments (Universal Credit)	Bad Debts at 1.5%	Evidence from the pilot authorities for direct payment indicated that collection rates may fall from 99% to 95%. Assume bad debts at 5% from 2023/24.	Borrowing increases by £93 million during the life of the plan, with £57 million bad debt and £41 million in additional interest payments.
Cost of HRA 10 Year New Homes Programme	Homes England Grant assumed for all eligible affordable tenures	Assume that the authority fails to secure any further Homes England Grant to support the delivery of new homes	Borrowing increases by £91 million during the life of the plan and interest payments increase by £61 million.
General Inflation	CPI assumed to be 9.4% for 2023/24, then 2% ongoing from 2024/25	Assume that the current high levels of inflation do not return to 2% within 12 months, with CPI at 7% and 4% before returning to 2% from 2026/27.	Borrowing increases by £30 million during the life of the plan and interest payments increase by £11 million.

HRA Summary 2022/23 to 2027/28

Appendix J

Description	2022/23 £0	2023/24 £0	2024/25 £0	2025/26 £0	2026/27 £0	2027/28 £0
Income						
Rental Income (Dwellings)	(40,518,480)	(44,730,930)	(47,462,800)	(51,103,480)	(54,265,480)	(56,686,500)
Rental Income (Other)	(1,303,520)	(1,320,530)	(1,265,440)	(1,290,750)	(1,316,570)	(1,342,900)
Service Charges	(3,389,820)	(3,812,360)	(3,884,610)	(3,958,300)	(4,033,460)	(4,110,130)
Contribution towards Expenditure	(566,360)	(548,720)	(559,690)	(570,890)	(582,310)	(593,950)
Other Income	(508,540)	(534,020)	(533,430)	(544,100)	(554,980)	(566,080)
Total Income	(46,286,720)	(50,946,560)	(53,705,970)	(57,467,520)	(60,752,800)	(63,299,560)
Expenditure						
Supervision & Management - General	5,505,390	5,694,470	5,838,280	6,052,320	6,030,800	6,236,430
Supervision & Management - Special	3,673,550	4,266,510	4,364,050	4,463,890	4,566,110	4,670,740
Repairs & Maintenance	10,433,590	10,766,840	10,715,860	11,311,100	11,737,830	12,390,360
Depreciation - t/f to Major Repairs Res.	10,471,650	11,966,510	12,588,250	13,430,820	14,316,470	14,712,760
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	1,270,760	1,477,270	1,435,360	1,505,770	1,571,380	1,626,340
Total Expenditure	31,354,940	34,171,600	34,941,800	36,763,900	38,222,590	39,636,630
Net Cost of HRA Services	(14,931,780)	(16,774,960)	(18,764,170)	(20,703,620)	(22,530,210)	(23,662,930)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(961,570)	(670,510)	(486,010)	(505,260)	(502,830)	(506,040)
HRA (Surplus) / Deficit for the Year	(15,893,350)	(17,445,470)	(19,250,180)	(21,208,880)	(23,033,040)	(24,168,970)
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,494,240	8,888,760	11,511,990	14,059,340	16,160,410	17,538,920
Housing Set Aside	0	0	0	0	0	0

Appropriation from Ear-Marked Reserve	0	(14,704,510)	0	0	0	0
Direct Revenue Financing of Capital	17,546,090	29,446,380	7,669,150	7,771,060	7,100,060	6,749,790
(Surplus) / Deficit for Year	9,146,980	6,185,160	(69,040)	621,520	227,430	119,740
Balance b/f	(19,590,023)	(10,443,043)	(4,257,883)	(4,326,923)	(3,705,403)	(3,477,973)
Total Balance c/f	(10,443,043)	(4,257,883)	(4,326,923)	(3,705,403)	(3,477,973)	(3,358,233)

Housing Capital Investment Plan

Appendix K

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend										
Disabled Facilities Grants	750	750	750	750	750	750	750	750	750	750
Private Sector Housing Grants and Loans	195	195	195	195	195	195	195	195	195	195
Total General Fund Housing Capital Spend	945	945	945	945	945	945	945	945	945	945
HRA Capital Spend										
Decent Homes										
Kitchens	865	528	682	1,350	659	1,300	1,187	1,553	3,127	1,341
Bathrooms	800	138	560	586	132	53	328	964	823	53
Central Heating / Boilers	1,900	2,742	2,265	1,750	2,337	1,456	1,641	3,015	2,946	2,955
Insulation / Energy Efficiency / Wall Finishes	2,039	620	541	357	946	176	1,126	725	798	959
Energy Efficiency Pilot / Retrofit	1,500	8,140	3,640	3,640	3,640	3,640	3,640	3,640	3,640	3,640
External Doors	1,058	24	94	80	49	18	66	242	289	51
PVCU Windows	1,021	783	987	945	373	316	1,099	772	885	787
Wall Structure	784	2,059	2	266	92	529	687	1,177	965	557
External Painting	371	357	357	357	357	357	707	357	357	357
Roof Structure	425	300	300	300	300	300	300	300	300	300
Roof Covering (including chimneys)	1,079	676	1,993	1,582	1,010	1,120	879	432	1,747	561
Electrical / Wiring	255	334	392	179	258	4	19	399	2,823	118
Sulphate Attacks	0	102	102	102	102	102	102	102	102	102
HHSRS Contingency	278	500	300	100	100	100	100	100	100	100
Other Health and Safety Works	50	50	50	0	0	0	0	0	0	0

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capitalised Officer Fees - Decent Homes	505	505	505	505	505	505	505	505	505	360
Decent Homes Backlog	0	5,677	5,677	5,677	5,677	5,112	5,112	5,112	5,112	0
Decent Homes Planned Maintenance Contractor Overheads	1,322	1,132	948	875	739	641	910	1,119	1,683	906
Decent Homes New Build Allocation	0	1,001	1,593	2,339	2,631	3,133	3,575	4,033	4,244	4,459
Total Decent Homes	14,252	25,668	20,988	20,990	19,907	18,862	21,983	24,547	30,446	17,606
Other Spend on HRA Stock										
Garage Improvements	167	100	100	100	100	100	100	100	100	100
Asbestos Removal	23	50	50	50	50	50	50	50	50	50
Disabled Adaptations	1,008	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	100	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	350	150	150	150	150	150	150	150	150	150
Communal Entrance / Enclosure Doors + Glazing	121	521	121	145	121	121	121	121	152	121
Fire Prevention / Fire Safety Works	622	1,550	50	700	50	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety Works	262	225	225	225	225	225	225	225	225	225
Communal Areas Floor Coverings	100	100	100	100	100	100	100	100	100	100
Lifts and Door Entry Systems	49	47	28	75	0	0	0	0	28	0
Estate Investment Scheme	1,200	1,650	199	0	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	141	114	114	114	114	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	404	356	212	198	187	187	188	188	194	187
Total Other Spend on HRA stock	4,547	5,771	2,257	2,765	2,005	2,005	2,006	2,006	2,071	2,005

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development										
Anstey Way	63	0	0	0	0	0	0	0	0	0
Tedder Way	144	329	0	0	0	0	0	0	0	0
Kendal Way	111	372	0	0	0	0	0	0	0	0
Akeman Street	62	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	2,258	0	0	0	0	0	0	0	0	0
Cromwell Road	3,213	378	0	0	0	0	0	0	0	0
Colville Road Phase II	5,625	181	262	0	0	0	0	0	0	0
Meadows and Buchan Street	8,700	9,544	4,228	0	0	0	0	0	0	0
Clark Maxwell Road	2,717	0	0	0	0	0	0	0	0	0
Compkin Road	7,280	1,790	227	0	0	0	0	0	0	0
Histon Road	1,674	0	0	0	0	0	0	0	0	0
L2	7,763	8,079	0	0	0	0	0	0	0	0
Colville Road Phase III	4,478	7,306	175	0	0	0	0	0	0	0
Fen Road	2,340	1,430	0	0	0	0	0	0	0	0
Ditton Fields	799	1,067	0	0	0	0	0	0	0	0
Aragon Close	638	1,411	0	0	0	0	0	0	0	0
Sackville Close	686	1,380	0	0	0	0	0	0	0	0
Borrowdale	295	685	0	0	0	0	0	0	0	0
Aylesborough Close	1,652	10,910	6,164	0	0	0	0	0	0	0
St Thomas's Road	896	2,024	0	0	0	0	0	0	0	0
Paget Road	42	1,349	0	0	0	0	0	0	0	0
Fanshawe Road	2,623	8,044	7,844	7,844	2,232	0	0	0	0	0
Princess and Hanover	3,599	4,738	4,094	9,839	6,227	113	0	0	0	0
East Road (Incl. demolition)	387	1,886	8,167	824	0	0	0	0	0	0

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Acquisition and Decant (Incl. for New Build)	2,444	2,000	0	0	0	0	0	0	0	0
Local Authority Housing Fund Acquisitions and Replacement of Redirection of Existing Pipeline	0	7,943	0	0	0	0	0	0	0	3,424
10 Year New Homes Programme (Unallocated)	1,460	12,268	30,811	48,378	34,795	26,573	30,303	36,349	18,504	3,262
Rough Sleeper Acquisitions	1,550	0	0	0	0	0	0	0	0	0
Total HRA New Build / Re-Development / Acquisition	63,499	85,114	61,972	66,885	43,254	26,686	30,303	36,349	18,504	6,686
Sheltered Housing Capital Investment										
No current schemes	0	0	0	0	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	0	0	0	0	0	0	0	0	0	0
Other HRA Capital Spend										
Orchard Replacement / Mobile Working	119	0	0	0	0	0	0	0	0	0
Corporate IT Investment	0	130	23	23	23	23	23	23	23	23
Shared Ownership Repurchase	300	300	300	300	300	300	300	300	300	300
Commercial and Administrative Property	69	30	30	30	30	30	30	30	30	30
Estate Service Van	50	0	0	0	0	0	0	0	0	0
Total Other HRA Capital Spend	538	460	353	353	353	353	353	353	353	353
Total HRA Capital Spend	82,836	117,013	85,570	90,993	65,519	47,906	54,645	63,255	51,374	26,650
Total Housing Capital Spend at Base Year Prices	83,781	117,958	86,515	91,938	66,464	48,851	55,590	64,200	52,319	27,595
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	4,985	7,478	12,134	11,647	10,419	14,013	19,051	15,193	7,582

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Inflated Housing Capital Spend	83,781	122,943	93,993	104,072	78,111	59,270	69,603	83,251	67,512	35,177
Housing Capital Resources										
Right to Buy Receipts	(488)	(493)	(498)	(503)	(508)	(513)	(518)	(523)	(529)	(534)
Other Capital Receipts (Land & Dwellings, incl. Market, Rent to Buy and SO Sales)	0	(614)	0	0	0	0	0	0	0	0
Major Repairs Reserve	(22,013)	(11,967)	(12,589)	(13,431)	(14,316)	(14,713)	(15,285)	(15,810)	(16,356)	(16,730)
Direct Revenue Financing of Capital	(17,546)	(29,446)	(7,669)	(7,771)	(7,100)	(6,750)	(7,183)	(7,153)	(7,081)	(7,180)
Devolution / Homes England (assumed) / BLRF / DLUHC / BEIS Grants	(29,614)	(15,941)	(3,572)	(6,725)	(3,446)	(2,695)	(2,650)	(2,990)	(1,404)	(238)
Disabled Facilities Grant	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Other Capital Resources (Grants / Shared Ownership Re-Sale / R&R Funding)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Retained Right to Buy Receipts	(7,294)	(3,507)	(1,369)	(3,396)	(3,464)	(3,533)	(3,604)	(3,676)	(3,749)	(3,824)
Prudential Borrowing	0	(59,925)	(67,246)	(71,196)	(48,227)	(30,016)	(39,313)	(52,049)	(37,343)	(5,621)
Total Housing Capital Resources	(78,005)	(122,943)	(93,993)	(104,072)	(78,111)	(59,270)	(69,603)	(83,251)	(67,512)	(35,177)
Net (Surplus) / Deficit of Resources	5,776	0	0	0	0	0	0	0	0	0
Capital Balances b/f	(6,346)	(569)	(569)	(569)	(569)	(569)	(569)	(569)	(569)	(569)
Use of / (Contribution to) Balances in Year	5,777	0	0	0	0	0	0	0	0	0
Capital Balances c/f	(569)	(569)	(569)	(569)	(569)	(569)	(569)	(569)	(569)	(569)

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Capital Balances (Opening Balance 1/4/2022)										
Major Repairs Reserve	(11,541)	Utilised in future years to fund investment in the housing stock								
Retained 1-4-1 Right to Buy Receipts	(7,244)	Utilised in 2022/23 above								
Right to Buy Receipts for Debt Redemption	(11,215)	Retained for future debt repayment								
Devolution Grant	(18,742)	Utilised in 2022/23 and 2023/24 above								
Total Other Capital Balances	(48,742)									

Equalities Impact Assessment Appendix L

Cambridge City Council Equality Impact Assessment (EqIA)



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

Housing Revenue Account Budget Setting Report – HRA Bids and Savings 2023/24

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

Documents will be published here:
[Agenda for Housing Scrutiny Committee on Tuesday, 24th January, 2023, 5.30 pm - Cambridge Council](#)

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

This EqIA considers equality impacts of budget proposals for the HRA at the point that they go to Housing Scrutiny Committee.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced Housing Revenue Account budget for 2023/24 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the efficiency savings required to allow the strategic reinvestment of resource into new areas.

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

4. Responsible service

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

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?

(Please tick all that apply)

- Residents
- Visitors
- Staff

This EqIA specifically considers any equalities impact for City Council tenants and leaseholders, or for staff associated in delivery of services to this client group.

6. What type of strategy, policy, plan, project, contract or major change to your service is this?	<input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> Major change <input type="checkbox"/> Minor change
---	--

7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

This is an assessment of the Council's Housing Revenue Account budget proposals and therefore covers all of our landlord related services, and as such will involve multiple council departments.

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

All revenue budget bid proposals included in this EqIA are being presented to Housing Scrutiny Committee on 24th January 2023 and capital bids to Council on 23rd February 2023.

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

This information is based on feedback from Council Officers that lead on the individual budget bid proposals and any EqIA's they may have produced.

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

(a) Age - Please also consider any safeguarding issues for children and adults at risk

Increase emergency lighting repair costs (positive impact)
Ensuring that emergency lighting is well maintained will make footpaths, walkways and communal areas safer for all residents, but particularly for older people who may be less mobile

Increase in Housing Staffing and Tenancy Audit (positive impact)

Increased staff in housing management and tenancy audit will improve services delivered to residents, with older or vulnerable people particularly benefitting from additional access to services and support.

Continuation of the Engagement Education and Enforcement Officer (positive impact)

This post ensures that communal areas of flats are safe and free from obstruction, which is of benefit to all residents, but particularly to older residents who may be less mobile.

Increased staffing in the Compliance Team (positive impact)

Increased staff to ensure fire safety and asbestos management across the housing stock will benefit all residents but will be of particular benefit to older or vulnerable tenants, who may be less mobile or in poorer health.

Increased staffing for IT Development (positive impact)

Increased staff to aid IT development will provide improved customer access to services and information, which will benefit all housing customers, but will be of particular benefit to older or vulnerable people who may be less able to access services in other ways.

Increased service charge income for Engagement, Education and Enforcement Officer

An increase in service charges for those in flatted accommodation will impact all residents but may have a disproportionate impact on older people who may be retired and on lower incomes.

Increased service charge income (negative impact)

An increase in sheltered scheme premises charges to ensure full cost recovery will have a particular impact on sheltered residents, who are by the nature of the accommodation, in the older age groups.

Increased rental income (negative impact)

Rent increases will impact all tenants but may have a particular negative impact for older people who have savings that mean that they are not eligible for financial support in the form of housing benefit.

(b) Disability

Increase emergency lighting repair costs (positive impact)

Ensuring that emergency lighting is well maintained will make footpaths, walkways and communal areas safer for all residents, but particularly for disabled people who may be less mobile

Increase in Housing Staffing and Tenancy Audit (positive impact)

Increased staff in housing management and tenancy audit will improve services delivered to residents, with disabled or vulnerable people particularly benefitting from additional access to services and support.

Continuation of the Engagement Education and Enforcement Officer (positive impact)

This post ensures that communal areas of flats are safe and free from obstruction, which is of benefit to all residents, but particularly to disabled residents who may be less mobile.

Increased staffing in the Compliance Team (positive impact)

Increased staff to ensure fire safety and asbestos management across the housing stock will benefit all residents but will be of particular benefit to disabled or vulnerable tenants, who may be less mobile or in poorer health.

Increased staffing for IT Development (positive impact)

Increased staff to aid IT development will provide improved customer access to services and information, which will benefit all housing customers, but will be of particular benefit to disabled or vulnerable people who may be less able to access services in other ways.

Increased service charge income for Engagement, Education and Enforcement Officer (negative impact)

An increase in service charges for those in flatted accommodation will impact all residents but may have a disproportionate impact on disabled people who may not be able to work and may be on lower incomes.

Increased rental income (negative impact)

Rent increases will impact all tenants but may have a particular negative impact for disabled people who have savings that mean that they are not eligible for financial support in the form of housing benefit.

(c) Gender reassignment

There are no equality impacts identified specific to this protected characteristic

(d) Marriage and civil partnership

There are no equality impacts identified specific to this protected characteristic

(e) Pregnancy and maternity

There are no equality impacts identified specific to this protected characteristic

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

Increased staffing for IT Development (positive impact)

Increased staff to aid IT development will provide improved customer access to services and information, which will benefit all housing customers, but could be of particular benefit to those for whom English is not their first language if systems can be developed to assist them to access services in alternative languages.

(g) Religion or belief

There are no equality impacts identified specific to this protected characteristic

(h) Sex

There are no equality impacts identified specific to this protected characteristic

(i) Sexual orientation

There are no equality impacts identified specific to this protected characteristic

(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on:

Low-income groups or those experiencing the impacts of poverty

Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_l59kt25q).

Continuation of the Former Tenant Arrears Officer (positive impact)

This post works with debtors in an attempt to sensitively recover arrears, but also to write off uncollectable debts, therefore stopping continued chasing of these sums.

Resource to deliver Service Improvement (positive impact)

This resource is intended to improve service delivery for all housing customers and to reduce complaints, which will benefit all tenants and leaseholders.

Increased service charge income for Engagement, Education and Enforcement Officer (negative impact)

An increase in service charges for those in flatted accommodation will impact all residents at a time when other living costs are also increasing.

Increased rental income (negative impact)

Rent increases will impact all tenants, particularly at a time when other living costs are going up.

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

Increased service charge income for Engagement, Education and Enforcement Officer (negative impact)

The Estate Service Charge is fully eligible for housing benefit and Universal Credit, meaning those on low incomes will benefit from having the charge met for them. The Income Management Team and Financial Inclusion Officers will continue to work with residents to

ensure that they get all of the support to which they are entitled and are sign-posted to other agencies who can help.

Increased service charge income (negative impact)

The Sheltered Premises Charge is fully eligible for housing benefit and Universal Credit, meaning those on low incomes will benefit from having the charge met for them. The Income Management Team and Financial Inclusion Officers will continue to work with residents to ensure that they get all of the support to which they are entitled and are sign-posted to other agencies who can help.

Increased rental income (negative impact)

Rent is fully eligible for housing benefit and Universal Credit, meaning those on low incomes will benefit from having the charge met for them. The Income Management Team and Financial Inclusion Officers will continue to work with residents to ensure that they get all of the support to which they are entitled and are sign-posted to other agencies who can help.

12. Do you have any additional comments?

This EqIA provides an overall assessment of the equality impacts of budget proposals included in the Housing Revenue Account budget proposed for 2023/24. Individual service managers shall be responsible for delivery of the actions identified in this impact assessment.

13. Sign off

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

Julia Hovells, Assistant Head of Finance and Business Manager

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

- Helen Crowther, Equality and Anti-Poverty Officer
- Catherine Buckle, Business Development Manager
- Lynn Bradley, Head of Housing Maintenance and Assets
- David Greening, Head of Housing
- Claire Flowers, Head of Housing Development Agency

Date of EqIA sign off: 17/11/2022

Date of next review of the equalities impact assessment: After 23/02/2023

Date to be published on Cambridge City Council website: Published for proposals to be considered by Housing Scrutiny Committee on 24th January 2023 and Council on 23rd February 2023 as part of the HRA Budget Setting Report.

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

Document is Restricted

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STRATEGY & RESOURCES SCRUTINY COMMITTEE

30 January February 2023

5.30 – 9:15pm

Present: Robertson (Chair), Bennett, Bick, Payne, Scutt, Smart. S. Smith, Gawthrope Wood and Carling.

RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE RESOURCES AND TRANSFORMATION COUNCILLOR DAVEY)

CAPITAL STRATEGY 2023/24

This report presents the capital strategy of the council together with a summary capital programme for the General Fund (GF) and Housing Revenue Account (HRA). The previous capital strategy was approved by Council on 24 February 2022. The strategy is focused on providing a framework for delivery of capital expenditure plans over a 10-30 year period. These plans cover spending on operational assets to support service delivery and on investments which provide an income for the council alongside meeting the council's objectives in relation to economic development and place-making, regeneration and climate change mitigation. Governance arrangements are also outlined in order to ensure the capital programme continues to deliver value for money.

The council has a substantial capital programme which is mainly guided by and supports the strategic aims of the council as outlined in the One Cambridge – Fair for All vision and defined in the Annual Statement as published on the council website.

The strategy has been updated to reflect:

- Consideration of the impact of the Our Cambridge programme on forecast capital expenditure and development of the strategy (para. 1.7);
- Commentary on the contribution of capital expenditure to the achievement of Council objectives (paras. 3.4 and 3.5);
- Explanation of the liability benchmark which CIPFA require the Council to produce from 2023/24 onwards (para. 3.15); and
- Decisions taken by Members concerning development of the Council's Office Accommodation Strategy (para. 5.5).

Section 151 officer report

The council's Section 151 officer is required to report explicitly on the affordability and risk associated with the capital strategy.

As highlighted in the strategy the council ensures that capital projects and schemes are accompanied by detailed funding proposals. Where projects are to be funded from borrowing, either internally from cash balances or externally, a prudent Minimum Revenue Provision charge is made. The council has not borrowed externally to fund capital expenditure in the recent past, the current external borrowing representing debt incurred on the transition from the old housing subsidy system to HRA self-financing.

Where the council has expanded its commercial activities by purchasing commercial properties or by making loans to subsidiaries and joint ventures to facilitate the provision of intermediate housing or the development of sites for market and affordable housing, it ensures that the risks taken are proportionate to the size and scale of the authority. Legal advice is taken alongside the completion of appropriate due diligence and any loans are secured where appropriate. On projects undertaken by joint ventures the council monitors the expected repayment of loans and expected future surpluses carefully. The council has not borrowed externally to fund the increase in commercial activity.

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

External borrowing may also be used to fund the remainder of the capital programme where capital receipts and cash balances are insufficient. The level of capital spending will be reviewed annually for affordability in the Medium Term Finance Strategy (MTFS), before proposals are brought forward through the budget setting process.

Accordingly, Council is recommended to:

Agree the capital strategy as set out in the report and note the summary capital programme

Item

Strategy & Resources 30 January 2023 - Finance and Resources Portfolio: Capital Strategy 2023/24

To:

Councillor Mike Davey, Executive Councillor for Finance and Resources Portfolio

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

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

Key Decision

1. Executive Summary

- 1.1 The council continues to develop and expand well-established, long term capital planning.
- 1.2 This report presents the capital strategy of the council together with a summary capital programme for the General Fund (GF) and Housing Revenue Account (HRA). The previous capital strategy was approved by Council on 24 February 2022. The strategy is focused on providing a framework for delivery of capital expenditure plans over a 10-30 year period. These plans cover spending on operational assets to support service delivery and on investments which provide an income for the council alongside meeting the council's objectives in relation to economic development and place-making, regeneration and climate change mitigation. Governance arrangements are also outlined in order to ensure the capital programme continues to deliver value for money.

- 1.3 The council has a substantial capital programme which is mainly guided by and supports the strategic aims of the council as outlined in the *One Cambridge – Fair for All* vision and defined in the *Annual Statement* as published on the council website.
- 1.4 The strategy has been updated to reflect:
- Consideration of the impact of the Our Cambridge programme on forecast capital expenditure and development of the strategy (para. 1.7);
 - Commentary on the contribution of capital expenditure to the achievement of Council objectives (paras. 3.4 and 3.5);
 - Explanation of the liability benchmark which CIPFA require the Council to produce from 2023/24 onwards (para. 3.15); and
 - Decisions taken by Members concerning development of the Council's Office Accommodation Strategy (para. 5.5).

2 Section 151 officer report

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

due diligence and any loans are secured where appropriate. On projects undertaken by joint ventures the council monitors the expected repayment of loans and expected future surpluses carefully. The council has not borrowed externally to fund the increase in commercial activity.

- 2.4 External debt will be used to fund the redevelopment of the Park Street multi-storey car park and future housing developments within the HRA. The council is aware of the risks associated with borrowing for these purposes and will seek appropriate external advice.
- 2.5 External borrowing may also be used to fund the remainder of the capital programme where capital receipts and cash balances are insufficient. The level of capital spending will be reviewed annually for affordability in the Medium Term Finance Strategy (MTFS), before proposals are brought forward through the budget setting process.

3 Recommendations

3.1 The Executive Councillor is asked to:

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

4. Implications

(a) Financial Implications

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

(b) Staffing Implications

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

(c) Equality and Poverty Implications

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

(d) Net Zero Carbon, Climate Change and Environmental Implications

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

(e) Procurement Implications

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

(f) Community Safety Implications

None.

5. Consultation and communication considerations

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

6. Background papers

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

- GF and HRA Budget Setting Reports 2023/24
- Treasury Management Strategy Statement 2023/24

7. Appendices

The following item is included in this report:

- Capital Strategy 2023/24

8. Inspection of papers

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

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

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**Cambridge City Council
Capital Strategy 2023/24
Contents**

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1. Introduction

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

- 1.4 By its very definition a capital strategy is a document developed in the context a long-term planning horizon. The past ten years has seen the population of our city grow by 17.6%. The population will soon exceed 150,000 and is expected to continue to grow. The success of our universities mean that we welcome 15,000 new residents each year with a similar number moving out of the city.
- 1.5 In our city centre and on its outskirts substantial inward investment has contributed to a dynamic and vibrant local economy with specialisms in technology and biological sciences. Working with its partners across the private and public sectors, the Council is well-placed to continue benefit from this investment through local taxation and the provision of income-generating services. However, we are conscious of the expectations that accompany such investment and the effort needed to maintain economic competitiveness.
- 1.6 Despite the city's economic success, the benefits of economic growth and private sector investment have not been evenly distributed. The city has the fifth lowest score nationally for youth social mobility. Significant health inequalities continue to be observed in the most deprived areas of our city compared to its most affluent. The high cost of housing increases the reliance on the rental sector and the number of journeys into our city to access its economic opportunities contribute to high levels of congestion. Development land in Cambridge continues to be significantly more expensive and scarcer than in neighbouring areas increasing the cost and reducing the viability of public sector investment.
- 1.7 This strategy has been updated at an important time for the organisation. The Our Cambridge transformation programme has gathered momentum since the capital strategy was last approved in February 2022. As is explained in more detail within the strategy, transformation has influenced the development of this document in various ways. The following considerations are particularly relevant:
- (i) To fully realise the benefits of transformation, some deployment of capital resources is likely to be required.

Where the associated capital schemes have been costed and approved, they are reflected within detailed information in this document. However, further schemes are expected to come forward as part of transformation work streams and these schemes will ultimately consume existing capital resources and/or require the authority to undertake additional borrowing.

- (ii) Conversely, one of the potential outcomes of transformation is that the Council may change the way services are provided or cease to provide or scale back existing service provision. Where this applies, existing capital estimates may overstate the required capital resources. The transformation programme includes provision for both revenue and capital savings to be built into the decision-making process.
- (iii) Finally, changes to the budget-setting timetable introduced this year mean that this version of the strategy is necessarily based on the draft budget which the Executive agreed to consult on following its meeting on 8 December 2022.

2 Objective

- 2.1 The objective of the capital strategy is to provide a framework for understanding the governance procedures and organisational structure relevant to understanding how the Council makes decisions relating to capital expenditure and capital resources. The strategy outlines how stewardship, value for money, prudence, sustainability and affordability will be secured. The strategy also articulates how the current arrangements have been developed to enable the organisation to achieve its corporate objectives.

3 Scope

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

- Capital expenditure
 - Investments for service purposes
 - Investments for commercial purposes

- Debt, borrowing and treasury management
 - Investments for treasury management purposes

It also considers:

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

Capital Expenditure

- 3.2 Capital expenditure (or investments) may be for service or commercial purposes. The CIPFA Prudential Code defines these as follows:

***Investments for service purposes** (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.*

***Investments for commercial purposes** (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. This includes non-financial assets such as commercial property, where they are held primarily for financial return. Commercial in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs, and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily to generate net financial return or profit.*

- 3.3 Decisions regarding all types of capital investment are informed by an understanding of how the proposed investment will support the Council to achieve its corporate objectives.
- 3.4 Service delivery within the Council is split across a range of models including services provided exclusively by partners, shared services and services delivered in-house. The Council has a specific priority requiring it to focus its activities on 'Modernising the council to lead a

greener city that is fair for all'. The nature of the service and the model applied determines the dependency on the extent of capital investment required to provide the service. Changes in the needs and expectations of our residents and technological developments can alter the dependency on capital investment. Consequently, assumptions regarding the need and extent of future investment to sustain and enhance service delivery are subject to regular challenge and revision.

- 3.5 The Council embraces its 'place-making' responsibilities. The most specific articulation of this responsibility is reflected in its priorities of 'Building a new generation of council and affordable homes and reducing homelessness' and 'Tackling poverty and inequality and helping people in the greatest need'. Taken together these objectives will often necessitate capital investment which involves acquiring, improving or creating assets. The financial and non-financial impact of such investments are appraised through the GF and HRA budget-setting process based on the type of proposal under consideration.
- 3.6 The Council acknowledges that local authorities are no longer permitted to make new investments in commercial property primarily for yield although investment in an existing portfolio is permitted. The Council retains a significant portfolio of investment properties which were funded from Council resources without the need for specific external borrowing. Existing capital plans acknowledge the need for specific and periodic investment in these assets to retain tenants and deliver against the Council's priority to achieve net zero by 2030 and its vision to support a thriving local economy in which businesses can develop and provide local employment and training opportunities for the city's residents. The sale of individual properties would generate one-off capital receipts that postpone the need to borrow externally to fund the Council's overall capital programme. However, disinvestment of this nature may inhibit the achievement of the Council's long-term vision and associated priorities.
- 3.7 Local authorities are permitted to treat as capital various types of expenditure which do not create or enhance Council-owned assets providing that spend creates an asset which would be classified as capital expenditure in another entity's accounts. The Council has used these powers to deliver against its priorities by establishing joint ventures, making loans available to enable other entities to undertake capital investment and providing capital grants to individuals and third

parties. In the case of shared services some flexibility can involve the Council contributing to the cost of assets being constructed by third parties which the Council will benefit from. Examples include the Waterbeach Renewable Energy Network facility which South Cambridgeshire District Council is constructing using contributions from its own resources, the City Council and the Cambridgeshire and Peterborough Combined Authority.

- 3.8 The establishment of entities such as the Cambridge Investment Partnership, a joint venture with Hill Residential, has combined private sector expertise and commercial acumen with public sector ambition and resources. This has successfully facilitated investment in housing in the city which might not otherwise have been possible. Likewise, the Cambridge City Housing Company, a wholly-owned subsidiary, has enabled the provision of housing to meet the needs of those who would be unable to access housing provided by the private sector.

Debt, Borrowing and Treasury Management

- 3.9 The CIPFA Prudential Code includes the following definition:

Investments for treasury management purposes are those investments that arise from the organisation's cash flows or treasury risk management activity, and ultimately represent balances that need to be invested until the cash is required for use in the course of business. Treasury investments may include an allowance for a reasonable level of short-term investments to provide access to liquidity.

- 3.10 The Council has both external borrowing from the Public Works Loan Board (PWLB) and 'internal' borrowing from cash balances. This borrowing is managed alongside the investment of cash balances (currently over £100m) as part of the council's treasury management function.
- 3.11 The Council has a cautious approach to the management of cash balances. Link Asset Services is the Council's appointed treasury management advisor. The arrangement with Link ensures that the

creditworthiness of potential counterparties is closely monitored using a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody’s and Standard & Poor’s and relevant market data including Credit Default Swaps (CDS) and Credit Watches. More details can be found in the Council’s Treasury Management Strategy Statement (TMSS) which is reviewed and approved annually.

- 3.12 Investments include an investment for treasury management purposes in a pooled property fund. This investment was originally undertaken to provide diversity within the portfolio mitigating interest rate risk without exposing the Council to undue risks relating to the liquidity and security of the amounts invested. In accordance with CIPFA guidance, the composition of the portfolio and the rationale supporting the use of pooled property funds is subject to regular review and scrutiny to ensure it is justified in the context of the Council’s medium term and long-term financial strategy.
- 3.13 The council has committed to borrowing from a financial institution to fund the redevelopment of the Park Street multi-storey car park. The loan will be drawn down between April 2024 and December 2025 in line with expected expenditure on the project. The option to use similar types of financing will continue to be examined as an avenue which might be available to the Council. The learning gathered from securing funding for Park Street will assist the Council in exploring non-PWLB sources of finance for other projects.
- 3.14 Decisions regarding external borrowing are undertaken with reference to the Prudential Code published by CIPFA which requires that capital expenditure be ‘affordable, prudent and sustainable’. In practice, the Council recognises that this means that without other sources of finance it may not be possible to achieve all of its corporate priorities.
- 3.15 From 2023/24 the Council is required to provide additional information regarding its forecast treasury position to provide more detailed information about when it expects that it will need to take on additional external borrowing. This is known as the liability benchmark which is a

chart illustrating the difference between current levels of debt and the Council's underlying need to borrow after taking account of planned use of reserves. In accordance with recommended practice, this information is presented separately for the GF and HRA as an appendix to the TMSS.

3.16 The Council recognises, however, that in the current economic environment delivering capital schemes is increasingly challenging. The Council will continue to work with its partners and other local authorities to highlight the need for access to finance, including grant-funding, that will enhance the financial viability of potential future investments, particularly those linked to the net zero agenda and the construction of new affordable housing. The Council recognises also that some types of investments which deliver social value might deliver a lower financial return than other forms of capital expenditure.

4 Decision making frameworks

4.1 The Council has established arrangements for taking decisions which impact on the organisation's capital plan. The Council's constitution specifies the rules relating to council decision-making. This section summarise the key stages in decision-making according to whether the decision relates to GF service expenditure, the HRA or other non-service capital expenditure.

4.2 Before any decision is taken internal governance procedures ensure the proposed spend is thoroughly evaluated and prioritised according to the following hierarchy of objectives:

- Statutory requirements e.g. Health and Safety;
- Maintenance of service delivery capacity and capability;
- The delivery of wider policy objectives, including those related to climate change and biodiversity; and then
- Income generation to support the delivery of council objectives.

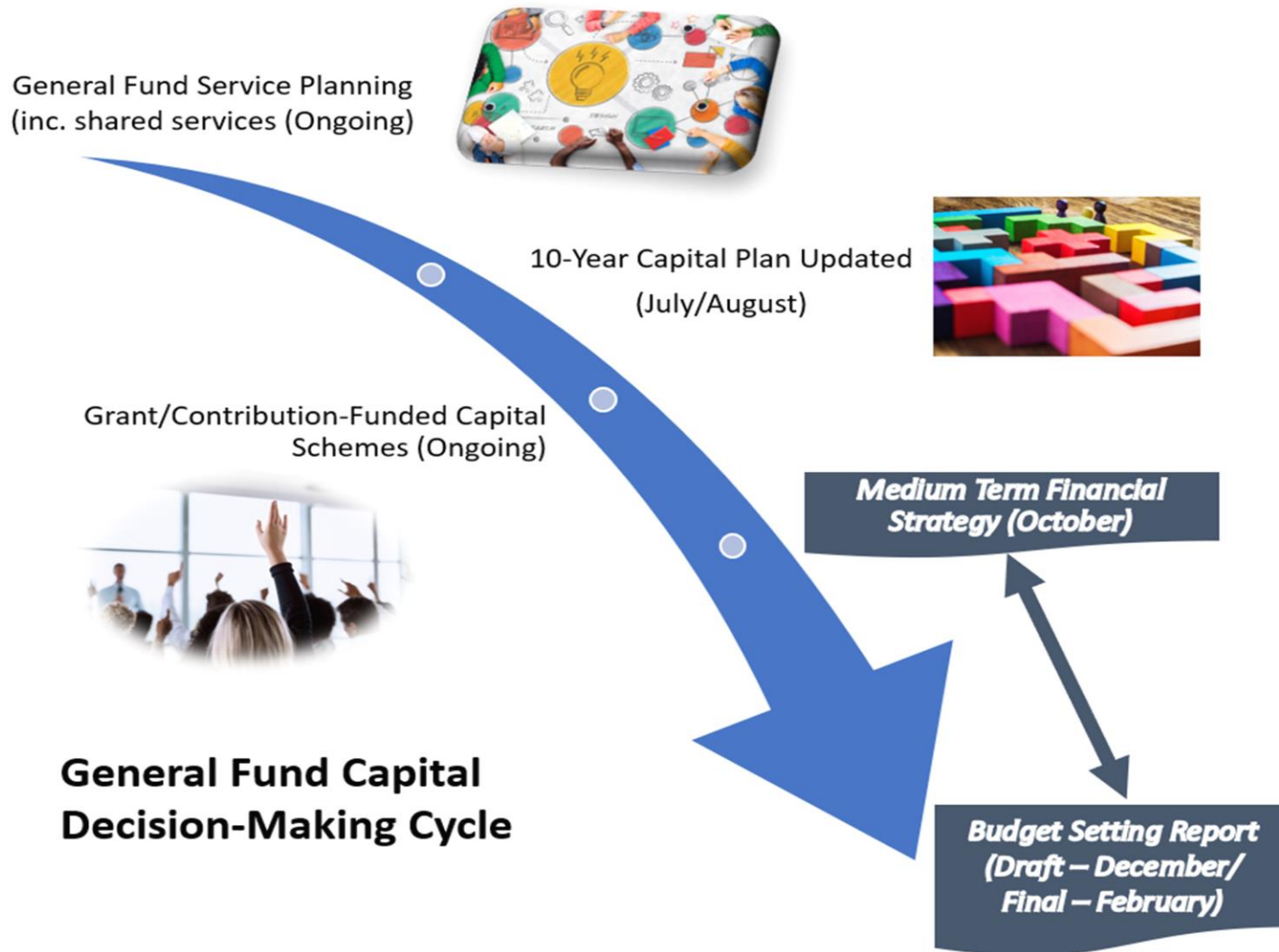
4.3 The Council has recently updated its project management arrangements. GF projects deemed to be of a higher risk are subject to

review by the Change Assurance Team (known as 'CAT'). This group comprises professionals drawn from across the organisation who can consider the broader impact, risks and opportunities associated with proposals developed by Heads of Service. Approval for a project can be withheld until such time that members of the CAT are satisfied that the project can realistically deliver its stated objectives within the proposed budget.

- 4.4 Decisions relating to the HRA are taken with reference to the HRA's budget-setting process which runs in parallel to the GF as defined in the Council's constitution as illustrated in the diagram below. Legislation prevents GF resources from being used to fund HRA activities and vice versa. Recognising the impact of HRA on the Council's overall capital strategy forms an essential part of understanding how the Council works with its partners to deliver Council priorities benefitting the City as a whole and not just current Council tenants.
- 4.5 The Council has sought to embrace opportunities to engage in activities outside day-to-day provision of statutory and non-statutory Council service which benefit the local authority. These have included the establishment of joint ventures with the Hill Group, funded by a combination of Council-backed loans and equity, to bring forward housing developments across the City using a combination of purchased land and sites owned by the Council. Such approaches are supported by central government which acknowledges that public-private partnerships can provide appropriate vehicles to deliver new homes. Guidance issued by HM Treasury specifically states that schemes which deliver housing are not restricted by the prohibition that would normally prevent 'debt for yield' schemes from being included in authority's capital programmes. Similarly, whilst the government no longer permits PWLB borrowing to support the acquisition of new commercial properties where those properties are bought primarily for yield, HM Treasury explicitly permits PWLB borrowing to fund expenditure to maintain and enhance commercial properties acquired before the current guidance changed. The Council has an active

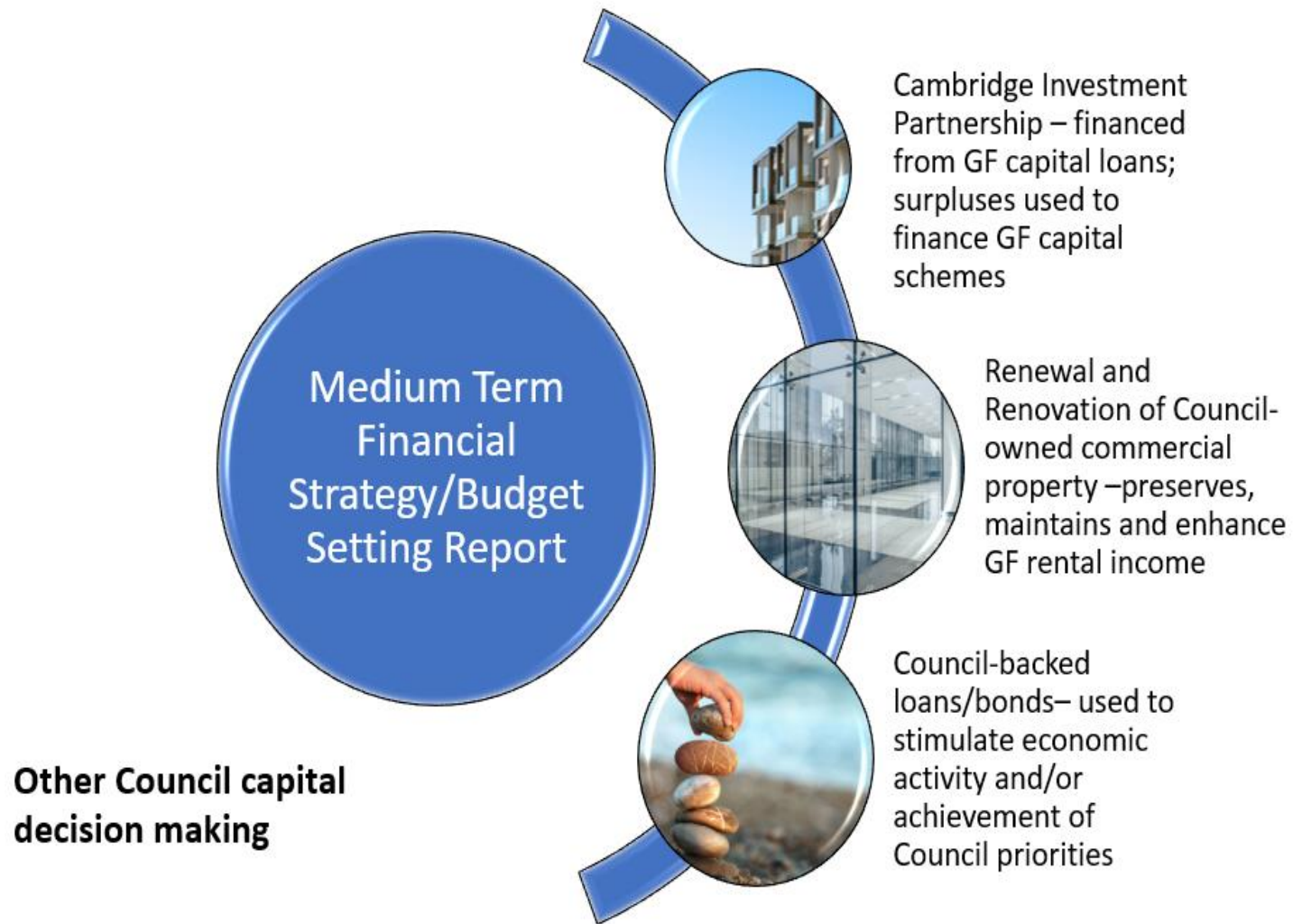
pipeline of projects of this nature. More details can be found in the commercial section of this strategy.

- 4.6 The Council will continue to explore the use of innovative approaches to deliver capital investment recognising that its track record of working with the private sector can help leverage interest from companies interested in establishing new partnerships to the benefit the City and its residents.





**Housing Revenue Account
Capital Decision-Making Cycle**



5 Asset management planning

- 5.1 Taking decisions about capital investment are not solely focussed on the acquisition or creation of new assets. A significant element of the Council's capital resource reflects the need for assets and their component parts to be renewed and updated to ensure they continue to provide economic benefits and service potential to the organisation.
- 5.2 The council's GF asset management plan was approved in July 2019, following an independent review of the council's property portfolio covering both operational and commercial properties. It will be reviewed every five years.
- 5.3 The asset management plan outlines how the council will manage its property. The plan sets out:
- The guiding principles of efficient management and the components and tools available to deliver results
 - How the council's objectives are supported, both in respect of property and its wider corporate objectives
 - The objectives of the commercial property portfolio and the regular reviews to be undertaken to assess how the portfolio meets these objectives
 - Property management including KPIs, the objectives, principles and process of acquisition, property reviews, asset management, development and disposals
 - Portfolio-wide matters such as repair and maintenance, health and safety, carbon management and sustainability and property data management.
- 5.4 The GF asset management plan, which incorporates commercial and operational property, is being updated. In early 2023 officers intend to have produced a 30-year maintenance plan for all the buildings, including a full assessment of the work required to ensure that the council meets its ambitious 2030 target to reach net zero carbon.
- 5.5 Delivering the programme of works arising from the asset management plan will significantly impact the Council's medium-term financial

strategy. For this reason, the Council is also developing an Office Accommodation Strategy to determine its accommodation needs over the medium-term and understand how these can be met from the assets currently held. At a meeting of the Strategy and Resources Committee in October 2022 Members requested that officers complete a detailed investigation to assess the suitability of the Guildhall to be the Council's main office and civic space whilst comparing this option against a potential alternative space in or around a central location.

- 5.6 Having successfully partnered with the private sector to deliver housing as part through the CIP entities, the Council recognises that there is scope for and interest in future collaboration to deliver investment in the commercial property portfolio. A range of options and delivery models will be explored with independent professional expertise obtained to ensure the Council fully understands the potential advantages, disadvantages, risks and opportunities associated with the options identified.
- 5.7 The HRA asset management plan for housing stock was also reviewed and updated in 2019. The plan aims to return to a partial investment standard model rather than the basic decent homes standard, ensuring that the council invests in the current housing stock at the appropriate time and in the long term to reduce the level of spend in revenue repairs and maintenance.
- 5.8 The updated HRA asset management plan increases focus on improving the energy efficiency of the stock and compliance with relevant regulations, including fire safety. This remains a developing area following the Grenfell fire, the plan will be reviewed and updated once changes in regulations and other compliance requirements are published.
- 5.9 Initial work has been undertaken to understand the level of investment that will be required to move existing homes towards Passivhaus or net zero carbon standards through retrofit, so that this can be balanced against the aspiration to also deliver new build homes to the highest sustainability standards possible, within resource constraints.

- 5.10 The council will review the condition of its existing assets on a regular basis, using specialist advisors where appropriate. This includes reviews of the maintenance requirements of operational property, investment properties and council housing stock.
- 5.11 Maintenance costs of existing assets will be considered carefully alongside replacement or upgrade decisions. For example, the council has its own fleet garage located in Waterbeach which is responsible for the maintenance of vehicles and keeps detailed records against each asset. Annual budgets will include provision for the maintenance of assets and service managers are able to make bids and offer savings in maintenance funding as part of the annual budget-setting round.

6. Financing Capital Expenditure

- 6.1 Until recently the strength of the Council's GF Balance Sheet meant that the Council was able to fund capital expenditure from existing balances without needing to undertake external or internal borrowing. The Council currently has no GF external debt. The consequence of this is that compared to many comparable authorities the Council has a low capital financing requirement and the charge to the revenue account to finance capital expenditure in prior years, known as the Minimum Revenue Provision, is low and therefore does not present a significant source of pressure on the GF budget.
- 6.2 The GF Medium Term Financial Strategy acknowledges that future capital investment will need to be financed through borrowing, including external debt, and that the cost of financing will have a progressively more significant impact each rising from a projected £40K in 2022/23 to £5.861M by 2032/33. This increase reflects the scale of the investment which Heads of Service assess as being required to deliver Council priorities. Precise costings will be developed and presented for consideration by Members in accordance with the decision-making frameworks set out earlier in this document.
- 6.3 Forecasts of capital expenditure, based on projects approved by Members and incorporated into the budget, anticipated projects involving the CIP and current estimates of expected capital expenditure

prepared by Heads of Service are set out in Appendix 1. The appendix also sets out the underlying need to borrow based on forecast capital expenditure. This is also known as the Capital Financing Requirement (CFR). Regulations state that the Council must set limits on the amount of external borrowing it undertakes. The Council must confirm that it has complied with these limits on an annual basis. Further details can be found in the TMSS and the annual Treasury Management Report. The Council's constitution requires that both these documents be approved by Full Council and subject to scrutiny by the Council's Strategy and Resources Committee prior to their approval.

Disposals

- 6.4 Proceeds from the sale of assets can provide an important source of funding for the capital programme. Guidance produced by CIPFA states that where assets are not held for service delivery local authorities should regularly review the rationale for holding such assets recognising that retaining such assets can implicitly bring forward the point when Council needs to borrow externally. All disposal of assets is subject to scrutiny by relevant committees and Executive Councillor approval. Detailed cases will be prepared for any asset disposals and where appropriate, independent advice taken, to ensure that best value is achieved on disposals, taking into account any strategic objectives. The council is also obliged to sell council properties to qualifying tenants under the Right to Buy legislation.

Use of capital receipts

- 6.5 Capital receipts may only be used for capital purposes. The council will also ensure that it observes the ring-fence between GF and HRA resources.
- 6.6 Most receipts from asset disposal come from the sale of council homes under the Right to Buy. The council remains subject to the agreement with the Department of Levelling-Up, Housing and Communities (DLUHC) that allows the retention of right to buy receipts, subject to a set of specific conditions. These conditions include a requirement that such receipts are spent on housing.

- 6.7 The receipts assumed in the HRA Self-Financing Settlement continue to be shared with DLUHC in the statutorily agreed proportions, with a proportion of the receipts from any subsequent sales kept by the authority in recognition of the debt that the authority holds in respect of the asset. The balance of capital receipts is ring-fenced for one-for-one (1-4-1) investment.
- 6.8 Currently, 1-4-1 receipts must be spent within a five-year timeframe to fund the delivery of new social housing. A maximum of 40% of the cost can be met from this funding stream with the balance funded from Devolution Grant, the council's own resources or borrowing. Some additional flexibility exists in respect of the construction of shared ownership property with incentives being introduced to encourage the construction of new build properties.
- 6.9 Where receipts are not used within the five-year timeframe, receipts must be repaid to central government with interest at 4% above the base rate.
- 6.10 The council aims to be around 12 months ahead of the profile for return of monies but this is critically dependent on the progress of housing developments that may be affected by factors outside the council's control. If the council is unable to use receipts within the five-year timeframe, it will either acquire existing properties on the open market or look to pass receipts on to a registered provider to deliver affordable housing in the city. Following changes introduced in the pooling regime, there will be a cap on the number of homes that can be acquired on the open market using these resources each year, to be phased in from April 2022. All efforts will be made to ensure that no receipts are paid back to central government.

Capital receipt flexibilities

- 6.11 Under a direction issued by central government in February 2018 and subsequently extended, authorities can choose to use capital receipts received from 1 April 2016 to fund the revenue costs of transformation projects. Qualifying expenditure must 'generate ongoing revenue

savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that will reduce costs or demand for services in future years for any of the public sector delivery partners.’

6.12 The council has no plans to use this flexibility.

7 Commercial activity

7.1 The Council has invested in assets where its principal rationale for acquiring the asset was the expectation of generating a stable financial return, typically, but not exclusively, via securing an annual rental income. Such acquisitions are referred to as non-financial assets in the Council’s Treasury Management Strategy Statement. The Council undertakes a review of its non-financial assets considering security, liquidity and yield, as it does for investment in financial assets.

7.2 Specifically, in relation to non-financial assets:

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

7.3 The definition of commercial activity in the context of the Council is broader than the non-financial assets the Council owns. The Council recognises that it is well-placed to benefit, on a commercial footing, from the strength of the city economically, reflected in its success economically and as a tourist destination, and from the asset it holds which enable non-discretionary services to be provided in a competitive market. The council considers commercial activity to include:

- The provision of income-generating services, such as car parking, markets, the garage facility and bereavement services, which utilise significant assets. These assets are classified as *service investments* under the Prudential Code and as operational assets for management purposes.
- Investment in commercial properties through acquisition but also through portfolio management (recycling portfolio performance through buying and selling) and regeneration or redevelopment of the existing portfolio. These assets are classified as *commercial investments* under the Prudential Code.
- Investment in other income-generating assets that support council objectives, such as housing and renewable energy generation facilities. These are classified as service investments under the Prudential Code.
- Loans to group undertakings, classified as *service investments*.

7.4 Where services are income-generating the need for capital investment will be appraised as part of the service-planning process. Capital investment in income-generating services is expected to be self-financing to the extent that planned investment will either be funded from historic surpluses returned by the service or be funded from future surpluses generated as a result of making the investment. The Council recognises the risk that expected surpluses may not materialise over the life of the asset so investments which cannot be funded from service reserves currently held are subject to a detailed sensitivity analysis to highlight the extent of the uncertainty and the cost which the GF may find itself having to finance.

7.5 The Council's transformation programme recognises that the Council has the resources to enter new markets and provide additional services on a commercial footing which, in accordance with relevant legislation, may require setting up arms-length corporate entities as local authorities elsewhere have done successfully. In some cases, additional capital investment may be required to enable the Council to enter those markets. Such investments will be appraised as part of the GF capital decision-making cycle explained above. Where decisions are taken to access new markets the rationale behind entering that market and the extent to which it complements and/or facilitates the achievement of Council priorities will form part of the Council's business case. The established mechanism for involving the Change Assurance Team to examining business cases deemed to be of material significance to the organisation will ensure that where necessary appropriate legal and taxation advice is obtained.

7.6 Reporting against key indicators relating to commercial activity will be included in quarterly monitoring of the Council's financial health. This will provide an early warning of any risk that the Council's commercial activities might not provide the expected contribution to the GF budget. The Council's risk management processes are also structured to look at particular risks relating to individual services that might reflect in lower profitability of commercial services.

Investment in commercial properties

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

- Securing a financial return from the net rental income
- Diversification (geographic, property type, tenure) to mitigate stock specific risk
- Meeting wider corporate objectives such as improving environmental performance and sustainability by providing high performing property
- Delivery of services to the citizens in accordance with objectives

- Opportunity to influence through wider land ownership
- Providing opportunities for entrepreneurs and small businesses which may not always be available through the private sector
- Ensuring appropriate standards of property management are maintained including but not limited to environmental and health and safety standards and legislation
- Improving the quality of the public realm.

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

7.9 In order to achieve some geographical diversity, the council has invested in properties which fall outside the city boundary. The council took appropriate legal advice from counsel that these out of area purchases do not contravene the relevant legislation and the powers given to the council under the Local Government Act 2003.

7.10 The council is redeveloping an operational asset, the multi-storey car park it owns on Park Street in Cambridge. The car park will be replaced by a smaller underground car park, with an aparthotel above, achieving significant regeneration, environmental and public realm improvement in the area. Once complete, the aparthotel will form part of the council's investment portfolio in an under-represented property type, with rentals for the hotel servicing the borrowing required to undertake the development.

7.11 The council will develop commercial land and property it already owns. A programme of nine projects has been identified to produce new or extended commercial property which is in short supply in the city. Some projects will be mixed use schemes, including residential accommodation some of which may be sold to partially fund the developments. The programme is expected to span 10 years, cost c£30m, generate capital receipts of £24m and increase annual rent income by £900,000. Further feasibility and development work will be

required before individual projects within the programme can come forward for consideration and approval.

Monitoring portfolio performance

7.12 The portfolio will be reviewed annually as a whole by classification, lot size range, bandings and average, sector mix, geography, lease type and repairing obligations, net income return, average unexpired lease term, percentage void and compared with previous years. This will identify portfolio imbalances. A new property management database is being procured to support the delivery of the asset management plan and associated KPIs.

7.13 The following portfolio KPIs, as included within the GF asset management plan, will be introduced:

Measure	Target / Baseline	Comment	Frequency
Gross external debt to net service expenditure	N/A	Not currently relevant due to the revised PWLB lending terms – see para 5.25	Annually
Commercial property income to net service expenditure	<50%		Annually
Ratio of investments to the resources of the council	<30%	Fair value of investment property as a % of the council's net assets.	Annually
Ratio of external borrowing to portfolio value	N/A	Not currently relevant due to the revised PWLB lending terms – see para 3.6	Annually
% outside jurisdiction	<25%	To maintain Cambridge focus with economic benefits too but also diversity from local economy and achieve stronger yield	Annually
Net income return	>5% on current capital value	To maintain income levels	Annually

Measure	Target / Baseline	Comment	Frequency
Average unexpired lease term	>5 years	Target is income security	Annually
% investment grade property	>80%	Generally lower expenditure	Annually
% void	<£100,000 income	To maintain income levels	Quarterly
Largest lot size	<10% of portfolio	Excluding Lion Yard. To reduce specific stock risk	Annually
Cashflow target (if set)	Meet target within 20%	To achieve the net investment level	Annually
Sector	No more than 50% in any sector, retail to trend downwards towards 30%	To diversify sector risk	Annually

7.14 The council's sizeable property portfolio includes equity stakes in two major shopping centres, a selection of small business units aimed principally at small local and start-up companies and more than 80 shops in council estate locations which provide important local services for their communities.

7.15 The total value of investment properties at 31 March 2022 was £160.7m. The council considers that the investment property portfolio retains sufficient value (measured using the fair value model) to provide security of investment.

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

	2021/22	2020/21	2019/20	2018/19	2017/18
Rental income net of direct costs (£'000)	8,739	9,315	9,603	9,984	9,418
Fair Value at year end (£'000)	160,682	158,594	162,722	170,782	175,281
Yield	5.4%	5.9%	5.9%	5.9%	5.4%
Gain / (loss) in fair value in year (£'000)	2,088	(4,128)	(8,060)	(4,499)	21,575

- 7.17 The loss in fair value from 2019/20 reflects exposure to retail through its significant shopping centre investments as well as market uncertainty in relation to both the Brexit process and the COVID-19 pandemic. As such, some reductions are likely to be temporary, but may take some time to reverse while others represent more of a structural change as markets adjust.
- 7.18 The investment property portfolio is managed as a whole, including those properties which the council has held for a number of years. The more recent acquisitions are considered to have stabilised the rate of return as their acquisition was aligned with the criteria set out in 7.7 above compared to the historic portfolio.

Proportionality of commercial property holdings

- 7.19 Following significant activity in the commercial property market by local authorities, including district councils, concern has been expressed by DLUHC and CIPFA about the size of some property holdings. Particular concern has been raised about those councils which are externally borrowing to invest in property. Cambridge City has not used external borrowing to fund purchases but has instead used reserves and internal borrowing.
- 7.20 CIPFA released guidance on prudential property investment in 2019. This considers the concept of 'proportionality' when considering the size and scale of new property investments, whether they are consistent with the authority's corporate and financial strategies and if they expose the authority to unacceptable levels of risk.
- 7.21 The council is aware of the range of risks associated with investment in commercial property and works to ensure appropriate due diligence and prudence. These risks include the reliance on income from commercial properties to fund council services. It has also sought to provide greater diversification of risk through its more recent portfolio acquisitions in terms of property type, location, management costs and covenant strength.

- 7.22 The use of investment property income to support the council's activities has been established over many years and over a number of economic cycles. Reflecting this experience, the council considers 50% to be the prudent maximum level of this indicator.
- 7.23 The financial statements at 31 March 2022 show that the net cost of services (net of service-related income) chargeable to the GF was £26.7m (20/21 £33.4m). Net income from investment properties was 30.9% (2021 26.6%) of this figure. The percentage increased in 2021/22 due to the receipt of significant grant income linked to the Covid 19 pandemic in 20/21.
- 7.24 The HRA holds a small number of investment properties, mainly retail units linked to council housing, for example shops with flats above. These properties are valued at £6.599 million at 31 March 2022 and earn rental income of around £473k per annum.

8 Other long-term liabilities

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

9 Knowledge and skills

S151 Officer

- 9.1 The council's S151 officer is required to report explicitly on the affordability and risk associated with the capital strategy. The S151 officer is an experienced CCAB qualified accountant with statutory responsibilities for the proper administration of the council's financial affairs and for advising the council on budgetary matters. As such the S151 officer oversees the council's capital expenditure and investment

activities and ensures that professional advice is obtained where the council does not have the necessary skills in house.

Treasury management

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

Property assets

- 9.5 The council's investment property is managed by its property services team, an experienced team of 8 staff. The team includes 6 chartered surveyors each with over 25 years of property experience in both the private and public sector. This extensive experience includes dealing with a mix of property types and professional work including professional services, landlord and tenant, statutory valuations, acquisitions and disposals, commercial and residential property management. They have extensive knowledge of the Cambridge property market with most of the team having worked in and around Cambridge for the past 10 years or so, some much longer.
- 9.6 Property services also works with external agents where specialist expertise is required to deal with particular properties or resource is not available to deal with matters in a timely way. Examples of where external advice is used include agency, valuation, building surveying and planning work. The council also has internal building surveying resource in its estates and facilities team to advise on construction, repair and maintenance, and statutory compliance matters across its investment properties. Estates and facilities commission and manage

repairs and maintenance as well as capital investment programmes, either directly or through framework contracts.

- 9.7 The council's asset valuations for its financial statements are prepared by external agents with an agreed rolling programme of valuations for the whole council property portfolio. All material investment properties are valued on an annual basis. has recently appointed new external agents for its asset valuations which should bring fresh objectivity and challenge to its valuations.

External advice

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

Appendix 1

Estimated Capital Programme, Capital Financing Requirement and Reserves - 2022 to 2032

£'000	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
General Fund Capital Expenditure	141,441	35,055	38,359	15,392	10,842	5,320	4,213	4,334	4,944	3,013
Housing Revenue Account Capital Expenditure	83,781	114,680	94,055	104,139	78,182	59,221	69,554	83,201	67,462	29,955
Capital Financing Requirement	362,954	430,328	494,963	570,380	582,913	645,934	718,050	803,913	874,625	905,877
General Fund Projected Year End Reserves	22,115	17,706	17,466	17,416	17,416	17,366	17,316	17,266	17,216	17,166
HRA Projected Year End Reserves	22,637	4,084	4,332	3,707	3,479	3,359	3,359	3,359	3,359	3,359
Total Reserves	44,752	21,790	21,798	21,123	20,895	20,725	20,675	20,625	20,575	20,525

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

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STRATEGY & RESOURCES SCRUTINY COMMITTEE

30 January February 2023

5.30 – 9:15pm

Present: Robertson (Chair), Bennett, Bick, Payne, Scutt, Smart. S. Smith, Gawthrope Wood and Carling.

RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE, RESOURCES AND TRANSFORMATION COUNCILLOR DAVEY)

ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2023/24 TO 2026/27

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

The first and most important is the Treasury Management Strategy (this report), which covers:

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

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

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

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

- the Prudential Code (2021 edition) prepared by CIPFA;
- the Treasury Management Code (2021 edition) prepared by CIPFA;

- the Statutory Guidance on Local Government Investments prepared by the Department for Levelling Up, Housing and Communities (DLUHC) (effective 1 April 2018); and
- the Statutory Guidance on Minimum Revenue Provision prepared by DLUHC (effective 1 April 2019).

The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been reviewed and mitigated at an acceptable level. The Council has access to specialist advice where appropriate.

Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Scrutiny Committee.

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

Accordingly, Council is recommended to:

Approve this report, including the estimated Prudential and Treasury Indicators for 2023/24 to 2026/27 (inclusive) as set out in Appendix C.

Item

ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2023/24 TO 2026/27

To:

The Executive Councillor for Finance & Resources: Councillor Mike Davey
Strategy & Resources Scrutiny Committee 30th January 2023

Report by:

Caroline Ryba – Head of Finance & S151 Officer
Tel: 01223 458134 Email: caroline.ryba@cambridge.gov.uk

Wards affected:

All Wards

Key Decision

1 Executive Summary

- 1.1 The Council is required to receive and approve, as a minimum, three main treasury management reports each year.
- 1.2 The first and most important is the Treasury Management Strategy (this report), which covers:
 - capital plans (including prudential indicators);
 - a Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
 - the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
 - a Treasury Management Investment Strategy (the parameters on how investments are to be managed).
- 1.3 A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary, and advising if any policies require revision.

- 1.4 The Outturn or Annual Report compares actual performance to the estimates in the Strategy.
- 1.5 The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:
- the Prudential Code (2021 edition) prepared by CIPFA;
 - the Treasury Management Code (2021 edition) prepared by CIPFA;
 - the Statutory Guidance on Local Government Investments prepared by the Department for Levelling Up, Housing and Communities (DLUHC) (effective 1 April 2018); and
 - the Statutory Guidance on Minimum Revenue Provision prepared by DLUHC (effective 1 April 2019).
- 1.6 The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been reviewed and mitigated at an acceptable level. The Council has access to specialist advice where appropriate.
- 1.7 Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Scrutiny Committee.

2 Recommendations

The Executive Councillor is asked to recommend to Council:-

- 2.1 That this report, including the estimated Prudential and Treasury Indicators for 2023/24 to 2026/27 (inclusive) as set out in Appendix C, be approved.

3 Treasury Management Activities

- 3.1 The Council is required to have regard to the relevant CIPFA and DLUHC Guidance when carrying out its treasury management activities (see paragraph 1.5). The Council is required to set prudential and treasury

indicators, including an authorised limit for borrowing, for a minimum of a three-year period and should ensure that its capital plans are affordable, prudent and sustainable.

- 3.2 The Prudential Code states that, where appropriate, the S151 Officer should have access to specialised advice to enable them to reach their conclusions in respect of affordability and risk. As such, the Council has retained Link Asset Services (LAS) as its specialist treasury management advisors.
- 3.3 LAS's specialist services include the provision of advice to the Council on developments and best practice in treasury management, the creditworthiness of potential counterparties, deposit and borrowing interest rates, and the performance and outlook of the wider economy.
- 3.4 The Council recognises that its non-treasury investments mean that it may need to consult with specialists in other areas, particularly commercial property. Arrangements are in place to ensure that the S151 officer and relevant Heads of Service can access appropriate expertise in respect the Council's commercial activities.

4 Borrowing Policy Statement

- 4.1 The Council is permitted to borrow under the Prudential Framework, introduced with effect from 1 April 2004.
- 4.2 At present the only debt held by the authority relates to twenty loans from the Public Works Loan Board (PWLB) for self-financing of the Housing Revenue Account (HRA). These loans were taken out in 2012 and total £213,572,000.
- 4.3 The Council has agreed further external borrowing of £85 million to fund the Park Street redevelopment project. This is in the form of an annuity loan and will be received in three tranches with the first being drawn down in 2024. Where funds are needed for this project before this point, short term borrowing will be undertaken with other lenders including other local authorities.
- 4.4 More generally, as explained elsewhere in this document and in the Council's Capital Strategy, the current General Fund capital programme establishes that external borrowing is likely to be required in the medium-term. Similarly, to deliver the Council's stated commitments to construct new homes the HRA will need to take on additional borrowing.

- 4.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 4.6 Having already secured funding for the redevelopment of Park Street car park, the General Fund has successfully mitigated the impact of high interest rates on the viability of what is currently the single largest investment in the General Fund capital programme. The expected timing of the cash flows associated with the project and the surplus cash balances held by the Council have created a situation where it may be possible for the General Fund to provide a short-term lending facility to the HRA. This builds on the existing arrangement whereby surplus cash held by the General Fund and the HRA is pooled and invested in accordance with the principles set out in this strategy. A calculation is undertaken annually to determine the proportion of investment income generated which needs to be recognised in the HRA.
- 4.7 Regulations state that there can be no cross-subsidy between the General Fund and the HRA or vice-versa. Consequently, any sums lent to the HRA by the General Fund must be lent using rates and terms commensurate with the rates the General Fund would achieve if it were to invest the surplus cash available with approved counterparties.
- 4.8 The structure of financial markets is such that there can be periods where the cost of borrowing from the PWLB is higher than the rate of interest which the Council would receive if it were to invest surplus cash on a short-term basis with an approved counterparty. The shortest PWLB loan term is one year which may exceed the period when the HRA needs to secure access to cash. Retaining surplus funds within the Council reduces counterparty risk and the administrative burden associated with identifying an appropriate counterparty.
- 4.9 The interest rate forecast included in Appendix B highlights that PWLB rates are forecast to reduce sharply over the next two years. If these forecasts are accurate, this represents the likely maximum period during which it may be advantageous for the HRA to borrow on a short-term basis from the General Fund to finance its capital programme.

5 Minimum Revenue Provision (MRP) Policy Statement

- 5.1 Minimum Revenue Provision (MRP) is the revenue charge that the Council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year, it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.
- 5.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.
- 5.3 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.
- 5.4 The Housing Revenue Account share of the CFR is not subject to an MRP charge.
- 5.5 There is no requirement to make an MRP charge on an asset until the financial year after that asset becomes operational.
- 5.6 The Government issues statutory guidance on the calculation of MRP. The Council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 5.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.
- 5.8 In general, the council will make a minimum revenue provision based on the equal installment method, amortising expenditure equally over the estimated useful life of the asset for which the borrowing is required. However, no provision will be made in respect of expenditure on specific projects where the Head of Finance determines that capital receipts will be generated by the project to repay the debt. Specifically, in respect of the current capital programme:

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

5.9 In the circumstances outlined above when a capital receipt is received in the form of a loan or bond repayment this will be applied in the year of receipt to the CFR thereby reducing the CFR and extinguishing the unfinanced spend incurred in previous financial years.

5.10 The Council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. Using the asset life method MRP would normally be made over an asset life of 40 years. However, the element of capital cost being funded from internal borrowing will effectively be repaid over a shorter period from receipts of rental income from the tenant and subsidy from the site developer. The current estimate is that this repayment will take approximately 12 years. The Council has decided to make MRP on this accelerated basis in respect of this asset.

5.11 The Council is required to report whether it has made any voluntary payments over and above that required to comply with its Minimum Revenue Provision policy. The Council can confirm that it made a voluntary overpayment of MRP of £9,545K in the 2019/20 financial year.

6 The Council's Capital Expenditure and Financing 2022/23 to 2026/27

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

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

6.2 Estimates of capital expenditure forms one of the required prudential indicators. The table below shows the proposed capital expenditure, incorporating amounts in the capital programme and future anticipated expenditure identified when producing the Council's Capital Strategy and explains how it will be financed.

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund Capital Expenditure	141,441	35,055	30,359	6,892	4,842
HRA Capital Expenditure	83,781	114,680	94,055	104,139	78,182
Total Capital Expenditure	225,222	149,735	124,414	111,031	83,024
Resourced by:					
• Capital receipts	25,441	7,231	4,228	5,306	4,214
• Other contributions	93,381	54,154	24,771	29,035	25,828
Total available resources for financing capital expenditure	118,822	61,385	28,999	34,341	30,042
• Financed from internal and external borrowing (General Fund)	106,400	30,854	27,860	5,355	4,600

• Financed from internal and external borrowing (HRA)	0	57,496	67,555	71,335	48,382
Total Financed from internal and external borrowing	106,400	88,350	95,415	76,690	52,982

7 The Council's Prudential and Treasury Management Indicators

7.1 The table below shows the Capital Financing Requirement (CFR), which is the underlying need to incur borrowing for a capital purpose. It also shows the indicative debt position over the period. This is termed the Operational Boundary which the Council would not normally expect to exceed. Actual debt levels may be lower due to the use of surplus cash balances, timing of capital expenditure and the availability of capital receipts and other sources of non-debt finance. Regulations require that the Council's external debt level cannot exceed the Authorised Limit set out below.

Capital Financing Requirement & Cumulative External Borrowing	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund Capital Financing Requirement (31 March)	148,633	158,511	146,091	139,053	99,204
HRA Capital Financing Requirement (31 March)	214,321	271,817	339,372	410,707	459,089
Total Capital Financing Requirement (CFR)	362,954	430,328	485,463	549,760	558,293
Movement in the CFR	55,077	67,374	55,135	64,298	8,533
Estimated External Gross Debt/Borrowing (Including HRA Reform)	266,167	353,517	428,052	498,738	546,006
Authorised Limit for External Debt	450,000	550,000	550,000	600,000	600,000
Authorised Limit for other long term liabilities	2,000	2,000	2,000	2,000	2,000
Operational Boundary for External Debt	341,744	435,328	490,463	554,760	563,293
Operational Boundary for other long term liabilities	1,500	1,500	1,500	1,500	1,500

- 7.2 Two additional indicators are reported in Appendix C in accordance with updates to the Prudential Code effective from 1 April 2023. The Council is now required to disclose its actual and estimated net income from commercial and service investments as a proportion of its net revenue stream. This indicator is important in the context of understanding the contribution commercial income makes to the Council's net budget recognising that the Council has a significant portfolio of investment properties. The Council's Capital Strategy defines the activities which the Council classifies as being commercial in nature and this also includes car parking and bereavement services, as well as loans the Council has made to connected entities within the Council Group.
- 7.3 This indicator needs to be understood with reference to the environment in which these commercial activities operate. The loans made by the Council will typically be project-specific and therefore will not return a constant level of income. The performance of services provided in a competitive marketplace will be subject to variation linked to factors particular to that market. By necessity the budget-setting process evaluates the impact of the current economic conditions on the performance of its commercial activities. Consequently, year-on-year changes in relation to an indicator should not, in isolation, be treated as a cause for concern providing the change is consistent with the Council's budget estimates and therefore managed appropriately the context of medium-term financial planning.
- 7.4 The other additional mandatory indicator, which was first reported as part of the mid-year Treasury report in September 2022, is known as the Liability Benchmark. This indicator is presented in graph form with separate graphs being produced for the General Fund and the HRA. The format used shows the relationship between the following elements over the life of the Council's debt portfolio:
- a) Existing loan debt outstanding: the Authority's existing loans, including the borrowing for the Park Street project which has been agreed in advance, that are still outstanding in future years.
 - b) Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
 - c) Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial

year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

d) Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

7.5 Unlike projections of capital expenditure reported elsewhere within this document, the liability benchmark is based on the approved capital programme and therefore excludes anticipated capital expenditure which is otherwise reflected in the Council's five-year forecast referred to in various sections of this document. The effect of this is show a peak in the Council's General Fund CFR in March 2024 by which time the Council is expected to have significant unfinanced expenditure within its CFR. This principally relates to CIP projects and the project at Park Street. The CFR will start to reduce once Park Street becomes operational and when loans from the Council to CIP are repaid. There will, however, be other capital schemes which come forward for approval in the coming years. For reasons explained in the Council's Medium Financial Strategy it is likely that new capital expenditure will need to be funded through additional borrowing which will increase the CFR when the associated expenditure is incurred.

7.6 The liability benchmark is intended to be a live indicator which informs the Council's decisions about timing and duration of borrowing hence it informs the borrowing strategy set out in Section 4 above.

8 Investment Strategy

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

9 Financial Asset Counterparties

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

9.2 There is no or very low risk to the capital invested (other than the risk of failure of the financial institution) for fixed term deposits and constant net asset value money market funds.

- 9.3 The Council continually reviews its investment policy. The current economic climate has created considerable uncertainty. This has impacted asset pricing. The Council holds investments in commercial property, both directly owned and through the CCLA Local Authorities' Property Fund, and has investments in short-dated bond funds. The pricing of both asset types has been particularly impacted. Further volatility in capital values is anticipated over the economic cycle.
- 9.4 The Council will continue to monitor the total return generated by its investment in funds, all of which are actively managed by professional fund managers. In this context, it is important to recognise that the income distributions the Council receives will not necessarily be subject to the same volatility as capital values. The Council recognises the need for it to be able to continue to justify retaining these assets. This is important as one of the consequences of doing so is to bring forward the date when the Council will need to borrow to fund its capital programme.
- 9.5 The Council has made a loan of £7.5 million to Cambridge City Council Housing Company, a wholly owned subsidiary. This loan earns 2.02% and is secured on the properties owned by the company. It has been identified that the subsidy control regime may impact on whether the Council is permitted to provide loan finance at a rate which is less than the prevailing market rate. A legal opinion has been requested and future treasury management reporting will be updated to take account of the advice received.
- 9.6 The Council has continued to make loans available to Cambridge Investment Partnership, a joint venture – see paragraph 5.8 for further details.
- 9.7 The Council invests in local business bonds issued by Allia Limited. The bonds are secured on the Allia Future Business Centre. The authorised counterparty limit for such investments as set out at Appendix A is £5 million, and this limit was reached during the year in respect of long-term (5 year) bonds.

10 Interest Rates & Interest Received

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

- 10.2 Total interest and dividends of £1.297m (on our traditional treasury investments, i.e. excluding the investments referred to in para 9.3 and 9.4 and loans made to the connected entities) are due or have been received in respect of the Council's deposits up to 30 November 2022 (for this financial year) at an average rate of 1.32% (0.24% at 30 November 2021).
- 10.3 The Council continues to benefit from multiple recent increases in the Bank of England base rate. This has led to a significant improvement in investment returns generated from that observed in recent years. The impact of this improvement is reflected in the Council's draft budget. The Council will continue to monitor forecast rates and the assumptions underpinning those forecasts as changes in global markets could significantly impact central bank policy which will in turn impact the Council's treasury management strategy.

11 Implications

(a) Financial Implications

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

(b) Staffing Implications

None.

(c) Equality and Poverty Implications

No negative impacts identified.

(d) Net Zero Carbon, Climate Change and Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

No community safety implications.

12 Consultation and communication considerations

None required.

13 Background papers

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

14 Appendices

Appendix A – The Council’s current Counterparty list
Appendix B – Link’s opinion on UK Forecast Interest Rates
Appendix C – Prudential and Treasury Management Indicators
Appendix D – Glossary of Terms and Abbreviations

15 Inspection of papers

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

Author’s Name: Neil Krajewski
Author’s Title: Deputy Head of Finance
Author’s Phone Number: 01223 458130

Author’s Email: Neil.Krajewski@cambridge.gov.uk

Treasury Management Annual Investment Strategy

Current Counterparty List

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits (*references have now been made to RFB & NRFB for UK Banks, with explanations within the Glossary at Appendix D).

Link Group Colour	Council's Current Deposit Period	Category	Limit (£)
UK Banks and Building Societies: -			
Yellow	60 months	UK Banks and Building Societies	35m
Magenta	60 months	UK Banks and Building Societies	35m
Pink	60 months	UK Banks and Building Societies	35m
Purple	24 months	UK Banks and Building Societies	30m
Blue	12 months	UK Banks and Building Societies	30m
Orange	12 months	UK Banks and Building Societies	30m
Red	6 months	UK Banks and Building Societies	20m
Green	100 days	UK Banks and Building Societies	10m
No Colour	Not recommended	UK Banks and Building Societies	0m

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

Name	Council's Current Deposit Period	Category	Limit (£)
Debt Management Account Deposit Facility	N/A	DMADF	Unlimited
Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/S1)	Over 3 months and up to 1 year	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 3 months and up to 1 year	Financial Instrument	5m (per fund)
Money Market Funds (AAAf) – CNAV, VNAV & LVNAV	Liquid Rolling Balance	Financial Instrument	15m (per fund) With no maximum limit overall
UK Government Treasury Bills	Up to 6 months	Financial Instrument	15m
Members of a Banking Group	Using Link's Credit Criteria	UK Banks and UK Nationalised Banks	40m
Non-Specified Investments: -			
All UK Local Authorities – longer term limit	Over 1 year and up to 5 years	Local Authority	Up to 35m (in total)
Cambridge City Council Housing (CCHC) Working Capital Loan *	Up to 1 year	Loan	200,000
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
Cambridge Investment Partnership (Orchard Park L2)*	Rolling Balance	Loan (Asset Security)	11,529,000
Cambridge Investment Partnership	Rolling Balance	Loan (Asset Security)	33,940,000

Name	Council's Current Deposit Period	Category	Limit (£)
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	See limits above
Certificates of Deposit (with UK Building Societies)	Liquid Rolling Balance	Financial Instrument	See limits above
Certificates of Deposit (with Foreign Banking Institutions)	Liquid Rolling Balance	Financial Instrument	2m (per single counterparty)
Enhanced Cash Funds (Standard & Poor's: AAf/S1, Fitch: AA/S1)	Over 1 year and up to 5 years	Financial Instrument	10m (per single counterparty)
Enhanced Money Market Funds (not below AAf) - VNAV	Over 1 year and up to 5 years	Financial Instrument	5m (per fund)
Commercial Property Investments funded from cash balances	Over 1 year	Commercial Property	25m (in total)
Municipal Bonds Agency	N/A	Pooled Financial Instrument Facility	50,000
Secured Local Bond – 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.

Link Asset Services Opinion on Forecast UK Interest Rates – As Currently Predicted

Introduction

The paragraphs that follow reflect the views of the Council's treasury management advisors (Link Asset Services) on UK Interest Rates as currently predicted.

Interest rates

The Bank of England voted in a majority of 6-3 to increase interest rates from 3.0% to 3.5%. The vote took place on 15 December 2022. Link Asset Services has provided the following interest rate forecast, issued in December 2022:-

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

* The PWLB rates quoted are the discounted 'certainty rates' which are available to the Council as a qualifying local authority.

- Over recent weeks, relative calm has returned to the gilt markets and the £ has now risen from a historic low of \$1.03 to \$1.22, and the cumulative movement in gilt yields over the course of 2022 remains broadly in line with that seen in the Euro-zone bond markets but somewhat higher than the US (40bps).
- Market expectations remain for Bank Rate to peak at between 4.5% and 4.75% by mid-2023, and it has been announced today that the Chancellor's Budget will take place on 15 March, accompanied by analysis from the Office for Budget Responsibility, and followed on 23 March by the planned MPC meeting.
- Market views remain similar to those of Link Group's Interest Rate Strategy Group (IRSG). IRSG still sees the peak in Bank Rate at 4.5%, although there are several challenges ahead that could see the Bank leave rates at an elevated level for longer, once the peak is reached.

- The first of those challenges is the tight labour market (unemployment is at a near 48 year low 3.7%), and average wage increases are now above 6% y/y, against the backdrop of a significant number of high profile strikes throughout December and January (the Bank would broadly want wages to be in the range of 3% - 3.5%). There is also the prospect that unless the workforce participation rate increases and/or immigration policies are relaxed, there is no clear route that would give rise to sustainable increases in economic growth.
- So much of the eventual numbers will also be guided by what happens in Ukraine too, particularly the implications for further need for energy subsidies for UK households and businesses. The current Government support is due to be extended from April, but households can typically expect to pay £3,000 per annum under the revised scheme compared to the current £2,500.
- Regarding our forecast for PWLB rates, investors will likely remain a little nervous over the UK's future fiscal policy and foreign investors may require a "confidence premium" until it is clear that the Sunak Government is able to meet most of its spending commitments within acceptable financial constraints. However, in addition, the OBR forecasts the Central Government Net Cash Requirement is £650bn between 2023/24 and 2027/28 and maturing gilts will swell that figure to >£1.2trillion, and Quantitative Tightening will potentially push the eventual number even higher. So, the Bank and the Government will need to tread carefully in their messaging to markets and the way that funding requirements are met.
- As for the housing market, the most recent surveys by Halifax and Nationwide Building Society show house prices falling. Historically, the MPC has appeared reluctant to tighten monetary policy in a falling housing market, but it looks like it is going to have to at least for a further three to six months whilst unemployment remains low and wages are rising fast.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has led with increases of 425 basis points in the year to date and is expected to increase rates further into 2023. Similarly, the ECB has also started to tighten monetary policy, currently to 2%, Nonetheless, it is US monetary policies that will continue to have the greatest impact on global bond markets.

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS

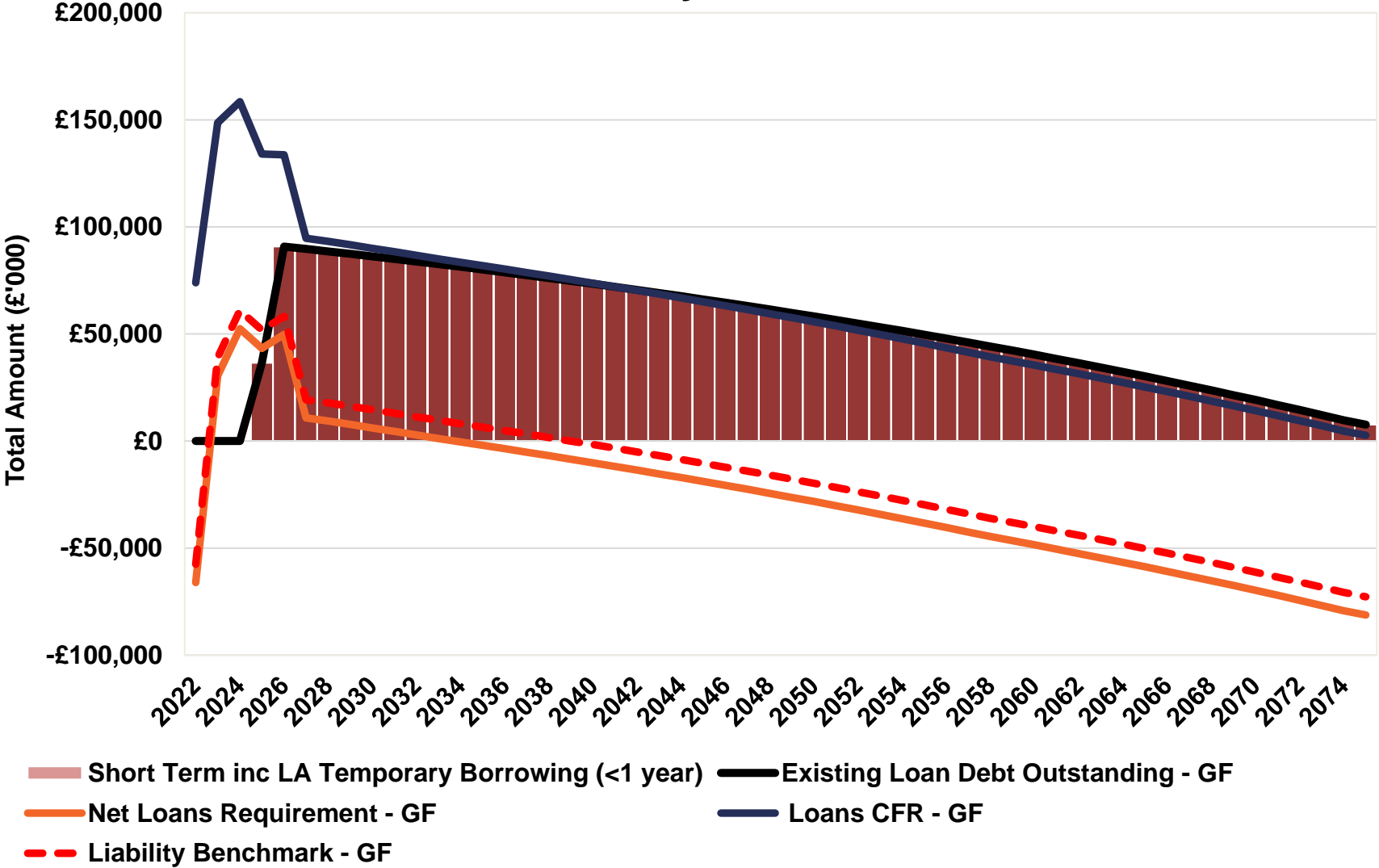
	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
PRUDENTIAL INDICATORS					
Capital expenditure					
- General Fund	141,441	35,055	30,359	6,892	4,842
- HRA	83,781	114,680	94,055	104,139	78,182
Total	225,222	149,735	124,414	111,031	83,024
Capital Financing Requirement (CFR) as at 31 March					
- General Fund	148,633	158,511	146,091	139,053	99,204
- HRA	214,321	271,817	339,372	410,707	459,089
Total	362,954	430,328	485,463	549,760	558,293
Change in the CFR	77,336	67,374	55,135	64,298	8,533
Surplus Cash Deposits (Annualised Average)	160,000	105,000	87,000	68,000	50,000
External Gross Debt	266,167	353,517	428,052	498,738	546,006
Ratio of financing costs to net revenue stream					
-General Fund Financing Cost	(1,834)	(370)	296	18	611
-HRA Financing Cost	6,654	8,449	11,003	13,566	15,660
Total	4,820	8,079	11,299	13,584	16,271
% of net revenue stream					
-General Fund	(7.41%)	(1.55%)	0.18%	0.10%	6.75%
-HRA	14.38%	16.60%	20.56%	23.68%	25.86%

Net income from commercial and service investments to net revenue stream					
-General Fund	9,701	10,419	10,379	10,379	10,379
-HRA	478	493	413	413	413
% of net revenue stream					
-General Fund	39.20%	43.72%	41.78%	59.66%	57.86%
-HRA	1.03%	0.97%	0.77%	0.72%	0.68%

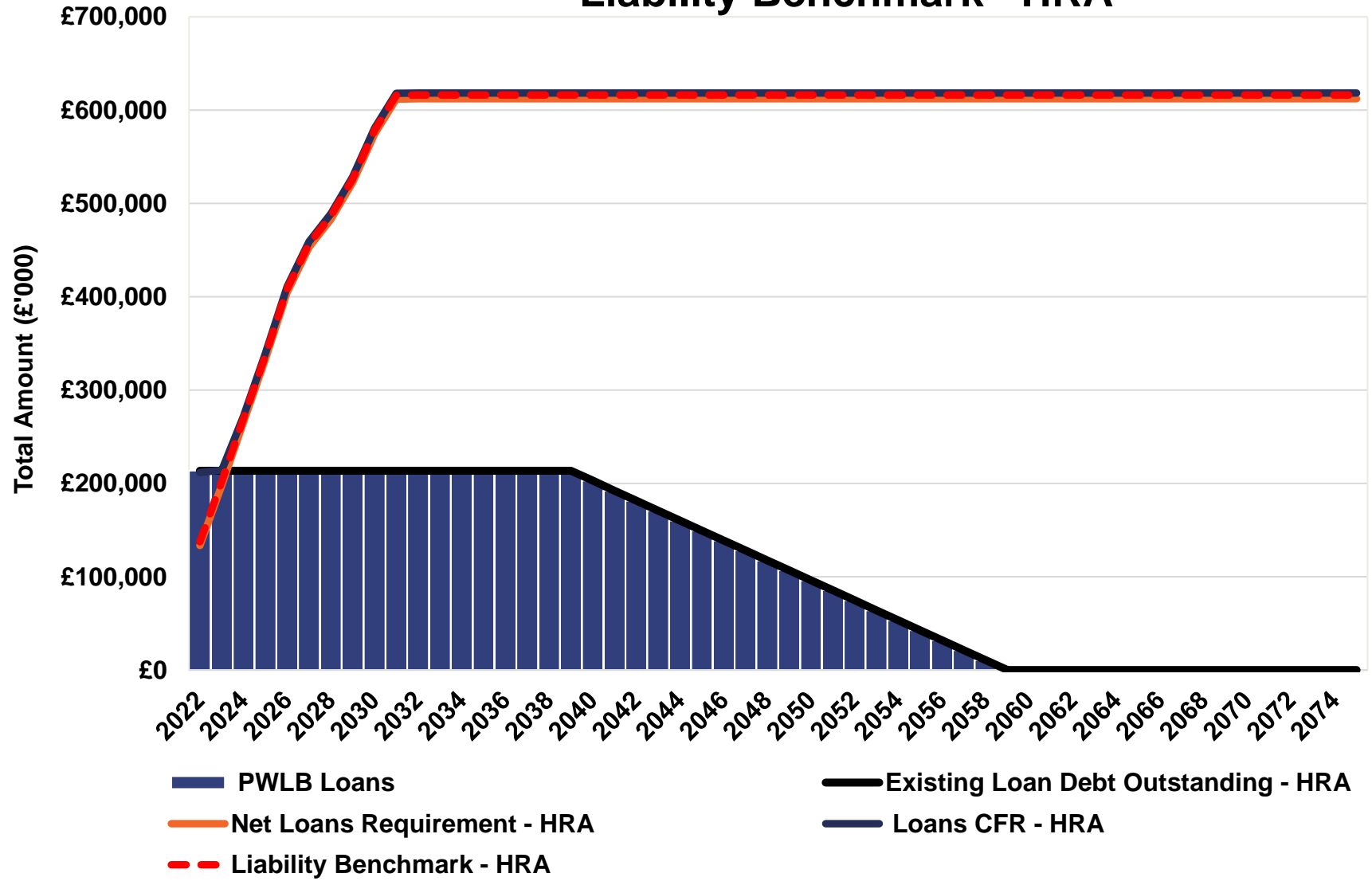
	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
TREASURY INDICATORS					
Authorised limit					
for borrowing	450,000	550,000	550,000	550,000	600,000
for other long term liabilities	2,000	2,000	2,000	2,000	2,000
Total	452,000	552,000	552,000	552,000	602,000
Operational boundary					
for borrowing	341,744	406,638	461,773	526,071	568,503
for other long term liabilities	1,500	1,500	1,500	1,500	1,500
Total	343,244	408,138	463,273	527,571	570,003
Upper limit for total principal sums deposited for over 364 days	50,000	50,000	50,000	50,000	50,000
Upper limit for fixed & variable interest rate exposure					

Net interest on fixed rate borrowing/deposits	5,372	8,296	11,499	13,792	16,467
Net interest on variable rate borrowing/deposits	-68	-30	-30	-23	-23
Maturity structure of new fixed rate borrowing		Upper Limit	Lower Limit		
10 years and above (PWLB borrowing for HRA Reform)		100%	100%		

Liability Benchmark - General Fund



Liability Benchmark - HRA



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
DLUHC	Department for Levelling Up, Housing and Communities (formerly the Ministry for Housing, Communities and Local Government)
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

Term	Definition
External Gross Debt	Long-term liabilities including Private Finance Initiatives and Finance Leases
Government CNAV	Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)
HRA	Housing Revenue Account - a 'ring-fenced' account for local authority housing where a council acts as landlord
HRA Self-Financing	A new funding regime for the HRA introduced in place of the previous annual subsidy system
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)
MPC	Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate
Minimum Revenue Provision (MRP)	Revenue charge to finance the repayment of debt
NHBC	National House Building Council
Non Ring-Fenced Bank (NRFB)	Government & Bank of England rules apply to all UK Banks from 1 January 2019, requiring them to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks
Non-Specified Investments	These are investments that do not meet the conditions laid down for Specified Investments and potentially carry additional risk, e.g. lending for periods beyond 1 year
Operational Boundary	Limit which external borrowing is not normally expected to exceed
PWLB	Public Works Loans Board – an Executive Government Agency of HM Treasury from which local authorities and other prescribed bodies may borrow at favourable interest rates

Term	Definition
Quantitative Easing (QE)	A financial mechanism whereby the Central Bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy
Ring Fenced Bank (RFB)	Government & Bank of England rules apply to all UK Banks from 1 January 2019, requiring them to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks
Security	A measure of the creditworthiness of a counterparty
Specified Investments	Those investments identified as offering high security and liquidity. They are also Sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable
Supranational Bonds	Multilateral Development Bank Bond
UK Government Gilts	Longer-term Government securities with maturities over 6 months and up to 30 years
UK Government Treasury Bills	Short-term securities with a maximum maturity of 6 months issued by HM Treasury
Variable Net Asset Value (VNAV)	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

RECOMMENDATION TO COUNCIL (The Executive)
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General Fund Budget-Setting Report (BSR) 2023/24

The Head of Finance introduced the General Fund Budget Setting Report (BSR) 2023/24. It was noted that a public consultation on the draft BSR had been carried out following approval of the draft BSR at the 8 December 2022 Executive meeting. A summary of the public consultation responses was included as Appendix B to the BSR covering report.

Following scrutiny of the draft budget at the Strategy and Resources Scrutiny Committee, the BSR had been updated for the Executive meeting to reflect:

- the provisional and final financial settlements which provided an additional £2 million funding;
- business rate collection surplus, although these numbers are still provisional and subject to further work;
- changes to budget proposals;
 - o S5110 Bus Subsidises saving had been removed
 - o URP5012 Increase in Member allowances
 - o S5118 Closing some Public Conveniences – Quayside toilets had been removed from the budget saving proposal.
 - o B5144 Contribution to Energy Costs Earmarked Reserve added
- A change from a use of reserves of £2.9 million to a contribution to reserves of £2.5 million and accompanying narrative;
- inclusion of Head of Finance’s section 25 report.

Recommendations of the Executive, which met on 9 February 2023, are set out in the Budget Setting Report.

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

[Agenda for The Executive on Thursday, 9th February, 2023, 5.30 pm - Cambridge Council](#)

Accordingly, Council is recommended to:

General Fund Revenue Budgets:

a) Approve

- Revenue Pressures and Bids shown in Appendix C(b) and Savings shown in Appendix C(c).
- Non-Cash Limit items as shown in Appendix C(d).
- Bids to be funded from External Funding sources as shown in Appendix C(e).

b) Confirm delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which is set out in Appendix A(a).

c) Approve the level of Council Tax for 2023/24 as set out in Appendix A (b) *(to follow for Council)* and Section 2, page 2

Note that the Cambridgeshire Police and Crime Panel will meet on 1 February 2023 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire and Peterborough Combined Authority met on 25 January 2023, Cambridgeshire & Peterborough Fire Authority will meet on 10 February 2023 and Cambridgeshire County Council will meet on 7 or 10 February 2023 to consider the amounts in precepts to be issued to the City Council for the year 2023/24.

Other Revenue:

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

Capital Plan:

e) Approve proposals outlined in Appendix D(a) for inclusion in the Capital Plan.

f) Subject to (e) above, approve the revised Capital Plan for the General Fund as set out in Appendix D(c) and the Funding as set out in Section 5 of the BSR.

General Fund Reserves:

g) Note the impact of revenue budget approvals and the resulting contribution to reserves [Section 6 of the BSR].

h) Create an Energy Cost Earmarked Reserve as set out in Section 6 of the BSR.

i) Note the resulting level of reserves [Section 6 of the BSR].

Section 25 Report:

j) Note the Chief Finance Officer's Section 25 Report included in Section 8 of the BSR.

Review of Charges

k) Note the schedule of proposed fees and charges for 2023/24 in Appendix F.

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Item

General Fund Budget-Setting Report 2023/24

To: The Executive

9 February 2023

Report by:

Caroline Ryba, Head of Finance

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

Wards affected:

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

Key Decision

Appendix G to the Budget setting Report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Executive / Full Council following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive Summary

Overview of Budget Setting Report (BSR)

- 1.1 At this stage in the 2023/24 budget process the range of assumptions on which the Medium-Term Financial Strategy (MTFS) was based need to be reviewed in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for the budget considerations.
- 1.2 The General Fund (GF) BSR, which is attached, includes detailed revenue bids and savings and capital proposals and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. This report reflects recommendations that will be made to The Executive on 9 February 2023 and then to Council, for consideration at its meeting on 23 February 2023.
- 1.3 The BSR sets out GF net service expenditure of £25.509m for 2023/24, analysed over portfolios. It is balanced by a contribution to the GF reserve of £8.332m, made

possible by a better-than-expected provisional local government finance settlement and a business rates surplus on the Collection Fund.

- 1.4 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the final BSR 2023/24 (Version 3 – The Executive). The draft BSR was approved for consultation by the Executive at its meeting on 9 December 2022 and scrutinised at Strategy & Resources Scrutiny Committee on 30 January 2023. The draft BSR has subsequently been finalised to reflect the provisional local government finance settlement, considerations arising from the public consultation and updated estimates as appropriate.

2. Recommendations

The Executive is recommended to:

General Fund Revenue Budgets: [Section 4, page 13]

- a) Recommend to Council for approval:
- Revenue Pressures and Bids shown in Appendix C(b) and Savings shown in Appendix C(c).
 - Non-Cash Limit items as shown in Appendix C(d).
 - Bids to be funded from External Funding sources as shown in Appendix C(e).
- b) Recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which is set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2023/24 as set out in Appendix A (b) (*to follow for Council*) and Section 2, page 2

Note that the Cambridgeshire Police and Crime Panel will meet on 1 February 2023 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire and Peterborough Combined Authority met on 25 January 2023, Cambridgeshire & Peterborough Fire Authority will meet on 10 February 2023 and Cambridgeshire County Council will meet on 7 or 10 February 2023 to consider the amounts in precepts to be issued to the City Council for the year 2023/24.

Other Revenue:

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

Capital: [Section 5, page 17]

Capital Plan:

- e) Recommend to Council proposals outlined in Appendix D(a) for inclusion in the Capital Plan.
- f) Subject to (e) above, recommend to Council the revised Capital Plan for the General Fund as set out in Appendix D(c) and the Funding as set out in Section 5, page 17.

General Fund Reserves:

- g) Note the impact of revenue budget approvals and the resulting contribution to reserves [Section 6, page 21].
- h) Recommend to Council the creation of an Energy Cost Earmarked Reserve as set out in Section 6, page 21.
- i) Note the resulting level of reserves [Section 6, page 21].

Section 25 Report:

- j) Note the Chief Finance Officer's Section 25 Report included in Section 8 of the BSR [page 32].

Review of Charges

- k) Note the schedule of proposed fees and charges for 2023/24 in Appendix F.

3. Background

- 3.1 Early in 2022, the council commissioned a review of its budget setting process, which recommended that a draft budget be approved for public consultation in late November or early December. Following consideration of the consultation responses and scrutiny of the draft budget, a final budget, including the impacts of the local government finance settlement and updated council tax and business rates calculations, would then be prepared for approval by Full Council in February 2023. The council approved the constitutional changes necessary to implement this process at its meeting on 20 October 2022.
- 3.2 On that date, Council also gave initial consideration to the budget prospects for the General Fund for 2023/24 and future years in the Medium-Term Financial Strategy (MTFS) 2022.

- 3.3 The draft BSR to Strategy & Resources Scrutiny Committee on 30 January 2023 included a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.4 The final BSR, attached at Appendix A to this covering report, includes details of the government's provisional finance settlement for 2023/24. The announcement of the final settlement is likely to be made shortly after the conclusion of the consultation period in early February 2023.
- 3.5 Further work may be required on detailed budgets, so delegation to the Head of Finance is sought from Council for authority to finalise any changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

4. Council Tax Reduction Scheme

- 4.1 The Council Tax Reduction local scheme meets the Council's commitment to protect as many people as possible from any decrease in the level of support and the scheme will continue for the 2023/24 financial year.
- 4.2 The scheme was reviewed in 2022 and approved by Council on 20 October 2022. The scheme continues to allow uplifting of incomes and allowances in line with Housing Benefit regulations and the Consumer Price Index in the preceding September each year.
- 4.3 Preceptors are informed of any changes to the scheme each year.

5. Implications

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

(a) Financial Implications

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2023/24.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2023/24.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR Appendix E. Individual Equality Impact Assessments have been conducted to support this.

A local poverty rating has been included for each budget proposal to assist with assessment.

(d) Net Zero Carbon, Climate Change and Environmental Implications

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

- Positive High / Positive Medium / Positive Low: to indicate that the proposal has a high, medium or low positive impact on climate change.
- Nil: to indicate that the proposal has no climate change impact.
- Negative High / Negative Medium / Negative Low: to indicate that the proposal has a high, medium or low negative impact on climate change.

(e) Procurement Implications

Any procurement implications will be outlined in the BSR 2023/24.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2023/24.

6. Consultation and communication considerations

A summary of the responses to the public consultation survey is attached at **Appendix B**. The consultation was presented through the council's consultation platform, CitizenLab, and ran for four weeks from 12 December 2022 to 10 January 2023. It was publicised through the Cambridge Matters resident magazine, and the council's social media channels. 248 responses were received. In addition, the union UNISON submitted a written response.

7. Background papers

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

- Budget Setting Report 2022/23
- Medium-Term Financial Strategy (MTFS) October 2022
- Individual Equality Impact Assessments

8. Appendices

The following items are included in this report:

- Appendix A - Budget-Setting Report 2023/24 Version 3.0, February 2023 (covering 2023/24 to 2027/28)
- Appendix B - Summary of responses to public consultation on Cambridge City Council draft budget 2023/24

9. Inspection of papers

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

Author's name: Caroline Ryba
Author's phone number: 01223 - 458134
Author's email: caroline.ryba@cambridge.gov.uk

O:\accounts\Budget\2023-24\07 BSR\Final For Exec 1-2-23\2023-24 Budget Covering Report for Exec and Council 23-2-2023.docx

SUMMARY OF RESPONSES TO PUBLIC CONSULTATION ON CAMBRIDGE CITY COUNCIL DRAFT BUDGET 2023/24

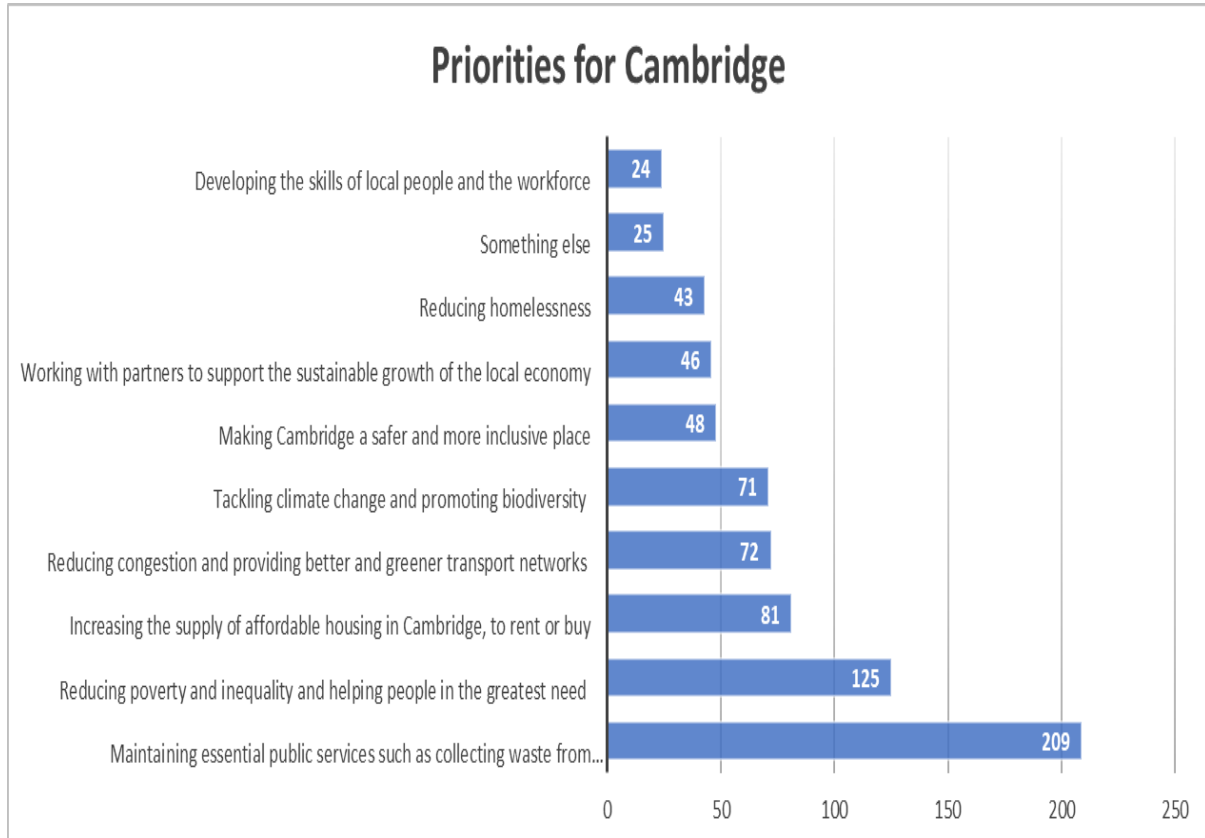
The total number of responses received between 12th December 2022 and 10th January 2023 was 248.

Of these, 91% stated they lived in Cambridge.

16% (39 respondees) said they owned or ran a business in Cambridge. 17 of those (44%) were self-employed; 7 (18%) were from not-for-profit organisations; 13 (33%) were from SMEs and 2 (5%) were from medium & larger businesses.

Priorities for Cambridge

Q4. When asked “What are the three most important priorities for Cambridge, in your opinion?”, respondees identified the following priorities:

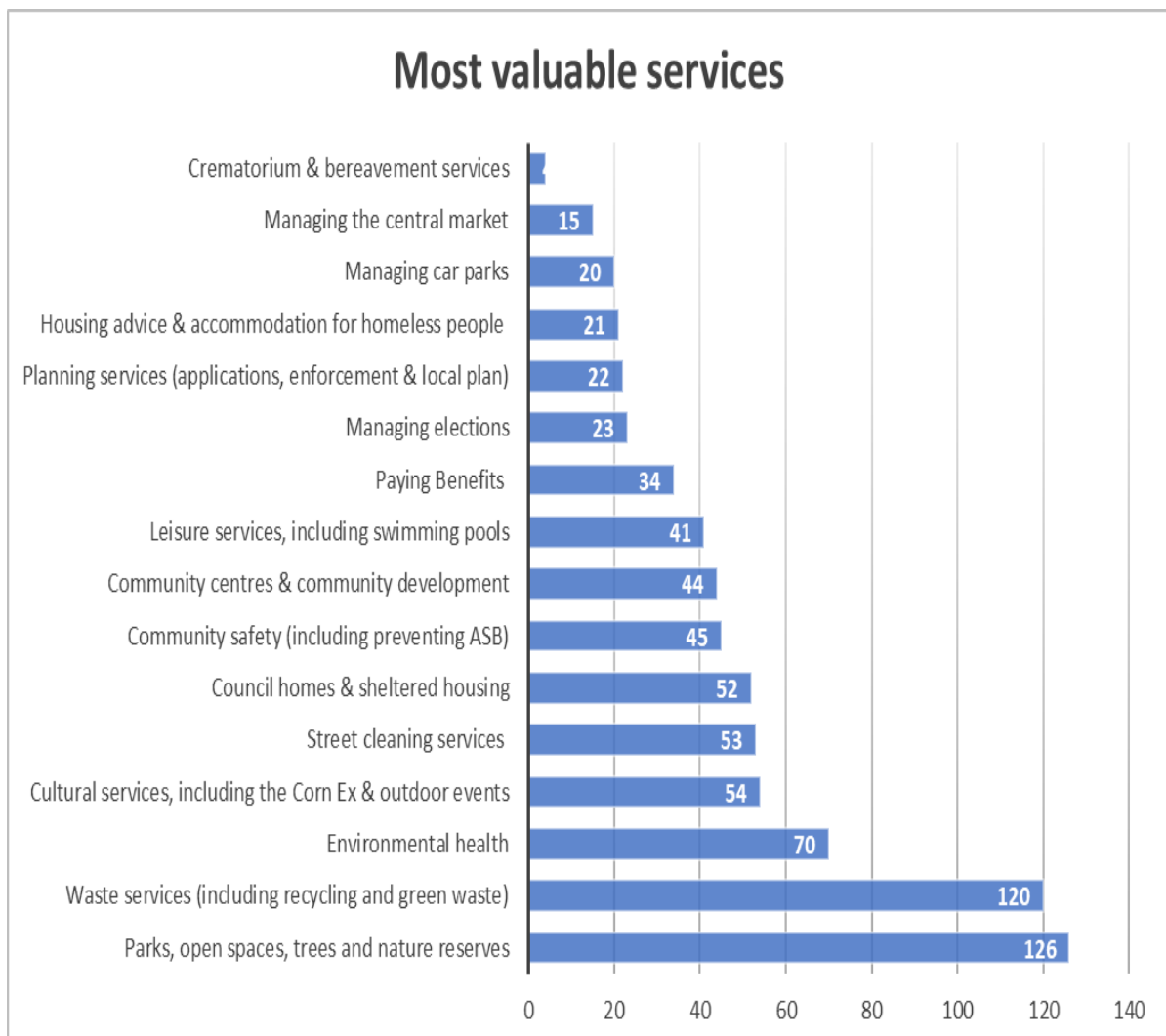


Suggestions for other priorities (“something else”) included:

- Reducing spend, including senior staff pay
- Waste & recycling (including gritting roads to allow bin collections)
- Protecting open spaces and the river Cam & protecting heritage assets
- Promoting arts & culture, providing people (including children) with activities, including skate spaces
- Supporting businesses including through local procurement
- Reducing crime
- Tackling the cost of living

Highly valued services

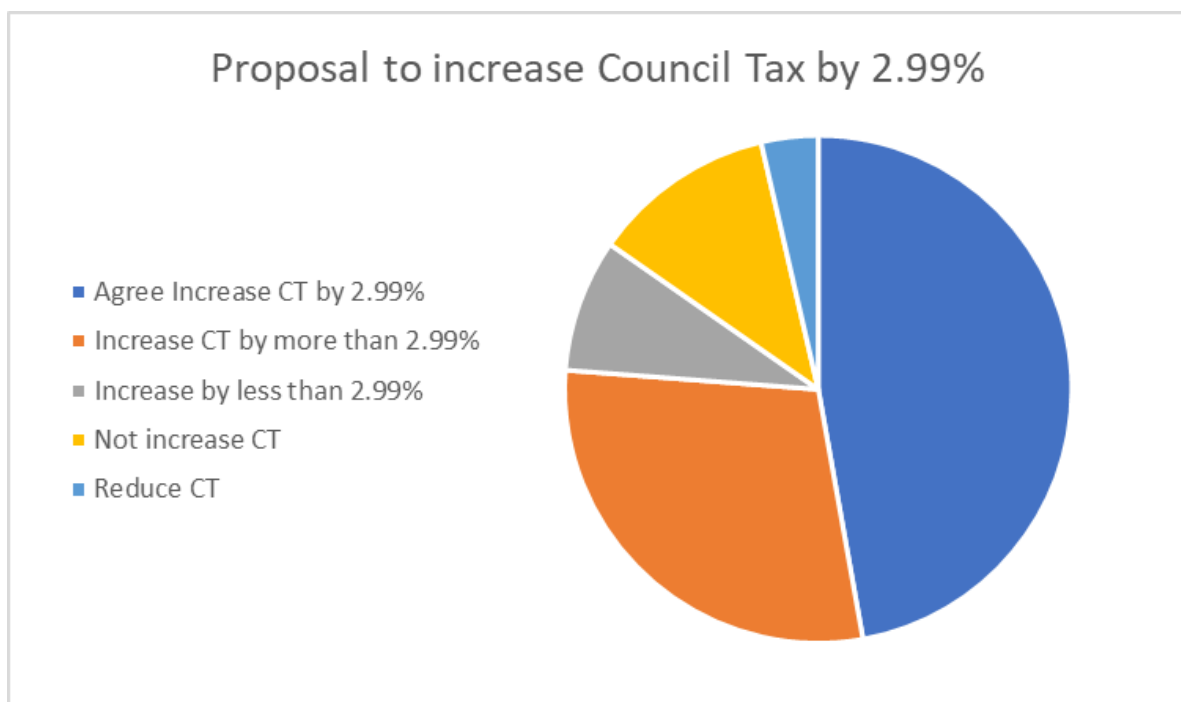
Q5. When asked to select the services that they valued most highly from a list of council services, respondents selected the following services:



Q6. Council Tax

47% of people agreed with the proposal in the draft budget to increase Council Tax by 2.99%, and 29% felt the Council should increase Council Tax by a greater amount.

8% felt the Council should increase Council Tax by a smaller amount; 12% felt the Council should not increase Council Tax this year and 4% felt the Council should reduce Council Tax.



Ideas suggested for alternative ways to finding the money the Council proposes to raise from increasing Council Tax included the following:

- Increase income from enforcement activity, fees and fines
- Increase or introduce fees and charges for services
- Charge businesses higher fees and taxes, increase sponsorship and donations
- Introduce a Tourist tax
- Boost business growth
- Reduce staff numbers or pay (particularly senior managers' pay)
- Reduce spend on offices / sell assets
- Outsource services
- More efficient/smarter working practices
- Reduce or stop services including "green" schemes and transport projects

Budget Proposals 2023/24

Respondee were invited to identify any of the specific proposals in the draft Budget 2023/24 that they particularly supported or opposed.

A list of the proposals likely to have the most impact on public services was provided, although it was explained that respondee were welcome to comment on any of the proposals in the draft budget.

The number of those indicating support or opposition to each proposal is shown in the table below. A summary of some of the reasons given follows the table.

Proposal	Number of respondee who support	Number of respondee who oppose
(URP5009) Providing mentoring, coaching, training and skills support for young people looking for work, training or further education	58	7
(URP5031) Continuing to employ additional youth liaison staff to respond to anti-social behaviour and safeguarding issues	52	3
(URP5090) Carrying out essential repairs to Jesus Green riverbank to prevent it from subsiding and to make it safer	37	7
(B5008) Providing financial support to low-income households who experience a gap between the level of benefits they receive and the cost of renting their homes.	44	6
(B5011) Carrying out an expert assessment of how the council can reduce carbon emissions from its fleet of vehicles in a coordinated and planned way	25	30
(B5032) Providing a budget to enable the Council to respond to needs that emerge during the course of the year for people in poverty	40	1
(B5059) Converting up to 20 refuse trucks to run on hydrotreated vegetable oil, to help reduce the Council's carbon emissions, as an interim measure until more electric or hydrogen-powered trucks are purchased	25	36
(S5102) Cancelling the Big Weekend, which currently provides a free summer festival for residents and visitors	69	62

Proposal	Number of respondee who support	Number of respondee who oppose
(S5106) Review of resources for public art delivery	35	13
(S5110) Removing subsidies for 3 current bus services provided by bus companies, from 2024 onwards. This could potentially lead to reduced operating hours and locations on the Citi 2 and Citi 3 route and the withdrawal of Citi 114 services on Saturdays, subject to bus operator decisions. However, any such change could potentially be compensated for by increased bus provision from 2024 onwards as part of the Greater Cambridge Partnership's Making Connections proposals, if those proposals are implemented	16	64
(S5112) Reducing the budget allocated for taxi-cards, which help disabled people on low incomes to pay for taxis, so that is in line with the current actual level of demand for taxi cards	26	15
(S5518) Closing underused public toilets (including full closure of Mill Road, Quayside and Chesterton Road facilities and weekend-only opening of public toilets at Chesterton Recreation Ground, Cherry Hinton High Street, Coleridge Recreation Ground, Romsey Recreation Ground and Victoria Avenue)	24	95
(S5139) Continue for one more year not to recruit to vacant posts in Street Cleaning and grounds maintenance teams, prioritising work within available resources	6	32
(S5143) Deletion of one full time Public Realm Enforcement Officer post	14	26
(URP5012) Increase in member (councillor) allowances in line with the National Living Wage increase of 6.6% for 2022/23	7	74
One respondee also expressed opposition to URP5009 (Region of Learning); CAP5041, 5042 and 5046 (Swimming Pools); CAP5048 (CHUB); CAP5066 (laptop & desktop replacement); SC741 (Nightingale Rec Pavillion); SC752 (Byron's Pool) and SC806 (Timberworks nursery).		1

Respondees were invited to explain why they particularly supported or opposed the proposals they mentioned in answer to this question.

In general, the reasons centred on how highly valued the respective services were perceived to be, and whether it was right for the City Council to be delivering them.

So, support for proposals to provide additional resources for services or initiatives tended to be explained in terms of the services being useful or necessary, and tackling important issues (youth skills, anti-social behaviour, river bank maintenance, climate change, tackling poverty).

Support for proposals to reduce spend tended to be explained in terms of recognition that the council had to make tough financial choices and that “luxuries” or “nice to haves” were not priorities or not perceived to be a good use of public money (e.g. the Big Weekend), or where the proposal explained that the current level or resources was not essential (e.g. taxi cards, under-used toilets). A number of respondents commented on things they felt that the City Council should not be doing or funding.

Opposition to proposals for additional expenditure conversely tended to be explained in terms of a sense that some items were themselves not essential, nice to haves or luxuries (e.g. consultancy support for fleet decarbonisation; conversion of waste fleet to run on hydrotreated fuels).

Opposition to reductions in expenditure tended to be explained in terms of the perceived importance or value of services (e.g. Big Weekend, bus subsidies, public toilets, street cleaning and public realm) or concerns about the potential impacts of proposed reductions (public toilets – impacts for elderly and disabled and impact on city public space cleanliness).

As shown in the table, there was strongest opposition (compared to support) for S5518 (public toilets), S5110 (bus subsidies) S5139 (vacant posts in street cleaning & grounds maintenance) and URP5012 (member allowances). On the latter, there were strongly worded comments around apparent lack of equity with public sector workers, among other comments.

There was also significant opposition to the proposal to cancel the Big Weekend (S5102). However, there was numerically more support for this proposal than opposition. While some people cited it as a valuable cultural event, more people felt it was not something that should be prioritised, or that it was not valuable. A number of people who opposed the proposal to cancel felt that alternative sources of funding (sponsorship or ticketing) should be explored first, or that it should be reduced.

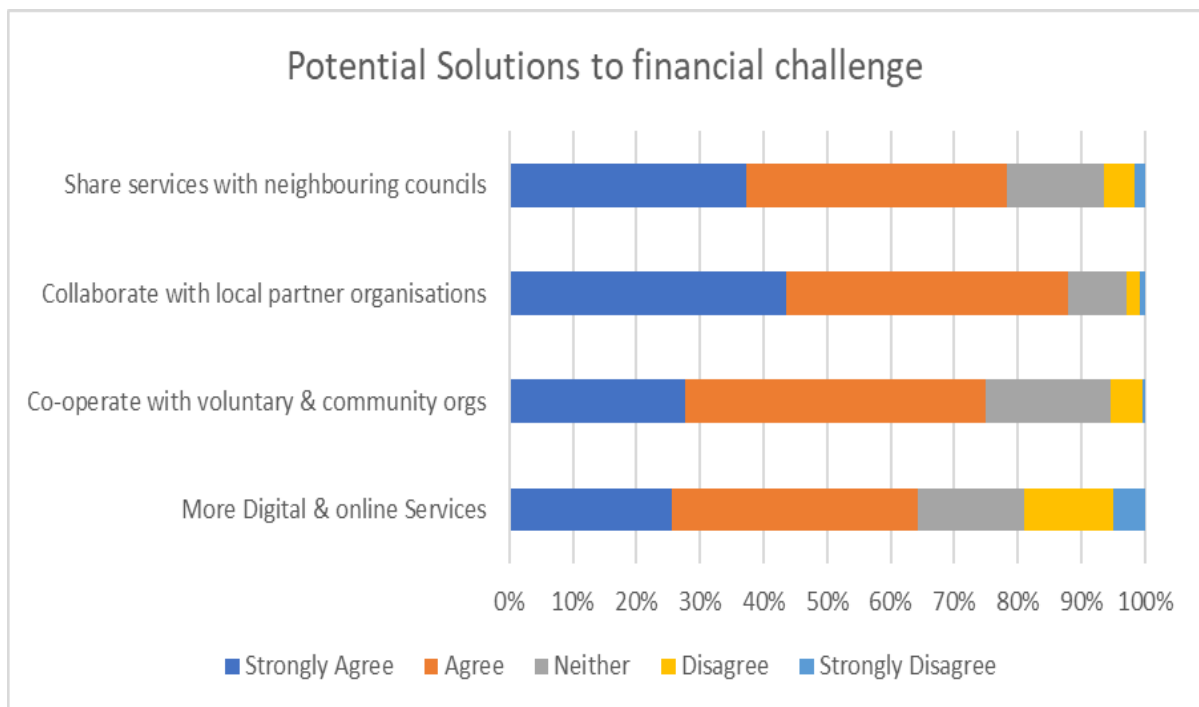
There was also strong support (compared to opposition) for youth skills (URP5009), youth liaison re anti-social behaviour (URP5031), Jesus Green riverbank repairs (URP5090), financial support for low income households (B5008), tackling poverty (B5032), and review of public art resources (B5106).

[To note: The trade union UNISON also submitted a response, suggesting that there may be additional equalities, community or staff impacts relating to proposals S5118 (public toilets), S5106 (public art) and S5102 (Big Weekend).

Officers will review the Budget EqIA to see whether any amendments are required in the light of the UNISON input ahead of the meeting of The Executive on 9th February 2023].

Q9. Potential Solutions

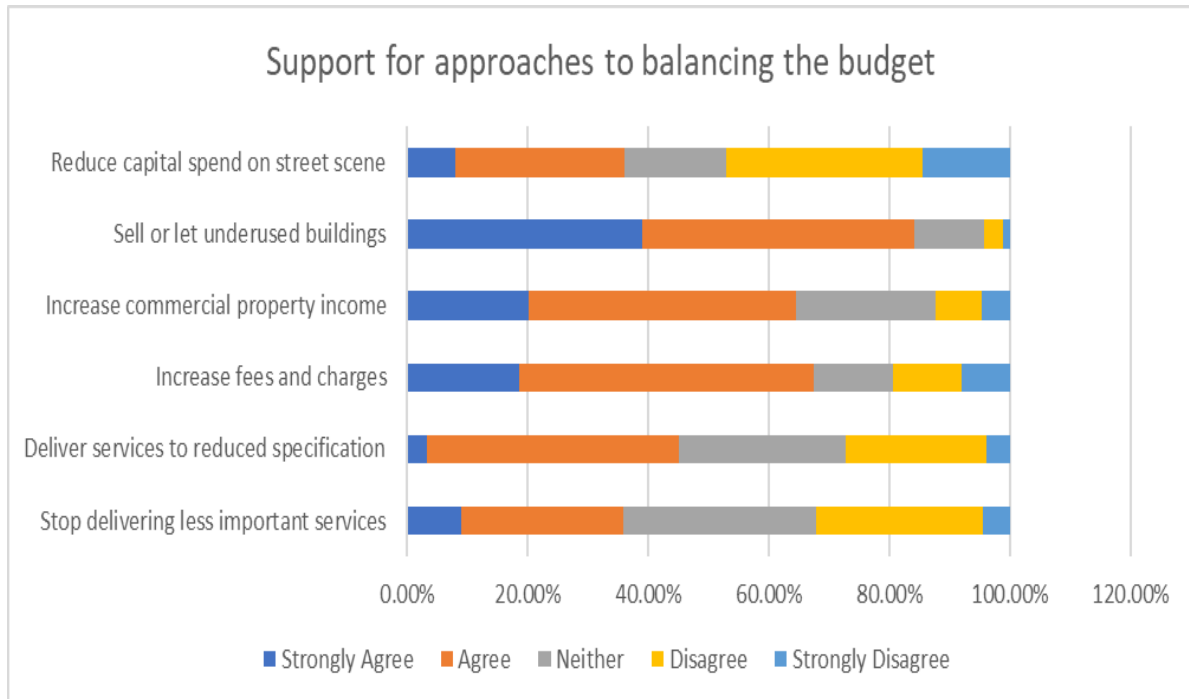
The strength of support for the following ways of addressing the council’s financial challenge was as follows:



As the chart shows, there was strong support for each option, with between 64-88% either agreeing or strongly agreeing with each.

Q10. Options for balancing the budget

The strength of support for the following ways of helping to balance the council's budget was as follows:



- There was strongest support for selling or letting underused buildings and assets to generate income, with over 84% agreeing or strongly agreeing.
- There was also clear support for increasing income from commercial property (where viable) and increasing fees and charges for services, with 64.3% agreeing or strongly agreeing.
- On stopping or reducing services, 36% agreed or strongly agreed with stopping less important services, and 32.2% disagreed or strongly disagreed.
- 45.1% agreed or strongly agreed with delivering services to reduced specification or frequency, and 27.2% disagreed or strongly disagreed.
- On reducing capital spend on physical assets and street scene projects, 36.1% agreed or strongly agreed, and 47% disagreed or strongly disagreed.

Version 4.0
Council
23 February 2023

Budget-Setting Report

2023/24



February
2023

2023/24

Cambridge City Council

Version Control

Version No.	Revised version / updates for:	Content / Items for Consideration
1	The Executive (8 December 2022)	Draft budget for consultation
2	Strategy and Resources Scrutiny Committee (30 January 2023)	Draft budget proposals and report on the outcomes of the budget consultation Comments on draft budget and consultation outcomes to the Executive.
3	The Executive (9 February 2023)	Final budget proposals, incorporating updates relating to: <ul style="list-style-type: none"> - Final Local Government Finance Settlement 2023/24 (if available) - Updates resulting from consultation Proposals of the Executive
4	Council (23 February 2023)	Opposition budget amendments Final Proposals to the Council, incorporating updates relating to: <ul style="list-style-type: none"> - Final Local Government Finance Settlement 2023/24 - Appendix A(b) Council Tax Setting following receipt of County Council, Police, Fire and Combined Authority precepts
5	Council (Final – if required)	Approved Budget-Setting Report incorporating <ul style="list-style-type: none"> - Decisions of Council - Any other final amendments

Anticipated Precept Setting Dates

Cambridgeshire Police & Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council	Cambridgeshire & Peterborough Combined Authority
1 February 2023	10 February 2023	7 or 10 February 2023	25 January 2023

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

Introduction

In preparing this introduction we reread the 2021 Budget Setting Report (BSR). It started by stating that “2020 has been a year like no other year in living memory and 2021 follows in its wake”. As we now know, not only did 2021 prove to be difficult but so did 2022, although for somewhat different reasons. The uncertainty caused by the Coronavirus pandemic and Brexit has remained, and the turmoil unleashed globally by the war in Ukraine has also had an impact. We always knew that this would be a difficult year in terms of inflation, but this was exacerbated by the financial chaos that occurred as a result of the budget statements made during the ill-fated Truss premiership. Just as the uncertainty created caused problems for the financial sector, the same applies to Local Government, and this uncertainty continues to make financial planning over both the short and the long term very difficult. A perfect example of this is the Local Government settlement for the coming financial year, which was received on December 19th, several weeks after our draft BSR was published. After many years of austerity, the long-term outlook for the Council is bleak, and we will have to find somewhere in the order of £11m in savings over the next five years. This is the reality we must face up to, and this reality has forced hard choices on us, as it has on so many others. However, we have prepared a Budget Setting Report for 2023-24 which we believe will focus on the priorities of the Council, and at the same time enable continued effective and prudent management of our Council finances. We would particularly wish to thank the Finance Team at the Council for their work on this document, helping us turning uncertainty into effective plans for the future.

Our Core Priorities

The Council remains committed to our core priorities of tackling poverty, addressing climate change and addressing the housing crisis.

We will continue to focus on **tackling poverty** in the City. The ‘cost of living’ crisis allied to the huge rises in heating bills will hit many residents hard. We will therefore maintain a full Council Tax Reduction Scheme for those on the lowest incomes and fund both extra staff and voluntary agencies to help residents maximise income from housing and council tax benefits. The City Council’s financial commitment to supporting those in most need will be maintained and over £1m in grants was

distributed last year, working closely with the relevant local community groups. Indeed, and despite these difficult times for the Council, we have increased our grant budget to these organisations by approximately 10%. We remain committed to enhancing the cultural life of the city, best displayed through the management of the Corn Exchange and the Folk Festival. Whilst the Firework Display remains, we have had to take the difficult decision of ending the Big Weekend in its current form, although we are committed to developing alternatives, including supporting local community events.

Perhaps our biggest challenge of all remains **tackling the climate change and bio diversity emergencies**. Much has been done by the Council but to be successful we must work in partnership with others. Work on retrofit continues, but the finances required are huge and we will take every opportunity to press for financial support from Central Government. As can be seen we continue to update our fleet and make it as energy efficient as possible, replacing with electric vehicles where we can. The investment in electric vehicle charging points in our own car parks is underway and we have worked with the county council in developing on-street charging. The introduction of our five-year biodiversity strategy in 2022 is now being implemented, which will ensure greater environmental protection and the enhancement of nature.

The City Council is seen as a national leader in **building new council homes**. The Cambridge Investment Partnership, our joint venture with Hill Building Group, is well on the way to building over 700 homes to add to our existing stock of council homes. With almost 2000 families on our current housing needs register, our work on building these new council homes is essential in tackling inequality. In addition, we will deliver more new affordable homes to address Cambridge's housing crisis, where homes in the home ownership and private rental sectors are unaffordable for many and demand for good quality homes outstrips availability. Our commitment to build "passivhaus" compliant homes from 2024, remains in place, thereby addressing our climate change targets. We will continue to support work to alleviate homelessness in our city and have budgeted accordingly.

Investment for the future and reserves

Labour was elected to run the Council in 2014, and since then we have invested over £50m of our funding into a variety of programmes with significant yield. The core principle in using reserves has been to invest them wisely to bring long-term economic benefit to the Council. We will maintain this commitment to use our reserves to invest. Through the prudent management of the Council the level of reserves continues to be relatively healthy. We believe this to be a wise course of action for two main reasons. To meet our ambitious targets to become a carbon neutral Council we are going to have to invest heavily to retrofit our existing accommodation. No more so than the Guild Hall. We are committed to retaining this as a civic and community space, though our commitment to keeping and refurbishing will come at a not insignificant cost. We plan further investments where possible, although the Government's rules

on “invest for yield” restrict some potential options

A vital part of our plans for the future is Our Cambridge, the Council transformation programme. We are now over a year into the Programme and plans are starting to come to fruition, the decision to keep the Guild Hall and the Senior Management Review being the most obvious to date. Whilst we are confident in the progress of Our Cambridge, meeting a proportion of our savings targets are ambitious and we therefore believe, that in relation to reserves, it would be wise to ensure there is cover for any slippage.

Conclusion

Finally, we want to thank the staff at the City Council for all their work over the last twelve months. They continue to demonstrate the very best in public sector working, despite the personal uncertainty that is inevitably caused by the Transformation Programme.

In concluding, this Council will continue to focus on the needs of our communities at the most difficult and trying of times and work tirelessly to help those who need us most. It is only by applying sound and prudent financial management that we can invest in both our Council and our city to tackle poverty and inequality and build more affordable housing, all whilst addressing the climate and biodiversity emergencies. We will do this in a cooperative and collaborative way. We will continue to meet our responsibility to deliver a fairer and more equal city ... “One Cambridge, Fair for All.”

Councillor Anna Smith, *Leader of the Council*

Councillor Mike Davey, *Executive Councillor for Finance & Resources*

Section 1

Introduction

Purpose

The Budget Setting Report (BSR) is designed to provide an integrated view of the council's finances and outlook, covering General Fund (GF) revenue and capital spending. The Medium Term Financial Strategy (MTFS), approved in October 2022, set out the financial strategy for the council in light of local context and external factors and the outlook for public sector funding. It reviewed key assumptions and risks, confirming the framework for detailed budget work for 2023/24 and beyond. The BSR reviews the impacts of developments since the MTFS and considers detailed recommendations and proposes a detailed budget for the next financial year and indicative budget projections for the following four years.

Background

The MTFS identified a total net savings requirement of around £11.5m for the 5-year period. Alternative scenarios were modelled, giving a range of savings requirements between £9.7m to £19.0m. These savings requirements stem from reductions in government funding, the additional net cost of services for every new home in the city and unavoidable cost increases and income pressures.

£000	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Net savings requirement	3,791	1,871	3,661	689	1,503	11,515

Key member decision-making dates

Date	Task
30 January 2023	Strategy and Resources Scrutiny Committee considers draft BSR (all GF portfolios) and the outcome of the budget consultation
9 February 2023	The Executive recommends final BSR to Council
23 February 2023	Council approves the budget and sets the council tax for 2023/24

Section 2

National and local policy context

National policy framework

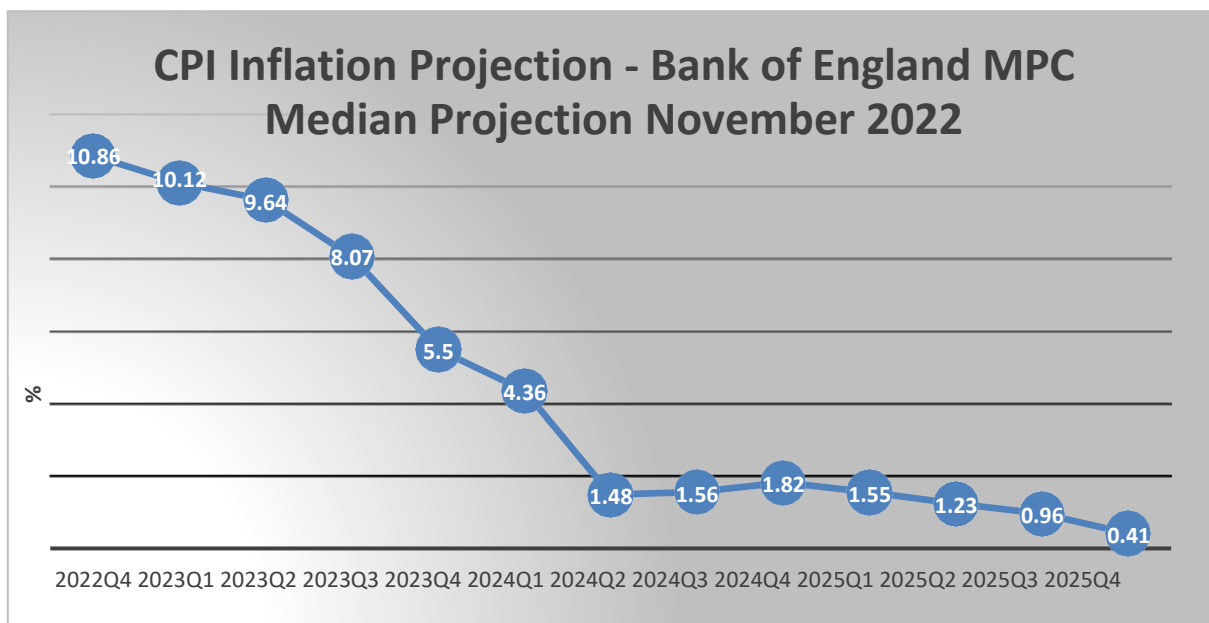
Economic factors

The economic context underpinning the development of this year's budget has been characterised by a series of economic shocks and a general downturn in the health of the UK economy and economies worldwide. At the time of preparing this report, the UK government is finalising its fiscal response to the current situation amid expectations that the UK economy will be subject to a sustained recession which could continue until the middle of 2024.

Inflationary pressures continue to weigh down on the economy

The steep increases in inflation seen in the early part of 2022 were initially understood by many analysts to be a short-term aberration with two primary causes. Firstly, as part of the post-Covid recovery, it was recognised that there were supply chain pressures which had emerged as the economy responded to pent-up demand. These pressures combined with a sudden spike in energy prices caused by Russia's invasion of Ukraine and the economic sanctions subsequently introduced.

It is now widely accepted that inflationary pressures are likely to remain in the medium-term. This is largely the consequence of the sustained increase in wholesale energy prices impacting pricing across the economy. The Bank of England has signalled that, even after allowing for some continued government support to limit domestic consumers' exposure to energy prices beyond March 2023, inflation will peak at around 11% in Q4 2022 and will remain at a similar level before dropping back to around 5.5% from Q4 2023 and 1.8% in Q4 2024. It is important to recognise inflation is a year-on-year measurement. An important aspect of the downward trajectory arises from the assumption that energy prices have already peaked. Modelling by the bank assumes that a reduction in wholesale prices will ultimately make a negative contribution to inflation in the medium-term but this is unlikely to be the case until 2024/25 at the earliest.



From the council’s perspective inflation impacts the cost of the supplies and services the council relies upon to deliver services. Whilst the council’s strategy is to increase fees and charges by inflation to mitigate the impact of increased costs, many council services are not income-generating and, as explained below, in the current economic context, it is generally assumed that funding provided by central government and others will not rise in line with inflation.

Inflation also places upward pressure on the council’s salary costs. In November 2022 the pay claim for 2022/23 was settled with employees receiving a flat rate increase of £1,925 across all pay points. The assumed increase for 2023/24, as articulated in the MTFS, is 3% before reducing to 2% from 2024/25. However, the risk of a higher pay claim needs to be recognised at the time of considering this budget.

The Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook (EFO) alongside the Autumn Statement on 17 November 2022. The table below compares its forecasts of CPI and employee costs with the assumptions built into the MTFS. Based on this comparison, no change in inflation assumptions is proposed. As no inflation uplift was added to budgets in 2022/23, the higher CPI used in the MTFS for 2023/24 provides an element of ‘catch up’.

%	2023/24	2024/25	2025/26	2026/27
CPI – OBR EFO November 2022	5.5	0.0	-1.0	0.8
CPI – MTFS 2022	9.4	2.0	2.0	2.0
Wages and salaries – OBR EFO November 2022	3.3	1.5	2.3	1.9
Employee costs – MTFS 2022 (excluding incremental uplift)	3.0	2.0	2.0	2.0

Interest Rates are the preferred economic policy to tackle inflation even if it prolongs the recession

National governments and central banks have used interest rates to varying degrees to tackle the problem of inflation. This approach is expected to continue with the Bank of England’s base rate forecast to increase from its current level of 3% to a peak of between 4.5% and 5% in mid-2023 before gradually dropping back to between 3.5% and 3.75% in September 2024.

The impact of changes in interest rates varies according to individual and organisational circumstances. The council has been able to benefit from a significant improvement in returns on short-term investments and this is forecast to continue throughout the 2023/24 financial year. Based on current cash balances officers assess that new GF borrowing can be deferred until interest rates begin to fall.

However, an increase in interest rates tends to reduce household disposable income and aggregate demand within the economy. Combined with changes in consumer behaviour connected with the pandemic, most notably the growth in online shopping and working from home, interest rate increases may hinder the council’s ability to realise the same levels of income from discretionary services observed in previous financial years. Reductions in income are already reflected in the budget but there is a risk that the impact may be worse than has been predicted. Meanwhile, poorer members of our local communities may find themselves more likely to need our services increasing the level of demand and the associated cost of service provision.

From a business perspective, increasing interest rates combined with prevailing economic uncertainty deters investment and tends to increase the number of business failures. Whilst much of the council’s commercial rental income is protected under the terms of leases, business closures could lead to void periods and reduced rental income.

The council has been fortunate to benefit from growth in its business rates base in recent years. Significant growth in housing has increased the council’s tax base and offered the opportunity for the

council to make investments in amenities and projects funded by S106 monies which have helped the council to realise many of its strategic objectives. Whilst the council's MTFS is not dependent on continuing growth in the local economy to deliver a balanced budget, a prolonged local economic downturn will have a profound and sustained impact on the council's financial position.

Spending review, Autumn statement and 2023/24 Local government finance settlement

HM Treasury published the Autumn Budget and Spending Review 2021 on 27 October 2021. This set out departmental spending for the three-year period from 2022/23 to 2024/25, following on from a single-year review in 2020 in response to the Covid-19 pandemic.

Despite the impact of rising inflation, the government has confirmed in the Autumn statement that the funding allocations for non-social care authorities such as the City Council will be unchanged over the current spending review period. However, beyond this, funding may reduce by 0.7% per year in real terms.

Reforms to the underlying formula which determine how resources are allocated to local authorities have been long promised. The base data referenced in the formulas used is now at least nine years old. Despite engagement with the sector by government, it is not expected that any changes will be introduced until 2025 at the earliest. Likewise, potential reforms to the business rates system remain on-hold. The impact on this council of changes to the business rates could be highly significant as it seems inevitable that the baselines used will be reset. If the council's baseline were to be increased a higher proportion of business rates locally collected would need to be paid over to central government each year; under the existing arrangements the council pays a levy representing 50% of amounts collected over the agreed baseline.

The Valuation Office Agency has completed its revaluation of properties registered for business rates. New rateable values, based on valuations at 1 April 2021, will apply from 1 April 2023. Transitional arrangements are structured to be fiscally neutral for local authorities. Consequently, no changes in income or expenditure associated with business rates revaluation are built into the forecasts underpinning the budget.

Local government finance settlement

The provisional local government finance settlement was published on 19 December 2022, with the final settlement expected in February 2023. Overall, the provisional settlement was better than expected for the sector as a whole, but much of the increase was directed at authorities with social care responsibilities. Although underlying budgets remained the same, some inflationary uplift has

been achieved in SFA through uplifts to underlying calculations. Additionally, all authorities are guaranteed an increase of 3% in the core spending power (CSP) before council tax impacts. The table below compares the provisional settlement with the previous year and funding included within the draft BSR.

Core Spending Power (CSP) - £m	2022/23 Final finance settlement	2023/24 Draft BSR	2023/24 Provisional finance settlement	2023/24 % change from 2022/23
Settlement Funding Assessment (SFA)	4.272	4.272	4.591	7.47%
Grants, including New Homes Bonus (NHB)	4.526	2.905	0.974	-78.48%
Council Tax ¹	9.371	9.839	9.714	3.66%
Funding guarantee	-	-	3.713	-
	18.169	17.016	18.992	4.53%

¹ – settlement figures based on government projections

The provisional settlement provides £1.976m more funding than assumed in the draft BSR.

Grants include £755k relating to compensation for under-indexing of the business rates multiplier and would normally form part of business rates growth. However, as this is a grant and therefore receipt is certain, it is proposed to make this available as revenue funding within 2023/24, rather than to take it to reserves as part of business rates growth.

A single-year allocation of £53k NHB has been made, 10% of which will be set aside as a contribution to the Greater Cambridge Partnership investment and delivery fund, in line with current agreements. No replacement for NHB has yet been announced and it is now expected to continue for one further year, delivered from within the current funding envelope.

The council receives a **funding guarantee** of £3.713m, the highest of any local authority. It compensates for a large decrease in NHB funding and, more significantly, represents funding that can be considered to be at risk for 2025/26 onwards. The inclusion of this guarantee stabilises the council's funding for 2023/24 but draws attention to the high level of uncertainty inherent in the funding systems at present.

Future prospects

Whilst there is considerable uncertainty relating to the CSP for 2024/25 onwards, the council has modelled the possible trajectory of this funding, to form a basis of financial planning for the next five years.

Core Spending Power	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Business rates income	11.991	12.609	6.340	6.372	6.645
Less: Business rates growth	7.400	(7.678)	(1.631)	(1.616)	(1.841)
Settlement Funding Assessment	4.591	4.931	4.709	4.756	4.804
Grants	4.687	4.231	0.310	0.310	0.310
Council Tax	9.813	10.303	10.696	11.153	11.586
	19.091	19.465	15.715	16.219	16.700

Business rates

The net transfer to the GF reserve at 31 March 2023 in respect of business rates is currently forecast to be £1.989m. This is made up from business rates growth above the baseline set out in the 2022/23 local government settlement less amounts paid from the GF where the collection fund deficit reserve is insufficient to recover the business rates deficit arising from the Covid pandemic.

The Council can only benefit from business rates growth generated in year if it is reflected in the estimate it provides to government at the end of January. Growth is inherently difficult to predict as it depends on when business begin trading from rated premises and when those premises are formally added to the rating list. It is also difficult to predict transactions which reduce income from business rates including demolitions, business closures and appeals against ratings assessments. Actual growth achieved in 2022-23 is predicted to exceed that predicted in January 2022. Consequently, a surplus has accumulated on the collection fund. The City Council's share of the estimated surplus at 31 March 2023 is £3.84m and this will be received in the 2023/24 financial year together with amounts retained attributable to growth.

Tax base and council tax

Tax base

The tax base is one element in determining both the level of council tax to be set and the amount it is estimated will be collected. This calculation is governed by regulation and the formal setting of the tax base is delegated to the Head of Finance to enable notification to be made to the major precepting

authorities during January each year.

The tax base reflects the number of domestic properties in the city expressed as an equivalent number of band D properties, adjusted for various discounts, exemptions and reliefs. Allowances are made for projected growth in the number of dwellings and an estimated deduction for non-collection.

The tax base for 2023/24 is 44,837.4. The calculation is presented in Appendix A(a) of this report.

Collection fund

The collection fund is a statutory fund, maintained by billing authorities such as the council, into which income from council tax and business rates is recorded and out of which respective amounts set for the year are paid to the council and precepting bodies. The council's share of the surplus on the collection fund is £17k to be paid into the General Fund in 2023/24.

Council tax thresholds

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase council tax above the relevant limit set by the Secretary of State. The limit for 2023/24 was increased in the Autumn statement. For 2023/24 the limit was a maximum increase of 3% for a Band D property, with district councils permitted to increase their element of council tax by up to £5, where this is higher than 3%.

Council tax level

Financial projections of the council tax level made for the October 2022 MTFS included the assumption of an increase of the greater of £5 or 1.99% per year for a Band D property from 2023/24 until 2031/32. This BSR now incorporates a rise of 2.99%, increasing council funding by around £60k. As a result, the City Council element of council tax in 2023/24 will rise from £212.50 to £218.85, with proportionate increases applied to other valuation bands, as shown below.

Council tax band	2022/23 £	2023/24 £	Difference £
A	141.67	145.90	4.23
B	165.28	170.22	4.94
C	188.89	194.53	5.64
D	212.50	218.85	6.35
E	259.72	267.48	7.76
F	306.94	316.12	9.18
G	354.17	364.75	10.58
H	425.00	437.70	12.70

Changes to statutory guidance

Last year's BSR referred to proposed changes to Minimum Revenue Provision (MRP) guidance which could impact this Council, particularly in relation to loans provided to other organisations as part of the capital programme. After a period of consultation these reforms are currently on-hold and the earliest date for implementation is 1 April 2024. Initial indications suggest that government is minded to scale back earlier proposals and MRP will only need to be set aside on capital loans to a more limited extent than was first suggested. Since changes to the regulations have not been confirmed, no assumptions about the potential impact of such changes have been made when preparing this report. Members will be advised if adjustments are required when the regulations are finalised.

Local policy priorities

Corporate Plan 2022-27

The local policy priorities for the council are set out in the corporate plan and expanded on in the suite of strategies and policies the council has adopted in recent years. The plan, available on the council's website ([Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council](#)) sets out the key themes and strategic objectives for Cambridge City Council for the five years 2022-27. It contains the council's vision and describes how the council is working to support both the recovery of the city from the impacts of Covid-19 and the transformation of the council to deliver quality services within a challenging financial context.

The corporate plan sets out four priorities:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030
- Tackling poverty & inequality and helping people in the greatest need
- Building a new generation of council and affordable homes and reducing homelessness
- Modernising the council to lead a greener city that is fair for all

Review of local factors

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

With the ongoing implementation of the planned housing and economic growth, Greater Cambridge's population is set to increase by 26% between 2011 and 2031. The council is already focused on meeting the needs of new communities and residents through better use of technology, joint services with other local authorities and partnership working (through the Greater Cambridge Partnership (GCP) and the Combined Authority) in order to lever in funding for infrastructure improvements.

Whilst new homes generate new council tax income for providing services, the increase in student accommodation (with council tax exemptions) and the number of inward commuters, plus the particular needs of new residents as they settle into new communities, can present additional service demands and financial pressure. This comes at a time of ongoing financial pressures facing council budgets. For example, planned house building and economic growth is expected to worsen the congestion on the city's roads. The council is working as part of the GCP to develop proposals to address the problems caused by congestion. However, these proposals may introduce charges for the movement of the council's vehicles around the city and reduce income from car parking.

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

Our Cambridge Transformation Programme

In recognition of the financial challenges it is currently facing, the council has embarked on an ambitious transformation programme known as "Our Cambridge". This programme will reshape and redesign the council to build a better, more sustainable organisation that has a deeper and more integrated relationship with our community and partners and can operate within its financial means.

After a period of exploration and design the programme has now moved into the implementation

phase, with major projects to reshape City Operations and deliver fit-for-purpose accommodation now underway. Due to major financial uncertainties in both the national economy and future council funding, the programme will explore 'minimum viable options' and alternative delivery models for all services.

Section 3

Budget consultation

Budget consultation 2023/24

The Executive, at a meeting in early December, approved public consultation on a draft budget. The consultation was carried out on our online consultation platform, giving everyone the chance to comment on both specific proposals in this year's draft budget as well as a chance to identify their priorities for Cambridge. It also allowed respondents to indicate how they felt about a range of approaches the council could take to balance its budget in the medium and longer term.

A [summary of responses](#) was reported to Strategy and Resources Scrutiny Committee on 30 January 2023. There was broad support for some of the generic ways of balancing the budget including, for instance, increasing fees and charges, working more closely with our partners, collaborating with our communities and sharing services with neighbouring councils.

This feedback has informed decisions relating to the final BSR and will help shape future thinking on how the council meets its savings target for future years, including through the Our Cambridge transformation programme.

Section 4

General Fund revenue budgets

2022/23 outturn

As at the end of December 2022 (quarter 3), the forecast outturn for the GF is a £1.8m underspend. However, budget carryforwards of approximately £1m are expected each year, leading to a forecast £800k higher contribution to reserves when compared with the 2022/23 budget. Overall, levels of inflation, the worsening economic situation and a tight labour market have caused substantial variances, both favourable and unfavourable, in performance against budget. The forecast outturn includes favourable variances of £1.4m on investment income and £2.1m on staffing costs, but unfavourable variances on some income lines, as well as substantial pressures on utility costs. Appropriate adjustments have been made to 2023/24 budgets where the causes of these variances are expected to impact in the coming year.

Budget proposals

The GF revenue projections for 2023/24 to 2027/28 as presented in the MTFS have been reviewed and changes proposed. Proposals have arisen from policy initiatives, such as support for the most vulnerable to address the cost of living crisis, additional income both to mitigate additional costs and to reflect increased returns from the council's assets and unavoidable costs and savings opportunities. The impact of these proposals is shown below in aggregate, by portfolio in Appendix C(a) and in detail by type of proposal in Appendices C(b) – (e).

Performance against savings target

For the purposes of the table below, it has been assumed that where there are savings to be found they will be achieved in the year as recurring savings and will not therefore rollforward to later years.

MTFS 2022 identified a budget gap of nearly £4m for 2023/24. This gap has been closed by a better-than-expected finance settlement and a £3.8m surplus on the collection fund, principally as a result of business rates growth exceeding expectations in 2022/23. As a result, the budget will be balanced by

making a £2.5m contribution to GF reserves.

However, reflecting the high levels of uncertainty relating to future funding levels from government, this funding not expected to be recurring, and therefore the longer-term net savings requirement has reduced by only £417k to £11.1m. Required net savings have been pushed back into 2024/25 and 2025/26, creating a 'bow wave of challenge' for the council.

It should be noted that the council has embarked on a long-term programme of transformation, incorporating savings and income generation, which will require an on-going focus on delivery. Initial estimates of the potential net savings achievable from the transformation work are insufficient to address the budget gaps now faced by the council. Therefore, the transformation programme will now identify minimum viable options and consider alternative delivery opportunities for all services.

Savings requirements - £000	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Net savings requirement – new each year (MTFS 2022)	3,791	1,871	3,661	689	1,503	11,515
Remove indicative items now coming forward as proposals	200	736	540	1,026	932	
Adjusted savings requirement - new each year	3,991	2,407	3,465	1,175	1,409	
Unavoidable revenue pressures	885	774	734	734	734	
Reduced income	1,190	1,140	1,140	1,140	1,140	
Bids	1,128	396	410	410	410	
Savings	(1,884)	(2,141)	(2,329)	(2,329)	(2,329)	
Increased income	(1,856)	(1,817)	(1,379)	(1,029)	(1,016)	
Net bids and savings	(537)	(1,648)	(1,424)	(1,074)	(1,061)	
Increase in council tax income - change in tax base and 2.99% increase	26	(41)	(120)	(210)	(311)	
Collection Fund surplus - council tax	(17)					
Collection Fund surplus - business rates	(3,841)					
Change in SFA	(319)	(659)	(445)	(407)	(368)	
Unringfenced grants - additional grant above MTFS assumptions	(1,782)	(1,148)	408	399	391	
Contribution to reserves	2,479					
Total funding changes	(3,454)	(1,848)	(157)	(218)	(288)	
Total changes to savings requirements	(3,991)	(3,496)	(1,581)	(1,292)	(1,349)	
Revised net savings requirement (new each year)	0	2,902	5,380	1,464	1,352	11,098

Some allowance has been made for indicative income losses in 2024/25 (£2.8m) and later years (increasing to £3.5m in 2027/28). These include reductions in car parking income arising from work being done to reduce car usage and promote public transport use in the city, and from falls in commercial property rental income where redevelopment is planned. However, these are current best estimates which may or may not be sufficient.

The base case scenario presented above does not include an allowance for other future unavoidable pressures. However, scenario modelling undertaken to support the MTFS included consideration of the impacts of varying levels of general inflation, pay inflation, indicative pressures and council tax

increases. The five-year net savings requirements identified ranged from £9.7m to £19.0m. This represents 54% - 106% of the council's 2022/23 core spending power (core spending power is the total of core grants, business rates and council tax income provided by the local government finance settlement).

Section 5

General Fund capital budgets

Capital strategy

In line with guidance, the council will prepare a capital strategy to be presented to the Strategy and Resources Scrutiny Committee and Council alongside the BSR and the treasury management and investment strategies.

Capital plan

The council's capital plan shows approved expenditure for the next five years, where relevant, for each programme or scheme.

Capital proposals

The majority of capital bids address the ongoing renewal, updating and major repairs of the council's buildings and operational assets. Additionally, some of the proposed spend (purchase of hydrotreated vegetable oil (HVO) vehicles and decarbonisation works at council leisure centres) will contribute specifically to the council's Climate Strategy whilst reducing the council's energy costs over the medium term. All capital proposals are shown in Appendix D(a). Approvals since the MTFS October 2022 are shown in Appendix D(b).

Members will be aware of the council's participation in the Waterbeach Renewable Energy Network (WREN) Solar Project. The project is jointly funded by the City Council, South Cambridgeshire District Council and the Cambridgeshire and Peterborough Combined Authority. Due to current market conditions, particularly connected to the need to use imported components which have increased in price due to inflation and currency fluctuations, the consultants overseeing the project have advised that it will not be possible to deliver the project within the current budget. A proposed increase in the council's total contribution from £1.3M to £1.7M is reflected in the updated capital programme. The

City Council will work with its partners to manage the cost pressures identified to ensure the project can be delivered within the revised total budget of £6.1M.

The projections in the remainder of the BSR assume that all capital proposals are approved.

Financing

Capital schemes are funded from a variety of internal and external funding sources. The use of certain funding types is restricted, for example developer and other contributions, grants, and earmarked and specific funds.

Internal:

- Earmarked and specific funds (e.g. asset replacement reserve)
- Capital receipts
- Internal borrowing (use of cash balances)
- Prudential (external) borrowing (interest and MRP funded from revenue resources)
- Revenue resources (by exception only)

External:

- Developer and other contributions
- Grants, National Lottery etc.

The table below sets out how the capital plan, including the capital proposals listed in Appendix D(a), is to be financed. As capital receipts are not certain with regard to amount or timing, only specific financing such as grants and contributions can be allocated to individual capital schemes, with the majority of schemes financed from either capital receipts or borrowing. Financing will be allocated to these schemes as they are delivered in the most financially advantageous way.

Prudential borrowing and Minimum Revenue Provision (MRP)

Where capital expenditure is funded from internal or external borrowing, a minimum revenue provision (MRP) is charged annually in line with the council's MRP policy. The MRP policy is presented to Council for approval annually in the Treasury Management Strategy Statement.

Capital receipts are used as the first option to replace revenue funding for schemes in the current plan from 2022/23 as well as for proposals brought forward in this BSR. The following table shows the

availability of this source of funding going forward to meet the indicative ten-year capital expenditure set out in the capital strategy. However, there is a risk that receipts may not be achieved as forecast and that more or less borrowing will be necessary as a result. Note that the below figures include both statutory capital receipts from the sale of assets and development surpluses (for example from CIP) which the council has chosen to apply to fund the forward capital plan.

Capital receipts and development surpluses available	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Brought forward at 1 April	12,198	2,511	2,667	616	130	1,178
Forecast capital receipts and development surpluses	8,423	6,648	0	0	2,000	0
Used for financing of in-year capital plan expenditure	(17,669)	(2,380)	(2,051)	(486)	(952)	(952)
Used for financing of historic capital plan expenditure (to reduce internal or external borrowing)	(441)	(4,112)	0	0	0	0
Carried forward at 31 March	2,511	2,667	616	130	1,178	226

The current capital plan, updated for schemes approved since the MTFS 2022 and proposals for new schemes is shown in detail in Appendix D(c). The tables below summarise the changes since the MTFS Oct 2022, the latest capital plan and how it is funded.

Capital plan spending	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Spend MTFS October 2022	144,280	31,515	8,552	710	700	700	186,457
Approved or Amended since MTFS October 2022 (Appendix D(b))	(23,139)	11,460	5,628	13,620	0	0	7,569
Capital plan before new proposals	121,141	42,975	14,180	14,330	0	0	194,026
New proposals see Appendix D (a)	0	2,149	927	717	252	252	4,297
Revised capital plan	121,141	45,124	15,107	15,047	952	952	198,323

Capital plan funding	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£000	£000	£000	£000	£000	£000	£000
External support							
Developer contributions	(2,235)	(10)	(18)	(10)	0	0	(2,273)
Other sources	(8,068)	(4,560)	(5,628)	(120)	0	0	(18,376)
Total – External support	(10,303)	(4,570)	(5,646)	(130)	0	0	(20,649)
City Council							
Direct Revenue Financing (DRF) – GF services	(5)	0	0	0	0	0	(5)
Earmarked Reserve – Repairs and renewals fund - vehicles	(1,583)	0	0	0	0	0	(1,583)
Appropriations from General Fund	(1,715)	(1,470)	(130)	0	0	0	(3,315)
Earmarked Reserves – Capital Contributions	(3,723)	0	0	0	0	0	(3,723)
Earmarked Reserves – Climate Change Fund	0	(100)	0	0	0	0	(100)
Capital receipts and development surpluses	(17,669)	(2,380)	(2,051)	(486)	(952)	(952)	(24,490)
External borrowing - Park Street redevelopment	(48,148)	(29,396)	(7,173)	0	0	0	(84,717)
Internal and external borrowing - on-lending for capital purposes	(33,435)	(6,750)	0	(13,500)	0	0	(53,685)
Internal and external borrowing - other schemes	(4,560)	(458)	(107)	(931)	0	0	(6,056)
Total – City Council	(110,838)	(40,554)	(9,461)	(14,917)	(952)	(952)	(177,674)
Total Funding	(121,141)	(45,124)	(15,107)	(15,047)	(952)	(952)	(198,323)
Capital Plan	121,141	45,124	15,107	15,047	952	952	198,323

Section 6

Risks and reserves

Risks and their mitigation

Risks

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 combined effects of inflation, increased interest rates and reduction in economic activity may give rise to cost pressures, income reductions, recruitment difficulties, supply issues and other issues that will impact on the demand for and delivery of services	H	H	H	Management overview and actions targeted to address significant impacts
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.	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, business rates revaluation and other grants) may fall below projections. The reset of the business rates baselines could impact the council, but impacts could be dampened.	H	H	H	Monitor developments, plan delivery of savings and additional income, consider limited use of reserves
Assumptions and estimates, such as inflation, pay increases and interest rates, may prove incorrect	H	M	H	Management overview and monitoring
Savings plans may not deliver projected savings to expected timescales	H	H	H	Our Cambridge programme, management overview and monitoring

Risk	Probability (H, M, L)	Impact (H, M, L)	Overall assessment (H, M, L)	Mitigation
Unforeseen levels of expenditure, such as major repairs to offices and commercial properties, including the commitment to net zero carbon, may be required	M	H	H	Property condition surveys, review of property use, asset management planning
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

Sensitivity analysis

The budget process addresses these risks by applying principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed in the MTFS presented to Council in October 2022.

Equality impact assessment

As a key element of considering the changes proposed in this BSR, an Equality impact assessment has been undertaken covering all Budget 2023/24 proposals. This is included in this report at Appendix E. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show that they have treated everyone fairly and without discrimination. In addition, all proposals are given poverty and climate change ratings, so that the overall impact of the proposals in those areas can be understood.

Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) reports to the authority, when it is making the statutory calculations required to determine its council tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This report will be included in the Final BSR presented to Council on 23 February 2023.

Reserves

The council holds two types of general fund reserves:

- The GF is a working balance to cushion the impact of uneven cash flows. It acts as a contingency for unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or within the council's control. The reserve also provides cover for grant and income risk.
- Earmarked reserves are set aside for specific and designated purposes or to meet known or predicted liabilities, e.g. insurance claims.

The minimum level of the GF reserve depends on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and amended in the MTFS. No further changes are recommended at this time.

GF reserves	£m
October 2022 MTFS / February 2023 BSR – Recommended levels	
- Target level	8.225
- Minimum level	6.854

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and if all net savings requirements identified for 2024/25 and later years are delivered, are as set out in the next table. Whilst reserve levels appear high, particularly if indicative levels of business rates growth are included, there are a number of potential calls on these reserves. These are listed below, with high level indicative costs given. Work to identify, plan for, and assess how these challenges will be met, including better estimates of potential costs, is at varying levels of development. However, the range of costs below provide some indication of the financial challenges ahead. The council is in a fortunate position to have reserves available to meet some of these challenges, rather than having to borrow and incur interest and minimum revenue provision costs.

- Refurbishment and energy efficiency improvements to the Guildhall (£16-20m)
- Costs of improving sustainability and climate change adaptation for both the council and the city, including carbon reduction measures for the council's administrative and operational buildings, decarbonization of the council's vehicle fleet and reductions in water usage (£10-15m)
- City Centre regeneration (£5-10m)
- Future costs of transformation, including redundancy costs (£2-4m)

- Future support for service delivery, whilst the council transforms, and savings are made

The possible impact of these indicative costs is modelled in the reserves table below as 'Indicative cost of future developments' alongside the 'Business rates growth element', which is also subject to considerable uncertainty.

GF reserve £'000	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Balance at 1 April (b/fwd)	(25,533)	(21,505)	(22,424)	(22,184)	(22,134)	(22,084)
Contribution (to) / from reserves per BSR 2022/23	256	60	60			
Contribution (to)/from reserves - MTFS 2022 and BSR 2023/24	1,122	(2,479)	0	0	0	0
Carry forwards	2,133	0	0	0	0	0
Closure of the Cambridge Live Development Fund	(213)	0	0	0	0	0
WREN solar project	0	1,570	130	0	0	0
Colville III redevelopment – rephasing of revenue budget	120	(120)	0	0	0	0
Indicative funding for the Climate Change Fund (CCF)	0	50	50	50	50	50
Increase to swimming charges from January 2023	(40)	0	0	0	0	0
Senior management restructure - provision for redundancy costs	650	0	0	0	0	0
Balance at 31 March before business rates growth (c/fwd)	(21,505)	(22,424)	(22,184)	(22,134)	(22,084)	(22,034)
Business rates growth – indicative growth element (at risk)	(1,989)	(7,400)	(7,678)	(1,631)	(1,616)	(1,841)
Indicative costs of future developments	0	4,000	9,000	9,500	8,500	7,000
Balance at 31 March including business rates growth	(23,494)	(27,813)	(26,251)	(18,332)	(11,398)	(6,189)

As noted, the levels of risk to the financial sustainability of the council are considerable. Many risks are external and substantially beyond the council's control, which is reflected in the PMB. However, failure to deliver the required savings and/or increased income through the Our Cambridge programme and other initiatives will give rise to use of general reserves to meet budget gaps year on year. This is not sustainable in the long term, so it is recommended that alternative use of reserves is only considered when a credible timetable for the delivery of substantially all net savings requirements has been set.

Earmarked and specific funds

In addition to general reserves, the council maintains earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Details of opening and closing balances of principal and specific funds, with approved/anticipated use over the budget period were included in MTF5 2022 Appendix D.

Contribution to Energy Costs Earmarked Reserve

Due to the current uncertainty in the extent of increases in the costs of electricity and gas, a new temporary earmarked reserve is proposed for 2023/24 only, to be used to fund energy costs over and above existing electricity and gas budgets. The Head of Finance will approve use of this reserve to support specific budgets as required. The reserve will be set up with £600k, being the current estimate of the shortfall on these budgets. It is intended that this reserve will be temporary, with greater certainty possible for energy budgets in 2024/25 and future years.

Section 7

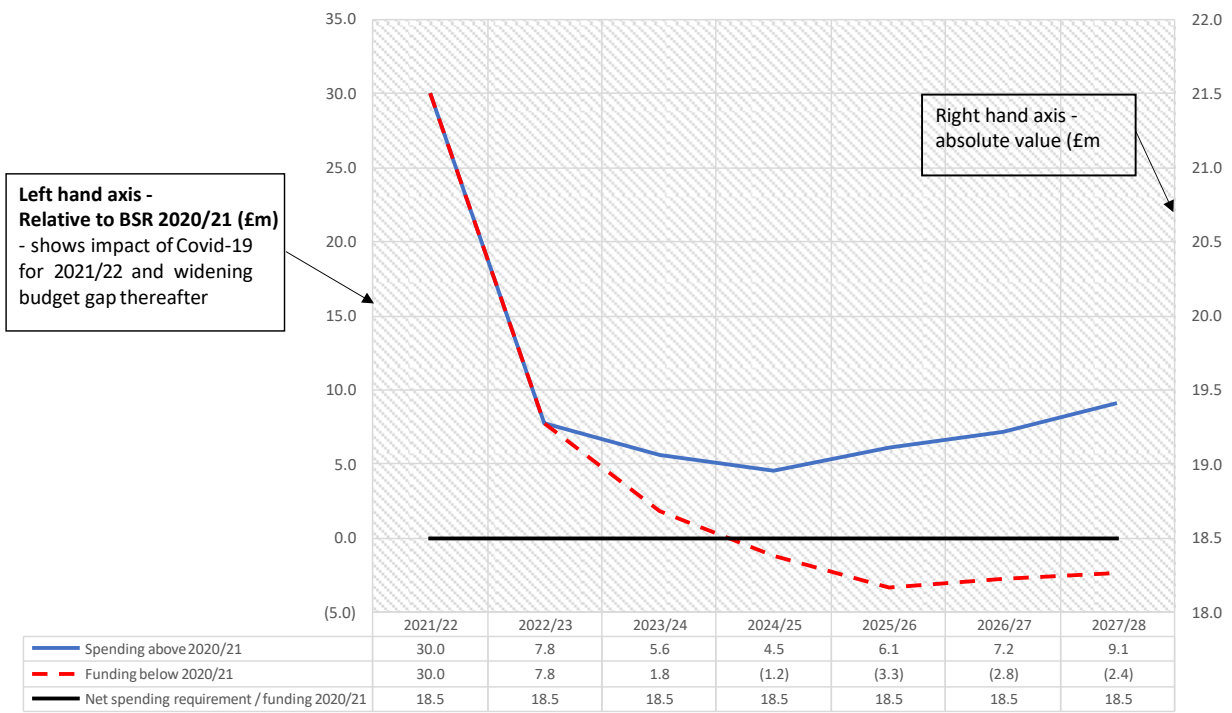
Future strategy

Whilst the outcomes of many of the risks and uncertainties outlined in the previous section may become clearer during 2023/24, the council must set out a strategy in this report to ensure on-going financial sustainability.

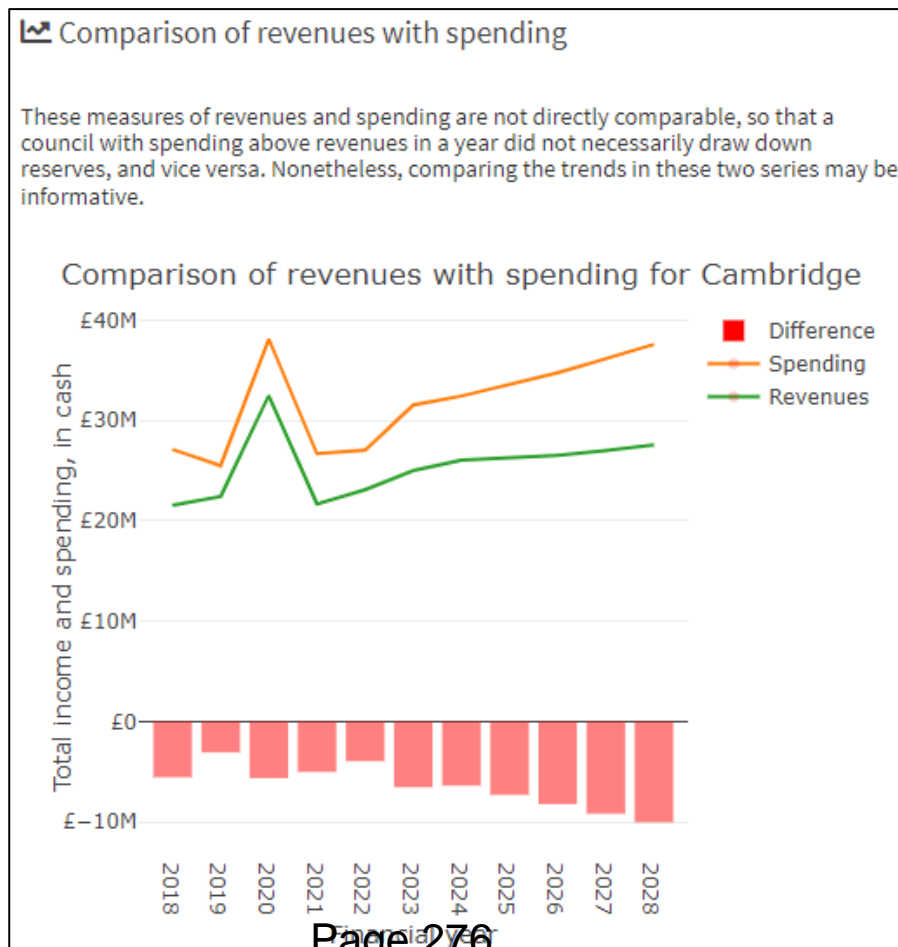
The MTFS savings challenge

As a council, we are facing unprecedented and increasing challenges over the next five years. MTFS 2022 predicted that on the assumptions in our current base scenario, our budgeted net spend (pre-Covid) will fall from £18.5m in 2020/21 to £16.1m in 2027/28. When inflation is taken into account this represents a reduction of around £8.3m, or 45% in real terms. This position is subject to considerable uncertainty, with unavoidable revenue pressures potentially higher than forecast and inflationary pressures and supply chain issues adding to the council's costs. The UK is also facing a potentially prolonged recessionary period which could lead to ongoing income reductions and increased demand for services. MTFS 2022 presents a cumulative savings requirement rising from **£3.8m** in 2023/24 to **£11.5m** in 2027/28 for the base scenario. The charts on the following page show the difference between our projected spend and our forecast funding demonstrating the size of the savings gap and how it increases over the next five years, as set out in the MTFS. Following the changes recommended in this budget, the resulting net new savings requirement to 2027/28 is **£11.1m**, over the remaining four years of the MTFS period.

MTFS 2022 - Net spending requirements before savings



An alternative presentation is given by the CIPFA/IFS local government finance model, which confirms a widening gap between income and expenditure.



Achieving financial sustainability and resilience

Despite continuing pressures and uncertainties, the council's finances are currently healthy. In particular, it has good levels of general reserves. However, there is no foreseeable end to scarce funding for local authorities. Global economic troubles, the war in Ukraine and the increasing challenges of climate change all combine to create a difficult operating environment. 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.

Our Cambridge - Transformation and recovery programme

BSR 2022/23 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. Substantial work has taken place over the year to determine the direction of travel for the future organisation design, as follows:

- Service delivery: focusing on how we can reorganise service delivery structures and processes
- Leadership and decision-making: including a review of existing structures, governance arrangements and the management information available for decision making
- People, accommodation and digital: assessing the costs and potential return from these essential resources and how the future design can optimise their value

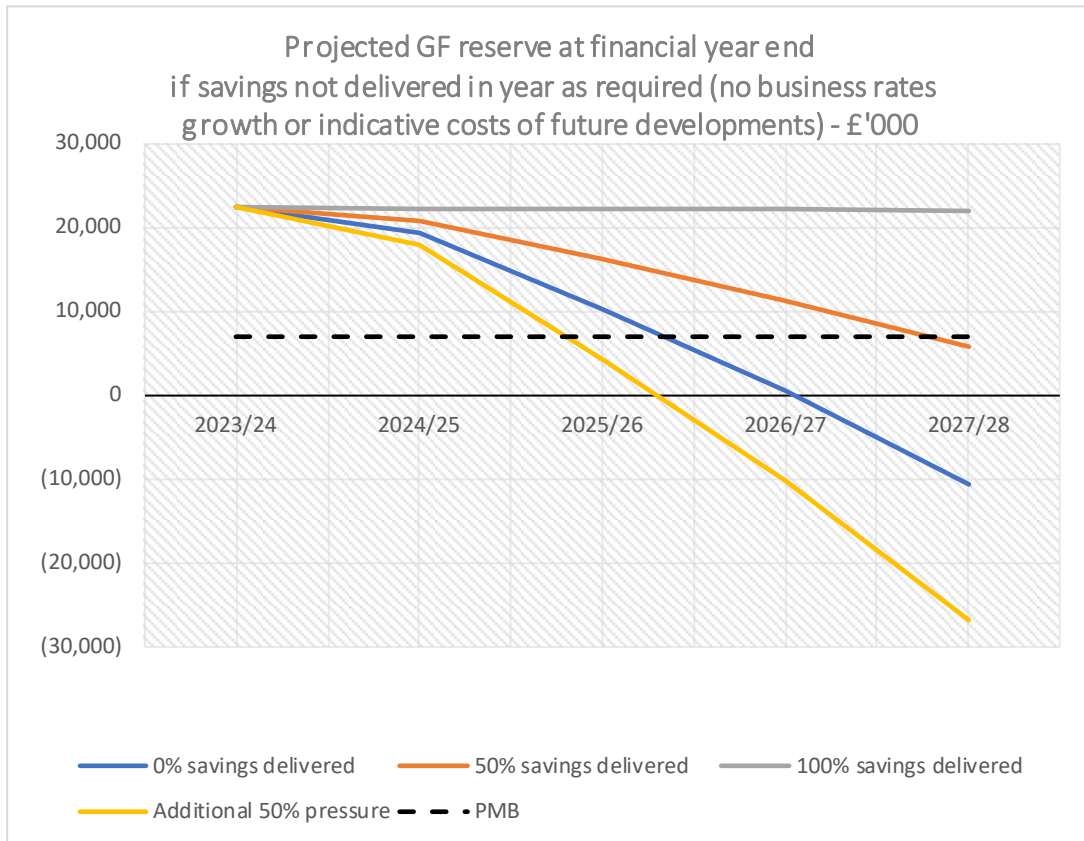
The diagram below gives an indication of the phasing, timeline and work to be done to deliver the new organisation design and the savings arising from those changes. Whilst initial work indicated that at least £5m of savings are achievable across the council as a whole (General Fund and Housing Revenue Account), the current level of financial uncertainty has refocused the programme on to a twin-track approach to savings:

- Immediate savings: savings that can be identified and taken now, without structural changes to the council
- Transformational savings: identified through the Our Cambridge implementation plan, but now focused on a 'minimum viable option' for services, that could be flexed upwards if finances allow. This would be expected to achieve savings for the whole council above and beyond the £5m initially identified

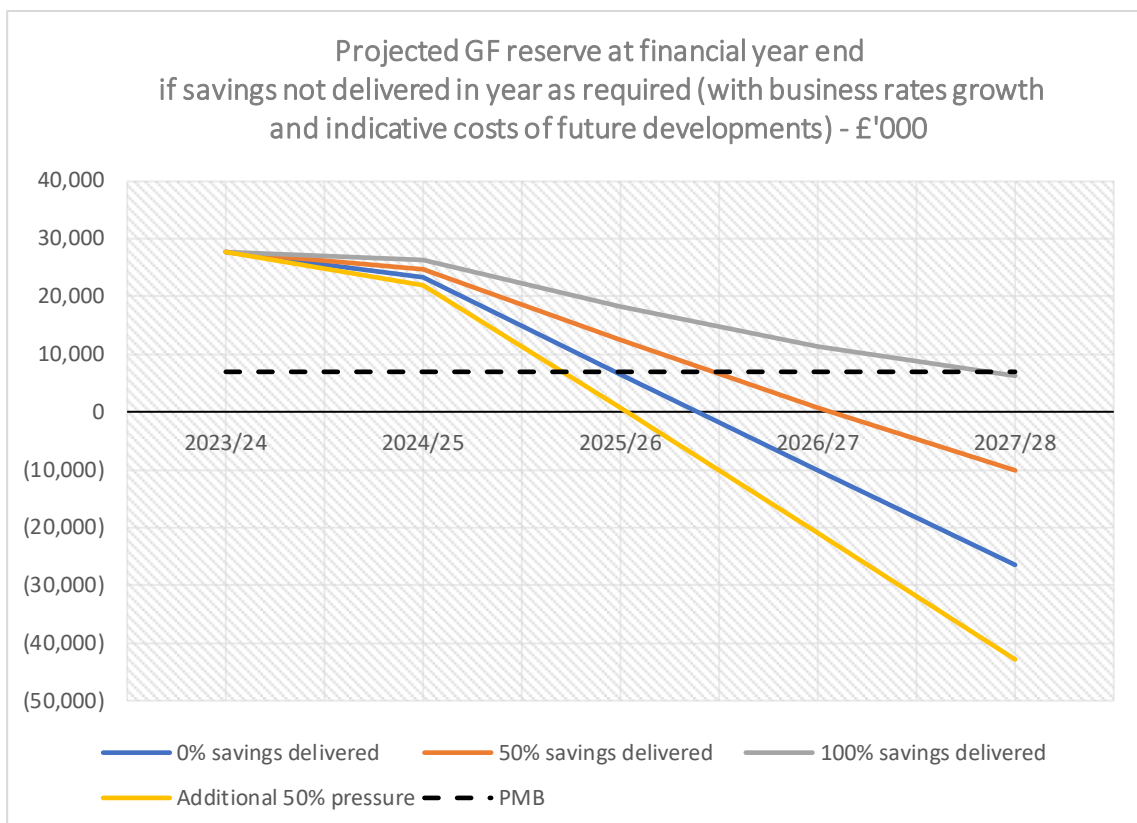


Unmet savings requirement

If no savings beyond those proposed in this BSR in Section 4 and Appendix C are delivered, GF reserves can be used to balance the budget. However, reserves can only be used once, and the graph below shows that reserves would fall well below the prudent minimum level during 2026/27 financial year if no business rates growth is taken into account.



Including potential business rates growth and the indicative cost of future developments, the achievement of 100% of savings are still required to keep reserves above the PMB on this timescale, see below.



Therefore, to ensure financial sustainability, the council must deliver substantial savings beyond the initial amounts identified by Our Cambridge. This will be done by

- Accelerating projects within Our Cambridge that are most likely to result in efficiencies, savings and increased income
- Reviewing service standards for statutory services to ensure value for money is achieved
- Robustly challenging the costs and benefits of discretionary services
- Assessing the 'minimum viable option' for all services, flexing this upwards if finances allow
- Identifying additional savings and income; and
- Reviewing and optimising capital spending

Section 8

Section 25 report

Section 25 of the Local Government Act 2003 requires the Council's Section 151 officer to report to the council when it is considering its budget requirement and consequent council tax. The report must deal with the robustness of the estimates made for the purposes of the calculations and the adequacy of the reserves allowed for in the budget proposals.

The rationale is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2023/24 estimates and reserves up to 31 March 2024.

Robustness of estimates

The council has well established and robust budget processes. These have been followed when compiling the 2023/24 budget and medium-term projections. A prudent approach has been taken to the estimates and assumptions used in the preparation of the MTFs in October 2022. Section 3 of that document sets out these estimates and assumptions and indicates the sensitivity of each in financial terms. Estimates relating to pension costs, investment interest and council tax have been updated and other estimates confirmed during the development of this BSR.

Economic context

The council is subject to significant market uncertainties that make the estimation of costs and income difficult. CPI inflation remains above 10%, interest rates are expected to rise further, possibly peaking later in 2023, and the labour market is particularly difficult. The latter is evidenced by public sector pay demands and industrial action, and many areas of the council are finding staff recruitment and retention difficult, leading to the need to take on agency staff to maintain service delivery. Furthermore, adverse economic conditions are leading to an increase in service demands. As a result, estimates in this BSR are less robust than would normally be expected and should be treated with some caution, and consideration given to the alternative scenarios modelled in the MTFs.

Future funding of local government

This is the fifth year that a single year financial settlement for local government has been announced, albeit with some indications of the direction of travel for 2024/25. There is, therefore, significant uncertainty as to the quantum and form of local government funding underlying future year budget numbers presented. This hinders financial planning and makes it more difficult for the council to achieve financial sustainability. Fundamental changes to the distribution of funding have been expected for a number of years, with implementation of changes not now expected until 2026/27 making forecasting for 2025/26 and beyond very difficult. The outlook on funding presented reflects a prudent view and could be more negative than the eventual outcome.

Scenario planning and unavoidable revenue pressures

Prior to the Covid pandemic, we saw new unavoidable revenue pressures of the order of £800k arising in each year and included these in evaluating 'best' and 'worst' case levels of savings requirement. However, instead of using these indicative levels of general unavoidable pressures, MTFS 2021 and MTFS 2022 follow best practice and identifies specific indicative pressures and present two alternative scenarios;. This builds on an improved understanding of the council's financial vulnerabilities identified during the pandemic. For the purposes of 2023/24 in this BSR, these scenarios give recurring net savings requirement of 46-90% of the council's 2022/23 net spending requirement.

Given the high levels of focus on transformation and savings, it is expected that levels of emerging pressures will reduce. However, the scale of savings to be achieved by the council over the next five years is considerable and represents an ongoing risk and challenge.

Estimation and delivery of savings

Savings proposals included in this BSR are considered to be deliverable, but future savings will require a fundamental change in the way that the council operates, and services are delivered. The council's transformation programme, Our Cambridge, is expected to deliver a significant portion of these savings, with changes in the culture of the organisation, and the cessation and contraction of some services providing further savings. At this point, it is not possible to assess whether sufficient savings will be delivered, or the timing of those savings. Risks to the delivery of savings include:

- the significant level of cultural, organisational and service delivery change to be delivered
- complex and time-consuming decision-making mechanisms that are not well equipped to manage complex and cross-cutting financial and organisational issues and will be subject to review and change as transformation is delivered
- demanding timescales

- significant pressures on officer capacity to deliver business-as-usual, cost-of-living crisis response and transformational change.

There are, therefore, significant levels of risk around the estimation and delivery of potential income and savings required to ensure the financial sustainability of the council in the medium term.

Adequacy of reserves

The requirement for financial reserves is acknowledged in statute. Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. It is the responsibility of the Section 151 officer to advise local authorities on the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

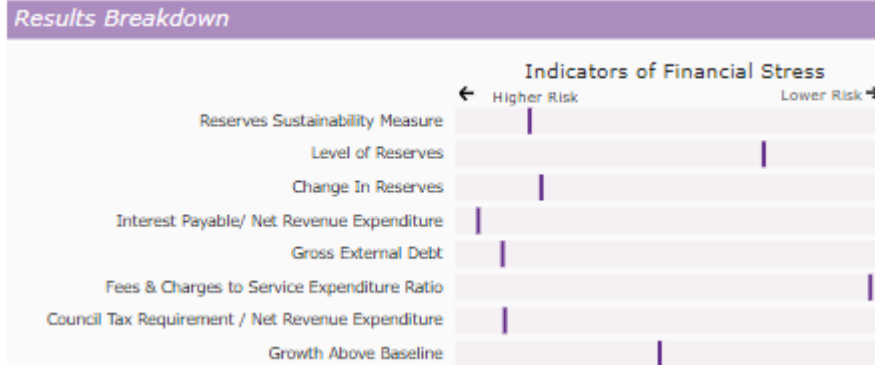
A key mitigation for financial risk is the Section 151 officer's estimate of a prudent level of reserves. A risk assessment was undertaken in MTFS 2022 to determine the level of non-earmarked general reserves required by the council. Section 6 of this report recommends no changes to the assessment at this time. In making the recommendation for the level of reserves, the Section 151 officer has followed guidance in the CIPFA LAAP Bulletin 99 – Guidance notes on Local Authorities Reserves and Balances. The risk analysis shows that a prudent minimum level of reserves for 2021/22 will be of the order of £6.9m.

The final table in Section 6 shows that the anticipated level of the general fund reserves will remain above the prudent minimum level for the duration of the medium-term planning period. However, Section 7 presents an alternative view, in which varying levels of savings are achieved with shortfalls being met from reserves showing how the council could breach its prudent minimum balance of reserves within the five-year planning period.

Financial sustainability

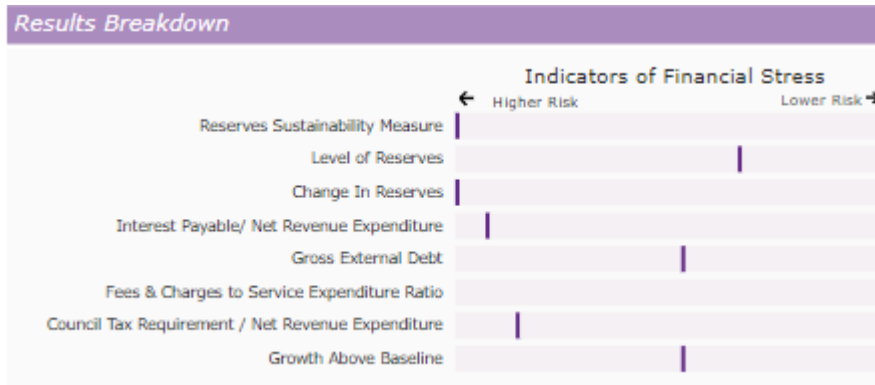
The Chartered Institute of Public Finance and Accountancy (CIPFA) produces a Financial Sustainability Index for councils, comprising a range of indicators and allows comparison with all district councils or 'nearest neighbours'. These comparisons are shown below, using 2021/22 data.

All district councils



Indicator	Min	Indicator Value	Max
Reserves Sustainability Measure	9.37	100.00	100.00
Level of Reserves	40.36%	241.72%	300.00%
Change In Reserves	-24.25%	26.63%	1,101.56%
Interest Payable/ Net Revenue Expenditure	-0.36%	39.07%	1,844.41%
Gross External Debt	£0k	£213,572k	£1,900,817k
Fees & Charges to Service Expenditure Ratio	1.37%	40.71%	57.27%
Council Tax Requirement / Net Revenue Expenditure	34.33%	47.10%	100.00%
Growth Above Baseline	-153.23%	59.97%	435.83%

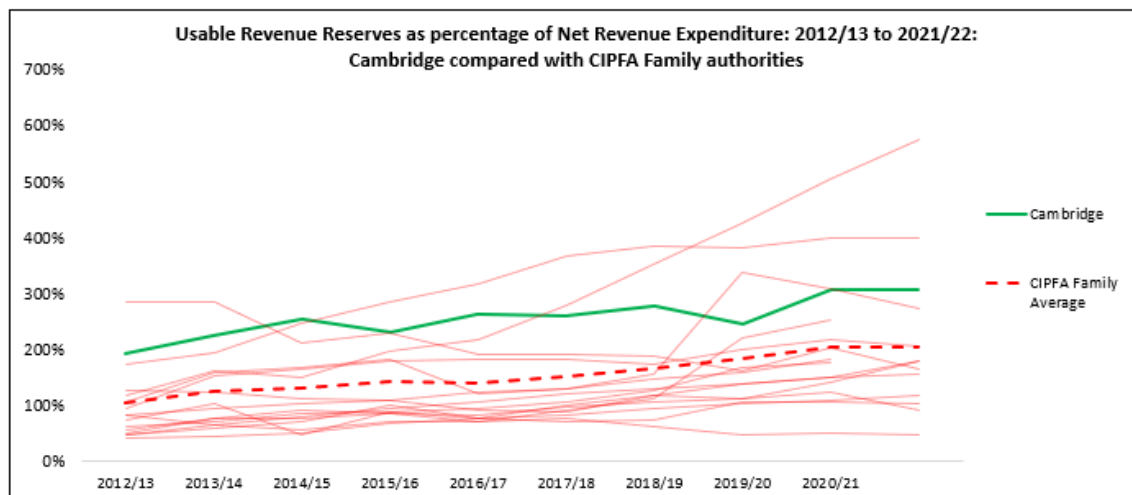
Nearest neighbours



Indicator	Min	Indicator Value	Max
Reserves Sustainability Measure	100.00	100.00	100.00
Level of Reserves	149.04%	241.72%	300.00%
Change In Reserves	26.63%	26.63%	365.16%
Interest Payable/ Net Revenue Expenditure	-0.36%	39.07%	1,844.41%
Gross External Debt	£0k	£213,572k	£1,900,817k
Fees & Charges to Service Expenditure Ratio	8.24%	40.71%	40.71%
Council Tax Requirement / Net Revenue Expenditure	38.17%	47.10%	100.00%
Growth Above Baseline	-35.20%	59.97%	203.14%

Reserves sustainability measure: This is the ratio between the current level of reserves and the average of the previous three years decrease in reserves. The maximum value of this indicator is 100, with all except five district councils scoring the maximum. This indicator has been affected by the levels of reserves held and used as a result of the Covid pandemic, and therefore it is not considered to provide useful insight at present.

A more useful comparison is provided below, showing that the council's usable reserves are above the average of its CIPFA nearest neighbours, and well-positioned with the group as a whole..



Graph provided by LGImprove

Interest payable /Net revenue expenditure, Gross external debt: These indicators record the council's HRA debt and the interest payable on it, which is fully supported by rents and other revenue within the HRA as shown within the HRA's 30-year business plan and is therefore not considered to be a risk to the council's financial sustainability. The council currently holds no other debt.

Council tax requirement / Net revenue expenditure, Fees and charges to service expenditure ratio: These indicators show the reliance that the council has on income other than council tax to support the provision of services and are designed such that high levels of other income are considered to reduce the financial risk to the council. However, the pandemic and current economic pressures have shown that the reverse is the case with income from commercial property and car parking income subject to external influences outside the council's control. These income flows are kept under close review through the year. If and when shortfalls are predicted, corrective action is taken.

Business rates, growth above baseline: The council currently benefits from the retention of some of its business rates growth which will be lost when business rate baselines are reset. In setting its budget, the council does not rely on business growth to fund core services, so this is not considered to be a risk to the council's financial sustainability.

Conclusion

I therefore consider that the estimates for the financial year 2023/24 to be sufficiently robust and the

financial reserves up to 31 March 2024 to be adequate.

However, I draw attention to the high levels of savings that are required to ensure the council's future financial sustainability, and that

- **the plans currently under development are unlikely to meet the savings requirement in full**
- **the delivery of these plans will be challenging**
- **difficult decisions will be necessary to achieve the required level of transformation and savings delivery**

Caroline Ryba, Head of Finance

Appendix A(a)- Calculation of council tax base 2023/24

	Council Tax Bands										
	A entitled to disabled relief reduction	A	B	C	D	E	F	G	H	Total	
Dwellings on the valuation list	0	4,332	10,810	20,267	10,387	5,975	3,863	3,251	501	59,386	
Dwellings treated as exempt	0	-532	-553	-841	-693	-438	-281	-392	-168	-3,898	
Adjustments for disabled relief (i.e. reduced by one band)	0	-1	-15	-48	-36	-20	-14	-14	-1	-149	
	1	15	48	36	20	14	14	1	0	149	
Total chargeable dwellings	1.00	3,814	10,290	19,414	9,678	5,531	3,582	2,846	332	55,488	
Where there is a liability to pay 100% council tax	1	1,898	4,507	12,989	7,038	4,173	2,818	2,347	292	36,063	
That are assumed to be subject to a discount or premium	1	1,916	5,783	6,425	2,640	1,358	764	499	40	19,425	
Dwelling Equivalents:											
Number of dwelling equivalents after applying discounts and premiums to calculate tax base	0.75	3,321.25	8,822	17,779	9,001	5,185.75	3,388	2,725.25	320.75	50,543	
Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	12/9	13/9	18/9		
Band D equivalents	0.4	2214.2	6861.6	15803.6	9001.0	6338.1	4893.8	4542.1	641.5	50,296	
Band D equivalent contributions for Government properties										1	
Allowance for Council Tax Support										(3,968.6)	
Tax base after allowance for Council Tax Support										46,327.4	
Add										Estimated net growth in tax base	500
Less										Adjustment for student exemptions	(1,168.1)
Less										Assumed loss on collection at 1.8%	(821.9)
Total Band D Equivalents – Tax base for Council Tax and Precept Setting Purposes											44,837.40

Appendix A (b)

Council Tax Setting 2023/24

1. The Council calculated its Council Tax Base 2023/24 for the whole Council area as **44,837.4** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2023/24 is **£9,812,665**.
3. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:

- | | | |
|-----|---------------------|--|
| (a) | £181,985,795 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act |
| (b) | £172,173,130 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act |
| (c) | £9,812,665 | being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | £218.85 | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. |

4. To note that Cambridgeshire County Council, the Cambridgeshire Police & Crime Commissioner Cambridgeshire & Peterborough Fire Authority, and the Cambridgeshire & Peterborough Combined Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2023/24 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police & Crime Commissioner £	Fire Authority £	Cambridgeshire & Peterborough Combined Authority £	Aggregate Council Tax £
A	145.90	1,028.58	181.68	53.28	8.00	1,417.44
B	170.22	1,200.01	211.96	62.16	9.33	1,653.68
C	194.53	1,371.44	242.24	71.04	10.67	1,889.92
D	218.85	1,542.87	272.52	79.92	12.00	2,126.16
E	267.48	1,885.73	333.08	97.68	14.67	2,598.64
F	316.12	2,228.59	393.64	115.44	17.33	3,071.12
G	364.75	2,571.45	454.20	133.20	20.00	3,543.60
H	437.70	3,085.74	545.04	159.84	24.00	4,252.32

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2023/24 is not excessive.

Expenditure and Funding 2022/23 to 2032/33

Appendix B

Description / £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Expenditure											
The Leader	7,321	6,140	5,686	5,312	5,335	5,341	5,370	5,396	5,422	5,453	5,482
Finance, Resources and Transformation	(4,782)	(5,813)	(6,142)	(5,631)	(5,157)	(5,005)	(5,187)	(5,374)	(5,567)	(5,766)	(5,970)
Recovery, Employment and Community Safety	1,055	847	799	777	796	816	820	824	829	833	837
Housing General Fund	4,692	3,793	3,919	4,046	4,169	4,293	4,381	4,472	4,565	4,659	4,756
Environment, Climate, and Biodiversity	10,147	10,471	10,789	11,047	11,279	11,505	11,576	11,645	11,718	11,792	11,868
Equalities, Anti-poverty and Wellbeing	0	30	0	0	0	0	0	0	0	0	0
Open Spaces, Food Justice and Community Development	10,992	10,429	10,731	11,051	11,398	11,744	11,833	11,925	12,019	12,116	12,215
Planning Policy and Infrastructure	(801)	(388)	1,545	1,744	1,871	2,060	2,178	2,299	2,423	2,549	2,678
Revised net savings requirement	0	0	(2,902)	(8,282)	(9,746)	(11,098)	(11,039)	(10,886)	(11,042)	(11,280)	(11,618)
Net service budgets	28,624	25,509	24,425	20,064	19,945	19,656	19,932	20,301	20,367	20,356	20,248
Capital accounting adjustments	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)	(6,337)
Capital expenditure financed from revenue	1,198	1,570	130	0	0	0	0	0	0	0	0
Cost of revised capital financing strategy	40	279	817	1,944	2,585	3,131	3,677	4,223	4,769	5,315	5,861
Collection fund deficit	4,935	0	0	0	0	0	0	0	0	0	0
Contributions to earmarked funds	879	996	396	396	396	396	396	396	396	396	396
Net spending requirement	29,339	22,017	19,431	16,067	16,589	16,846	17,668	18,583	19,195	19,730	20,168

Description / £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Funded by:											
Settlement Funding Assessment (SFA)	(4,272)	(4,591)	(4,931)	(4,709)	(4,756)	(4,804)	(5,221)	(5,595)	(5,927)	(6,215)	(6,457)
Locally Retained Business Rates – Growth Element/additional income	(1,989)	(7,400)	(7,404)	(1,933)	(1,936)	(1,937)	(2,012)	(2,247)	(2,247)	(2,247)	(2,247)
Core Funding Grants	(2,059)	(4,634)	(4,231)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)
New Homes Bonus (NHB)	(1,957)	(54)	0	0	0	0	0	0	0	0	0
Collection Fund Surplus	0	(3,858)	0	0	0	0	0	0	0	0	0
Appropriations from earmarked funds	(5,385)	0	0	0	0	0	0	0	0	0	0
Council Tax	(9,702)	(9,813)	(10,303)	(10,696)	(11,153)	(11,586)	(11,916)	(12,222)	(12,502)	(12,749)	(12,945)
Contributions to / (from) reserves	(3,975)	8,332	7,438	1,581	1,566	1,791	1,791	1,791	1,791	1,791	1,791
Total funding	(29,339)	(22,017)	(19,431)	(16,067)	(16,589)	(16,846)	(17,668)	(18,583)	(19,195)	(19,730)	(20,168)

Bids and Savings by Portfolio

Appendix C(a)

The Leader

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		10,612	(3,291)	7,321
Changes		(1,297)	116	(1,181)
Proposed Portfolio Budget 2023/24 ¹		9,315	(3,175)	6,140

1 The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Unavoidable Revenue Pressure						
URP5012	Increase in Members' allowances	80,000	80,000	80,000	80,000	80,000
URP5036	Increase in cost of running city council elections	76,000	50,000	50,000	50,000	50,000
URP5081	Employee Pension Rate Increase	48,840	48,840	48,840	48,840	48,840
Revenue Bids						
B5037	Cost of Electoral Services Support Officer post (previously Government funded)	30,000	30,000	30,000	30,000	30,000
Savings						
S5079	Central Provision Budget Review	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
S5080	Health and Social Care Levy	(207,100)	(207,100)	(207,100)	(207,100)	(207,100)
S5082	Overall reduction in pension costs following the triennial valuation	176,220	(15,260)	(205,990)	(205,990)	(205,990)
S5109	Management Restructure Savings	(150,000)	(300,000)	(300,000)	(300,000)	(300,000)
S5117	Vacant Posts removal	(203,200)	(203,200)	(203,200)	(203,200)	(203,200)
S5131	Anticipated Change in the allocation of recharges between the GF and HRA	(5,750)	(5,980)	(4,140)	(4,140)	(4,140)
Cash Limit Items						
NCL5151	Additional Contribution to the Greater Cambridge Partnership investment and delivery fund	5,350	0	0	0	0
Capital Bids						
CAP5088	Democratic Services software replacement	27,000	0	0	0	0

Finance, Resources and Transformation Portfolio

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		53,742	(58,524)	(4,782)
Changes		(1,406)	374	(1,031)
Proposed Portfolio Budget 2023/24 ¹		52,336	(58,150)	(5,813)

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Unavoidable Revenue Pressure						
URP5090	Essential Repairs to Jesus Green Riverbank Feasibility	25,000	0	0	0	0
URP5093	Windows 2012 Server Replacement - Revenue	0	30,000	30,000	30,000	30,000
URP5094	Information Governance Team Fixed Term Post	25,000	0	0	0	0
URP5133	External Audit Fees	40,000	40,000	40,000	40,000	40,000
Revenue Bids						
B5008	Discretionary Housing Payments Bid	75,000	0	0	0	0
B5095	ICT Change Delivery Manager Post Fixed Term	12,000	8,000	0	0	0
Savings						
S5091	Revenue Bid B4836 - Security Team and Compliance Officer	(72,000)	(72,000)	(72,000)	(72,000)	(72,000)
Increased Income						
II5004	New Rental Income - Nursery	(90,260)	(102,000)	(102,000)	(102,000)	(102,000)
II5078	External Interest revised projections	(1,248,000)	(1,237,000)	(839,000)	(488,000)	(476,000)
II5099	Allia Income from Guildhall	(80,000)	(40,000)	0	0	0
Capital Bids						
CAP5044	Essential Repairs to Jesus Green Riverbank	125,000	0	0	0	0
CAP5066	Laptop & Desktop Replacement	100,000	100,000	100,000	100,000	100,000
CAP5067	Pathfinder House Data Centre Equipment Replacement - Racks, Power & Cooling System	110,000	0	0	0	0
CAP5068	Sand Martin & Pathfinder House Data Centre Refresh to Hybrid Environment	215,000	0	0	0	0
CAP5069	Windows 2012 Server Replacement - Capital	30,000	0	0	0	0
CAP5071	Wireless Access Point Replacement	74,500	0	0	0	0
CAP5072	Uninterruptible Power Supply Replacement	35,000	0	0	0	0
CAP5130	Contribution to GF from HRA for Corporate IT investment	(129,830)	(23,000)	(23,000)	(23,000)	(23,000)

Recovery, Employment and Community Safety Portfolio

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		1,767	(712)	1,055
Changes		(154)	(54)	(208)
Proposed Portfolio Budget 2023/24 ¹		1,613	(767)	847

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Unavoidable Revenue Pressure						
URP5009	Region of Learning	60,000	40,000	0	0	0
URP5031	Continuation of previous 2 year bid for Community Safety staffing to manage increased ASB and deliver contextual safeguarding (Youth Liaison post)	45,000	0	0	0	0
Savings						
S5104	Tourism Budget not used	(35,000)	(40,000)	(40,000)	(40,000)	(40,000)

Housing (GF) Portfolio

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		8,500	(3,808)	4,692
Changes		(393)	(506)	(899)
Proposed Portfolio Budget 2023/24 ¹		8,107	(4,315)	3,793

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
External Bid						
X5129	Permanent Resource for support of refugees and asylum seekers	247,100	247,100	247,100	247,100	247,100
Increased Income						
II5015	Increased garage rent income	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)
II5034	Lease income for 451 Newmarket Road	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)

Environment, Climate and Biodiversity

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		18,106	(7,959)	10,147
Changes		955	(658)	297
Proposed Portfolio Budget 2023/24 ¹		19,061	(8,616)	10,445

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Reduced Income						
RI5062	County Council Recycling Credit Income Reduced	40,000	40,000	40,000	40,000	40,000
RI5084	Reduction in Market Income	50,000	0	0	0	0
Revenue Bids						
B5011	Fleet Decarbonisation - Whole Fleet Management Appraisal	45,500	0	0	0	0
B5058	Fuel Cost Increases	76,500	37,500	0	0	0
B5059	Hydrotreated Vegetable Oil Fuel for Refuse Trucks	62,000	124,000	183,500	183,500	183,500
B5060	City Garage Hourly Labour Rate Increased	20,000	20,000	20,000	20,000	20,000
B5065	Shared Waste Service - Budgeted Contribution Alignment	128,960	128,960	128,960	128,960	128,960
Savings						
S5118	Closing some Public Conveniences	(54,000)	(54,000)	(54,000)	(54,000)	(54,000)
S5139	S&OS Operations - recruitment freeze	(90,000)	0	0	0	0
S5143	Environmental Services - reduction in staffing	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Increased Income						
II5138	To remove the end of year 4% pitch fee rebate for market traders who use Direct Debit (DD) payment method.	(25,490)	(25,490)	(25,490)	(25,490)	(25,490)
Capital Bids						
CAP5064	Refuse Collection Vehicle Replacements HVO	400,000	0	0	0	0
CAP5142	Waterbeach Renewable Energy Network (WREN) Solar Project	400,000	0	0	0	0

Equalities, Anti-poverty and Wellbeing

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		0	0	0
Changes		30	0	30
Proposed Portfolio Budget 2023/24 ¹		30	0	30

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Revenue Bids						
B5032	Anti-Poverty Strategy responsive budget	30,000	0	0	0	0

Open Spaces, Food Justice and Community Development

	£'000	Expenditure	Income	Net
Current Portfolio Budget 2022/23		19,838	(8,846)	10,992
Changes		(369)	(195)	(563)
Proposed Portfolio Budget 2023/24 ¹		19,470	(9,041)	10,429

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

Budget Proposals for the portfolio £		2023/24	2024/25	2025/26	2026/27	2027/28
Unavoidable Revenue Pressure						
URP5003	Utility Cost increase at the Pools	350,000	350,000	350,000	350,000	350,000
URP5035	Increased Utility Costs - Community Centres	90,000	90,000	90,000	90,000	90,000
URP5054	Increased Utilities costs - Corn Exchange and Guildhall	45,000	45,000	45,000	45,000	45,000
Reduced Income						
RI5010	Reduction in Cremation income	200,000	200,000	200,000	200,000	200,000
Savings						
S5097	Efficiencies arising from Community Services reviews	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
S5102	Cancel Big Weekend City Event	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)
S5106	Environmental Services – review of service delivery	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
S5108	S106 Commuted Sums to cover new responsibilities	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Increased Income						
II5107	Leisure management: increased energy costs mitigation	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
II5134	Corn Exchange: increased energy costs mitigation	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Capital Bids						
CAP5030	Kings Hedges (Recreation Ground/ Play Area)	165,000	0	0	0	0
CAP5041	Decarbonisation works - Abbey Pool, Parkside Pool, Cherry Hinton Village Centre	159,000	650,000	400,000	0	0
CAP5042	Recommended Maintenance at Abbey Pool, Parkside Pool, Cherry Hinton Village Centre	200,000	200,000	240,000	175,000	175,000
CAP5046	Parkside Pools Diving Board	30,000	0	0	0	0
CAP5048	Cherry Hinton Hub	209,000	0	0	0	0

Planning Policy and Infrastructure Portfolio

	<i>£'000</i>	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
Current Portfolio Budget 2022/23		11,590	(12,391)	(801)
Changes		1,295	(856)	439
Proposed Portfolio Budget 2023/24 ¹		12,886	(13,248)	(362)

¹ The changes in the portfolio above reflect the proposals listed below as well as other technical adjustments, such as inflation.

<i>Budget Proposals for the portfolio £</i>		<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>	<i>2027/28</i>
Reduced Income						
RI5001	Reduction in car parking ticket income	500,000	500,000	500,000	500,000	500,000
RI5002	Reduction in Parking Season Ticket Income	400,000	400,000	400,000	400,000	400,000
Revenue Bids						
B5076	Shared Planning Services Contribution	48,000	48,000	48,000	48,000	48,000
Savings						
S5112	Reduce Taxi-card budget to level of current annual spend	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
S5113	Reduce Transport Subsidies budget to level of current annual spend	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Unavoidable Revenue Pressure

URP5003	Utility Cost increase at the Pools	350,000	350,000	350,000	350,000	350,000	Nil	No Impact
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This bid is to cover additional cost of utilities within the Leisure Contract for over inflationary increases in gas and electric prices. The Council and GLL are considering how this can be mitigated including an option to change the supply arrangements and the potential for a levy on prices. [Linked with I15107]

Ian Ross

Open Spaces, Food Justice and Community Development

URP5009	Region of Learning	60,000	40,000	0	0	0	Positive/Low Impact	High Positive Impact
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This bid is for the full costs to enable continuation of the Region of Learning programme beyond its externally funded phase, from 2023/24 to 2027/28. Funding is also being sought from other key partners. However, it is expected that the council will still be required to make a contribution.

Michelle Lord

Recovery, Employment and Community Safety Portfolio

URP5012	Increase in Members' allowances	80,000	80,000	80,000	80,000	80,000	Nil	No Impact
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The unavoidable budget bid is the financial implication of the decision made by Members at full Council on 3 March 2022 to increase Members' allowances in line with the National Living Wage increase of 6.6% for 2022/23. Labour Group increased back to 80k

Gary Clift

The Leader

URP5031	Continuation of previous 2 year bid for Community Safety staffing to manage increased ASB and deliver contextual safeguarding (Youth Liaison post)	45,000	0	0	0	0	Nil	Medium Positive Impact
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This bid seeks continuation of additional funding approved in 20/21 to support extra staffing within the Anti-social behaviour team in the Community Safety service. There has since been a further 36% (710 from 523) increase in reports of ASB within the city and the continuation of this additional resource is needed to address this statutory requirement.

Keryn Jalli

Recovery, Employment and Community Safety Portfolio

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
URP5035	Increased Utility Costs - Community Centres	90,000	90,000	90,000	90,000	90,000	Nil	No Impact
Anticipated additional cost of utility price rises and current uncertainty around business price caps for community centres.								Richard Brown
Open Spaces, Food Justice and Community Development								
URP5036	Increase in cost of running city council elections	76,000	50,000	50,000	50,000	50,000	Nil	No Impact
The cost of delivering elections has increased significantly in recent years, with services such as postage, printing and hire of premises increasing year on year. There was a 48% increase in costs for the 2022 city elections, compared to the last stand-alone city elections in 2018. This is driven by the growth of the city, requiring more polling stations and therefore more polling staff, plus a significant increase in the proportion of postal voters since the pandemic. This budget bid is made to cover the actual extra cost required for 2023/24, and thereafter to provide sufficient funds to meet the varying costs over the four year cycle (bearing in mind that costs are shared when there is a combined election), and managing those costs through an earmarked reserve.								Vicky Jenner
The Leader								
URP5054	Increased Utilities costs - Corn Exchange and Guildhall	45,000	45,000	45,000	45,000	45,000	Nil	No Impact
Anticipated additional cost of utility price rises and current uncertainty around business price caps. For Corn Exchange & Guildhall. [Linked to I15134]								James Bland
Open Spaces, Food Justice and Community Development								
URP5081	Employee Pension Rate Increase	48,840	48,840	48,840	48,840	48,840	Nil	No Impact
Increase in employer's pension contribution from 17.4% to 17.6% as a result of the Pension Fund triennial valuation								Karen Whyatt
The Leader								
URP5090	Essential Repairs to Jesus Green Riverbank Feasibility	25,000	0	0	0	0	Nil	No Impact
The Jesus Green Riverbank between the lock and the lido has over a period of time started to subside/ move resulting in gaps and potential instability of the bank for which the Council is the riparian owner. The repair is becoming more urgent on safety grounds but the engineering work required for stabilisation is considerable. [Linked to CAP5044]								Anthony French

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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URP5093	Windows 2012 Server Replacement - Revenue	0	30,000	30,000	30,000	30,000	Nil	No Impact
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This is for the uplift in revenue costs for moving service from on premise to externally hosted / Software as a service solution. This is based on previous costs from similar size/type of applications and is still dependant on vendors delivering on their cloud hosting/SaaS roadmaps. Existing budget for IKEN is £12k and Qmatic £4k. New bid for ongoing revenue costs splits are £15k IKEN and Qmatic £15k. Associated applications are IKEN and Qmatic. [Linked to CAP5069]

Heather
Jones

Finance, Resources and Transformation Portfolio

URP5094	Information Governance Team Fixed Term Post	25,000	0	0	0	0	Nil	No Impact
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Additional Information Governance resource as agreed by Information Governance Board July 2022. Information Governance Board for 3 Councils were supportive (via 100-day report) of a bid for a Temporary (1 year) additional Request Manager resource in the Information Governance team. This post will free up more senior roles to enable efficient processing of DPIA's (change activity) and reduce perceived view of IG holding back corporate initiatives by managing the FOI function. Additional 0.2 FTE provisions additional staff training. IG board approved post 3CICT deadline for joint bids hence 3 x separate bids to each council. This relates to a third share of the total cost of £75k.

Heather
Jones

Finance, Resources and Transformation Portfolio

URP5133	External Audit Fees	40,000	40,000	40,000	40,000	40,000	Nil	No Impact
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Following re-procurement of external audit contracts by the PSAA, scales fees are expected to increase by 150%. This figure is an estimate of the increase required. (to be confirmed).

Neil
Krajewski

Finance, Resources and Transformation Portfolio

Total Unavoidable Revenue Pressure	884,840	773,840	733,840	733,840	733,840
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2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Reduced Income

RI5001	Reduction in car parking ticket income	500,000	500,000	500,000	500,000	500,000	Positive/Lo w Impact	No Impact
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An ongoing reduction in parking ticket income of £500k. Reduction is due to the change in working and shopping patterns, the forecast impact of cost of living crisis, down turn in economy and a potential recession.

Sean Cleary

Planning Policy and Infrastructure Portfolio

RI5002	Reduction in Parking Season Ticket Income	400,000	400,000	400,000	400,000	400,000	Positive/Lo w Impact	No Impact
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Following COVID the change to working cultures and environments with hybrid/home working becoming the norm has resulted in an enduring downturn in demand for season tickets.

Sean Cleary

Planning Policy and Infrastructure Portfolio

RI5010	Reduction in Cremation income	200,000	200,000	200,000	200,000	200,000	Positive/Me dium Impact	No Impact
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Recently the local market has become considerably more crowded, two more crematorium coming on line, one public sector in Huntingdon and one private sector in Saffron Walden the national market place has experienced a change in shape with the growth of direct funerals. Even with the population growth in the Cambridge catchment area the number of deaths has remained pretty consistent (around the 5300-5500 annually) and therefore market share and income have been negatively impacted by increased competition but are pretty stable now. This reduction in income bid will make service budgets realistic while remaining stretching. The business has/is diversifying the offer with direct funerals, a new car park and a café potentially providing a wake facility. The business remains viable and operates via a trading account and does not draw on the GF for funding, it is a net contributor to the GF.

Glyn
Theobald

Open Spaces, Food Justice and Community Development

RI5062	County Council Recycling Credit Income Reduced	40,000	40,000	40,000	40,000	40,000	Nil	No Impact
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Reduction of income mainly due to the reduction of glass in the recycling collections which has had a negative impact on the income received from the County Council for recycling credits. We are currently experiencing reduced tonnages of 400 tonnes per quarter (mostly due to glass) which equates to slightly over £80,000 when extrapolated over the whole 12 months. Shortfall will be met 50:50 by each Authority. Potential Impact - Reduced income paid to the service by County Council for recycling credits due to a reduction of recycling Tonnages.

Bode Esan

Environment, Climate and Biodiversity

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
RI5084	Reduction in Market Income	50,000	0	0	0	0	Nil	No Impact

Market occupancy rates have yet to recover to pre-pandemic levels, especially at beginning of week. Although we have used pro-active marketing to attract new traders on to the market, there has been a high level of new business failure/turnover amongst this cohort, while some of the more established traders have decided to retire and cease trading. Although city centre footfall is now nearing pe-pandemic levels, the international visitor market, and especially the Asian market, has yet to return, which is affecting those trader businesses who rely on that market. The international visitor market is forecast to return summer 2023, but there is still uncertainty over how strongly it will return and so the resulting impact on the city centre outdoor market. In 2022-23, we’re forecasting a year-end reduction in market income of c£100k (forecast budget outturn c£280k surplus), caused by the ongoing reduction in trader occupancy rates and the inflated energy costs, which we’re unable to fully pass on to traders. Given this position, we feel it would be prudent to budget for a successive reduction in market income of £50k in 2023/24 (forecast budget outturn c£330k surplus).

Tim Jones

Environment, Climate and Biodiversity

Total Reduced Income	1,190,000	1,140,000	1,140,000	1,140,000	1,140,000
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2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Revenue Bids

B5008	Discretionary Housing Payments Bid	75,000	0	0	0	0	Nil	High Positive Impact Naomi Armstrong
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Discretionary Housing Payments are a crucial tool to support households who experience a shortfall between their housing benefit or Universal Credit and their eligible rent. The funding levels from the government have reduced in recent years - note the downward trend: 2020/21 financial year £236,598, 2021/22 financial year £195,014 but only £138,217 for the 2022/23 financial year. Funding levels are not announced until close to the start of each financial year. Cambridge City Council has always spent all of its government allocation, supporting claimants impacted by welfare reforms and has previously relied on additional homelessness prevention funding set up several years ago to top up awards.

Finance, Resources and Transformation Portfolio

B5011	Fleet Decarbonisation - Whole Fleet Management Appraisal	45,500	0	0	0	0	Positive/High Impact	No Impact David Cox
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An appraisal of an whole fleet management approach to fleet procurement is required to ensure the delivery of a decarbonised vehicle fleet, without this a decarbonised fleet is at risk. The current approach does not address the very large capital commitment needed to purchase electric vehicles from 2024/25 onwards. A whole fleet approach may provide VFM, reduce whole life costs, provide economies of scale and provide a robust budget forecast. This revenue bid will provide the expert support, that the Council does not have, up to the point of purchase. Without the support the Council runs a very real risk of an unstructured, costly, poorly specified EV fleet that does not fully enable the transition to clean air vehicles.

Environment, Climate and Biodiversity

B5032	Anti-Poverty Strategy responsive budget	30,000	0	0	0	0	Nil	High Positive Impact Julie Cornwell
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This budget bid proposes continuation of the contingency funding available to fund projects that align with the objectives of the City Council's Anti-Poverty Strategy that emerge in-year/outside of the budget-setting and community grants bidding rounds. It is intended that this budget would be available for projects delivered either by the City Council or by external partners.

Equalities, Anti-poverty and Wellbeing

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
B5037	Cost of Electoral Services Support Officer post (previously Government funded)	30,000	30,000	30,000	30,000	30,000	Nil	No Impact

The post of Electoral Services Support Officer was created as a fixed-term post in 2014 to assist with the introduction of Individual Electoral Registration (IER). It was originally funded from Government grants but this funding ceased in 2021. In addition to the administrative burdens of IER in a city with a rapidly changing population like Cambridge, the Elections Act 2022 will see additional administrative processes introduced, such as voter identification and the extension of the franchise for overseas electors. It has become clear that this post is necessary for the continued delivery of electoral services in Cambridge.

Vicky Jenner

The Leader

B5058	Fuel Cost Increases	76,500	37,500	0	0	0	Nil	No Impact
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Due to the increase in fuel costs a bid is required to fund the additional cost over that budgeted for in Autumn last year. At that time fuel prices were £1.13 per litre so the budget was set at a reasonable £1.16 per litre for 2022/23. The war in Ukraine has exacerbated the increase in fuel costs to an average of £1.48 for the year to date - with every 10p increase per litre, equating to £68,000 in additional costs, assuming the entire fleet is running conventional diesel. There is a proposal that we will phase out the use of diesel, moving to biofuel and electric over 3 years - a separate bid is proposed for the increased HVO costs which should be seen in conjunction with this bid. For this bid a price of £1.50ltr has been assumed. The costs are split 50/50 with the City. Potential Impact - Service would not have the funds to cover the costs of fuel for running the services.

Bode Esan

Environment, Climate and Biodiversity

B5059	Hydrotreated Vegetable Oil Fuel for Refuse Trucks	62,000	124,000	183,500	183,500	183,500	Positive/Me dium Impact	No Impact
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The service is intending to run up to 20 Refuse trucks on Hydrotreated Vegetable Oil (HVO) fuel while implementing the role out of the Wren Solar project at Waterbeach to help improve and reduce CO2 emissions in the two Authorities. The increase cost of HVO over diesel is 20ppl. Bid required will be split 50/50 between to two Authorities. HVO can include raw materials such as cooking oil, vegetable oil processing waste and residues and animal fat from the food industry waste. This would be an interim solution ahead of more electric or hydrogen trucks joining the fleet as and when they become available from manufacturers, and in-line with the depot charging facilities becoming available. The increase in future years is as a result of the 3-year roll-out transitioning from diesel to HVO. Potential Impact - The emissions of CO2 for the councils fleet are reduced.

Bode Esan

Environment, Climate and Biodiversity

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
B5060	City Garage Hourly Labour Rate Increased	20,000	20,000	20,000	20,000	20,000	Nil	No Impact

Inflationary pressures faced by local pay agreements and cost of raw materials has meant that the Cambridge City Garage Services have been forced to impose the full annual RPI increase to their hourly rate as per the SLA arrangement. Indications are that this means that the hourly labour rate will be increased by 14% which will impact heavily on a service which is going through a period of fleet transitional change as vehicles become old, uneconomic to run and due for replacement. This enhanced labour rate is an early indication from City service managers of what they intend to increase by - any reduction to this will be a reduction in the bid request. Potential Impact - Pressure on the fleet maintenance budget c. £40,000 per annum which will be shared by each Authority.

Bode Esan

Environment, Climate and Biodiversity

B5065	Shared Waste Service - Budgeted Contribution Alignment	128,960	128,960	128,960	128,960	128,960	Nil	No Impact
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To align with their own BSR timetable, an estimate is provided by way of inclusion as to what the net annual shared waste recharge figure should be for CCC based on various different assumptions. The 2022-23 estimated figure falls short of the final figure calculated by SCDC as lead Authority by £52,000 owing largely to pay moving ahead of inflation as staff progress up the pay scales - this incremental drift will not have been known by CCC when the estimated recharge figure was provided. This bid reflects the timing difference between inclusion of the CCC figure for their BSR and the figure being received from SCDC. The charge made by SCDC will still be made in line with the MOU and in-line with net expenditure incurred - the bid only reconciles the budget held in each Authority's BSR.

Bode Esan

Environment, Climate and Biodiversity

B5076	Shared Planning Services Contribution	48,000	48,000	48,000	48,000	48,000	Nil	No Impact
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This bid increases the Council's net contribution to the Greater Cambridge Shared Planning Service (GCSPS) to £1,380,650 for 2023/24, aligning it with the Council's share of the GCSPS budget as recorded by South Cambridgeshire District Council, the host authority for the service. The main parts of this bid comprise :a) Costs arising from Unavoidable Revenue Pressures (total £612k):- Retrospective correction of £418k in underpaid City contribution to the SPS's base budget- Staff pay award and increments £140k - County Council's increased land charge search costs £43k- Adjustments to inter authority charges £11kb) Increased income and savings (total (£672k): - £627k forecast increase in fee income - Built and Natural Environment team increased cost recovery £31k- Restructure of the Compliance team £12k- introduction of refund policy for withdrawn applications £2Kc) RTPI Graduate apprenticeship programme – to improve resilience and reduce medium term spending on experienced agency staff £60k in 2023/24.

Stephen Kelly

Planning Policy and Infrastructure Portfolio

2023/24 Budget – GF Proposals – Pressures and Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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B5095	ICT Change Delivery Manager Post Fixed Term	12,000	8,000	0	0	0	Nil	No Impact
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Extension of ICT Change Delivery Manager Post Fixed Term. This is to fund ICT Project delivery support for requirements that arise in year for work that has not been identified as part of service planning and resource bidding in the previous year. examples include Tascomi phase 2, members ICT, Democratic Services Project, Car Park Projects, Guildhall Letting, Trace/Fleet Master Projects. This relates to the cost to CCC. The total cost for each year is £48k with a proportion of the funding coming from existing resources within 3CICT.

Heather
Jones

Finance, Resources and Transformation Portfolio

B5144	Contribution to Energy Costs Earmarked Reserve	600,000	0	0	0	0	Nil	No Impact
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Due to uncertainty in the extent of increases in the costs of electricity and gas, a new time-limited earmarked reserve is to be set up and will be used to fund energy costs over and above existing electricity and gas budgets

Karen
Whyatt

Central Portfolio

Total Revenue Bids	1,127,960	396,460	410,460	410,460	410,460
Pressures & Bids Total:	3,202,800	2,310,300	2,284,300	2,284,300	2,284,300

2023/24 Budget – GF Proposals – Savings

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Savings

S5079	Central Provision Budget Review	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	Nil	No Impact
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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. This saving relates to budget that is no longer necessary to be allocated.

Karen
Whyatt

The Leader

S5080	Health and Social Care Levy	(207,100)	(207,100)	(207,100)	(207,100)	(207,100)	Nil	No Impact
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It is expected that the health and social care levy will be removed as part of central government's fiscal event in September 2022. This saving represents the reversal of URP4955 approved as part of BSR February 2022.

Karen
Whyatt

The Leader

S5082	Overall reduction in pension costs following the triennial valuation	176,220	(15,260)	(205,990)	(205,990)	(205,990)	Nil	No Impact
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The Pension Fund triennial valuation has resulted in a reduction of £417,000 in the pension deficit contribution over three years. When split between the GF and HRA this results in a pressure in 2023/24, decreasing over the three year period to an overall saving of £206k by 2025/26

Karen
Whyatt

The Leader

S5091	Revenue Bid B4836 - Security Team and Compliance Officer	(72,000)	(72,000)	(72,000)	(72,000)	(72,000)	Nil	No Impact
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Amending revenue bid B4836, BSR 22/23. Original bid was for "Security Team and Compliance Officer". 3C ICT reduced this team to one permanent Security Manager post at request of Shared Services Board with a view to a new business case being developed for further expansion at a later date. The post is on HDC Pay Grade H. City's annual budgeted contribution would be £25k per year as per original baseline cost sharing percentage. Therefore, the original bid should be reduced from £97k to £25k ongoing and £72k returned to City permanently.

Heather
Jones

Finance, Resources and Transformation Portfolio

2023/24 Budget – GF Proposals – Savings

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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S5097	Efficiencies arising from Community Services reviews	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	Nil	No Impact
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This saving has materialised from the redesign of community development, CHYPPS and community facility services and staffing. The reviews sought to realign resources to deliver on Council priorities and underpin the 'Our Cambridge' transformation programme.

Vicky
Haywood

Open Spaces, Food Justice and Community Development

S5102	Cancel Big Weekend City Event	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)	Nil	No Impact
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Cease the delivery of the Big Weekend in its current form.

Lewis
Anderson

Open Spaces, Food Justice and Community Development

S5104	Tourism Budget not used	(35,000)	(40,000)	(40,000)	(40,000)	(40,000)	Nil	No Impact
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Tourism budget (£40k pa) is a legacy budget from when Visit Cambridge and Beyond (VCB) destination management organisation (DMO) was established. Following VCB's liquidation in and incorporation of successor DMO, Visit Cambridge (VC), based on a minimal operating cost/ self-funding business model, the level of tourism budget provision is no longer required. The proposal is to remove £35k of the total available budget, leaving £5k as a contingency for VC operating costs, while the new DMO gets itself on a sustainable footing.

Joel Carre

Recovery, Employment and Community Safety Portfolio

S5106	Environmental Services – review of service delivery	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	Nil	No Impact
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Review of resources for public art delivery

Alistair
Wilson

Open Spaces, Food Justice and Community Development

S5108	S106 Commuted Sums to cover new responsibilities	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Nil	No Impact
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Use of S106 commuted sum income to offset General Fund funded S&OS operational maintenance costs associated with the adoption of new parks and open spaces.

Alistair
Wilson

Open Spaces, Food Justice and Community Development

2023/24 Budget – GF Proposals – Savings

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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S5109	Management Restructure Savings	(150,000)	(300,000)	(300,000)	(300,000)	(300,000)	Nil	No Impact
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Indicative GF savings based on proposals that are subject to formal consultation. Does not include one off severance payments which would need to be approved by ESOC. It is likely that this item can be included in the final BSR once decisions have been made by Council.

Karen
Whyatt

The Leader

S5112	Reduce Taxi-card budget to level of current annual spend	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Nil	No Impact
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The forecast saving is derived from more closely matching the budget to average annual demand.

Sharon Line

Planning Policy and Infrastructure Portfolio

S5113	Reduce Transport Subsidies budget to level of current annual spend	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	Nil	No Impact
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Budgets have provision for inflation in 2023/24, proposal is to remove the inflation provision and to manage costs within the overall budget. [Linked to S5110]

Sharon Line

Planning Policy and Infrastructure Portfolio

S5117	Vacant Posts removal	(203,200)	(203,200)	(203,200)	(203,200)	(203,200)	Nil	No Impact
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Work is being done to identify vacant posts that can be deleted from the establishment. This will be completed for the final BSR but is expected to achieve at least £203k savings.

Karen
Whyatt

The Leader

S5118	Closing some Public Conveniences	(54,000)	(54,000)	(54,000)	(54,000)	(54,000)	Positive/Medium Impact	No Impact
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Full closure of low value/ use public toilets at Mill Road, and Chesterton Road; and partial closure (weekend only opening) of low mid-week use public toilets at Chesterton Recreation Ground, Cherry Hinton High Street, (midweek closure all year round), and Coleridge Recreation Ground, Romsey Recreation Ground, Victoria Avenue (midweek closure - winter between November 1st to March 31st only)

Anthony
French

Environment, Climate and Biodiversity

2023/24 Budget – GF Proposals – Savings
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Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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S5131	Anticipated Change in the allocation of recharges between the GF and HRA	(5,750)	(5,980)	(4,140)	(4,140)	(4,140)	Nil	No Impact
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This is the anticipated net impact on recharges between the General Fund and HRA if all General Fund budget proposals are approved [Linked to HRA BSR URP 5124]

Karen
Whyatt

The Leader

S5139	S&OS Operations - recruitment freeze	(90,000)	0	0	0	0	Nil	No Impact
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Extend recruitment freeze of Operative posts (3 FTE) for a second consecutive year (2023/24). This will be reviewed in time for next year's budget process.

Don Blair

Environment, Climate and Biodiversity

S5143	Environmental Services - reduction in staffing	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	Nil	No Impact
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Deletion of one full time Public Realm Enforcement Officer post

Wendy
Johnston

Environment, Climate and Biodiversity

Total Savings	(1,883,830)	(2,140,540)	(2,329,430)	(2,329,430)	(2,329,430)			
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2023/24 Budget – GF Proposals – Savings

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Increased Income

II5004	New Rental Income - Nursery	(90,260)	(102,000)	(102,000)	(102,000)	(102,000)	Nil	No Impact
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New rental income stream following the acquisition of a nursery on Cromwell Road. There will be a rent free period of 12 months.

Philip
Doggett

Finance, Resources and Transformation Portfolio

II5015	Increased garage rent income	(2,360)	(2,360)	(2,360)	(2,360)	(2,360)	Nil	No Impact
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Increased income is anticipated based upon current occupancy levels.

Anna Hill

Housing (GF) Portfolio

II5034	Lease income for 451 Newmarket Road	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	Nil	No Impact
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The authority expects to enter into a lease with Jimmy's for the use of 451 Newmarket Road, with an annual lease premium of £15,000.

James
McWilliams

Housing (GF) Portfolio

II5078	External Interest revised projections	(1,248,000)	(1,237,000)	(839,000)	(488,000)	(476,000)	Nil	No Impact
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Increased income from external interest that are attributable to the General Fund based on projected balances held.

Neil
Krajewski

Finance, Resources and Transformation Portfolio

II5099	Allia Income from Guildhall	(80,000)	(40,000)	0	0	0	Nil	No Impact
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Ground floor of Guildhall let generating gross income of min. £106,000 with possible additional £18,000 p.a. from 1/1/2023. Overheads included so assume £80,000 p.a net income. The lease is for 5 years with 2 years guaranteed but 6 month rent free at commencement. Lease may extend if decisions not implemented on longer term Guildhall plans.

Will Barfield

Finance, Resources and Transformation Portfolio

2023/24 Budget – GF Proposals – Savings

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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II5107	Leisure management: increased energy costs mitigation	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	Nil	No Impact
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A range of measures to offset increases in utility costs. To be agreed with the Exec Cllr to include a mix of price increases, energy tariff changes and service offer changes. [Linked with URP5003]

Ian Ross

Open Spaces, Food Justice and Community Development

II5134	Corn Exchange: increased energy costs mitigation	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	Nil	No Impact
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A range of measures to offset increases in utility costs. To be agreed with the Exec Cllr to include a range of price increases in hire charges, booking fees and bar services. [Linked with URP5054]

James Bland

Open Spaces, Food Justice and Community Development

II5138	To remove the end of year 4% pitch fee rebate for market traders who use Direct Debit (DD) payment method.	(25,490)	(25,490)	(25,490)	(25,490)	(25,490)	Nil	Negative Impact
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The 4% rebate was introduced a number of years ago to incentivise traders to move to DD and has fulfilled its purpose with all, bar a few, traders now paying by this method. The proposal is designed to enable the service to use the resulting increase in available pitch fee income to offset the significant increase in energy costs, without having to significantly increase pitch fee charges. To support market traders in a challenging trading environment, post COVID and with cost-of-living pressures on disposable income, the service is proposing to only increase pitch fees charges by 2.5%, which is significantly below the current inflation rate of c10%.

Tim Jones

Environment, Climate and Biodiversity

Total Increased Income	(1,856,110)	(1,816,850)	(1,378,850)	(1,027,850)	(1,015,850)
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Savings Total:	(3,739,940)	(3,957,390)	(3,708,280)	(3,357,280)	(3,345,280)
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2023/24 Budget – GF Proposals – Non-Cash Limit Items

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Non-Cash Limit Items

NCL5145	Retained Business Rates growth above baseline	(6,517,000)	(6,266,000)	528,000	531,000	532,000	Not Applicable	No Impact
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The Council has assessed the income from business rates which it expects to retain above the baseline set out in the draft local government finance settlement.

Neil
Krajewski

Central Portfolio

NCL5146	Collection Fund Surplus (Council Tax and Business Rates)	(3,857,935)	0	0	0	0	Not Applicable	No Impact
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The Council has determined its share of estimated collection fund surpluses for Council Tax and Business Rates as at 31 March 2023. These amounts will be recognised in the General Fund in 2023/24 in accordance with relevant legislation.

Neil
Krajewski

Central Portfolio

NCL5147	Change to Council Tax assumptions	42,005	(60,060)	(136,920)	(288,240)	(375,850)	Not Applicable	No Impact
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Changes in council tax income as a result of changes in the forecast Council Tax base

Neil
Krajewski

Central Portfolio

NCL5148	Additional New Homes Bonus (NHB) allocation	(53,480)	0	0	0	0	Not Applicable	No Impact
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Additional New Homes Bonus (NHB) Allocation for 2023/24

Neil
Krajewski

Central Portfolio

NCL5149	Core Funding Grants	(4,633,520)	(4,231,000)	(310,000)	(310,000)	(310,000)	Not Applicable	No Impact
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Grants included as part of the draft local government finance settlement including Service Grant and funding guarantee

Neil
Krajewski

Central Portfolio

2023/24 Budget – GF Proposals – Non-Cash Limit Items

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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NCL5151	Additional Contribution to the Greater Cambridge Partnership investment and delivery fund	5,350	0	0	0	0	Not Applicable	No Impact
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Additional 10% contribution from the New Homes Bonus to the Greater Cambridge Partnership investment and delivery fund

Karen Whyatt

The Leader

NCL5154	Settlement Funding Assessment (SFA)	(473,000)	(813,000)	(591,000)	(638,000)	(686,000)	Not Applicable	No Impact
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Changes arising from the draft local government finance settlement

Karen Whyatt

The Leader

Non - Cash Limit Items Total:	(15,487,580)	(11,370,060)	(509,920)	(705,240)	(839,850)			
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2023/24 Budget – GF Proposals – External Bids

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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External Bid

X5129	Permanent Resource for support of refugees and asylum seekers	247,100	247,100	247,100	247,100	247,100	Nil	
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This is a permanent resource for all refugees and asylum seekers and is fully funded in the first 5 years by external grant.

Keryn Jalli

Housing (GF) Portfolio

Total External Bid	247,100	247,100	247,100	247,100	247,100
Total:	247,100	247,100	247,100	247,100	247,100

2023/24 Budget – GF Proposals – by Capital Proposals

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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Capital Bids

CAP5030	Kings Hedges (Recreation Ground/ Play Area)	165,000	0	0	0	0	Negative/Lo w Impact	Low Positive Impact
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To remove obsolete and non-British Standard conforming play items; and replace with inclusive, dynamic and natural play items. These items were originally identified as obsolete in 2020; and resulted in a capital allocation of £150k being approved in 2020/21, which was later reviewed and de-allocated in response to the corporate budget impacts of the COVID pandemic. Failure to invest in replacing the proposed play items will result in the items being removed and the likely decommissioning of the entire play area facility, leaving an under provision in Kings Hedges ward. Litigation risks increase due to the age and nature of existing equipment not conforming to current British Standards (EN1176 and EN1177). There are no available s106 funds for this proposal.

John Parrott

Open Spaces, Food Justice and Community Development

CAP5041	Decarbonisation works - Abbey Pool, Parkside Pool, Cherry Hinton Village Centre	159,000	650,000	400,000	0	0	Positive/Hig h Impact	No Impact
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Decarbonisation plan requires that some items such as heat source pumps and others are not scheduled for replacement within this time frame but are brought forward to achieve the council's decarbonisation target of 2030. Includes Fees 12.5%, OHP and Prelims 20% and contingency 10%.

Ian Ross

Open Spaces, Food Justice and Community Development

CAP5042	Recommended Maintenance at Abbey Pool, Parkside Pool, Cherry Hinton Village Centre	200,000	200,000	240,000	175,000	175,000	Positive/Me dium Impact	No Impact
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Recommended routine maintenance programme to include cyclical and planned maintenance. Some elements of this expenditure are required for compliance. Includes Fees 12.5%, OHP and Prelims 20% and contingency 10%.

Ian Ross

Open Spaces, Food Justice and Community Development

CAP5044	Essential Repairs to Jesus Green Riverbank	125,000	0	0	0	0	Nil	No Impact
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The Jesus Green Riverbank between the lock and the lido has over a period of time started to subside/ move resulting in gaps and potential instability of the bank for which the Council is the riparian owner. The repair is becoming more urgent on safety grounds but the engineering work required for stabilisation is considerable. [Linked to URP5090]

Anthony French

Finance, Resources and Transformation Portfolio

2023/24 Budget – GF Proposals – by Capital Proposals

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
CAP5046	Parkside Pools Diving Board	30,000	0	0	0	0	Nil	No Impact
<p>Replacement of 5m Diving Board stairs.</p> <p>Open Spaces, Food Justice and Community Development</p>								Ian Ross
CAP5048	Cherry Hinton Hub	209,000	0	0	0	0	Nil	No Impact
<p>There has been a review of costs by then newly appointed contractor for this approved scheme (Ref. C4156) who estimates an additional budget overhead requirement of £209k.</p> <p>Open Spaces, Food Justice and Community Development</p>								Cathy Heath
CAP5064	Refuse Collection Vehicle Replacements HVO	400,000	0	0	0	0	Positive/High Impact	No Impact
<p>Purchase of x2 conventional RCV replacements to be run on HVO bio-degradable fuel. Potential Impact - No potential impact. These are replacing RCV's that have come to the end of their useful lives. Their replacements have already been included within the capital plan so the bid is a confirmation that these will be required for inclusion in the 2023-24 budget. If the money from the bid is not released it may lead to heavier maintenance costs being incurred as a result of extending the life of the assets. This relates to the CCC share of the cost which is split 50/50 with SCDC.</p> <p>Environment, Climate and Biodiversity</p>								Bode Esan
CAP5066	Laptop & Desktop Replacement	100,000	100,000	100,000	100,000	100,000	Nil	No Impact
<p>This proposal is for ongoing laptops and desktops replacement programme for replacing all laptops and desktops every 5 years. Estimated plan is to replace 180 laptops and desktops each year on an ongoing basis with minimal disruption to staff. IT hardware has a lifespan. Devices over 5 years old will not function with latest security and operating system updates and put the council's data at risk. Performance of devices of this age drops significantly and we see failures causing loss of productivity and ability to work for staff. Therefore, funding will allow the ongoing replacement of desktops and laptops over 5 years old in line with original Council Anywhere project closedown report. City's Strategy is for a mobile and effective workforce, so they need up to date functioning ICT equipment to facilitate this. Old equipment will be reused/retired and donated/recycled in line with 3C ICT disposals process in a secure manner. This ensures minimal environmental impact and maximises community benefits. In the past this has included donations to women's crises centres, foodbanks, charities to support people with computer training and schools / preschools. We only send old equipment for recycling as a last resort via an accredited responsible recycling organisation.</p> <p>Finance, Resources and Transformation Portfolio</p>								Heather Jones

2023/24 Budget – GF Proposals – by Capital Proposals

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
CAP5067	Pathfinder House Data Centre Equipment Replacement - Racks, Power & Cooling System	110,000	0	0	0	0	Positive/Medium Impact	No Impact

Council ICT Services primarily run out of two physical datacentres and the mechanical and electrical equipment that the servers and communication hardware reside on is a critical platform. The Room Equipment at Pathfinder House, most critically the fire suppression, has reached the end of its original projected lifecycle and must be replaced. Due to the efficiencies introduced by consolidating the three council services on a modern platform, the existing equipment is massively over-specified for the ICT equipment being hosted leading to unnecessary power usage. The opportunity is being taken to more appropriately match the Data Centre Racks, Power and Cooling to reduce ongoing costs and power usage. A more appropriately rated Uninterruptable Power Supply will reduce costs, as PFH is now supplied with a generator. This will deliver capability covering 7-10 years life. With the increase in fuel prices, the over specified chillers and UPS contribute unnecessarily to increased energy costs. The project is an unavoidable cost, replacing hardware that is out of support to ensure resilience of ICT delivery, but the equipment will be right-sized to both reduce the impact of rising energy costs and meet the Council's Environmental target of reducing greenhouse gasses.

Heather Jones

Finance, Resources and Transformation Portfolio

CAP5068	Sand Martin & Pathfinder House Data Centre Refresh to Hybrid Environment	215,000	0	0	0	0	Positive/Low Impact	No Impact
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The equipment situated in both Data centres was installed seven years ago and is classified by the Vendor as 'end of life' and requires replacement. For Pathfinder (PFH), the replacement includes servers, networking and sundry equipment required to maintain and operate a Datacentre. For Sand Martin House (SMH), only servers require replacement as we are co-hosting in their datacentre.

Heather Jones

Finance, Resources and Transformation Portfolio

CAP5069	Windows 2012 Server Replacement - Capital	30,000	0	0	0	0	Nil	No Impact
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We have performed a security review of systems operated by Cambridge City Council after considering the announcement by Microsoft to withdraw support for Microsoft Windows 2012 in October 2023. We have identified several Servers running Windows 2012 and approached vendors of the applications hosted on these for costs to migrate and follow the "Cloud-first" strategy for hosting with the vendor on an ongoing basis. Our options are rebuild services on to newer versions of Windows server (most likely Win server 2019) or one off workstreams to move to an externally hosted / software as a Service type solution. Associated applications are Analyse (£5k), IKEN (£10k), Modern.Gov (£7k), Qmatic (£3k), Contingency (£5k). [Linked to URP5093]

Heather Jones

Finance, Resources and Transformation Portfolio

2023/24 Budget – GF Proposals – by Capital Proposals

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
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CAP5071	Wireless Access Point Replacement	74,500	0	0	0	0	Nil	No Impact
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The City Council Wireless services (CouncilAnywhere and CambWifi_Public) are provided by HP Aruba Wireless equipment, connected to controllers hosted by MLL Telecom as part of the EastNet contract owned by Cambridgeshire County Council. The Access points at Cambridge City have been in place for a number of years and will be going out of manufacture warranty in May 2023 and need to be replaced ASAP after this date. The risk if they are not replaced and a security update is required to be installed on the shared controllers, may not support the aged AP205's and the City Wireless service will cease. There are 451 x AP 205's across EastNet, with Cambridgeshire County Council having the most, all in the same position and needing replacement. All replacements will be jointly procured through MLL Telecom in order to attain the best bulk order discount. MLL were due to provide these costs to us before this bid, but unfortunately have only provided indicative numbers. Estimated costs: 157 AP505 @ £280, MLL Professional Services to configure £2,500 and Installation on site £10,000.

Heather Jones

Finance, Resources and Transformation Portfolio

CAP5072	Uninterruptible Power Supply Replacement	35,000	0	0	0	0	Nil	No Impact
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This bid seeks to replace UPS equipment at each Cambridge City Site that has ICT Service, as reaching end of life. UPS were installed at each Cambridge City site as part of one of two projects – The City Telephony Project, and 'Project Pegasus' the refresh of the ICT estate across City. UPS have a maximum service life of 5 years, with a replacement battery in years 2-3. The UPS's installed through those projects are therefore end of life and require replacement to ensure safety, a resilient service delivery to site, and the protection of more expensive ICT equipment installed on site. The equipment installed as part of two projects +5years ago. This is an unavoidable cost, replacing equipment that is beyond service life.

Heather Jones

Finance, Resources and Transformation Portfolio

CAP5088	Democratic Services software replacement	27,000	0	0	0	0	Not Applicable	No Impact
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The current software licenses for Modern.gov and Elections management software expire in the next year or so, and must be replaced with an updated version. A full tender will be required for the procurement. The project is coordinated by 3C ICT as a shared scheme. The revenue implications can be covered from existing resources.

Gary Clift

The Leader

CAP5130	Contribution to GF from HRA for Corporate IT investment	(129,830)	(23,000)	(23,000)	(23,000)	(23,000)	Nil	No Impact
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A number of areas of IT investment are being proposed as part of the General Fund budget process, and this sum assumes the HRA contributes proportionally. [Linked to HRA BSR CAP5123]

Heather Jones

Finance, Resources and Transformation Portfolio

2023/24 Budget – GF Proposals – by Capital Proposals

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
CAP5142	Waterbeach Renewable Energy Network (WREN) Solar Project	400,000	0	0	0	0	Positive/Hig h Impact	No Impact

A solar panel power plant will be built on land adjacent to the Waterbeach Depot, along with a battery storage system, charging islands, cabling and other associated works to form a smart micro-grid which will provide electricity for up to 30 waste collection trucks. An additional £0.4m is required due to cost increases. This will be funded from existing GF reserves (as for the original proposal).

Bode Esan

Environment, Climate and Biodiversity

Total Capital Bids	2,149,670	927,000	717,000	252,000	252,000
Capital Total:	2,149,670	927,000	717,000	252,000	252,000

Appendix D(b): Approvals and amendments since MTFS October 2022

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
Capital-GF Projects								
SC662	Shared planning software implementation	S Kelly	(32)	0	0	0	0	0
SC800	New vehicle to support S&OS assets multi-skilled operative	A Wilson	10	0	0	0	0	0
SC754	Corn Exchange infrastructure improvements	I Ross	(570)	150	0	0	0	0
SC794	Sustainable Warmth Grant - Home Upgrade Grant	J Smith	(888)	0	0	0	0	0
SC809	Green Homes grant (GF)	J Smith	(470)	0	0	0	0	0
SC809	Green Homes grant (GF)	J Smith	(1,051)	0	0	0	0	0
SC822	Loan to CIP to purchase land south of Cambridge	C Ryba	(25,550)	6,750	0	13,500	0	0
SC829	Histon Road redevelopment - loan to CIP	C Ryba	5,250	0	0	0	0	0
SC831	Sustainable Warmth Grant - Home Upgrade Grant 2	J Smith	0	4,500	5,508	0	0	0
PR056	Chalk Streams projects in Cambridge	G Belcher	0	60	120	120	0	0
SC745	S106 Chestnut Grove play area: benches and bins	J Parrott	(4)	0	0	0	0	0
SC825	S106 public art grant for Park Street Residents' Association	N Black	12	0	0	0	0	0
SC823	S106 public art grant for Cherry Hinton Brook mural	N Black	2	0	0	0	0	0
SC824	S106 public art grant for Birdwood Area Art	N Black	6	0	0	0	0	0
SC826	S106 Midsummer's Common community orchard improvements	J Ogle	15	0	0	0	0	0
SC827	S106 Five Trees open space: wildflower and tree planting in East Chesterton	N Black	15	0	0	0	0	0
SC741	S106 Nightingale Rec Ground pavilion	I Ross	144	0	0	0	0	0
PR042g	S106 To the River - artist in residence	N Black	(37)	0	0	0	0	0
SC747	S106 Nightingale Avenue rec ground: new all-weather footpath	J Parrott	4	0	0	0	0	0
SC807	S106 Akeman Street community centre improvements	A Wilson	5	0	0	0	0	0
Capital-GF Projects - budget updates or reprofile, and completed schemes			(23,301)	11,460	5,628	13,620	0	0
Capital-GF Projects financed from Developer Contributions			162	0	0	0	0	0
Total approved since MTFS October 2022			(23,139)	11,460	5,628	13,620	0	0

Appendix D(c): Capital Plan 2022/23 to 2027/28

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
Capital-GF Projects								
PR031r	S106 Chesterton Rec Ground skate and scooter park	J Richards	47	0	0	0	0	0
PR040z	S106 Public art: Historyworks: Michael Rosen Walking Trail 2	N Black	10	0	0	0	0	0
PR042g	S106 To the River - artist in residence	N Black	3	0	0	0	0	0
PR042m	S106 Public art grant - Chesterton village sign	N Black	10	0	0	0	0	0
SC 747	S106 Nightingale Avenue rec ground: new all-weather footpath	J Parrott	4	0	0	0	0	0
SC 778	S106 Jesus Green ditch biodiversity improvements	G Belcher	47	0	0	0	0	0
SC 785	S106 The Art of Play	N Black	5	0	0	0	0	0
SC 792	S106 public art grant for Abbey People's Creative Canopy	N Black	12	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Car Parks	S Cleary	199	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	220	0	0	0	0	0
SC651	Shared ICT waste management software - Alloy/Yotta	S Tovell	117	0	0	0	0	0
SC654	Redevelopment of Silver Street Toilets	D O'Halloran	601	0	0	0	0	0
SC659	My Cambridge City online customer portal	T Campbell	22	0	0	0	0	0
SC678	Crematorium - additional car park	G Theobald	339	0	0	0	0	0
SC679	Crematorium - cafe facilities	G Theobald	294	0	0	0	0	0
SC684	Property Management software	P Doggett	59	0	0	0	0	0
SC688	Environmental Health software	Y O'Donnell	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)	M Wilson	3,430	0	0	0	0	0
SC694	Meadows Community Hub and Buchan St retail outlet	J Smith	3,111	158	0	0	0	0
SC695	Cromwell Road Redevelopment - equity loan to CIP	J Smith	5,350	0	0	0	0	0
SC696	Cromwell Road Redevelopment - development loan to CIP	C Ryba	4,600	0	0	0	0	0
SC708	Replacement plantroom at Jesus Green outdoor pool	C Ryba	140	0	0	0	0	0
SC711	Guildhall PA system	I Ross	25	0	0	0	0	0
SC712	Automation of Bishops Mill sluice gate	F Alderton	88	0	0	0	0	0

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
SC713	Replacement air quality monitoring equipment	A Wilson	200	0	0	0	0	0
SC714	Changing Places toilets at Quayside	J Smith	100	0	0	0	0	0
SC715	Additional refuse vehicle for property growth	A Wilson	420	0	0	0	0	0
SC716	Replacement telephony system with call centre	B Esan	52	0	0	0	0	0
SC721	Call management for 3C ICT service desk	T Campbell	7	0	0	0	0	0
SC724	Residential electric charging points	J Smith	61	0	0	0	0	0
SC727	Logan's Meadow vehicular access	A Wilson	32	0	0	0	0	0
SC731	Cambridge Food Hub	B Esan	100	0	0	0	0	0
SC732	Park Street car park development	T Campbell	48,148	29,396	7,173	0	0	0
SC736	S106 Grant for St George's Church improvements	J Smith	3	0	0	0	0	0
SC738	S106 Wilberforce Road artificial pitches	A Wilson	250	0	0	0	0	0
SC739	S106 Abbey Pool improvements	B Esan	144	0	0	0	0	0
SC740	S106 Chesterton Rec pavilion	T Campbell	33	0	0	0	0	0
SC741	S106 Nightingale Rec Ground pavilion	J Smith	647	0	0	0	0	0
SC742	L2 development loan to CIP	C Ryba	8,045	0	0	0	0	0
SC743	L2 equity loan to CIP	C Ryba	1,800	0	0	0	0	0
SC752	S106 Byron's Pool ecological mitigations	G Belcher	237	10	13	0	0	0
SC753	S106 Nine Wells ecological mitigations	G Belcher	89	0	5	10	0	0
SC754	Cambridge Corn Exchange - infrastructure improvements	I Ross	430	150	0	0	0	0
SC755	Carbon saving investments within the Leisure portfolio	I Ross	279	0	0	0	0	0
SC756	EV infrastructure at the Cambridge City Council depot	J Dicks	57	0	0	0	0	0
SC758	Charging infrastructure for electric vehicles - Cambridge	J Smith	50	0	0	0	0	0
SC759	Creation of a new boat pumping station at Stourbridge Common	A Wilson	60	0	0	0	0	0
SC760	Investment programme for public toilet re-purposed property	A French	325	300	0	0	0	0
SC761	Installation of cattle ramp on Midsummer Common	A Wilson	38	0	0	0	0	0
SC763	Refurbishment of 125 Newmarket Road and refurbishment	J McWilliams	60	0	0	0	0	0
SC764	Environmental Improvements Programme (EIP) options	A Wilson	526	0	0	0	0	0
SC765	Introduction of car parking charges at Cherry Hinton Hall	A French	19	0	0	0	0	0
SC767	Mobile phone replacement	H Jones	117	0	0	0	0	0

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
SC768	Extend data capacity in shared data centre	H Jones	60	0	0	0	0	0
SC769	Network equipment refresh	H Jones	73	0	0	0	0	0
SC770	ICT project delivery: project management, technical resource	H Jones	40	0	0	0	0	0
SC771	Data and analytics - putting building blocks in place for	H Jones	70	0	0	0	0	0
SC772	Market Square project	S French	318	0	0	0	0	0
SC773	Colville Rd Phase 3 - replacement of commercial units	D Prinsep	583	0	0	0	0	0
SC774	Information at work consolidation	H Jones	29	0	0	0	0	0
SC775	City centre recovery - Combined Authority grant funding	J Richards	515	0	0	0	0	0
SC776	BEIS grant for Parkside pools decarbonisation works	I Ross	867	0	0	0	0	0
SC777	BEIS grant for Abbey pool decarbonisation works	I Ross	354	0	0	0	0	0
SC779	Parker's Piece tree planting	M Magrath	5	0	0	0	0	0
SC780	S106 Darwin Green community centre equipment and furnishings	V Haywood	13	0	0	0	0	0
SC783	S106 tree planting at Coleridge Rd rec and Lichfield Rd	M Magrath	5	0	0	0	0	0
SC784	S106 Restoration of natural habitats at Norman cement works	G Belcher	3	0	0	0	0	0
SC787	S106 Thorpe Way Rec Ground: new footpath	J Parrott	15	0	0	0	0	0
SC788	S106 bee banks	G Belcher	5	0	0	0	0	0
SC789	S106 Jubilee Gardens open space improvements	J Ogle	43	0	0	0	0	0
SC790	S106 Chesterton Rec wheelsport project	P Mullord	76	0	0	0	0	0
SC791	S106 Coldhams Common BMX track	D O'Halloran	81	0	0	0	0	0
SC793	Sustainable Warmth Grant - Local Authority Delivery Phase 3	J Smith	1,840	0	0	0	0	0
SC794	Sustainable Warmth Grant - Home Upgrade Grant	J Smith	3,737	0	0	0	0	0
SC795	CHUB - community extension to Cherry Hinton library	A Conder	764	209	0	0	0	0
SC796	Building Control software	H Jones	120	0	0	0	0	0
SC797	Waste - electric replacement vehicles	B Esan	970	0	0	0	0	0
SC799	Closed churchyard wall repairs	A French	70	0	0	0	0	0
SC800	New vehicle to support S&OS Assets multi skilled operatives	A Wilson	55	0	0	0	0	0
SC801	Replacement vehicle lift	D Cox	40	0	0	0	0	0
SC802	Replacement roller brake test rollers	D Cox	45	0	0	0	0	0
SC803	Market Square electrics upgrade	T Jones	60	0	0	0	0	0

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
SC804	ICT & Digital Capabilities	T Campbell	300	0	0	0	0	0
SC805	ANPR at the Meadows Community Centre Car Park	C Flowers	37	0	0	0	0	0
SC806	Acquisition of Nursery, Timberworks, Cromwell Rd, Cambridge	D Prinsep	1,548	0	0	0	0	0
SC807	S106 Akeman Street community centre improvements	D Kaye	5	0	0	0	0	0
SC808	Our Cambridge transformation - Office Accommodation Strategy	T Campbell	77	0	0	0	0	0
SC809	Green Homes Grant (GF)	J Smith	520	0	0	0	0	0
SC810	S106 kettlebell frame for outdoor fitness area at Abbey	I Ross	20	0	0	0	0	0
SC811	S106 Mill Road Centre fit out	I Ross	75	0	0	0	0	0
SC812	S106 Clay Farm community centre improvements	A Conder	17	0	0	0	0	0
SC813	S106 Trumpington Rec ground environmental enhancements	J Ogle	70	0	0	0	0	0
SC814	S106 public art grant for Ride with Pride (City-wide)	N Black	19	0	0	0	0	0
SC815	S106 Alexandra Gardens Rec - additional seating	J Parrott	5	0	0	0	0	0
SC816	S106 Jesus Green seating, benches and additional trees	J Parrott	13	0	0	0	0	0
SC817	S106 Coldhams Lane play area: benches, bins and noticeboards	J Parrott	10	0	0	0	0	0
SC821	S106 Nightingale Community Garden - informal kitchen	I Ross	9	0	0	0	0	0
SC822	Loan to CIP to purchase land south of Cambridge	C Ryba	8,390	6,750	0	13,500	0	0
SC823	S106 public art grant for Cherry Hinton Brook mural	N Black	7	0	0	0	0	0
SC824	S106 public art grant for Birdwood Area Art	N Black	10	0	0	0	0	0
SC825	S106 public art grant for Park Street Residents' Association	N Black	20	0	0	0	0	0
SC826	S106 Midsummer's Common community orchard improvements	J Ogle	15	0	0	0	0	0
SC827	S106 Five Trees open space: wildflower and tree planting in East Chesterton	M Magrath	15	0	0	0	0	0
SC828	WREN solar project at Waterbeach	D Prinsep	0	1,570	130	0	0	0
SC829	Histon Road redevelopment - loan to CIP	C Ryba	5,250	0	0	0	0	0
SC831	Sustainable Warmth Grant - Home Upgrade Grant 2	J Smith	0	4,500	5,508	0	0	0
SC832	Kings Hedges play area improvements	J Parrott	0	165	0	0	0	0
SC833	Decarbonisation works - Abbey Pool, Parkside Pool, Cherry Hinton village centre	I Ross	0	159	650	400	0	0
SC834	Recommended maintenance at Abbey Pool, Parkside Pool, Cherry Hinton village centre	I Ross	0	200	200	240	175	175
SC835	Essential repairs to Jesus Green river bank	A French	0	125	0	0	0	0
SC836	Parkside Pools diving boards	I Ross	0	30	0	0	0	0

Ref.	Description	Lead Officer	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	2027/28 (£000's)
SC837	Refuse collection vehicle - replacement HVO	D Cox	0	400	0	0	0	0
SC838	Laptop and desktop replacement	H Jones	0	100	100	100	100	100
SC839	Pathfinder House data centre equipment replacement - racks, power and cooling system	H Jones	0	110	0	0	0	0
SC840	Sand Martin and Patfinder House data centre refresh to hybrid environment	H Jones	0	215	0	0	0	0
SC841	Windows 2012 server replacement - capital	H Jones	0	30	0	0	0	0
SC842	Wireless access point	H Jones	0	74	0	0	0	0
SC843	Uninterruptible power supply replacement	H Jones	0	35	0	0	0	0
SC844	Democratic Services software replacement	A Limb	0	27	0	0	0	0
CAP5130	Contribution to GF from HRA for Corporate IT investment	H Jones	0	(129)	(23)	(23)	(23)	(23)
Capital-GF Projects			108,612	44,584	13,756	14,227	252	252
Capital-Programmes								
PR010	Environmental Improvements Programme	A Wilson	86	0	0	0	0	0
PR010b	Environmental Improvements Programme - South Area	J Richards	41	0	0	0	0	0
PR010c	Environmental Improvements Programme - West/Central Area	J Richards	58	0	0	0	0	0
PR010d	Environmental Improvements Programme - East Area	J Richards	38	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	978	0	0	0	0	0
PR039	Minor Highway Improvement Programme	J Richards	71	0	0	0	0	0
PR053	Commercial property repair and maintenance	W Barfield	400	300	300	300	300	300
PR054	Administrative buildings maintenance	W Barfield	251	166	166	400	400	400
PR055	Depot Relocation programme to create Operational Hub	S Cleary	9,976	0	0	0	0	0
PR056	Chalk Streams projects in Cambridge	G Belcher	0	60	120	120	0	0
Capital-Programmes			11,899	526	586	820	700	700
Capital-GF Provisions								
PV007	Cycleways	J Richards	379	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	0	0	60	0	0	0
PV554	Development Of land at Clay Farm	D Prinsep	251	15	705	0	0	0
Capital-GF Provisions			630	15	765	0	0	0
Total GF Capital Plan			121,141	45,124	15,107	15,047	952	952

Appendix E

Cambridge City Council Equality Impact Assessment (EqIA)

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

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

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Kate Yerbury, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046.

Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, (graham.saint@cambridge.gov.uk or 01223 457044).

1. Title of strategy, policy, plan, project, contract or major change to your service
General Fund Budget 2023/24 proposals

2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
https://democracy.cambridge.gov.uk/documents/s61628/S%20R%20Draft%20BSR%20Report%20and%20appendices%202023-24.pdf

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?
This Equality Impact Assessment (EqIA) assesses the equality impacts of the General Fund element of the City Council’s budget. An EqIA is undertaken on the budget proposals each year to enable the City Council to set a balanced budget for 2023/24 that reflects the Council’s vision and takes into account councillors’ priorities in its proposals for achieving the savings required

This EqIA has been completed for budget proposals that are likely to result in significant service changes. For some proposals there are minimal or neutral impacts and therefore they have not been included in this document.

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

The 2023/24 budget proposals that are considered as part of this impact assessment are:

B5008 Discretionary Housing Payments Bid B5032 Anti-Poverty Strategy responsive budget

B5060 City Garage Hourly Labour Rate Increased

B5090 Essential Repairs to Jesus Green Riverbank Feasibility

B5129 Permanent resource for supporting refugees and asylum seekers

CAP5030 Kings Hedges Recreation Ground Play Area

CAP5044 Essential Repairs to Jesus Green Riverbank

CPA5047 Browns Field decarbonisation

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding

S5101 Remove inflation from Community Grants programme

S5102 Cancel Big Weekend City Event

S5103 Reduce Homelessness prevention grant fund

S5118 Closing some public conveniences

4. Responsible service

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

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?

(Please tick all that apply)

- Residents
- Visitors
- Staff

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

N/A

6. What type of strategy, policy, plan, project, contract or major change to your service is this?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Major change <input type="checkbox"/> Minor change
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7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

If 'Yes' please provide details below:

This is an assessment of the Council's budget proposals and therefore covers all our services. The budget also affects some of the Council's partnership working

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

The Executive, 8th December 2022
Strategy & Resources scrutiny committee, 30th January 2023
The Executive 9th February 2023
Due to go to Full Council, 23 February 2023

9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?
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This information is based on feedback from Council Officers that lead on the individual Budget proposals and any EqIAs they have produced

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

(a) Age - Please also consider any safeguarding issues for children and adults at risk

B5008 Discretionary Housing Payments Bid - Discretionary Housing Payments are a crucial tool to support households who experience a shortfall between their housing benefit or Universal Credit

and their eligible rent. Housing benefit is open to all ages, although Universal Credit (UC) is only open to working age claimants. Pensioners on low incomes can claim Pension Credit and receive help towards their rent through housing benefit. Young care leavers and previous hostel dwellers are protected in housing benefit and UC by being entitled to higher Local Housing Allowance rates but may still need DHPs as they are less likely to have other sources of support. DHPs do not take account of age but seek to support sustainable tenancies by funding shortfalls and recipients who are of working age are further supported with referrals to get employment support to help reduce shortfalls with employment. All applicants are signposted for debt advice and to claim other incomes and benefits.

B5032 Anti-Poverty Strategy (APS) responsive budget – the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different groups. However, the APS does identify particular age groups which are more likely to experience poverty. For example, older people are more likely to be living in households receiving benefits than the population as a whole. 16% of pensioners in Cambridge were living in a household claiming Housing Benefit and/or Council Tax support in 2017, compared to 10.6% of all Cambridge residents¹. More than one in five (22%) of all children in the city in 2017 were living in households that are claiming Housing Benefit and/or Council Tax Support². In Cambridge, the number of visits on behalf of children made to food banks has risen significantly – from 1,502 in 2014 to 3,438 in 2019³.

CAP5030 Kings Hedges Recreation Ground Play Area – Improvement to the play area would benefit children by providing them with a safe, engaging play area to exercise and socialise. This would improve their health (physical and mental) and also social skills. Children suffering from severe play deprivation suffer abnormalities in neurological development, but the provision of play opportunities can at least partially remediate the situation⁴.

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - The budget bids would have a positive impact on young people as they would enable preventative work on anti-social behaviour (ASB) and exploitation to be carried out. Preventing the criminal exploitation of young people is a key concern for Cambridge Community Safety Partnership, with a focus currently on developing an information campaign to support young people and their families about County Lines. The bid would also have a positive impact on older people who may be subjected to ASB in their neighbourhood. If older people are subjected to ASB it could have a significant impact on their well-being, research has shown that older people tend not to go out in areas where ASB is prevalent and can then suffer from isolation. It is important to ensure that the support is available for them during such a time.

¹ Cambridge City Council, 2017, Housing Benefit and Council Tax support data

² Cambridge City Council, 2017, Housing Benefit and Council Tax support data

³ Cambridge City Foodbank, 2020, Foodbank usage data

⁴ Dr David Whitebread, University of Cambridge, Importance of play.

S5102 Cancel Big Weekend City Event - The event provides activity for young people and is designed to bring people together for free from different neighbourhoods in a safe environment, contributing to Community Cohesion and Community Safety initiatives. It is also an affordable cultural event for young people compared to other events that would be outside their price range. It also provides opportunities for young people to perform.

S5103 Reduce Homelessness prevention grant fund - Reducing the grant funding available for homelessness prevention could have a disproportionate impact on people with some protected characteristics. Evidence suggests that young people are disproportionately likely to experience homelessness. Centrepoin data for youth homelessness, suggests that there are over 122,000 homeless or at risk of homelessness young people within the UK who have approached Local Authorities for support. With datalink reports suggesting that 49% of those young persons were homeless as a result of families being unable to or unwilling to accommodate them, there are also growing numbers of instances of domestic abuse resulting in homelessness⁵. However, the impacts may be mitigated by the proposal that officers take a view on any grants of significant strategic importance such as winter provision for rough sleepers.

S5118 Closing some public conveniences – While older people may need to utilise toilet facilities more frequently, it is not expected that the proposal will have a significant equality impact, as current use of the facilities that are proposed for closure is very low and older people, alongside others, may be able to use alternatives,, however there may be those who might struggle to access alternatives. .

(b) Disability

B5008 Discretionary Housing Payments Bid - Discretionary Housing Payments (DHP) are a crucial tool to support households who experience a shortfall between their housing benefit or Universal Credit and their eligible rent. DHP assessment considers increased costs that many disabled individuals or households face. Disabled households are sometimes affected by Local Housing Allowance and Spare Room Subsidy restrictions as there is a lack of available accommodation to suit disability needs. Disabled households often need larger properties to accommodate wheelchairs or additional rooms for medical supplies or treatments. The easement that allows for an additional bedroom for an overnight carer does not help in these situations. DHPs often support these claimants for long periods of time. Help in making applications to Homelink to get on the housing register is made available by colleagues in Customer Service Centre and Housing.

B5032 - Anti-Poverty Strategy responsive budget- the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families

⁵ Centre Point and Youth Homelessness Databank, Beyond a Number: The Scale of Youth Homelessness in the UK

get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different groups. However, the APS does identify that disabled people are more likely to experience poverty. For example disabled people are less likely to be economically active. 58.1% of disabled people in Cambridge are economically active compared to 81.1% of the total city population. In the UK, disabled adults face extra costs of £583 per month, which is equivalent to almost half of their income on average.

CAP5030 Kings Hedges Recreation Ground Play Area – This bid will provide revised and accessible play equipment which suits the needs of children with different disabilities and needs. This will encourage socialising and interaction, improving mental health and developing imagination. Furthermore improving access to the play area would benefit parents with disabilities, enabling them to accompany their children to enjoy the play area.

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - The bid will have a positive impact for disabled people who can experience hate crime motivated by hatred towards someone's disability and the proposal would mean there would be extra resource to support people who experience this.

S5102 Cancel Big Weekend City Event - Disabled groups in Cambridge support the event as it provides a safe accessible and caring environment for disabled people to enjoy cultural events. Disabled people are more likely to experience poverty and this event is accessible by being free

S5103 Reduce Homelessness prevention grant fund - Reducing the grant funding available for homelessness prevention could have a disproportionate impact on people with some protected characteristics. Evidence suggests that disabled people are disproportionately likely to experience homelessness. Data from Homeless Link reviewed 31 HHNAs⁶ and found that between 2018-2021 63% of respondents reported a long term illness disability or infirmity. However, the impacts may be mitigated by the proposal that officers take a view on any grants of significant strategic importance, such as winter provision for rough sleepers.

S5118 Closing some public conveniences - While some people with disabilities and medical conditions may need to utilise toilet facilities more frequently, it is not expected that the proposal will have a significant equality impact, as current use of the facilities that are proposed for closure is very low and disabled people, alongside others, may be able to utilise alternatives, however there may be those who may struggle to access alternatives.

(c) Gender reassignment

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - This proposal would have a positive impact relating to gender reassignment, as there

⁶ Homeless Link, The Unhealthy State of Homelessness 2022

would be more capacity to support transgender people experiencing hate crime. In a recent meeting held with activists and voluntary and community sector groups supporting transgender and non-binary people it was shared that safety at night was especially a concern for transgender and non-binary people.

S5103 Reduce Homelessness prevention grant fund - Reducing the grant funding available for homelessness prevention could have a disproportionate impact on people with some protected characteristics. Evidence suggests that people with the protected characteristic of gender reassignment are disproportionately likely to experience homelessness. Stonewall LGBT in Britain, reported that one in 4 trans persons had experienced homelessness at some point in their life. However, the impacts may be mitigated by the proposal that officers take a view on any grants of significant strategic importance such as winter provision for rough sleepers.

(d) Marriage and civil partnership

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - These proposals would have a positive impact as domestic abuse information and signposting will be a continuing focus of the work of the team, as there has been significant increase in domestic abuse reported nationally since the easing of the lockdown restrictions (and Anti-Social Behaviour can often be associated with domestic abuse). The bid for increased staffing especially will increase the capacity of the team to undertake this work. The team also support the work of the White Ribbon campaign in Cambridge, which is aimed at ending male violence against women by engaging with men and boys to make a stand against violence.

(e) Pregnancy and maternity

B5008 - Discretionary Housing Payments Bid - Pregnancy and maternity can be a financially difficult time for some residents. Although generally additional personal allowances in housing benefit and UC are not given during pregnancy, they may be if the mother is unable to work during pregnancy. Expectant families are also sometimes affected by Local Housing Allowance and Spare Room Subsidy restrictions until the child/ren are born. DHPs can support these households during this time.

CAP5030 - Kings Hedges Recreation Ground Play Area – Improvements to the play area could provide a social space for parents to interact, reducing isolation and creating a positive impact. A [study by the British Red Cross](#) found that more than eight in ten mothers (83%) under the age of 30 felt lonely some of the time and 43% felt lonely all the time. Another survey found that 90% of new mothers felt lonely since giving birth, with over half feeling that they had no friends.

S5118 Closing some public conveniences - While people who are pregnant or with babies and/or young children may need to utilise toilet facilities more frequently, it is not expected that the

proposal will have a significant equality impact, as current use of the facilities that are proposed for closure is very low however those who are pregnant may not be able to find alternatives due to the nature of pregnancy..

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

B5008 Discretionary Housing Payments Bid - Entitlement to DHP does not make reference to race and is not impacted by it. However, UK statistics show that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years. Poverty rates are higher among all ethnic minority groups compared with those among the majority White British, therefore it could be that there are proportionally higher numbers of claims from some ethnic minority groups than others when compared to the proportion in the population⁷.

<https://www.runnymedetrust.org/uploads/publications/pdfs/202%20reports/The%20Colour%20of%20Money%20Report.pdf>.

B5032 Anti-Poverty Strategy responsive budget - the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different groups. However, while residents in Cambridge have a range of income levels, evidence suggests that some ethnic minority residents in Cambridge may be more likely to experience poverty. For example, ethnic minority residents in Cambridge have a much lower employment rate (71.4%) than the employment rate for the whole population (80.3%).

B5129 Permanent resource for supporting refugees and asylum seekers – This proposal would have a positive impact on people with the protected characteristic of race by providing support for refugees and asylum seekers of different nationalities.

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - This bid would have a positive impact in increasing the team’s capacity to support ethnic minorities who may be impacted by hate crime motivated by hatred towards someone’s race

S5102 Cancel Big Weekend City Event – The programme of the Big Weekend embraces a wide cross section of cultures and is designed to bring people together to mix altogether rather than segregate different cultural groups into their own separate community events. The Mela which

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<https://www.runnymedetrust.org/uploads/publications/pdfs/202%20reports/The%20Colour%20of%20Money%20Report.pdf>.

celebrates Cambridge's varied Asian cultures, originally was funded by PREVENT money to contribute to Community Cohesion policies and to represent Asian culture more widely within the community. Cancellation will directly affect the opportunities of the Asian community.

S5103 Reduce Homelessness prevention grant fund – Reducing the grant funding available for homelessness prevention could have a disproportionate impact on people with some protected characteristics. Evidence suggests that people from minority ethnic groups are disproportionately likely to experience homelessness. Figures from MHCLG⁸ show that 37% of applicants were either BAME or Gypsy, Roma, Traveller. However, the impacts may be mitigated by the proposal that officers take a view on any grants of significant strategic importance such as winter provision for rough sleepers.

(g) Religion or belief

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - This bid would have a positive impact in increasing the team's capacity to support victims of hate crime that is motivated by hatred towards someone's religion

(h) Sex

B5008 Discretionary Housing Payments Bid – Discretionary Housing Payments are a crucial tool to support households who experience a shortfall between their housing benefit or Universal Credit and their eligible rent. This bid could have a positive impact on single parents, who are generally more likely to be women than men (90% of lone parents are female) according to ONS 2019. Locally, when looking at Council Tax Reduction (which will cover both housing benefit and Universal Credit claims) of the 1,549 single parent households, 1,463 are women. This represents 94% female single parent households on Council Tax Reduction

B5032 Anti-Poverty Strategy responsive budget - the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different groups. However, the APS does identify that on average women in Cambridge earn less than men. The gender pay gap (42%) is bigger in the bottom 20% decile of wages, as men in this group are paid £414.90 per week on average and women are paid £238.90. According to national statistics, lone parents are more likely to experience poverty than other household types⁹ and 90% of lone parents are women¹⁰. Lone parent families are more

⁸ MHCLG statutory homelessness live data tables 2021/22

⁹ Joseph Rowntree Foundation (2020), 'UK Poverty 2019/2020'

¹⁰ ONS (2019), 'Families and Households'

likely to be receiving benefits than other households, with almost 4 out of 5 (77%) of lone parent families in Cambridge receiving Housing Benefit and/or Council Tax support in 2017¹¹.

URP5031 Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding - The team works to support identify victims of domestic abuse as part of its case work ensuring that appropriate referrals are made. Research has shown that 1 in 6 women and 1 in 4 men experience domestic abuse. The team also support the work of the White Ribbon campaign in Cambridge. This campaign is aimed at ending male violence against women by engaging with men and boys to make a stand against violence. This proposed bids for increased staffing will ensure the team has staffing to undertake this.

(i) Sexual orientation

B5032 Anti-Poverty Strategy responsive budget - the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different groups. However, the APS does identify that members of the LGBTQ+ community are more likely to experience poverty and homelessness at some point in their lives. National statistics from Stonewall reveal that in 2018 almost one in five LGBT people (18 per cent) had experienced homelessness at some point in their lives.

URP5031 - Continuation of previous two-year bids for community safety staffing to manage ASB and Safeguarding This bid would have a positive impact in increasing the team's capacity to support victims of hate crime that is motivated by hatred towards someone's sexuality

S5103 Reduce Homelessness prevention grant fund - Reducing the grant funding available for homelessness prevention could have a disproportionate impact on people with some protected characteristics. Evidence suggests that LGBTQ+ people are disproportionately likely to experience homelessness. Research by the Albert Kennedy Trust¹² reported that up to 24% of young homeless people were part of the LGBTQ+ community, and furthermore 77% stated that being LGBTQ+ was a factor in becoming homeless. However, the impacts may be mitigated by the proposal that officers take a view on any grants of significant strategic importance such as winter provision for rough sleepers.

¹¹ Cambridge City Council, 2017, Housing Benefit and Council Tax support data

¹² Albert Kennedy Trust, LGBT Youth Homelessness

(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on:

- **Low-income groups or those experiencing the impacts of poverty**
- **Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_I59kt25q).**

B5008 Discretionary Housing Payments Bid - It is important that families on a low income, who are often less able to budget, are clear about the support they will receive. Low-income households often do not have sufficient savings to allow them to choose good quality accommodation as large deposits and rent in advance are often required. According to Scope families with disabled children on average, face extra costs of £581 a month. For 24% of families with disabled children, extra costs amount to over £1,000 a month. Older people more likely to have long-term health conditions or disabilities so face extra living costs relating to having a disability

B5060 City Garage Hourly Labour Rate Increased - Increased hourly wage rate would have a positive impact on those on low incomes by increasing their income. Studies by Living Wage Foundation show that employees who earn a higher wage rate (in line with Living costs) were more motivated, productive and had less sick leave.

B5090 / CAP5044 Essential Repairs to Jesus Green Riverbank Feasibility – This proposal would have a positive impact to all river users, including those with a protected characteristic, by providing a safe access/egress of the river.

B5032 - Anti-Poverty Strategy responsive budget - the APS responsive budget is used to respond to poverty-related issues that emerge during the course of the year. For example, during the Covid-19 lockdowns the budget was used to provide support for digital devices to help low income families get online and work to address food poverty issues. The responsive nature of the budget means it is difficult to predict how it will impact on different equalities groups, but the budget will be used to support residents on low incomes and those impacted by the cost of living crisis. Those with dual characteristics or an individual's intersectionality could compound a person's experience of poverty and therefore coordinated actions within the Strategy would have a positive effect.

S5101 Remove inflation from Community Grants programme - The grants budget will remain the same size but will not increase in line with inflation. The implications are being assessed by the service, but currently officers do not anticipate that this proposal will have any negative equality impacts, as grant aided services will be re-prioritised for those most in need, which could include voluntary groups that support particular protected characteristics

S5102 Cancel Big Weekend City event- The Big Weekend contributes to the anti-poverty strategy and has a high proportion of NEET attendees. The Big Weekend is not targeted at specific groups and is open to all Cambridge residents. While people on low incomes may attend events, their financial circumstances (level of poverty) will not be affected by the proposal. The event does attract a large audience from outside of the city boundary, encouraging diversity, inclusion and socialising for visiting and participating. Cambridge Big Weekend is a positive opportunity for many community groups to celebrate, support and raise awareness. Ceasing the Big Weekend would

remove this public opportunity for community groups. The City Council (with partners) host other FOC public events such as Strawberry Fair and Bonfire Night (Fireworks).
The impact of cancelling The Mela is considered on p8 (section F)

S5118 closure of some public toilet facilities – closing some public facilities may impact on those experiencing homelessness and as a result there is the potential for increased public urination/defecation in those areas

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

Click here to enter text.

12. Do you have any additional comments?

Click here to enter text.

13. Sign off

Name and job title of lead officer for this equality impact assessment: Kate Yerbury, Equality and Anti-Poverty Officer

Names and job titles of other assessment team members and people consulted: David Kidston, Strategy and Partnerships Manager; Joel Carre, Head of Environmental Services; Keryn Jalli, Community Safety Manager; Frances Alderton, Cultural Services Events Manager and Alistair Wilson, Development Manager

Date of EqIA sign off: [Click here to enter text.](#)

Date of next review of the equalities impact assessment: [Click here to enter text.](#)

Date to be published on Cambridge City Council website: [Click here to enter text.](#)

All EqIAs need to be sent to Kate Yerbury, Equality and Anti-Poverty Officer at [Kate.Yerbury @cambridge.gov.uk](mailto:Kate.Yerbury@cambridge.gov.uk).

ⁱ Joseph Rowntree Foundation (2020), 'UK Poverty 2019/2020'

Appendix F

Budget-Setting Report (BSR) 2023/24 - Review of Charges

In the Medium-Term Financial Strategy (MTFS) October 2022 the general inflation assumption (target) for income and charges was 9.4% for 2023/4 and 2.0% 2024/25 and ongoing. All areas are required to review fees and charges (including property rental income based on detailed projections and rent reviews) and, if any specific review results in material additional or reduced income, then these are identified and included in the Budget- Setting Report (BSR) February 2023 as budget proposals.

Contents:

Portfolio	Charges	Contacts
Environment, Climate, and Biodiversity	Environmental Services Taxi Testing Shared Waste Control of Dogs Markets	Yvonne O'Donnell David Cox Bode Esan Wendy Johnston Tim Jones
Open Spaces, Food Justice and Community Development - Sport & Recreation	Sports and Recreation Bereavement Services Open Spaces	Ian Ross Glyn Theobald Joel Carre
Housing – General Fund	HMOs, Enforcement	Yvonne O'Donnell
Planning Policy and Infrastructure	Parking	Sean Cleary
Finance & Resources	Moorings Guildhall Lettings Land Charges	Ashley Read Gary Clift Laura Prideaux-Brune
Licensing	Business Licensing Taxi Licensing Licensing & Gambling Act Animal Licensing Street Trading	Yvonne O'Donnell Tim Jones

Environment, Climate and Biodiversity

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Environmental Services				
Pest Control Treatments for Businesses / Commercial per hour (minimum half hour)	Discretionary	101.00	111.00	9.9%
House / Car Alarms (fee includes administration costs)	Discretionary	Actual Costs	Actual Costs	0.0%
Lecture Fees - per hour	Discretionary	89.00	97.00	9.0%
Food Surrender and Disposal	Discretionary	Actual Costs	Actual Costs	0.0%
Food Register - entire register printed	Discretionary	926.00	1,013.00	9.4%
Taught CIEH courses	Discretionary	74.50	81.50	9.4%
Online CIEH Courses	Discretionary	28.00	31.00	10.7%
Examination following on-line courses	Discretionary	23.00	25.00	8.7%
Tailored Training	Discretionary	Actual Costs	Actual Costs	0.0%
Mentoring Training at £85 hour	Discretionary	Actual Costs	Actual Costs	0.0%
Primary Authority Partnership Scheme at £85 hour	Discretionary	Actual Costs	246.00	0.0%
Contaminated Land (per Enquiry/Polygon)	Discretionary	225.00	246.00	9.3%
Food Hygiene Ratings (FHRS) Rescore	Discretionary	198.00	216.00	9.1%
Pavement Licence (NEW)	Discretionary	0.00	100.00	NEW
Scrap Metal Dealers				
Site Licence	Discretionary	468.00	512.00	9.4%
Conversion to collector's licence	Discretionary	57.00	62.00	8.8%
Change of licensee name	Discretionary	57.00	62.00	8.8%
Addition of site	Discretionary	468.00	512.00	9.4%
Removal of site	Discretionary	57.00	62.00	8.8%
Change of Site Manager	Discretionary	137.00	150.00	9.5%
Replacement of lost or damaged licence	Discretionary	51.00	56.00	9.8%
Collector's licence	Discretionary	200.00	219.00	9.5%
Conversion to site licence	Discretionary	405.00	443.00	9.4%
Change of name (e.g. status)	Discretionary	57.00	62.00	8.8%
Replacement of lost or damaged licence	Discretionary	51.00	56.00	9.8%
Taxi Vehicle Testing by the Garage				
Mechanical Fitness Test (Twice Yearly)	Discretionary	65.00	71.00	9.2%
Re-test if works carried out at a separate garage and returned within 10 days	Discretionary	33.00	36.00	9.1%
Re-test if works carried out at a separate garage and returned after 10 days	Discretionary	70.00	76.00	8.6%
Shared Waste Service				
Hazardous domestic collections				
Per Item (Fridge / Freeze / CRT Monitor / TV / Microwaves etc.)	Discretionary	25.00	26.50	6.0%
Domestic collections - Bulky Collections				
One to three items (excluding hazardous items)	Discretionary	31.00	32.50	4.8%
More than three items (per item and maximum 9 items)	Discretionary	5.00	5.50	10.0%
Charge to empty contaminated bin / additional empty (per bin)	Discretionary	31.00	32.50	4.8%
Clearance of rubbish from bin stores	Discretionary	By quote	By quote	0.0%
Annual 2nd green bin charge - per additional bin (October to October)	Discretionary	40.00	45.00	12.5%
Additional garden waste capacity for flats (per 1100l bin)	Discretionary	80.00	84.00	5.0%
Bins				
Delivery of bin(s) for new property	Discretionary	82.00	90.00	9.8%
Additional approved black bin - for large families etc.	Discretionary	50.00	55.00	10.0%
Delivery of a replacement black bin 240 litre - (damaged/stolen)	Discretionary	50.00	55.00	10.0%
Delivery of a replacement green/blue bin (damaged/stolen)	Discretionary	FREE	FREE	0.0%
Blue bin charge - First two bins	Discretionary	FREE	FREE	0.0%
Additional blue bin charge (First 2 bins are free)	Discretionary	FREE	25.00	0.0%
Recycling Kitchen Caddy Sacks (in packs of 50). Includes VAT.	Discretionary	3.00	4.20	40.0%
Dogs				
Statutory Fee for all stray dogs**	Statutory	25.00	25.00	0.0%
Collection and transportation cost of stray dogs in normal office hours	Discretionary	70.00	77.00	10.0%
Kennels registration and vet checking fee	Discretionary	55.00	60.00	9.1%
Daily kennel charges	Discretionary	17.50	19.00	8.6%
Markets				
Cambridge Retail Market				
Monday - Tuesday rents				
General Market Weekday Premium	Discretionary	21.15	21.70	2.6%
General Market Weekday Standard	Discretionary	10.00	10.00	0.0%
Wednesday - Friday rents				
General Market Weekday Premium	Discretionary	21.15	21.70	2.6%
General Market Weekday Standard	Discretionary	17.50	18.00	2.9%
General Market Weekend Premium				
General Market Weekend Premium	Discretionary	40.61	41.60	2.4%
General Market Weekend Standard	Discretionary	33.36	34.20	2.5%
Hot Food Premium				
Hot Food Premium	Discretionary	7.51	7.70	2.5%
Casual Trading Premium				
Casual Trading Premium	Discretionary	5.00	5.00	0.0%
*Storage Units				
*Storage Units	Discretionary	18.03	18.40	2.1%
All Saints Craft Fair				
Monday - Friday rents	Discretionary	16.26	16.65	2.4%
Saturday rent	Discretionary	34.40	35.25	2.5%

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
All Markets - Administration Fees				
Variations Fee - applicable for any changes that result in the production of a new licence.	Discretionary	30.00	30.00	0.0%
Direct Debit rebate	Discretionary	0.04	N/A	0.0%
* These charges are shown net of VAT				
** Externally set fees and charges				

Open Spaces, Food Justice and Community Development

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Sports & Recreation Charges (including VAT)				
Sports Facilities				
Cricket				
Adult Per pitch	Discretionary	45.00	50.00	11.1%
Including Pavilion	Discretionary	61.00	65.00	6.6%
Junior per pitch (Under 16's)	Discretionary	29.00	31.50	8.6%
Including Pavilion	Discretionary	35.50	39.00	9.9%
Football/Rugby/Hockey				
Per pitch including Pavilion	Discretionary	58.50	64.00	9.4%
Junior per pitch including Pavilion (Under 16's)	Discretionary	32.00	35.00	9.4%
8-a-side pitch	Discretionary	24.00	26.00	8.3%
American Football				
Per pitch (including 4 changing rooms)	Discretionary	102.00	112.00	9.8%
Junior (Under 16's) per pitch (including 4 changing rooms)	Discretionary	51.00	56.00	9.8%
Rounders				
Per Pitch	Discretionary	25.00	27.00	8.0%
Per Pitch - Junior (Under 16's)	Discretionary	13.00	14.00	7.7%
Tennis				
Jesus Green - Per hour	Discretionary	FREE	FREE	0.0%
Nightingale Avenue, Lammas Land, Coleridge, Barnwell, Christs	Discretionary	FREE	FREE	0.0%
Abbey Artificial Pitch (including Floodlights)				
Peak Time				
<i>Mon-Fri 17.00-22.00/Sat 11.00-19.00/Sun 12.00-16.00</i>				
Whole Pitch	Discretionary	61.50	67.50	9.8%
Whole Pitch - Junior	Discretionary	33.00	36.00	9.1%
Half Pitch	Discretionary	40.00	43.50	8.8%
Half Pitch - Junior	Discretionary	22.50	24.50	8.9%
Off-Peak Time				
Whole Pitch	Discretionary	48.50	53.00	9.3%
Whole Pitch - Junior	Discretionary	31.50	34.50	9.5%
Half Pitch	Discretionary	33.00	36.00	9.1%
Half Pitch - Junior	Discretionary	19.50	21.50	10.3%
Lighting Charges per hour				
Whole Pitch max lux	Discretionary	20.00	22.00	10.0%
Half Pitch max lux	Discretionary	12.00	13.00	8.3%
Changing Room Hire - Per Game				
Additional Changing Room (per room)		13.00	15.00	15.4%
Swimming Services*				
The charges relating to the swimming services are the HEADLINE prices				
These charges are the MOST the Leisure Contractor can charge for an activity				
The Leisure Contractor can REDUCE any or all of the activity prices BELOW the headline price if they wish.				
Juniors are 17 years and under; Under 3's are FREE				
	Discretionary	FREE	FREE	0.0%
Parkside Pools				
Adult	Discretionary	5.10	6.00	17.6%
Junior	Discretionary	2.65	3.00	13.2%
Main Pool Hire - per hour (Non Commercial)	Discretionary	139.00	152.00	9.4%
Main Pool Hire - per hour (Commercial)	Discretionary	360.00	400.00	11.1%
Lane Hire	Discretionary	25.50	28.00	9.8%
Diving Pool - per hour (Non Commercial)	Discretionary	79.50	87.00	9.4%
Diving Pool - per hour (Commercial)	Discretionary	112.50	125.00	11.1%
Children's Pool Hire - per hour (Non Commercial)	Discretionary	52.00	57.00	9.6%
Children's Pool Hire - per hour (Commercial)	Discretionary	63.00	70.00	11.1%
Flumes	Discretionary	61.50	68.00	10.6%
Non-City LEA School Swim	Discretionary	2.00	2.20	10.0%
Abbey Pool				
Adult	Discretionary	5.10	6.00	17.6%
Junior	Discretionary	2.65	3.00	13.2%
Pool Hire - per hour (Non Commercial)	Discretionary	90.00	100.00	11.1%
Pool Hire - per hour (Commercial)	Discretionary	112.50	125.00	11.1%
Learner Pool Hire - per hour (Non Commercial)	Discretionary	46.00	50.00	8.7%
Learner Pool Hire - per hour (Commercial)	Discretionary	62.50	70.00	12.0%
Gala Hire - per hour (City Clubs)	Discretionary	170.00	185.00	8.8%
Gala Hire - per hour (Commercial)	Discretionary	230.00	275.00	19.6%
Non-City LEA School Swim	Discretionary	2.00	2.20	10.0%
Kings Hedges Pool				
Pool Hire - per hour - Non Commercial	Discretionary	42.50	46.50	9.4%
Pool Hire - per hour - (Commercial)	Discretionary	63.00	70.00	11.1%
Jesus Green Outdoor Pool				
Adult	Discretionary	5.10	6.00	17.6%
Junior	Discretionary	2.65	3.00	13.2%
Pool hire per Hour - Non Commercial	Discretionary	118.00	130.00	10.2%
Pool hire per Hour - (Commercial)	Discretionary	300.00	350.00	16.7%

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Health Suites				
Abbey Pool				
Sauna & Swim	Discretionary	8.00	8.75	9.4%
GP Referral				
Swimming Session - Abbey, Parkside, Kings Hedges				
Induction	Discretionary	9.50	10.50	10.5%
Session	Discretionary	3.50	3.75	7.1%
Membership Cards				
Adult Residents (up to 30% discount)	Discretionary	10.00	15.00	50.0%
Adult Students & 60+ (up to 35% Discount)	Discretionary	7.50	10.00	33.3%
Adult Concessions (up to 50% Discount)	Discretionary	5.00	6.00	20.0%
Junior Residents (up to 30% discount)	Discretionary	5.00	6.00	20.0%
Junior Concessions (up to 50% Discount)	Discretionary	2.50	3.00	20.0%
Cherry Hinton Village Centre				
Activity				
Main Hall per Hour - Adult	Discretionary	49.00	53.50	9.2%
Main Hall per Hour - Junior (17yr & Under)	Discretionary	28.50	31.00	8.8%
Large Meeting Room per hour - (Community)	Discretionary	22.50	24.00	6.7%
Large Meeting Room per hour - (Commercial)	Discretionary	31.50	34.50	9.5%
Small Meeting Room per hour - (Community)	Discretionary	11.50	12.50	8.7%
Small Meeting Room per hour - (Commercial)	Discretionary	19.50	21.00	7.7%
Admission on Sports Bookings per person	Discretionary	0.30	0.30	0.0%
Badminton Court per hour - Adult	Discretionary	14.00	15.00	7.1%
Badminton Court per hour - Junior (17yr & Under)	Discretionary	8.00	8.75	9.4%

* Swimming entry prices were approved at a meeting of The Executive on 8 December and were effective from 2 January 2023

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Allotments				
Standard size is 10 rods (300 m2)				
Allotment Full size	Discretionary	67.00	73.00	9.0%
Allotment Half size	Discretionary	33.50	36.50	9.0%
Allotment starter plot	Discretionary	23.50	25.50	8.5%
Parks, Commons & Open Spaces				
Grazing				
Cows	Discretionary	68.50	75.00	9.5%
Cows - 10 or more (per beast)	Discretionary	44.00	48.00	9.1%
Parks & Open Spaces Lettings				
Application Fee - all applicants (may be returnable for local events if criteria met) (Plus VAT)	Discretionary	125.00	135.00	8.0%
Filming on parks and open spaces (Non Commercial)	Discretionary	Free	Free	0.0%
Filming on parks and open spaces (Commercial)	Discretionary	Negotiable	Negotiable	0.0%
Daily Hire - Fairs #	Discretionary	505.00	550.00	8.9%
Daily Hire - Circuses #	Discretionary	430.00	470.00	9.3%
Setting up/Pulling down days (For events where hire fee is more)	Discretionary	240.00	263.00	9.6%
Ongoing business use e.g. fitness classes (per quarter)	Discretionary	370.00	405.00	9.5%
Non Commercial Public Events ‡	Discretionary	290.00	317.00	9.3%
National Charities ‡	Discretionary	225.00	245.00	8.9%
Local events / demos ‡	Discretionary	Free	Free	0.0%
Fun Runs and Charity Walks (Local Charity Run/100% beneficiary)(under 500 participants)	Discretionary	Free	Free	0.0%
Commercial Public Events on City Centre Parks: †	Discretionary	Negotiable	Negotiable	0.0%
- minimum charge for lettings up to and over 1,000 sq. metres	Discretionary	940.00	1,030.00	9.6%
- additional charge per square metre for lettings over 1,000 sq. metres	Discretionary	2.15	2.35	9.3%
Commercial Public Events on Other Parks & Open Spaces: †	Discretionary	Negotiable	Negotiable	0.0%
- minimum charge for lettings up to and over 1,000 sq. metres	Discretionary	500.00	545.00	9.0%
- additional charge per square metre for lettings over 1,000 sq. metres	Discretionary	2.15	2.35	9.3%
Use of a Premises Licence for external event providers	Discretionary	At Pro rata cost per day of total licence fee	At Pro rata cost per day of total licence fee	0.0%
Provision of Wi-Fi facility for commercial events	Discretionary	Free Where Existing	Free Where Existing	0.0%
Internal Event/Cambridge Live - No Fees	Discretionary	136.00	149.00	9.6%
Internal Event/Cambridge Live - Fee Paying	Discretionary	184.00	200.00	8.7%
Bill Posting				
A4 size poster	Discretionary	6.00	6.50	8.3%
A3 size poster	Discretionary	7.00	7.50	7.1%
A2 size poster	Discretionary	9.50	10.00	5.3%
A1 size poster	Discretionary	13.00	14.00	7.7%
A0 size poster	Discretionary	44.00	45.00	2.3%
Lammas Land Car Park				
Monday to Friday				
Up to 2 Hours	Discretionary	2.00	2.20	10.0%
Up to 4 Hours	Discretionary	5.00	5.40	8.0%
Up to 5 Hours	Discretionary	10.00	10.80	8.0%
Up to 8 Hours (Maximum allowed)	Discretionary	20.00	22.00	10.0%
Saturday and Sunday				
Up to 2 Hours	Discretionary	2.00	2.20	10.0%
Up to 4 Hours	Discretionary	4.80	5.20	8.3%
Up to 5 Hours (Maximum allowed)	Discretionary	9.00	9.80	8.9%
Trolley Collection				
Trolleys-Council collection and delivery of trolley back to store immediately	Discretionary	63.00	69.00	9.5%
Council collection and storage of trolleys collected 1st Week	Discretionary	69.00	75.00	8.7%
Council collection and storage of trolleys collected 2nd Week	Discretionary	87.00	95.00	9.2%
Council collection and storage of trolleys collected 3rd Week	Discretionary	105.00	115.00	9.5%
Council collection and storage of trolleys collected 4th Week	Discretionary	123.00	135.00	9.8%
Council collection and storage of trolleys collected 5th Week	Discretionary	145.00	159.00	9.7%
Council collection and storage of trolleys collected 6th Week	Discretionary	159.00	174.00	9.4%
Council collection and storage of trolleys disposed of after 6 weeks	Discretionary	162.00	177.00	9.3%

‡ to include fun runs, cycle rides and charity walks, up to 500 participants

† to include fun runs, cycle rides and charity walks, over 500 participants

A sealed bid process may be applicable where more than one application is made for dates

Housing - General Fund

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Licences:				
HMO Licences - New Applications	Discretionary	988.00	1,037.00	5.0%
HMO Licence - Renewals	Discretionary	988.00	1,037.00	5.0%
HMO Licence - Renewals - if submitted at least 8 weeks prior to expiry of current licence	Discretionary	890.00	933.00	4.8%
Assisted application	Discretionary	Cost	Cost	0.0%
Enforcement Activity				
Penalty for non compliance (not belonging to one of the approved Property Redress schemes) £5,000 maximum charge	Statutory	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	0.0%
Subsequent offences	Statutory	5,000.00	5,000.00	0.0%
Penalty for non compliance with the Smoke and Carbon Monoxide Regulations	Statutory	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	Monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000	0.0%
Fixed penalty for failure to produce an Energy Performance Certificate, EPC, as per the requirements of the Energy Act 2016	Statutory	200.00	200.00	0.0%
Civil Penalty for failure to comply with The Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015, MEES	Statutory	Maximum financial penalty of up to £5,000 taking into account the fine criteria and individual maximum penalties specified under Regulation 40 on a case by case basis.	Maximum financial penalty of up to £5,000 taking into account the fine criteria and individual maximum penalties specified under Regulation 40 on a case by case basis.	0.0%
Civil Penalty for non-compliance under the Housing and Planning Act 2016	Statutory	Case by case basis using agreed matrix, maximum of £30,000 per offence	Case by case basis using agreed matrix, maximum of £30,000 per offence	0.0%
Charge for the service of an Improvement Notice under the Housing Act 2004	Discretionary	351.00	383.00	9.1%
Charge for the service of a Prohibition Order under the Housing Act 2004	Discretionary	318.00	347.00	9.1%
Charge for the service of an Emergency Remedial Action Notice under the Housing Act 2004	Discretionary	298.00	325.00	9.1%
Charge for the review of Suspended notices or orders served under the Housing Act 2004	Discretionary	106.00	116.00	9.4%
Financial Penalty for breach of The Electrical Safety Standards in the Private Rented Sector Regs 2020	Statutory	Case by case as determined up to maximum £30,000	Case by case as determined up to maximum £30,000	0.0%
Training and other services				
Delivering training and other discretionary services for landlords and agents (Includes development, promotion, overheads and associated costs)	Discretionary	At Cost	At Cost	0.0%
Landlord training (per delegate)	Discretionary	107.00	At Cost	N/A

Planning Policy and Infrastructure

All fees are Discretionary

MULTISTOREY CAR PARKS (Pay on foot)	2022/23			
	Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Grand Arcade	Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
1hr	£2.60	£3.10	£2.90	£3.40
2hrs	£5.00	£6.00	£5.50	£6.50
3hrs	£7.50	£8.90	£8.10	£9.70
4hrs	£10.80	£13.00	£12.60	£14.60
5hrs	£20.70	£23.40	£22.10	£24.60
over 5 hrs	£26.70	£29.90	£27.90	£30.90
evenings & overnight	£1.20	£1.20	£1.20	£1.20

Queen Anne Terrace	2022/23			
	Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
	Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
1hr	£1.70	£2.20	£1.70	£2.10
2hrs	£3.30	£4.30	£3.30	£4.30
3hrs	£4.50	£6.00	£4.50	£6.00
4hrs	£5.30	£7.30	£5.30	£7.30
5hrs	£7.00	£9.60	£7.00	£9.50
6hrs	£10.70	£13.70	£10.60	£13.70
over 6 hrs	£14.10	£17.80	£14.20	£17.80
evenings & overnight	£0.80	£0.80	£0.80	£0.80

Grafton East	2022/23			
	Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
	Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
1hr	£2.40	£2.90	£2.60	£3.10
2hrs	£3.90	£4.90	£4.70	£5.70
3hrs	£6.00	£7.50	£6.60	£8.20
4hrs	£9.80	£11.90	£11.20	£13.20
5hrs	£18.10	£20.70	£19.30	£21.80
over 5 hrs	£25.70	£28.70	£25.70	£28.70
evenings & overnight	£0.80	£0.80	£0.80	£0.80

Grafton West	2022/23			
	Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
	Mon-Fri 10am to 7pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-7pm)	Sat 9am to 7pm Sun 10am to 5pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-7pm and Sun 11am to 5pm)
1hr	£2.40	£2.90	£2.60	£3.10
2hrs	£3.90	£4.90	£4.70	£5.70
3hrs	£6.00	£7.50	£6.60	£8.20
4hrs	£9.80	£11.90	£11.20	£13.20
5hrs	£18.20	£20.70	£19.30	£21.80
over 5 hrs	£25.70	£28.70	£25.70	£28.70
evenings & overnight	£0.80	£0.80	£0.80	£0.80

2023/24			
Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Mon-Fri 10am to 6pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-6pm)	Sat 8am to 6pm Sun 10am to 6pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-6pm and Sun 11am to 6pm)
£2.70	£3.30	£3.10	£3.60
£5.30	£6.40	£5.90	£7.00
£8.00	£9.60	£8.70	£10.40
£11.70	£13.80	£13.50	£15.70
£22.30	£25.10	£23.70	£26.40
£28.80	£32.00	£29.90	£33.10
£0.00	£0.00	£0.00	£0.00

2023/24			
Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Mon-Fri 10am to 6pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-6pm)	Sat 8am to 6pm Sun 10am to 6pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-6pm and Sun 11am to 6pm)
£1.70	£2.30	£1.70	£2.30
£3.50	£4.60	£3.50	£4.60
£4.80	£6.40	£4.80	£6.40
£5.70	£7.80	£5.70	£7.80
£7.50	£10.20	£7.50	£10.20
£11.40	£14.70	£11.40	£14.70
£15.30	£19.10	£15.30	£19.10
£0.00	£0.00	£0.00	£0.00

2023/24			
Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Mon-Fri 10am to 6pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-6pm)	Sat 8am to 6pm Sun 10am to 6pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-6pm and Sun 11am to 6pm)
£2.50	£3.10	£2.70	£3.30
£4.10	£5.20	£5.00	£6.10
£6.40	£8.10	£7.10	£8.70
£10.60	£12.80	£12.00	£14.20
£19.50	£22.20	£20.70	£23.40
£27.60	£30.80	£27.60	£30.80
£0.00	£0.00	£0.00	£0.00

2023/24			
Mondays to Fridays	Mondays to Fridays PEAK TIME	Saturdays and Sundays	Saturdays and Sundays PEAK TIME
Mon-Fri 10am to 6pm	If a vehicle parks between Mon to Fri 8am to 10am the following rates are payable for the duration of the stay (8am-6pm)	Sat 8am to 6pm Sun 10am to 6pm	If a vehicle parks between 11am to 1pm the following rates are payable for the duration of the stay (Sat 11am-6pm and Sun 11am to 6pm)
£2.50	£3.10	£2.70	£3.30
£4.10	£5.20	£5.00	£6.10
£6.40	£8.10	£7.10	£8.70
£10.60	£12.80	£12.00	£14.20
£19.50	£22.20	£20.70	£23.40
£27.60	£30.80	£27.60	£30.80
£0.00	£0.00	£0.00	£0.00

2032/24 from 2022/23			
Comparisons % Change			
Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
3.8%	6.5%	6.9%	5.9%
6.0%	6.7%	7.3%	7.7%
6.7%	7.9%	7.4%	7.2%
8.3%	6.2%	7.1%	7.5%
7.7%	7.3%	7.2%	7.3%
7.9%	7.0%	7.2%	7.1%
-100.0%	-100.0%	-100.0%	-100.0%

2032/24 from 2022/23			
Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
0.0%	4.5%	0.0%	9.5%
6.1%	7.0%	6.1%	7.0%
6.7%	6.7%	6.7%	6.7%
7.5%	6.8%	7.5%	6.8%
7.1%	6.3%	7.1%	7.4%
6.5%	7.3%	7.5%	7.3%
8.5%	7.3%	7.7%	7.3%
-100.0%	-100.0%	-100.0%	-100.0%

2032/24 from 2022/23			
Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.2%	6.9%	3.8%	6.5%
5.1%	6.1%	6.4%	7.0%
6.7%	8.0%	7.6%	6.1%
8.2%	7.6%	7.1%	7.6%
7.7%	7.2%	7.3%	7.3%
7.4%	7.3%	7.4%	7.3%
-100.0%	-100.0%	-100.0%	-100.0%

2032/24 from 2022/23			
Mon-Fri NON PEAK	Mon-Fri PEAK	Sat-Sun NON PEAK	Sat-Sun PEAK
4.2%	6.9%	3.8%	6.5%
5.1%	6.1%	6.4%	7.0%
6.7%	8.0%	7.6%	6.1%
8.2%	7.6%	7.1%	7.6%
7.1%	7.2%	7.3%	7.3%
7.4%	7.3%	7.4%	7.3%
-100.0%	-100.0%	-100.0%	-100.0%

SURFACE CAR PARKS				
ADAM AND EVE STREET Monday 8am to Friday 7pm Saturday 9am to 7pm Sunday 10am to 5pm	Pay and display			
Maximum stay 2 hours	2022/23	2023/24	% change	Evenings and overnight
Charges	80p for 20 mins (£2.40/hr)	80p for 20 mins (£2.40/hr)	0.0%	Free

CASTLE HILL CAR PARK Monday to Friday 8am to 7pm Saturday 9am to 7pm Sunday 10am to 5pm	Pay and display			
Charges	2022/23	2023/24	% change	Evenings and overnight
Up to 2 hours	£2.60	£2.80	0.0%	Free
2-4 hours	£5.00	£5.30	6.0%	
over 4 hours	£8.30	£8.90	7.2%	
Sunday - all day charge	£4.20	£4.50	7.1%	
Weekly ticket (7 days)	£36.40	£39.00	7.1%	

GWYDIR STREET CAR PARK Monday to Friday 8am to 7pm Saturday 9am to 7pm	Pay and display			
Maximum stay 2 hours	2022/23	2023/24	% change	Evenings and overnight
Charges	90p for 30 mins (£1.80/hr)	90p for 30 mins (£1.80/hr)	0.0%	Free

RIVERSIDE CAR PARK Monday to Friday 8am to 7pm Saturday 9am to 7pm	Pay and display			
Maximum stay 8 hours	2022/23	2023/24	% change	Evenings and overnight
Charges	60p for 30 mins (£1.20/hr)	70p for 30 mins (£1.40/hr)	16.0%	Free

SEASON TICKET CHARGES - Business Permits					
Park Street, Queen Anne and Grafton Centre car parks	Quarterly fee inclusive of VAT (22/23)	Quarterly fee inclusive of VAT (23/24)	% change	20% Discount for low emission [Group A] vehicles 22/23	Discounted fee (22/23)
'Night Owl' 7 days 5pm-8am (one car park*)	£236.00	N/A	0.0%	N/A	N/A
24/7 Premium (Grafton car park & Queen Anne)	£911.00	£970.00	6.5%	£194.00	£776.00
Monday-Friday 24 hour access (one car park*)	£696.00	£740.00	6.3%	£148.00	£592.00
Monday-Friday 8am -6pm (one car park*)	£553.00	£590.00	6.7%	£118.00	£472.00

Note * excluding Grand Arcade car park

DISABLED BADGE HOLDERS

First three hours parking free, on production of a valid Blue Badge to the City Council at the **Grand Arcade, Grafton East, Grafton West and Queen Anne Terrace car parks**.
At multi storey car parks durations of stay in excess of three hours the normal car park charges will apply as if from the first hour, i.e. the fourth will be charged as if it were the first hour, the fifth as if it were the second hour, etc.
Three hours free parking when a valid Blue Badge and time clock is displayed at **Adam and Eve, Castle Hill, Gwydir Street and Riverside car parks**.

Finance, Resources and Transformation

Mooring Fees

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Mooring Fees*				
Tariff Class 30 - vessel up to 5 metres	Discretionary	897.00	981.00	9.4%
Tariff Class 32 - vessel under 3 metres	Discretionary	897.00	981.00	9.4%
Tariff Class 33 - Vessel 3 to 5 metres	Discretionary	897.00	981.00	9.4%
Tariff Class 34 - Vessel 5 to 7.5 metres	Discretionary	957.00	1,047.00	9.4%
Tariff Class 35 - Vessel 7.5 to 10 metres	Discretionary	1,016.00	1,112.00	9.4%
Tariff Class 36 - Vessel 10 to 12.5 metres	Discretionary	1,077.00	1,178.00	9.4%
Tariff Class 37 - Vessel 12.5 to 15 metres	Discretionary	1,136.00	1,243.00	9.4%
Tariff Class 38 - Vessel 15 to 20 metres	Discretionary	1,196.00	1,308.00	9.4%
Tariff Class 39 - Vessel over 20 metres	Discretionary	1,316.00	1,440.00	9.4%
Tariff Class 51 - Any other vessel	Discretionary	1,316.00	1,440.00	9.4%
* All charges are subject to VAT.				
** The agreed fee increase for the 2022/23 financial year is as per the Review of Moorings Policy (March 2017) - RPIX for September 2021 - 5%				

Guildhall Lettings

Charge Type and description		Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Guildhall Meeting Rooms, Committee Rooms Council Chamber and Members Lounge				
Guildhall Meeting Rooms (per hour)	Discretionary	15.00	16.00	6.7%
Committee Room (s)	Discretionary	30.00	33.00	10.0%
Council Chamber	Discretionary	100.00	109.00	9.0%
Members Lounge	Discretionary	15.00	16.00	6.7%
Exhibition area	Discretionary	10.00	11.00	10.0%
Internal City Council Hirer - Office hours	Discretionary	No charge	No charge	0.0%
Internal City Council Hirer - Out of office Hours, bank holiday and weekends	Discretionary	Actual Cost of staffing	Actual Cost of staffing	0.0%
Shared Services/Greater Cambridge Partnership - Office hours up to half a day	Discretionary	No charge	No charge	0.0%
Shared Services/Greater Cambridge Partnership - Other times - per hour*	Discretionary	Hourly Rate as above	Hourly Rate as above	0.0%
Public Sector Partner - Office hours up to half a day **	Discretionary	No charge	No charge	0.0%
Public Sector Partner - Other times - per hour **	Discretionary	Hourly Rate as above	Hourly Rate as above	0.0%
Community & Voluntary Sector - Office hours up to half a day **	Discretionary	No charge	No charge	0.0%
Community & Voluntary Sector - Other times - per hour **	Discretionary	Hourly Rate as above	Hourly Rate as above	0.0%
Commercial Hires - per hour **	Discretionary	Hourly Rate as above	Hourly Rate as above	0.0%
**Includes Staffing charge				
All customers will pay for additional costs of refreshments plus the cost of external Audio Visual use support				

Finance, Resources and Transformation

Land Charges

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Land Charges				
LLC1 Official Search in respect of one parcel of land	Discretionary	39.00	39.00	0.0%
Residential Search *				
CON29R **	Discretionary	137.00	137.00	0.0%
LLC1 and CON29R (Full Residential Search)**	Discretionary	176.00	176.00	0.0%
Additional Parcels of Land	Discretionary	17.00	17.00	0.0%
Additional Parcels of Land LLC1	Discretionary	0.70	0.77	0.0%
Commercial Search				
CON29R**	Discretionary	241.00	241.00	0.0%
LLC1 and CON29R (Full Commercial Search)**	Discretionary	280.00	280.00	0.0%
Additional Parcels of Land	Discretionary	28.00	28.00	0.0%
Additional Parcels of Land LLC1	Discretionary	0.70	0.77	0.0%
Additions				
Additional Enquiries *	Discretionary	23.15	23.15	0.0%
Historic File Request (per address)	Discretionary	45.00	45.00	0.0%
Invalid planning applications	Discretionary	10% of application fee for closed or withdrawn applications	10% of application fee for closed or withdrawn applications	0.0%
Hard copy planning applications handling fee - Major applications (per application)	Discretionary	100.00	100.00	0.0%
Hard copy planning applications handling fee - General & Other applications (per application)	Discretionary	50.00	50.00	0.0%
CON290 (Optional Enquiries) *				
Q4 - Road Proposals	Discretionary	15.00	15.00	0.0%
Q5 - Advertisements	Discretionary	15.00	15.00	0.0%
Q6 - Completion Notices	Discretionary	15.00	15.00	0.0%
Q7- Parks & Countryside	Discretionary	15.00	15.00	0.0%
Q8 - Pipelines	Discretionary	0.00	0.00	0.0%
Q9 - House in Multiple Occupation	Discretionary	15.00	15.00	0.0%
Q10- Noise Abatement and other Nuisances	Discretionary	15.00	15.00	0.0%
Q11 - Urban Development Areas	Discretionary	15.00	15.00	0.0%
Q12 - Enterprise Zones	Discretionary	15.00	15.00	0.0%
Q13 - Inner Urban Development Areas	Discretionary	15.00	15.00	0.0%
Q14 - Simplified Planning Zones	Discretionary	15.00	15.00	0.0%
Q15 - Land Maintenance Notices	Discretionary	15.00	15.00	0.0%
Q16 - Mineral Consultation Areas	Discretionary but set by County Council	10.38	10.38	0.0%
Q17 - Hazardous Substance Consents	Discretionary	15.00	15.00	0.0%
Q18 - Environmental & Pollution Notices	Discretionary	15.00	15.00	0.0%
Q19 - Food Safety Notices	Discretionary	15.00	15.00	0.0%
Q20 - Hedgerow Notices	Discretionary	15.00	15.00	0.0%
Q21 - Flood Defence and Land Drainage Consents	Discretionary but set by County Council	10.38	10.38	0.0%
Q22 - Common Land, Town and Village Greens	Discretionary but set by County Council	19.98	19.98	0.0%
Discretionary services (including Pre-application work and Planning and Performance Agreements (PPAs)) will be charged for on a case by case basis. This charge will be based on full recovery of the cost of delivering the agreed work. Officer time will be charged at the following rate according to the officer band:		Hourly Charge (£)		
Executive Director	Discretionary	262.00	275.00	5.0%
Grade 10 Assistant Director	Discretionary	194.00	204.00	5.2%
Grade 9	Discretionary	151.00	159.00	0.0%
Grade 8	Discretionary	129.00	135.00	4.7%
Grade 7	Discretionary	113.00	119.00	5.3%
Grade 6	Discretionary	86.00	90.00	4.7%
Grade 5	Discretionary	77.00	81.00	5.2%
Grade 4	Discretionary	71.00	75.00	5.6%
Grade 3	Discretionary	65.00	68.00	4.6%
Grade 2	Discretionary	60.00	63.00	5.0%
The full direct cost of any external consultants, contractors or agency staff incurred by the Planning Service in the delivery of the discretionary service will also be included in any fees charged for the work done. Agency hourly rates charged at agency rates plus £28/hour overhead (£27/hour 2022-23)				

Notes

* Includes VAT

** The table includes updates on the 21-22 charges that were received following the publication of the 2021 BSR

Licensing

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Skin Piercing				
Skin Piercing – Premises	Discretionary	149.00	166.00	11.4%
Skin Piercing - Practitioners	Discretionary	57.00	60.00	5.3%
Sex Establishments				
Sexual Entertainment Venues (new & variation)	Discretionary	3,131.00	3,425.00	9.4%
Sexual Entertainment Venues (renewal)	Discretionary	927.00	1,014.00	9.4%
Sexual Entertainment Venues (transfer)	Discretionary	927.00	1,014.00	9.4%
Sex Shop / Sex Cinema (new & variation)	Discretionary	2,900.00	3,173.00	9.4%
Sex Shop / Sex Cinema (renewal)	Discretionary	927.00	1,014.00	9.4%
Sex Shop / Sex Cinema (transfer)	Discretionary	927.00	1,014.00	9.4%
Drivers				
Disclosure & Barring Service Check (DBS) *	Discretionary	40.00	38.00	(5.0%)
Knowledge Test	Discretionary	68.00	120.00	76.5%
New Licence Fee	Discretionary	250.00	270.00	8.0%
Annual Renewal Fee	Discretionary	84.00	100.00	19.0%
3 Yearly Renewal Fee	Discretionary	230.00	280.00	21.7%
Replacement Badges	Discretionary	21.00	25.00	19.0%
DVLA Data Check * (New service provider)	Discretionary	5.52	5.52	0.0%
DVLA Data Check * (New service provider) 3 year licence	Discretionary	16.52	16.52	0.0%
Change of Details	Discretionary	15.00	20.00	33.3%
Replacement Licence	Discretionary	10.00	20.00	100.0%
Safeguarding Test for Renewal and Non - Driver Proprietor	Discretionary	N/A	50.00	0.0%
Knowledge Test Retest	Discretionary	N/A	80.00	0.0%
Vehicles				
Hackney Carriage Licence (new)	Discretionary	281.00	315.00	12.1%
Private Hire Licence (new)	Discretionary	281.00	295.00	5.0%
Hackney Carriage Ultra Low Emission Vehicle (new)	Discretionary	140.00	157.50	12.5%
Private Hire Ultra Low Emission Vehicle (new)	Discretionary	140.00	147.50	5.4%
Hackney Carriage Zero Emission Vehicle (new)	Discretionary	0.00	0.00	0.0%
Private Hire Zero Emission Vehicle (new)	Discretionary	0.00	0.00	0.0%
Hackney Carriage Licence Renewal	Discretionary	245.00	220.00	(10.2%)
Private Hire Licence Renewal	Discretionary	230.00	205.00	(10.9%)
Hackney Carriage Ultra Low Emission Vehicle (renewal)	Discretionary	122.00	110.00	(9.8%)
Private Hire Ultra Low Emission Vehicle (renewal)	Discretionary	115.00	102.50	(10.9%)
Hackney Carriage Zero Emission Vehicle (renewal)	Discretionary	0.00	0.00	0.0%
Private Hire Zero Emission Vehicle (renewal)	Discretionary	0.00	0.00	0.0%
Plate Deposit	Discretionary	50.00	50.00	0.0%
Replacement Plate HCV	Discretionary	26.00	35.00	34.6%
Replacement Plate PHV	Discretionary	26.00	40.00	
Change of Ownership	Discretionary	74.00	85.00	14.9%
Crest - self adhesive	Discretionary	6.00	10.00	66.7%
Crest - magnetic	Discretionary	8.00	12.00	50.0%
Replacement Licence	Discretionary	10.00	20.00	100.0%
Change of Details	Discretionary	15.00	20.00	33.3%
Non - Driver Proprietor	Discretionary	N/A	15.00	0.0%
Change of Vehicle registration PHV	Discretionary	N/A	45.00	0.0%
Change of Vehicle registration HCV	Discretionary	N/A	40.00	0.0%
Operators Licence				
Private Hire Operators Licence (New)	Discretionary	292.00	320.00	9.6%
Private Hire Operators Licence (Renewal - 1 Year)	Discretionary	218.00	285.00	30.7%
Private Hire Operators Licence (renewal - 5 Year)	Discretionary	895.00	1,060.00	18.4%
Replacement Licence	Discretionary	10.00	20.00	100.0%
Change of Details	Discretionary	15.00	20.00	33.3%
Training				
Fee for Customer Awareness: Safeguarding, Equality & Protection Training	Discretionary	53.00		(100.0%)
BIIAB Level 1 Award in Responsible Alcohol Retailing	Discretionary	69.00	75.00	8.7%
BIIAB Level 2 Award for Personal Licence Holders	Discretionary	112.00	123.00	9.8%
Licensing Act 2003 (**Statutory Set)				
Personal Licence	Statutory	37.00	37.00	0.0%
New Premises Licence (or full variation)	Statutory	Various	Various	0.0%
Annual Fee	Statutory	Various	Various	0.0%
Minor Variation	Statutory	89.00	89.00	0.0%
Temporary Event Notice	Statutory	21.00	21.00	0.0%
Change of Designated Premises Supervisor	Statutory	23.00	23.00	0.0%
Gambling Act 2005 (**Statutory Set)				
Bingo Club (New)	Statutory	2,625.00	2,625.00	0.0%
Bingo Club (Annual Fee)	Statutory	900.00	900.00	0.0%
Small Society Lottery (New)	Statutory	40.00	40.00	0.0%
Small Society Lottery (Annual)	Statutory	20.00	20.00	0.0%
Betting Premises (New)	Statutory	2,250.00	2,250.00	0.0%
Betting Premises (Annual Fee)	Statutory	540.00	540.00	0.0%
Family Entertainment Centre (Annual Fee)	Statutory	500.00	500.00	0.0%
Adult Gaming Centre (New)	Statutory	1,500.00	1,500.00	0.0%
Adult Gaming Centre (Annual Fee)	Statutory	900.00	900.00	0.0%

Charge Type and description	Discretionary or Statutory	Charges 2022/23 £	Proposed Charges 2023/24 £	% Increase 2023/24
Animal Licensing				
Zoo	Discretionary	603.00	660.00	9.5%
Dangerous Wild Animals (Plus Vet fees)	Discretionary	298.00	326.00	9.4%
Variation of a licence requiring a re-inspection (Plus Vet fees)	Discretionary	53.00	58.00	9.4%
Exhibiting animals:				
Fees on application	Discretionary	79.00	86.00	8.9%
Initial rating or re-rating fee	Discretionary	135.00	148.00	9.6%
Maintenance fee (3 years)	Discretionary	390.00	427.00	9.5%
Variation of a licence requiring a re-inspection	Discretionary	135.00	148.00	9.6%
Copy of licence or change of details not requiring an inspection	Discretionary	11.50	12.50	8.7%
Selling animals as pets:				
Fees on application	Discretionary	79.00	86.00	8.9%
Initial rating or re-rating fee	Discretionary	223.00	244.00	9.4%
Maintenance fee: one year	Discretionary	130.00	142.00	9.2%
two years	Discretionary	260.00	284.00	9.2%
three years	Discretionary	390.00	427.00	9.5%
Variation of a licence requiring a re-inspection	Discretionary	223.00	244.00	9.4%
Copy of licence or change of details not requiring an inspection	Discretionary	11.50	12.50	8.7%
Riding Establishment:				
Fees on application	Discretionary	79.00	86.00	8.9%
Initial rating or re-rating fee (plus additional vets fee not included)	Discretionary	45.00	49.00	8.9%
Maintenance fee: one year	Discretionary	130.00	142.00	9.2%
two years	Discretionary	260.00	284.00	9.2%
three years	Discretionary	390.00	427.00	9.5%
Variation of a licence requiring a re-inspection (plus vets fee not included)	Discretionary	45.00	49.00	8.9%
Copy of licence or change of details not requiring an inspection	Discretionary	11.50	12.50	8.7%
Dog Breeding:				
Fees on application	Discretionary	79.00	86.00	8.9%
Initial rating or re-rating fee (plus additional vets fee not included)	Discretionary	45.00	49.00	8.9%
Maintenance fee: one year	Discretionary	130.00	142.00	9.2%
two years	Discretionary	260.00	284.00	9.2%
three years	Discretionary	390.00	427.00	9.5%
Variation of a licence requiring a re-inspection (plus vets fee not included)	Discretionary	45.00	49.00	8.9%
Copy of licence or change of details not requiring an inspection	Discretionary	11.50	12.50	8.7%
Animal Boarding:				
Fees on application: up to 10 animals	Discretionary	79.00	86.00	8.9%
Initial rating or re-rating fee	Discretionary	135.00	148.00	9.6%
Variation of a licence requiring a re-inspection	Discretionary	135.00	148.00	9.6%
Fees on application: 11- 30 animals	Discretionary	179.00	196.00	9.5%
Variation of a licence requiring a re-inspection	Discretionary	179.00	196.00	9.5%
Fees on application: 31-60 animals	Discretionary	223.00	244.00	9.4%
Variation of a licence requiring a re-inspection	Discretionary	223.00	244.00	9.4%
Fees on application: 61-99 animals	Discretionary	268.00	293.00	9.3%
Variation of a licence requiring a re-inspection	Discretionary	268.00	293.00	9.3%
Fees on application: 100 or more animals	Discretionary	313.00	342.00	9.3%
Variation of a licence requiring a re-inspection	Discretionary	313.00	342.00	9.3%
Maintenance fee: one year	Discretionary	130.00	142.00	9.2%
two years	Discretionary	260.00	284.00	9.2%
three years	Discretionary	390.00	427.00	9.5%
Copy of licence or change of details not requiring an inspection	Discretionary	11.50	12.50	8.7%
Street Trading				
12 month food licence pitch	Discretionary	2,886.00	2,886.00	0.0%
12 month retail licence pitch	Discretionary	2,727.00	2,727.00	0.0%
8 month food licence pitch	Discretionary	2,165.00	2,165.00	0.0%
8 month retail licence pitch	Discretionary	2,045.00	2,045.00	0.0%
4 month food licence pitch	Discretionary	722.00	722.00	0.0%
4 month retail licence pitch	Discretionary	682.00	682.00	0.0%
* These charges are shown net of VAT				
** Externally set fees and charges				
*** These 20-21 fees have been updated following consultation and differ from those included in the 2020 BSR				
Please note that all licensing fees not set by statute were approved at Licensing Committee on 30th January 2023. These fees are set out above.				

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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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STRATEGY & RESOURCES SCRUTINY COMMITTEE

30 January February 2023

5.30 – 9:15pm

Present: Robertson (Chair), Bennett, Bick, Payne, Scutt, Smart. S. Smith, Gawthrope Wood and Carling.

RECOMMENDATION TO COUNCIL (LEADER OF THE COUNCIL ANNA SMITH)

SENIOR MANAGEMENT REVIEW

The Chief Executive is reorganising the senior management of the Council and has been consulting staff. The Senior Management Review proposals are integral to the Council's transformation programme - Our Cambridge. This report provides the scrutiny committee with an overview of the consultation feedback and revisions to the proposals.

The foreword to the consultation is at Annex A. The consultation document is a separate attachment. The key elements of the proposals include:

- Re-arranging the management of council teams into five groups to create a flatter structure, improve collaboration, and increase efficiency.
- Reducing the cost of senior management by 20 per cent through a reduction in the number of posts
- Achieving around £0.3m net savings per annum once the new structure is fully implemented.

The Civic Affairs Committee will consider changes to the senior officer pay structure on 8 Feb 2023 which implement aspects of the proposals. The Employment (Senior Officer) Committee is responsible for recommending severance packages over £100k to Council.

Accordingly, Council is recommended

That the Council approves the restructuring proposals set out in this report:

- a) the deletion of the following posts at Director level: Director of Communities and Neighbourhoods; and Director Enterprise and Sustainable Development; and
- b) the creation of the following new posts at Director level: Director, Communities; Director, City Services; Chief Operating Officer.

- c) the deletion of the following posts at Head of Service level: - Head of Commercial Services - Head of Community Services - Head of Corporate Strategy / Assistant Chief Executive - Head of Environmental Services - Head of Housing Maintenance and Assets - Head of Housing Services - Head of Human Resources - Head of Property Services - Head of Transformation
- d) the creation of the following new posts at Assistant Director level, which will be composed of 2 levels: - Assets and Property (AD2) - Assistant Chief Executive (AD2) - Housing and Homelessness (AD1)
- e) to note that the following posts will be subject to slotting-in arrangements with new post titles: - Head of Finance to Chief Finance Officer (AD1) - Head of Housing Development Agency to Assistant Director, Development (AD1)
- f) the creation of a new Head of People and a Head of Transformation on 2-year Fixed Term contracts at Band 11, while future leadership arrangements for 'Transformation, Digital and HR' are considered.
- g) that the Chief Executive is given delegated powers to take all steps necessary to implement the new structure (other than those delegated to the ESOC) including final determination of the Council's staffing structure below Director level, and
- h) where specific changes to the Constitution are required the Chief Executive and Monitoring Officer should make such changes.

That the Council notes:

- i) the Head of 3C Shared Legal Services (Head of Service) and Council's Monitoring Officer becomes an Assistant Director grade (AD1) in the new grade structure.
- j) the Head of Building Control (Head of Service) post will be reviewed once the Greater Cambridge Shared Planning Service management restructure has been fully implemented.
- k) changes proposed to the senior officer Leadership Behaviours following feedback from the consultation (see Annex B).
- l) that the transitional Group structure will provide staff with certainty about line management arrangements and are a starting point for each Group organisational redesign (Annex C)

SENIOR MANAGEMENT REVIEW



To: Leader of the Council

Relevant Scrutiny Committee: Strategy and Resources, 30/01/2023

Report by: Robert Pollock, Chief Executive Officer,
robert.pollock@cambridge.gov.uk

Wards affected: N/A

1. Introduction

- 1.1 The Chief Executive is reorganising the senior management of the Council and has been consulting staff. The Senior Management Review proposals are integral to the Council's transformation programme - Our Cambridge. This report provides the scrutiny committee with an overview of the consultation feedback and revisions to the proposals.
- 1.2 The foreword to the consultation is at Annex A. The consultation document is a separate attachment. The key elements of the proposals include:
- Re-arranging the management of council teams into five groups to create a flatter structure, improve collaboration, and increase efficiency.
 - Reducing the cost of senior management by 20 per cent through a reduction in the number of posts
 - Achieving around £0.3m net savings per annum once the new structure is fully implemented.
- 1.2 The Civic Affairs Committee will consider changes to the senior officer pay structure on 8 Feb 2023 which implement aspects of the proposals. The Employment (Senior Officer) Committee is responsible for recommending severance packages over £100k to Council.

2. Recommendations

2.1 The scrutiny committee is invited to endorse the following recommendations which will be put to Full Council on 2 March 2023.

2.2 **That the Council approves the restructuring proposals set out in this report:**

a) **the deletion of the following posts at Director level: Director of Communities and Neighbourhoods; and Director Enterprise and Sustainable Development; and**

b) **the creation of the following new posts at Director level: Director, Communities; Director, City Services; Chief Operating Officer.**

c) **the deletion of the following posts at Head of Service level:**

- **Head of Commercial Services**
- **Head of Community Services**
- **Head of Corporate Strategy / Assistant Chief Executive**
- **Head of Environmental Services**
- **Head of Housing Maintenance and Assets**
- **Head of Housing Services**
- **Head of Human Resources**
- **Head of Property Services**
- **Head of Transformation**

d) **the creation of the following new posts at Assistant Director level, which will be composed of 2 levels:**

- **Assets and Property (AD2)**
- **Assistant Chief Executive (AD2)**
- **Housing and Homelessness (AD1)**

e) **to note that the following posts will be subject to slotting-in arrangements with new post titles:**

- **Head of Finance to Chief Finance Officer (AD1)**
- **Head of Housing Development Agency to Assistant Director, Development (AD1)**

f) **the creation of a new Head of People and a Head of Transformation on 2-year Fixed Term contracts at Band 11, while future leadership arrangements for 'Transformation, Digital and HR' are considered.**

g) that the Chief Executive is given delegated powers to take all steps necessary to implement the new structure (other than those delegated to the ESOC) including final determination of the Council's staffing structure below Director level, and

H) where specific changes to the Constitution are required the Chief Executive and Monitoring Officer should make such changes, in consultation with the Leader of the Council and Executive Councillor for Finance, Transformation and Resources.

3.4 That the Council notes:

h) the Head of 3C Shared Legal Services (Head of Service) and Council's Monitoring Officer becomes an Assistant Director grade (AD1) in the new grade structure.

i) the Head of Building Control (Head of Service) post will be reviewed once the Greater Cambridge Shared Planning Service management restructure has been fully implemented.

j) changes proposed to the senior officer Leadership Behaviours following feedback from the consultation (see Annex B).

k) that the transitional Group structure will provide staff with certainty about line management arrangements and are a starting point for each Group organisational redesign (Annex C).

3. Background

3.1 The consultation proposals, which take forward recommendations agreed following the Strategy and Resource Scrutiny Committee on 10 October, were discussed and endorsed by the Employment (Senior Officer) Committee on 3rd November.

3.2 A copy of the consultation document was sent to all members on 14 November 2022.

3.3 All staff were given the opportunity to comment on the document. It has been viewed 1,400 times on the council's intranet site. Around 45 responses were received during the consultation period from 10 November to 10 December 2022. In addition:

- senior staff directly affected each held one-to-one meetings with the Chief Executive,
- senior staff held confidential discussions with an independent HR advisor where requested,
- the Chief Executive held meetings with teams and other individuals as well as the unions, Unison and GMB,
- an all-staff presentation was held on 22 November 2022,
- a 'Frequently Asked Questions' document was published on the Council intranet to clarify questions received during the consultation,
- an all-staff briefing was held on 18 January 2023 to set out the response to the consultation feedback, and
- packs summarising the proposals were shared with Group Leaders and member briefings offered on the post-consultation revisions.

4. Consultation feedback

Summary

- 4.1 There was strong support for the key aims of the proposals. Bringing together teams into 5 coherent groupings is seen as a positive step and the right direction for the Council to improve outcomes, reduce duplication and help achieve savings targets. Other areas which received broad and positive endorsement were:
- the proposed leadership behaviours,
 - emphasis on collaboration across teams and with partners, and
 - a more empowering culture for staff.
- 4.2. Some respondents stressed the importance of developing the Council's capability to make better use of emerging digital technologies, including AI, to automate tasks and improve transactional engagement with residents, as well as improving our capability to manage and analyze data to provide insights for managers, members, the public and businesses.
- 4.3 Though the proposals focus on changes to the senior management structure much of the feedback received related to the location of teams in the proposed group structure. Some has been acted on. Some will inform the subsequent, design and configuration of Group structures, which will begin once the new senior management team is in place.

Thematic feedback

- 4.5 **Groups:** there was strong endorsement for a flatter structure and more coherent groupings of teams around shared activity and purpose. Some specific questions about Group line-management arrangements were received. There were a few suggestions to change Group names (e.g., Assets and Development to 'Place'), and two proposals advocating 4 Group structures and two advocating variations of the 5 Group model.
- 4.6 **New Leadership Qualities:** were very positively received at all levels, in particular the emphasis on senior leaders to coach, develop and support staff to succeed. Helpful suggestions were made to strengthen proposed language on diversity, transformation, partnerships, and resilience.
- 4.7 **Savings & number of posts:** several responses called for the proposals to further reduce the number of senior posts.
- 4.8 **Senior Grades:** the need to create a new Assistant Director (AD) grade to breach the current gap between Head of Service (HoS) and Director in was acknowledged and welcomed. A few respondents commented that retaining the Head of Service title/grade would be a retrograde step, and that three distinct grades (Director, AD and HoS) may add complexity.
- 4.9 **Teams:** the majority of feedback from staff that are not 'at risk' expressed views on where specific teams should or shouldn't sit in the new Group structure. Some of this feedback was similar, though some was contradictory and reflected individual or team preferences. The main teams noted were the Benefits Team, Housing Strategy, Business & Executive Support, Communications, Environment & Public Health, City Events & Culture, Grants, Health & Safety, Cambs Home Improvement Agency, and Development (Street and Open Spaces).
- 4.10 **Corporate Management Team:** there was limited but strongly positive feedback about creating a more inclusive approach to corporate management involving team leaders and other key managers. This proposal would build on practice developed during the pandemic.
- 4.11 **Governance & Member relationships:** several respondents stressed the importance of reviewing of Council's governance arrangements and member-officer relationships to complement the restructure. It was suggested that this would enable more effective ways of working, help to streamline decision making and support a more empowered council culture to attract and retain the best staff.

- 4.12 **Process:** there has been consistent feedback, particularly from those directly affected, that the constitutional arrangements to change senior management structures are complex and lengthy. This has pros and cons. It does not enable timely change to reduce uncertainty for staff, but it does allow staff affected an extensive period to fully consider their options.
- 4.13 **Workload/resources:** a few respondents questioned whether their workload would increase with senior fewer managers. On the other hand, some pointed out that reducing management layers would speed up decision making and empower team leaders. Several respondents noted that in addition to working more productively the Council would need to do less and consider stopping some services to balance its budget.

5. Key changes and clarifications in response to feedback

- 5.1 **Groups:** Three, four and alternative five Groups structures have previously been considered. The five-group structure creates a flatter structure and reduces hierarchy. It enables greater leadership resilience as each Group would have a deputy, more clearly defined Group purpose and facilitates collaboration across Groups. However, a four Group model may be a viable option to consider in time subject to the wider operational and financial context.
- 5.2 **Group purpose:** The consultation feedback has helped to strengthen the core purpose of each Group. These remain largely as defined in the consultation document (pages 12-15). The 'Assets and Development Group' has been renamed 'Place Group' and the 'Strategy, Climate and Inclusive Economy Group' renamed 'Democracy, Inclusive Economy and Climate' Group.
- 5.3 **Senior Grades:** The revised proposals recommend extending the proposed Assistant-Director (AD) grade. As a result, there would no longer be a Head of Service grade (HoS). Within the broader AD pay-band a 'bar' would create two 'levels'. Those ADs leading a Group would have greater responsibilities and would be above the bar (AD2). Those below the bar (AD1) would report to a Director. Details will be set out in the Pay Policy statement which will be considered by Civic Affairs on 8 February. Annex D describes the distinction between the two Assistant Director levels.
- 5.4 **Leadership Behaviours:** based on the helpful suggestions provided there are some drafting improvements to the proposals. The key challenge for the new management team will be to model these behaviours. Successful

staff would have an opportunity to reflect on feedback received from behavioural assessments undertaken during the selection process as part of a subsequent leadership development programme.

- 5.5 **Group management:** it is important to emphasis that the proposals are a starting point rather than the final destination. Successfully appointed Directors and ADs will need to develop a management structure that best suits their group purpose, activities and teams. To support the restructuring of group management around £50,000 will be set aside from the SMR gross annual savings.
- 5.6 **Transition:** The transitional group structure (Annex C) provides teams with certainty about immediate line management arrangements. Once appointed, Directors and ADs will be expected to support and influence the redesign workstreams which will help develop and refine Group portfolios. The planning stage has already begun for the City Services Group, and will begin for the Corporate Group in April, then other groups.
- 5.7 **Teams:** based on feedback and follow-up conversations some changes are proposed to the teams that should make up the five groups. These suggestions have been welcome. They have strengthened the proposals and stimulated healthy debate about the ultimate purpose of specific teams and how they interact with other teams to add value. The next phase of deeper organisational redesign will provide additional insights on the most appropriate location for teams, including how they are structured. This may lead to some teams or individuals moving Groups.
- 5.8 **Savings / Number of posts:** The current proposals would reduce the cost of senior management by around 20 per cent. This would put the City Council broadly in line with comparable councils of similar relative size and function (e.g. Oxford and Norwich). A further reduction may be necessary to consider in time subject to the council's financial position.

6. Staffing implications

- 6.1 The Councils constitution provides the Chief Executive (Head of Paid Service) with management responsibility for all officers and authority to determine the overall departmental structure of the Council, number and grade of officers required to discharge Council functions.
- 6.2 The current proposals concentrate on the director and head of service structure. As the number of posts at this level would reduce from 13 to 8

redundancies are expected. The costs associated with potential redundancies are anticipated to be between £0.5-£0.8m depending on the outcome of the recruitment process.

- 6.3 Additional support has been commissioned to help staff put at risk as a result of the proposals to consider their options.
- 6.4 To support a cohesive transition, a development programme will be introduced for the new Corporate Leadership Team once it is in place. To support managers in the new group structures a development programme will be introduced for the new Corporate Management Team. These will be commissioned externally.
- 6.5 If the proposed changes to posts and the organisation structure set out in this report are agreed at Council in March 2023 it will be necessary to amend the Council's Constitution and delegations to officers. The Chief Executive and Monitoring Officer (Head of Legal Services) should be given authority to make such changes, in consultation with the Leader of the Council and Executive Councillor for Finance, Transformation and Resources.

7. Wider Implications

a) Financial Implications

The savings, excluding redundancy costs, associated with implementing the new senior management structure have been based on average salaries. One off redundancy and pension strain costs will be met from reserves. The ESOC is required to recommend severance costs above £100k to Council.

b) Equality and Poverty Implications

An equality impact assessment has been undertaken for the Senior Management Review. Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

c) Net Zero Carbon, Climate Change and Environmental Implications

The proposals in this report have no direct impacts but should enable the council to better organise and deliver on its net-zero, climate change and environmental aspirations and commitments.

d) Procurement Implications

The proposals in this report have no procurement implications

e) Community Safety Implications

This report relates to senior management structures and does not impact directly on community safety matters.

8. Consultation and communication considerations

- 8.1 All staff and the trade unions, Unison and GMB, as well as local authority partners have been consulted on the proposals. The Employment (Senior Officer) Committee endorsed the proposals prior to consultation. All members have had the opportunity to respond to the consultation.

9. Background papers

Background papers used in the preparation of this report:

- Senior Management Review – consultation proposals, November 2022

Annex A – Consultation Foreword: Introduction from Chief Executive

Dear Colleagues

To live within our means, we need to consider the Council's leadership arrangements. Now that the direction of travel for the Our Cambridge transformation programme has been agreed and building on the 'Leadership for Change' task and finish group, I am now able to set out draft proposals. Leaders of shared services are not included. There may be scope to revisit this in future with our partners. A summary is provided below, and the rest of the document sets out the proposals and process in more detail.

Refreshing our leadership arrangements is essential to complement and give shape to the wider organisational redesign of the council and to support our elected members to navigate increasing complexity in local government. Our current management structures largely reflect proposals set out in 2010. These have developed incrementally through the introduction of shared services and creation of the CPCA and GCP. We now have a relatively large and hierarchical senior team orientated toward service delivery rather than shared corporate outcomes and leadership for the whole Council.

The City Council adapted admirably to the challenges posed by Brexit and a global pandemic. These systemic disruptions forced us to do things differently and at pace. We need to build the lessons learnt into the way we organise ourselves in future so that a more resilient, partnership orientated, and agile culture becomes the norm. There are significant opportunities to engage more effectively with our public, business and community sector partners so we can deliver the best outcomes for Cambridge residents with the resources we have available.

Recent market turbulence in response to government policy has made our medium-term financial challenge even greater. It is vital we now follow through on plans agreed by the Executive to reduce spending by at least £5m over the next two to three years. In addition to supporting a more collaborative and empowering leadership culture, the senior management restructure needs to make an important contribution towards our financial sustainability.

The key changes I am setting out in this consultation document can be summarised as follows:

- establishing five groups each led by a Director or Assistant Director;
- reducing the number of posts in scope of the restructure from 13 to 8 to release ~£0.36m gross savings, including the creation of a new two-year fixed term Head of People position (band 11) while future leadership arrangements for Transformation, Digital and HR are considered;
- setting aside up to £40k of the gross savings for the next phase of organisational redesign to enable new management opportunities for talented staff that want to step up, of which up to £15k specifically for a new City Services Group;
- support for all new leaders to succeed through a tailored development programme, and

- £0.32m net annual contribution towards our savings targets.

As a package these proposals will provide the council with a more clearly defined and sustainable leadership structure. Each of the new groups has a distinct corporate purpose. This will mark a shift away from a service-based ethos that has facilitated siloed thinking. The new structure necessitates collaboration across groups to deliver corporate outcomes and complements our shared services arrangements. It should also enable increased engagement with an improving Combined Authority, the County Council, and a more integrated, place-based NHS. The new structure has the flexibility to evolve over time as the operational and policy needs of the council and political priorities of members change.

Teams within groups will be more closely aligned around our corporate plan priorities. This reflects the insights that emerged from the organisational design workstreams (e.g., the 'petal diagram'). Team leaders and senior managers will be empowered and have greater influence as there will be fewer management layers. That is an important step towards reducing 'red tape, bureaucracy and process' that staff identified as the top barrier to change though the 'making it real' feedback.

A smaller corporate leadership team will create new opportunities for managers during the second phase of our organisational redesign once the senior structure is resolved. New group leadership will want the opportunity to shape teams and structures in their reporting lines and establish relationships with complementary teams in other groups, as well as arrangements to better support members and strengthen partnerships with other key stakeholders.

Structures don't change organisational culture, but they can enable and facilitate positive change. Purpose, pragmatism and people will make change successful, and the new corporate leadership team will need to lead the way. I will expect them to promote continuous improvement, demonstrate supportive and inclusive behaviours, a willingness to roll-up their sleeves as well as thinking and acting as system leaders in the interests of the whole council and city.

With a flatter, more agile and resilient organisational culture we will be better prepared for uncertainty, better able to overcome new challenges and take advantage of opportunities. However, I am open to feedback from individuals and teams in addition to those that are directly affected by the proposals. If you have views to improve these proposals, please share them via SMRfeedback@cambridge.gov.uk before the consultation closes at noon on 10th December 2022.

Finally, I recognise that any period of change can be unsettling, and I want to reassure you that I will take forward any changes as quickly as possible. Please also be mindful and respectful to those individuals whose current roles are more directly affected.

Yours sincerely,

Robert Pollock
Chief Executive

Appendix B – Leadership Behaviors for senior officer posts

- *Authentic* – A genuine, visible and **inclusive** leader who is focused on our people, taking time to understand and ensure we develop, motivate and understand the needs of others. Acts with humility, **professionalism** and able to coach and inspire people to be the best they can be
- *Outcome Driven* – Prioritises delivering the very best outcomes for our customers, residents and stakeholders. Empowers **and challenges** others to improve customer experience, **streamlining** processes, measuring impact and **value for money**, taking action to achieve better outcomes.
- *Empathetic collaborator* – Has a strong sense of purpose, acting with integrity. Builds relationships and networks, engages widely, and encourages groups to work, listen, learn, reflect, and deliver.
- *Influential* - Assertive and inspirational, with the confidence to challenge and persuade. Able to manage complex, contentious, and high-profile stakeholder engagement, displaying moral courage, **diverse thinking** and empathy for different perspectives to elicit buy-in from all.
- *Ambitious* – An energetic corporate leader, who leads by example and inspires trust across teams to prioritise the strategic direction, promote innovation, is future orientated and takes ownership for decisions.
- *Courageous* – Positive and solution focused, looking at information and insights in new ways, navigates complexity and advocates new approaches. Is **resilient** and comfortable making difficult decisions, and to ‘stretch’ themselves and their teams.

(*Yellow highlights denote changes to the initial proposals following consultation)

Annex C – Transitional Group structures

Communities Group Staff: ~220	City Services Group Staff: ~220	Place Group Staff: ~60	Corporate Group Staff: ~170	Democracy, Inclusive Economy & Climate Group Staff: ~90
Communities Director	City Services Director	Assets and Property (Assistant Director)	Chief Operating Officer (Director)	Assistant Chief Executive (Assistant Director)
Housing & Homelessness Assistant Director	<i>(Operational Management Team, tbd.)</i>	Development Assistant Director	Chief Financial Officer (S151, Assistant Director)	Shared Legal & Monitoring Officer (AD)
<i>Transitional grouping of teams to provide line management continuity. Organisational design reviews beginning with City Services, then Corporate and Communities will clarify the most appropriate location of teams, team structures and management arrangements to complement Group activity and purpose.</i>				
<p>Teams</p> <ul style="list-style-type: none"> Community Development Strategic Projects Community Facilities Sports and Recreation Environmental & Public Health <p>Housing & Homelessness</p> <ul style="list-style-type: none"> City Homes Housing Advice Housing Support & Performance Community Safety 	<p>Teams</p> <ul style="list-style-type: none"> Operations (S&OS) Development (S&OS) Operations (Maintenance) Parking, inc CCTV Fleet Bereavement 	<p>Teams</p> <ul style="list-style-type: none"> Property Management Development Management (Commercial) Asset Management (Housing) Facilities Risk Assurance and Compliance <p>Development</p> <ul style="list-style-type: none"> Housing Development Agency Cambs Home Improvement Agency 	<p>Teams</p> <ul style="list-style-type: none"> Human Resources Customer Services Transformation Business & Executive Support Grants Communications Health and Safety Procurement <p>Chief Finance Officer</p> <ul style="list-style-type: none"> Accountancy Internal Audit Finance Support Services Revenues & Benefits 	<p>Teams</p> <ul style="list-style-type: none"> Democratic Services City Events & Cultural Services Strategy and Partnerships Urban Growth Housing Strategy Economic Development Region of Learning <p>3C Shared Legal & MO</p> <ul style="list-style-type: none"> 3C Legal Team

*(*Yellow highlights denote teams that have changed group following consultation feedback)*

Annex D – Assistant Director grade

Assistant Director (Level 2)	Assistant Director (Level 1)
Deputises for Chief Executive on relevant area / specifics	Deputises for Director and other corporate leaders as required to ensure directorate responsibilities are discharged
Member of Leadership Team	Invited to attend Leadership Team
Responsible for strategy, delivery, operational management and budget of more than two clusters of council business	Responsible for strategy, delivery, operational management and budget of one or two clusters of council business
Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Supports Director and other corporate leaders to develop and deliver corporate objectives, cross cutting work and corporate performance
Provides and delivers a clear vision and leadership for strategic clusters	Provides and delivers a clear vision and leadership for clusters of council business
Leads a cluster of services with over xxx staff or a budget of xxx	Leads a cluster of services with over xxx staff, and budget up to xxx
Provides professional guidance and knowledge on area of expertise (may require qualification)	
Line Manager for relevant operational / specific expertise functions	
Member liaison and support	

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CONSULTATION

LEADERSHIP TEAM – RESTRUCTURE PROPOSAL

NOVEMBER 2022

Introduction from Robert Pollock, Chief Executive

Dear Colleagues

To live within our means, we need to consider the Council's leadership arrangements. Now that the direction of travel for the Our Cambridge transformation programme has been agreed and building on the 'Leadership for Change' task and finish group, I am now able to set out draft proposals. Leaders of shared services are not included. There may be scope to revisit this in future with our partners. A summary is provided below, and the rest of the document sets out the proposals and process in more detail.

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The City Council adapted admirably to the challenges posed by Brexit and a global pandemic. These systemic disruptions forced us to do things differently and at pace. We need to build the lessons learnt into the way we organise ourselves in future so that a more resilient, partnership orientated, and agile culture becomes the norm. There are significant opportunities to engage more effectively with our public, business and community sector partners so we can deliver the best outcomes for Cambridge residents with the resources we have available.

Recent market turbulence in response to government policy has made our medium-term financial challenge even greater. It is vital we now follow through on plans agreed by the Executive to reduce spending by at least £5m over the next two to three years. In addition to supporting a more collaborative and empowering leadership culture, the senior management restructure needs to make an important contribution towards our financial sustainability.

The key changes I am setting out in this consultation document can be summarised as follows:

- establishing five groups each led by a Director or Assistant Director;
- reducing the number of posts in scope of the restructure from 13 to 8 to release ~£0.36m gross savings, including the creation of a new two-year fixed term Head of People position (band 11) while future leadership arrangements for Transformation, Digital and HR are considered;
- setting aside up to £40k of the gross savings for the next phase of organisational redesign to enable new management opportunities for talented staff that want to step up, of which up to £15k specifically for a new City Services Group;
- support for all new leaders to succeed through a tailored development programme, and
- £0.32m net annual contribution towards our savings targets.

As a package these proposals will provide the council with a more clearly defined and sustainable leadership structure. Each of the new groups has a distinct corporate purpose. This will mark a shift away from a

service-based ethos that has facilitated siloed thinking. The new structure necessitates collaboration across groups to deliver corporate outcomes and complements our shared services arrangements. It should also enable increased engagement with an improving Combined Authority, the County Council, and a more integrated, place-based NHS. The new structure has the flexibility to evolve over time as the operational and policy needs of the council and political priorities of members change.

Teams within groups will be more closely aligned around our corporate plan priorities. This reflects the insights that emerged from the organisational design workstreams (e.g., the 'petal diagram'). Team leaders and senior managers will be empowered and have greater influence as there will be fewer management layers. That is an important step towards reducing 'red tape, bureaucracy and process' that staff identified as the top barrier to change through the 'making it real' feedback.

A smaller corporate leadership team will create new opportunities for managers during the second phase of our organisational redesign once the senior structure is resolved. New group leadership will want the opportunity to shape teams and structures in their reporting lines and establish relationships with complementary teams in other groups, as well as arrangements to better support members and strengthen partnerships with other key stakeholders.

Structures don't change organisational culture, but they can enable and facilitate positive change. Purpose, pragmatism and people will make change successful, and the new corporate leadership team will need to lead the way. I will expect them to promote continuous improvement, demonstrate supportive and inclusive behaviours, a willingness to roll their sleeves as well as thinking and acting as system leaders in the interests of the whole council and city.

With a flatter, more agile and resilient organisational culture we will be better prepared for uncertainty, better able to overcome new challenges and take advantage of opportunities. However, I am open to feedback from individuals and teams in addition to those that are directly affected by the proposals. If you have views to improve these proposals, please share them via SMRfeedback@cambridge.gov.uk before the consultation closes at noon on 10th December 2022.

Finally, I recognise that any period of change can be unsettling, and I want to reassure you that I will take forward any changes as quickly as possible. Please also be mindful and respectful to those individuals whose current roles are more directly affected.

Yours sincerely



Robert Pollock
Chief Executive

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1. Purpose of Report

To put forward, for formal consultation, the proposed leadership structure for Cambridge City Council.

This document forms the basis for consultation with staff directly affected by the proposals and the trade unions, Unison and GMB.

2. Background

Our current organisational design has remained largely unchanged for over a decade. However, the demands, context and challenges faced by the council have changed. There are also significant opportunities and benefits from working in new ways. As part of the Our Cambridge transformation programme, the council now needs to update its organisational design, so that it can more effectively meet the needs of residents and the city now and in future.

The direction of travel to enable the Council to modernise and change was discussed by the Strategy & Resources Scrutiny Committee in July and October 2022¹ and subsequently agreed by the Executive. This consultation on a new senior leadership structure is an integral part of that transformation journey. The new leadership team that emerges will lead the way on wider organisational change which will proceed during 2023/24.

The proposals would create a smaller and more unified structure to replace the current Leadership and Senior Management Teams. Heads of Service supported this principle in work undertaken earlier in the year through the 'Leadership for Change' task and finish group. The proposals also have an emphasis on leadership behaviours and values consistent with the new Council model. In particular, the responsibility of leaders to develop and support managers and staff to perform to their best abilities.

The new group structures are designed to enable greater collaboration across council functions and local systems, to strengthen our resilience and establish clearer accountability for corporate performance. The financial outlook for the Council and the current cost of the Leadership and Senior Management Teams relative to similar councils have also been considerations.

The proposed leadership structure is expected to provide cost savings through a smaller number of posts within a different pay and grading structure. The proposals include the introduction of a revised linked grade of Head of Service/Assistant Director to reflect greater responsibilities and management spans. The pay and grading changes will be taken through the annual review of the Pay Policy Statement via Civic Affairs and Council in early 2023.

There are currently 15 posts at senior leadership level, excluding the Chief Executive who is leading this review. The posts within scope of the senior management review are set out in section 6.3, below. The Head of Legal Services and Head of 3C Building Control positions are excluded from this review, except for reporting lines, as these are shared service posts. The arrangements for these roles would need to be part of a wider review involving all three councils.

¹ <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=159&MId=4135&Ver=4>

3. Consultation and Engagement

This formal consultation document is for people in the roles directly impacted by the proposals, as listed below.

- Director of Enterprise and Sustainable Development
- Director of Neighbourhoods and Communities
- Assistant Chief Executive
- Head of Commercial Services
- Head of Community Services
- Head of Environmental Services
- Head of Finance
- Head of Housing Development Agency
- Head of Housing Maintenance & Assets
- Head of Housing Services
- Head of Human Resources
- Head of Property Services
- Head of Transformation (vacant post)

The Head of 3C Legal Practice and Head of 3C Building Control are out of scope.

Each person who is being formally consulted with will be invited to a one-to-one meeting with Robert Pollock, Chief Executive to discuss the proposals during the 30 days consultation period.

Although not formally part of the consultation process feedback on the proposals is welcomed in relation to the proposed grouping of services. A dedicated email has been set up to enable staff, our partners and Councillors to comment on the proposals.

If you have any views to share to improve these proposals, please e-mail before the consultation closes at noon on 10th December 2022: SMRfeedback@cambridge.gov.uk

If you are a trade union member of Unison or GMB you may wish to feed in comments through your trade union, please contact:

- Liz Brennan, Branch Secretary Unison Unison@cambridge.gov.uk
- Kevin Roberts or Mac MacDonald GMB GMB.GMB@cambridge.gov.uk

This consultation document has been distributed to:

- Leadership Team and Senior Management Team
- All Staff – via Intranet article
- Trade Union Representatives for GMB and Unison
- Leader of the Council and Executive, Group Leaders for the Liberal Democrats and Green and Independents, and all other members of the Council
- Public sector partner leadership teams – South Cambridgeshire DC, Huntingdonshire DC, Cambridgeshire County Council, Cambridgeshire and Peterborough Combined Authority, Greater Cambridge Partnership, and Cambridgeshire and Peterborough Integrated Care System

3.1 Timetable for responses and next steps

This consultation closes at noon on 10th December 2022. This will be followed by a period for reviewing feedback and finalising the proposals.

Final proposals will be reported to Strategy & Resources Scrutiny Committee on 30th January and Full Council on 3rd March. There will also be a meeting of the Employment (Senior Officer) Committee between these dates.

Following Council, the agreed proposals will be implemented, including notifying impacted colleagues of their individual position, placing people at risk of redundancy and setting up ring fenced arrangements for assessment and interviews for new roles.

The anticipated date to implement the new arrangements is May 2023. A more detailed timetable can be found on page 24.

4. Context for the Senior Management Review

The Council has a clear vision to lead a united city, '[One Cambridge - Fair for All](#)', in which economic dynamism and prosperity are combined with social equality and environmental justice.

This vision, in addition to our [Corporate Plan](#), [Medium-Term Financial Strategy](#) (MTFS) and [Our Cambridge](#) provide the basis to shape and inform our future leadership requirements.

The Corporate Plan 2022-2027, sets out four key priorities, describes what success will look like and includes performance indicators to measure progress. These priorities are:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030
- Tackling poverty and inequality and helping people in the greatest need
- Building a new generation of council and affordable homes and reducing homelessness
- Modernising the council to lead a greener city that is fair for all

Our collective response to the pandemic has shown what we can do when we all work in a cooperative way to address the challenges we face; working together alongside other agencies, voluntary and faith groups, businesses, individuals and communities to do the very best that we can for all those who live and work in Cambridge.

The City Council's response to the COVID pandemic required us to innovate and work across organisational boundaries, generating real insight and learning about what we could achieve at an organisational and community level. The Council needs to build on this agility and effectiveness so that it becomes more comfortable with 'doing things differently and doing different things'.

Wider technological and social trends, including population growth have accelerated and we need to keep pace with these changes. How we work as a council has been transformed over the last two years, with hybrid working, increased flexibility across teams and greater automation of processes. As an organisation we have been collectively engaged through projects and conversations, such as 'making it real', as well as developing whole council approaches to address

new challenges, including Homes for Ukraine, in order to transform services and operational delivery.

In that context, the focus of this review is to ensure we have the right leadership structures to deliver the future needs for Cambridge City Council, our residents and Cambridge.

4.1 Purpose of Leadership review

For the council to transform the way it delivers services, it needs to have the right leadership equipped with the right information, governance arrangements and relationships. Equally importantly, it requires leaders who can work with others to continually adapt the council's ways of working, to respond to the changing needs of residents and take advantage of emerging opportunities as our relationships with partners and communities evolve.

These proposals redefine and reposition the role of leadership. In particular, the significant contribution leaders can play to create an entrepreneurial public service culture, promote and develop collaborative solutions and to act with pace and purpose.

The current design of the organisation means resident experiences are often being spread across teams and services, with issues or opportunities falling between the gaps, resulting in the council offering services that are not as good as they might be. The council's 'making it real' conversations, led by Change Makers and Change Leaders, started to refocus staff on finding ways of doing better within the existing structures and processes. That initiative was the first step in the council's broader review of our services and organisational redesign.

These proposals recommend that the council merges or regroups activities to bring together similar skills and capabilities, or with similar purposes or outcomes. These changes will improve collaboration, enable efficiencies, and help the council optimise its contribution to the city and its residents (see Organisation Design Model on page 11).

Bringing key functions together and orienting them around a shared purpose will not only help us achieve our savings but will ultimately provide better resident-centred delivery, reduced inefficiencies, improved customer experience and an ability to deliver better outcomes.

Creating a more joined-up approach provides the scope to deliver benefits, including:

- Reshaping our services to reduce duplication and fragmentation of services, bringing together activities around the needs of residents or the city, to enable collaboration, efficiencies and shared purpose.
- Bringing together services that are essentially operational in nature (for example, ground maintenance, street cleaning, estate repairs), creating a hub that can deliver this type of service more efficiently and at less cost.
- Consolidating our disparate corporate functions to maximise efficiencies and ensure the centre is focused on those activities and support functions that enable the council to respond quickly and to continually develop our value to residents and the community.
- Streamlining processes by harnessing digital and data insight more effectively in line with the Our Cambridge proposals to develop better management information, that provides a

more complete and reliable assessment of both the performance of the council in the city, and the performance of services within the council.

- Creating the conditions for the successful development and implementation of new service models and / or further income generating opportunities or businesses that have a social purpose at their heart - when council services and our partners are ready to take this step.

Other opportunities and benefits that can deliver financial savings and better outcomes include:

- Reviewing our financial structures so they reflect the new design, with more effective and simplified budget management and business planning process that are not viewed by some staff as an impediment to change.
- Reviewing political governance arrangements with Members. These conversations will form part of the future design work and can complement and enable the council's transformation.
- Reviewing internal governance to streamline decision making to reduce bureaucracy, improve the speed of decision making and oversight of implementation, and
- Developing a better understanding of the distinction between leadership - mobilising action towards a shared purpose - and management - the effective organisation of tasks and people - to support and inform flatter, more resilient and cost-effective service design.

4.2 Role of the Leadership Team

New Corporate Leaders will have collective ownership and accountability for:

- Organisational and workforce development
- Staff engagement, well-being, diversity and driving forward culture change
- Budget and financial management and planning
- Service transformation, innovation and digital, data and technology
- Performance and risk management
- Community engagement and communication

The role and responsibilities of corporate leaders may change over time based on business needs, and each should have responsibility for championing at least one cross-cutting corporate objective.

The existing Senior Management Team, made up of all Directors and Heads of Service, will be replaced by a new Corporate Management Team which will be made up of all key managers within the new group structure. The CMT will be at least double the size and enable managers and team leaders to be more closely involved in the leadership of the whole council. This approach is common across local government and the wider public sector as it empowers managers and broadens responsibility for developing and driving forward corporate initiatives.

4.3 Leadership qualities

This review prioritises the opportunity to support a different leadership culture for the Council. A set of leadership qualities have been developed and included in the new generic leadership job descriptions and all leaders will be expected to display them. These qualities are based on the

requirements already captured in this document and the values work which commenced last summer. New values and behaviours are planned to be developed in 2023 and will build on the leadership qualities captured below.

- *Authentic* – A genuine and visible leader who is focused on our people, taking time to understand and ensure we develop, motivate and understand the needs of others. Acts with humility, is resilient and able to coach and inspire people to be the best they can be.
- *Outcome Driven* – prioritises delivering the very best outcomes for our customers, residents and stakeholders. Empowers others to improve customer experience, challenge processes, measuring impact and taking action to achieve better outcomes.
- *Empathetic collaborator* – Has a strong sense of purpose, acting with integrity. Builds relationships and networks, engages widely, and encourages groups to work, listen, learn, reflect, and deliver.
- *Influential* - Assertive and inspirational, with the confidence to challenge and persuade. Able to manage complex, contentious, and high-profile stakeholder engagement, displaying moral courage and empathy for different perspectives to elicit buy-in from all.
- *Ambitious* – An energetic corporate leader, who leads by example and inspires trust across teams to prioritise the strategic direction, promote innovation, is future orientated and takes ownership for decisions.
- *Courageous* – Positive and solution focused, looking at information and insights in new ways, navigates complexity and advocates new approaches. Is comfortable making difficult decisions, and to 'stretch' themselves and their teams.

4.4 Support for the new Corporate Leadership Team

A Development programme will be introduced for the new Corporate Leadership Team in Spring of 2023. This will aim to support a cohesive transition to a single team with shared objectives and priorities.

To support managers in the new group structures a Leadership & Management Development Programme will be introduced.

These programmes will be commissioned externally and designed to meet our needs.

5. Proposed Organisation Structure

The organisational redesign process developed a five 'petal' model to illustrate how best to reorganise Council functions. This model has informed and inspired the leadership arrangements set out in these proposals. However, following extensive financial modelling it has not been possible to implement this approach in full. If all five groups, for example, were to be led by a director and an assistant director or head of service as a deputy it would simply not be affordable.



The insights generated by the five 'petal' model and design principles set out in the transformation report to the S&R Committee in July have however been used to shape the structure and relationship of services and teams that have been grouped together.

Design Principles

1. *Customer driven* – our services will be prioritised to reflect the community we serve and elected member priorities
2. *Collaborative and co-operative* - makes use of the resources and potential within our partners and communities
3. *Efficient* - services offered with minimum time and cost required
4. *Commercial* – enable revenue to be optimised and unrecovered debt to be reduced
5. *Scalable* – must be capable of adjusting to reflect the size of the city and available budgets available to the council
6. *Progressive* – the design should require the council to review and measure its performance against advancements in technology and public service management
7. *Human* – the culture within the council design must respect and defend the wellbeing, health and living standards of all who work with or receive its services

5.1 Proposed Groups

Set out below are the five proposed groups which will form the basis of the new organisational structure. Leadership arrangements for shared services - planning, building control, legal, waste and ICT - are out of scope of this review.

Each group will be led by a Director or Assistant Director, as outlined below. However, further refinement of key group responsibilities and teams is expected once the new Corporate Leadership Team is in place.

- **Corporate Group led by a Chief Operating Officer, a Director grade, responsible for the leadership of key corporate, regulatory, and finance functions.** The Corporate Group forms the council's new corporate centre and would lead on shared services governance, transformation and organisational development, human resources, digital, emergency response, public and environmental health, digital strategy and deployment, including our relationship with 3C ICT, grants and City Events.
- **City Services Group led by a Director responsible for leading and managing the new Operational Hub,** integrating the delivery of key city services and operations for residents and on behalf of the Council, including parking, bereavement, fleet, street cleaning, city centre management, repairs and maintenance, and responsibility for managing the relationship and integrated delivery with Greater Cambridge Shared Waste.
- **Communities Group led by a Director responsible for enabling more resilient communities, particularly in places of highest need;** leading teams managing the Council's housing stock and tenancies, community centres, initiatives to reduce homelessness, improve community safety, champion equalities, support refugees and asylum seekers, promote healthy lifestyles and joining-up local provision with the Integrated Care System, Early Help, and Adults and Children's Social Care.
- **Assets & Development Group led by an Assistant Director responsible for overseeing a corporate approach to all our assets, estate and property management,** including risk assurance and compliance, health and safety, and the Council's office accommodation project; as well as taking forward strategic opportunities to develop new council and affordable homes and estate regeneration, and the management of Cambridge City Housing Company.
- **Strategy, Climate and Inclusive Economy Group led by an Assistant Chief Executive, an Assistant Director grade, responsible for the Council's democratic governance, policy and key partnerships;** leading elections, communications, the council's strategic relationships with the Cambridgeshire and Peterborough Combined Authority, Greater Cambridge Partnership, Business Improvement District, new Destination Management Organisation; and for co-ordinating cross-council environmental and climate projects, and promoting the Region of Learning.

Further detail including teams to be included in each group is set out below. Each Group has been designed to create a coherent organisation structure aligned to delivery corporate priorities and other requirements previously stated in this document. Numbers of staff in each group have been considered. A Director led group would have over 200 people and an Assistant Director led group

having around 50 people. It is anticipated that key responsibilities and groups structures will be further refined when the new leadership team are appointed and that these should continue to flex and change in future to fit changing business needs.

5.2 Corporate Group

Key corporate, regulatory and finance functions are currently distributed across the council. A stronger, more integrated and responsive corporate centre would reduce duplication, enable a more consistent corporate approach and better support the organisation to adapt to changing circumstances and emergencies. The consolidated Corporate Group would put the Council in a better position to provide the infrastructure to stand up cross-council teams and allow for centralised oversight of shared services arrangements and performance.

Overall operational, policy and financial responsibility for the Group to be led by a Chief Operating Officer. The following Teams would make up this group:

- Human Resources (led by a new Head of People – band 11)
- Customer Services
- Transformation Team
- Environmental & Public Health
- City Events & Cultural Services
- Grants Team

Led by a Chief Finance Officer (S151) line managed by the Chief Operating Officer:

- Accountancy
- Internal Audit
- Revenues
- Finance Support Services
- Procurement

5.3 City Services Group

The principal operational group encompassing street cleaning, grounds maintenance, facilities management, estate repairs and management, as well as car parking, fleet, bereavement services and the Cambridgeshire Home Improvement Agency. Bringing these teams together would enable greater management efficiency as well as the potential for a more integrated approach to delivering key city services and operations for residents. This group would lead the relationship with Greater Cambridge Shared Waste and many of the staff are likely to work from or be based out of the new Operational Hub.

Overall operational, policy and financial responsibility for the Group to be led by a City Services Director. The following Teams would make up this group:

- Operations, including City Centre Management (Streets and Open Spaces)
- Operations (Estates & Facilities)
- Parking, including responsibility for liaison on Shared CCTV
- Fleet
- Bereavement
- Cambridgeshire Home Improvement Agency (CHIA)

5.4 Communities Group

The integration of teams and services that directly support residents, including those with more complex needs, is a step towards creating a single point of contact to help individuals, families and communities to access the right support at the right time from the council and wider systems of support available in Cambridge. This group would include the benefits team, while the council's revenues team would remain part of Corporate Group.

This group leads on community development, housing and homelessness, community safety, public realm improvements, healthy lifestyles, as well as engagement and volunteering opportunities with residents and businesses, including by making use of the city's environmental assets, open spaces, and community centres.

Overall operational, policy and financial responsibility and leadership by a Director for Communities. The following Teams would make up this group:

- Community Development
- Community Facilities
- Sports and Recreation
- Development (Streets and Open Spaces)

And the following Teams led by a Head of Housing & Community Safety reporting to the Director:

- City Homes
- Housing Advice
- Housing Support & Performance
- Benefits
- Community Safety

5.5 Assets and Development Group

The Council's portfolio of property investments, its estate and responsibility for developing new homes and estate regeneration is currently divided across several teams. Bringing these together into a single group would enable a more consistent corporate approach to our assets, property

management and development, including responsibility for consolidating the Council's office footprint, and management of Cambridge City Housing Company.

Overall operational, policy and financial responsibility for the Group to be led by an Assistant Director for Assets and Development. The following Teams would make up this group:

- Property Services
- Asset Management
- Risk Assurance & Compliance
- Facilities Team
- Health and Safety (Emergency Planning and engagement with the Local Resilience Forum reporting to the Chief Operating Officer).

And the following Teams led by a Head of Homes and Regeneration reporting to the Assistant Director:

- Housing Strategy
- Housing Development Agency

5.6 Strategy, Climate and Inclusive Economy Group

This new Group builds on existing structures responsible for providing member and executive support, democratic governance and elections, and our corporate and public communications. The proposed new group would consolidate key teams and individuals that lead on our strategic relationships with the Combined Authority, Greater Cambridge Partnership, Business Improvement District, and new Destination Management Organisation that are vital to achieving corporate policy priorities on climate change and inclusive economic development, as well as co-ordinating cross-cutting environmental policy and projects.

As it is now a Cambridgeshire and Peterborough wide programme with an economic and skills focus the Region of Learning team would join this group.

Overall operational, policy and financial responsibility for the Group to be led by an Assistant Director, with the title Assistant Chief Executive. The following Teams and individuals would make up this group:

- Democratic Services
- Business & Executive Support Team
- Communications
- Strategy and Partnerships
- Urban Growth Manager
- Economic Development Manager
- Region of Learning

The Head of 3C Legal Services, also the City Council’s Monitoring Officer, would be line managed by the Assistant Director.

5.7 Proposed Organisation Structure Summary

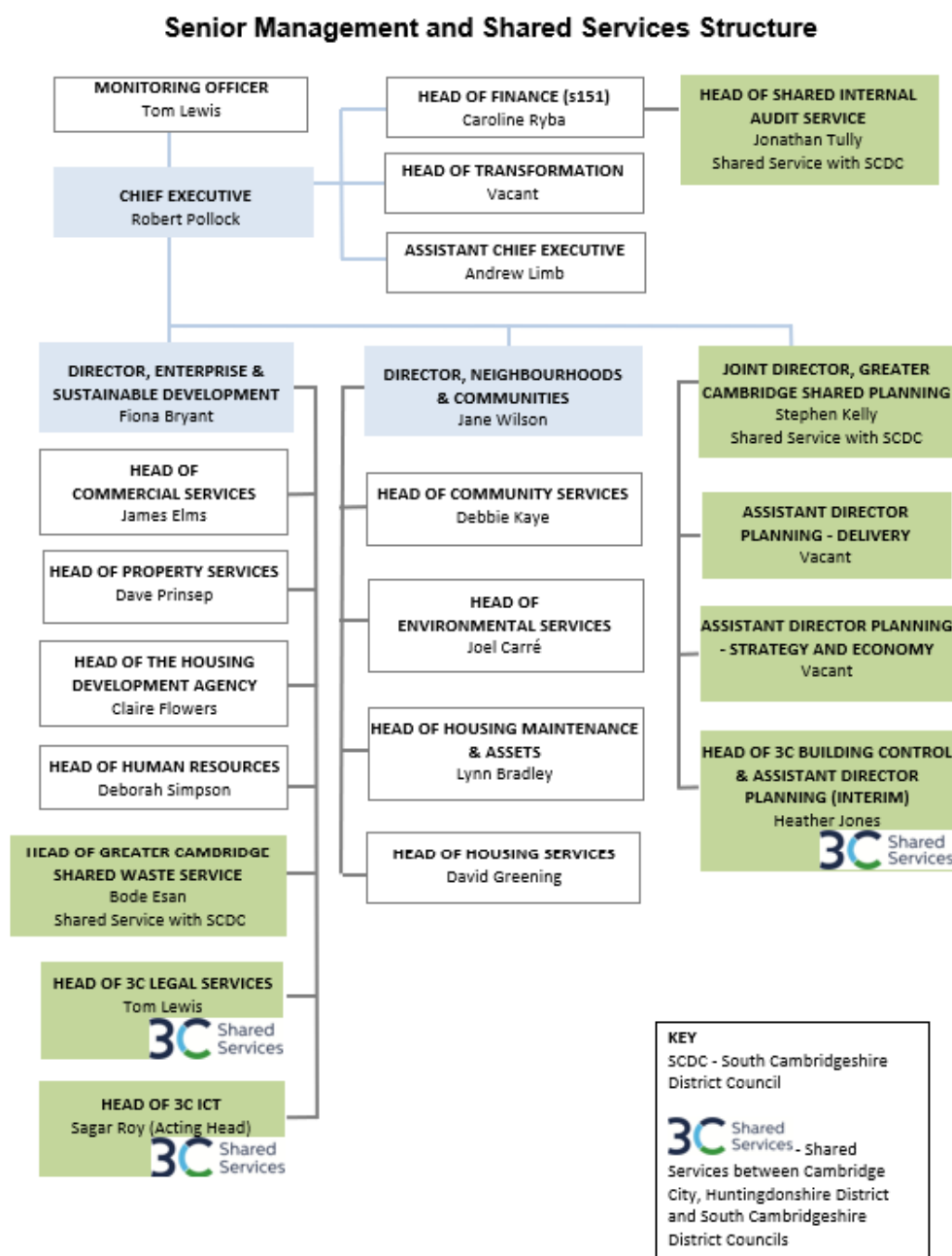
The table below summarises the proposed new structure.

Corporate Group	City Services Group	Communities Group	Assets and Development Group	Strategy, Climate & Inclusive Economy Group
Chief Operating Officer	City Services Director	Communities Director	Assets and Development, AD	Assistant CEO, AD
Staff: 217 (+ 69 contractors)	Staff: 207	Staff: 217	Staff: 51	Staff: 63
Chief Finance Officer (S151)	Establish Operational Management Team	Housing and Community Safety, Head of Service	Homes & Regeneration, Head of Service	Monitoring Officer & Head of 3C Shared Legal
<p>Teams</p> <ul style="list-style-type: none"> • Human Resources • Customer Services • Transformation Team • Environment & Public Health • City Events • Grants Team <p>Chief Finance Officer (HoS)</p> <ul style="list-style-type: none"> • Accountancy • Internal Audit • Revenues • Finance Support Services • Procurement 	<p>Teams</p> <ul style="list-style-type: none"> • Operations, inc. City Centre (SaOS) • Operations (Estates & Facilities) • Parking, including CCTV • Fleet • Bereavement • CHIA 	<p>Teams</p> <ul style="list-style-type: none"> • Community Development • Community Facilities • Sports and Recreation • Development (SaOS) <p>Housing & Community Safety (HoS)</p> <ul style="list-style-type: none"> • City Homes • Housing Advice • Housing Support & Performance • Benefits • Community Safety 	<p>Teams</p> <ul style="list-style-type: none"> • Property Services • Asset Management • Risk Assurance & Compliance • Facilities Team • Health and Safety <i>(Emergency Planning/LRF reports to COO)</i> <p>Homes and Regeneration (HoS)</p> <ul style="list-style-type: none"> • Housing Strategy • Housing Development Agency 	<p>Teams</p> <ul style="list-style-type: none"> • Democratic Services • Business & Executive Support • Communications • Strategy and Partnerships • Urban Growth Manager • Economic Development Manager • Region of Learning <p>3C Shared Legal (HoS) out of scope</p>

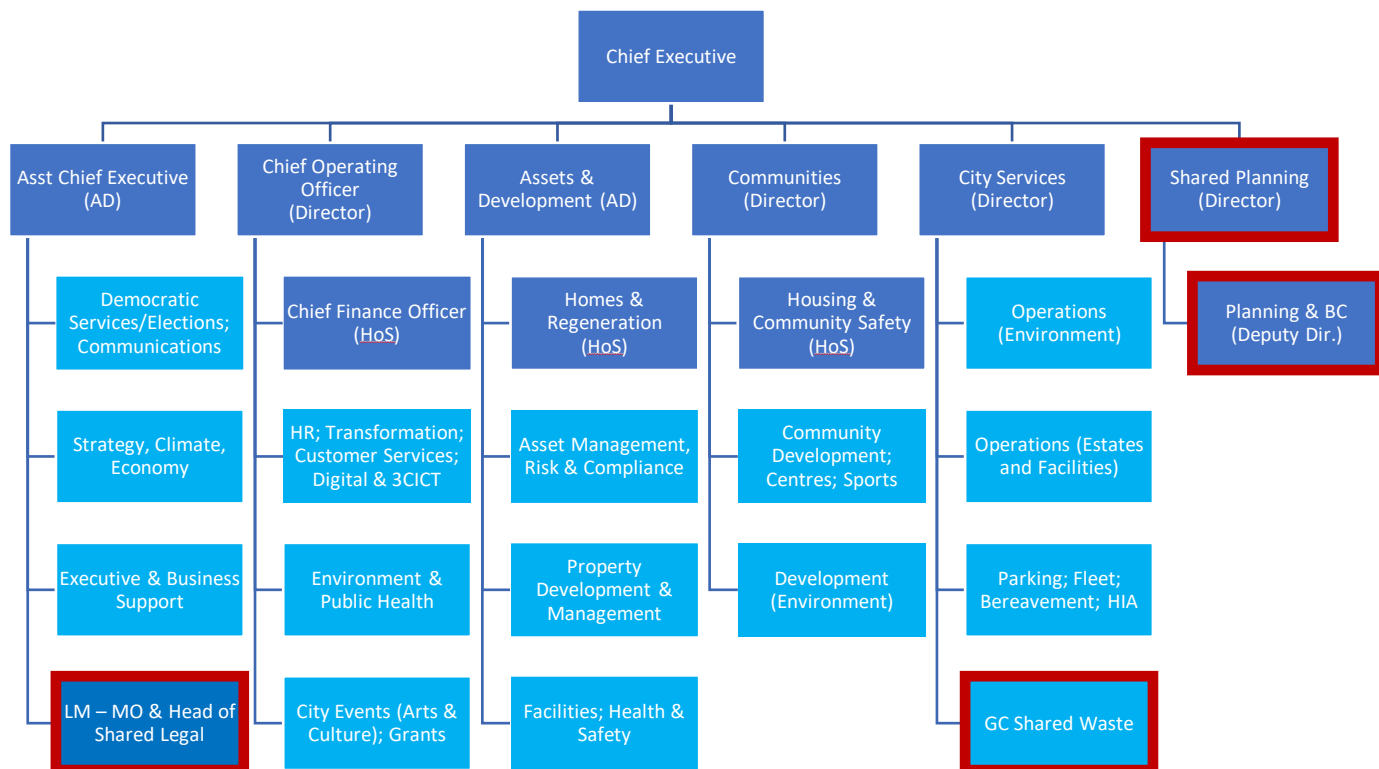
6. Proposed Leadership Structure

The table below illustrates the current posts within the Leadership and Senior Management Teams, followed by the proposed new corporate leadership structure, changes to existing posts and arrangements for selection to new roles, excluding the Chief Executive.

6.1 Current structure



6.2 Proposed leadership structure – *simplified view*



*Red highlighted roles or teams are out of scope.

6.3 Proposed Changes to Current Posts

The proposed changes to current posts provide opportunities for all colleagues at risk and development for the limited number of slotted in roles and as far as possible consistency in current management to mitigate delivery risks. As previously outlined in 4.3, supporting new leadership qualities and collaborative culture are critical to successfully achieve the necessary transformation and will therefore form a key part of the selection process, outlined further in section 6.4.

Based on their duration in the role of interim Director of Neighbourhoods and Communities and the proposed deletion of that post the incumbent is being included in the ring fence for proposed new roles. As a result, arrangements for those individuals currently backfilling posts will subsequently be reviewed by the relevant new Group Director.

The following table shows the current posts and the impact for the postholders.

Current Post	FTE	Grade	Proposed Action	Impact on Postholder
Director of Enterprise and Sustainable Development	1.0	DIR	Post deleted	At Risk and Ring Fence for new roles
Director of Communities and Neighbourhoods	1.0	DIR	Post deleted	At Risk and Ring Fence for new roles
Assistant Chief Executive	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Community Services	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Housing Services	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Environmental Services	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Housing Maintenance & Assets	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Human Resources	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Commercial Services	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Property Services	1.0	HOS	Post deleted	At Risk and Ring Fence for new roles
Head of Housing Development Agency	1.0	HOS	Change of reporting line to AD Assets & Development, change of title to Head of Homes & Regeneration	Slotting In.
Head of Finance	1.0	HOS	Change of line management to Chief Operating Officer, title to Chief Finance Officer	Slotting in.
Head of Transformation	1.0	HOS	Post deleted	Vacant post
Head of Legal Services	1.0	HOS	Post out of scope of the review. Change proposed in reporting line.	None
Head of Building Control	1.0	HOS	Post out of scope of the review. In scope Shared Planning restructure.	None
Total	15.0			

6.4 Selection to the new posts

The table below shows proposed new posts, titles and arrangements for selection.

All ringfenced roles will be open to all post holders who are at risk and ringfenced for the new roles. Everyone directly impacted by this review will be offered development support. A full selection (assessment) process will be completed for all new roles.

Director roles will be appointed to by the Employment (Senior Officer) Committee comprised of Councillors and advised by the Chief Executive and an Independent HR Advisor.

Assistant Director and Head of Service roles will be appointed by the Chief Executive, advised by an Independent HR Advisor.

For posts where there are proposed slotting in arrangements the postholders will undertake a 'fit for role' development process. The purpose of these discussions/interviews will be to talk through the employee's fit for role, agree development areas and what support will be provided to meet new leadership behaviours.

New Post	FTE	Grade	Ring Fenced	Assessment/Interview
Communities Director	1.0	DIR	Yes	Assessment & ESOC
City Services Director	1.0	DIR	Yes	Assessment & ESOC
Chief Operating Officer	1.0	DIR	Yes	Assessment & ESOC
Assets & Development Assistant Director	1.0	AD	Yes	Assessment & CEX
Assistant CEO (Assistant Director Strategy, Environment & Economy)	1.0	AD	Yes	Assessment & CEX
Head of Housing & Community Safety	1.0	HOS	Yes	Assessment & CEX
Head of Homes & Regeneration	1.0	HOS	Slotting in	'Fit for Role' Development
Chief Finance Officer	1.0	HOS	Slotting in	'Fit for Role' Development
Total	8.0			
Head of People (2-year Fixed Term)	1.0	Band 11	Yes	Assessment & CEX

7. Proposed Leadership Tiers and Roles

There are three main types of role in the new leadership structure: Director, Assistant Director and Head of Service. Sections 5 and 6, outline the responsibilities and reporting lines of each leadership role, and sections 4.2 and 4.3 outline the future requirements and qualities for the leadership team.

In summary, our future leadership team should:

- share collective responsibility with the Chief Executive, Leader and Executive Councillors to set a clear vision, ensuring all teams are aligned to deliver this,
- ensure better outcomes for the customer and community, placed at the centre of everything the Council does,
- take ownership and be accountable for driving the performance of our teams,
- act as one, discussing and sharing thinking with each other, enabling consistent messaging, prioritisation, and confidence across all teams,
- take an entrepreneurial approach, focusing on delivering value for money to ensure cost effective delivery,
- have a transformative effect on ways of operating, challenging, using insight and data, and supporting others to do the same,
- make a difference, providing strong leadership, direction, and guidance, ensuring this is followed by all,
- be an authentic leader, coaching, inspiring and role modelling Cambridge City Council's values, and culture, to enable a climate of trust and mutual respect,
- work with partners and support others to work collaboratively internally and externally to help shape, explore new opportunities and deliver for the communities of Cambridge
- create and develop high performing teams who learn, integrate, and create opportunities to delivery outcomes with others,
- provide teams and staff with clear expectations to deliver their best work, encouraging different working styles and thinking, whilst remaining consistent with our values and behaviours,
- embrace digital, hybrid and outcome focussed working opportunities, coaching others to do the same, and
- make sure all corporate priorities and statutory responsibilities, the constitution, and Council policies are followed by all staff.

All leadership roles will be required to fulfil the criteria above and the leadership qualities captured in 4.3, however it is recognised that there are different expectations of the three roles: Director, Assistant Director and Head of Service.

For ease of understanding and to ensure equity the roles and responsibilities have been categorised below as follows: Tier 2 = Director; Tier 3A = Assistant Director; Tier 3B = Head of Service.

The different leadership and managerial expectations at each Tier.

All responsible	Tier 2 responsibilities	Tier 3A responsibilities	Tier 3B responsibilities
Support Chief Executive to discharge their duties	Line Managed by Chief Executive	Line Managed by Chief Executive	Line managed by Director or Assistant Director (Tier 2 or 3A)
Lead, coach & inspire collaborative working across all services	Deputises for the Chief Executive	Deputises for Chief Executive on relevant area / specifics	Support Director or Assistant Director (Tier 2 and 3A) to discharge their duties, deputising for some Directorates.
Collective responsibility for ensuring agreed outcomes for residents and city by working across the council and with partners and community	Line Manager for Head of Service	Line Manager for Head of Service and relevant operational / specific expertise functions	Line Manager for relevant operational / specific expertise functions
Member liaison and engagement, considering political interest and requirements	Member of Leadership Team	Member of Leadership Team	Invited e.g., CFO
Work collaboratively, aligning delivery and ensuring value for money	Responsible for strategy, delivery, operational management and budget of strategic clusters of council business	Responsible for strategy, delivery, operational management and budget of more than two clusters of council business	Responsible for strategy, delivery, operational management and budget of one or two clusters of council business
Agree, maintain and promote strong governance	Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Support Director or Assistant Director (Tiers 2 / 3A) to develop and deliver corporate objectives, cross cutting work and corporate performance
Transformative effect on ways of operating & driver of digital opportunities	Provides and delivers a clear vision and leadership for the whole Council	Provides and delivers a clear vision and leadership for strategic clusters	Provides and delivers a clear vision and leadership for clusters of council business
Advise leadership colleagues, and Members on areas of responsibility		Provides detailed guidance and knowledge on area of expertise (may require qualification)	Provides detailed guidance and knowledge on area of expertise (may require qualification)
External ambassador for the Council			
Emergency duty rota			

Generic role profiles for each tier have been produced and can be found in Appendix A and B respectively.

Tier 3A and 3B form the roles which are included in the linked pay grade detailed in section 8

8. Pay and Grading Structure

The current pay and grading structure includes a Head of Service grade and a Director grade. Under the proposed new structure, a new role of Assistant Director has been introduced.

The pay and grading for these posts will be in the form of a linked grade at Head of Service level, to be called Head of Service/Assistant Director. The points and pay range of the Head of Service (HoS) grade will be extended and the Chief Executive will have the authority to designate which posts will be called, and paid as, an Assistant Director.

It is intended that the additional spinal column points for the Assistant Director role will start where the current head of service pay points end and finish before the Director pay grade starts. The pay rates for Head of Service and Director, uplifted to show the new pay award are £73,931 - £81,251 (HoS) and £94,684 - £105,670 (Director). This would indicate a range of around £84,000 to £93,000 for the Assistant Director.

Proposals on the new pay and grading structure for posts within the scope of this review will be taken to Civic Affairs and Council as part of the annual review of the Pay Policy Statement. A commitment to review the Senior Management pay structure was included in the 2022 Pay Policy Statement.

The exact pay range for the Assistant Director and other roles will be confirmed following Council in March 2023.

9. Financial Implications/Potential Savings

The proposed net savings from the introduction of a smaller Corporate Leadership Team to replace the current two-tier Leadership Team and Senior Management Team are estimated as £0.32m net per annum. Over a five-year period, this would equate to £1.7m.

2023/24	2024/25	2025/26	2026/27	2027/28	Total MTFS
£0.32m	£0.33m	£0.34m	£0.35m	£0.36m	£1.7m

Up to £40,000 of gross savings has been set aside to enable group restructures and new management opportunities for talented staff, including up to £15,000 for the City Services Group.

Based on the most expensive scenario for severance there is payback period of around 2.1 years.

There will be a tailored development programme during 2023 to support all new leaders & senior managers to succeed through transition, which is already allocated in transformation budget.

In summary, under these proposals the total cost of the Council's new Corporate Leadership, including leaders of shared services, would total just over 11 FTE at a cost around £1.47m. This is comparable with similar councils, which have been reviewed as part of the development of these proposals.

10. Proposed Timetable

The table below shows the proposed timetable for key activities, consultation, committee meetings, selection process, prior to the anticipated implementation of new arrangements in May 2023.

Event	Timescale / Proposed Date
Start of Formal Consultation period	10 th November 2022
1:1 discussion with those impacted	In consultation period
End of Formal Consultation period	10 th December 2022
Review of consultation feedback	12 th December – 6 th January 2023
Report to Strategy & Resources Committee - Scrutiny of structure (post consultation) by Strategy & Resources Committee	30 th January 2023
Update to all impacted staff following S&R committee	31 st January 2023
Draft Pay Policy for Feb Civic Affairs and March Council – pay and grading structure	8 th Feb 2023 Civic Affairs & 2 nd March 2023 Council
Consideration of severance costs by Employment Senior Officer Committee	Feb 2023 (Date TBA)
Council Meeting – Decisions and approval of recommended structure and changes	2 nd March 2023
Confirmation of structure to those impacted and next steps	6 th March 2023
Individual discussions with all impacted staff at 1:1's:	From 6 th March 2023
Invitation to be considered for Director roles	From 6 th March 2023
Written application deadline for Director roles	16 th March 2023
Shortlist for Director roles	17 th March 2023
Selection day for Director roles	27 th March 2023
ESOC interviews for Director posts	April 2023
CEX (and newly appointed Directors) interview for Assistant Director and Head of Service roles	April 2023
Fit for role discussions for “slot” roles and development plans for all Leadership team agreed	April 2023
Individual discussions for all impacted to confirm appointment / next steps	April 2023
External selection for roles not filled commences	April 2023
Transition plan finalised and implemented (includes constitutional, system, budget changes etc)	April 2023
New structure implemented	May 2023

11. Equalities Impact Assessment

An EQIA has been undertaken for the posts directly impacted by these proposals and is available on request from Deborah.Simpson@cambridge.gov.uk. This will be updated at the end of the consultation period and presented to the Strategy and Resources Scrutiny Committee on 30th January 2023. The EQIA has identified an older age profile and a lower ethnic minority workforce profile than the wider council workforce. Representation of women is higher than the wider council workforce profile and is broadly comparable for staff who have declared a disability.

12. Implementing the new structure

At the end of the consultation period, all consultation responses will be considered, and the results presented in a final implementation paper. This will confirm the new staffing structures, the selection process for all posts, costs and savings. Once approved, all affected employees will be issued with letters confirming their individual position.

Once confirmed implementing the new structure will require a detailed transition plan, which will be developed and implemented as the review and restructure progresses. The transition plans will consider all areas, such as changes to our constitution as outlined below, our internal systems, including cost centres, line and performance management arrangements.

12.1 Review of Delegations and the Constitution

If the proposed changes to posts and the organisation structure set out in this report are agreed at Council in March 2023 it will be necessary to amend the Council's Constitution and delegations to officers.

It is proposed that the Chief Executive and Monitoring Officer (Head of Legal Services) be given delegated authority to make such changes, in consultation with the Leader of the Council and Executive Councillor for Finance, Transformation and Resources.

This recommendation will be included in the report to Council in March 2023.

12.2 Supporting those impacted by the review

The overarching priority throughout this review is to ensure that our current leadership and senior management teams feel supported throughout and trust the integrity of the process. In addition to the principles set out earlier in this document, impacted staff will also be offered:

- every opportunity to engage with and understand the review.
- a 1:1 meeting with the Chief Executive for each person in scope of the review, including the two Shared Service posts.
- confidential discussions with an independent external HR expert, to ensure a full understanding of every person's career and future aspirations, and additional support requirements, and
- engagement with relevant trade unions, Unison and GMB.

Throughout the consultation and there-after, there will be opportunities to discuss the proposed changes. Appropriate interventions will be provided to support people through the transition and development into new roles.

Organisational change can be a stressful time and any staff member may request confidential counselling through PAM Assist (0800 882 4102).

Staff may wish to talk to trade union reps individually or collectively. Trade Union representatives have been briefed, provided with a copy of this paper and invited to respond to the consultation paper.

A copy of the organisational change policy is available on the intranet – [here](#).

13. Next steps

If your role forms part of the formal consultation stated in this document and you have any queries about this consultation document, please raise them directly with Robert Pollock, Chief Executive, or Deborah Simpson, Head of HR.

Individuals directly affected by these proposals should submit their formal feedback by e-mail before the consultation closes at noon on 10 December 2022 - SMRfeedback@cambridge.gov.uk

If you are not part of the formal consultation but have views to improve these proposals, please get in touch by via the same email by the deadline.

November 2022

Appendix A – Tier 2 – Director and Chief Operating Officer Role Profile

Job Role & Key Accountabilities

- To be accountable for driving the performance of a cluster of Council services; leading, coaching, and inspiring a collaborative culture which delivers successful, coherent and sustainable cost-effective services.
- To work collaboratively with the leadership team and elected Members to provide a clear Council vision, develop and deliver the Council's budget, explore new opportunities, define and deliver policies and plans, and align services to ensure these are achieved.
- To have a transformative effect on ways of operating, fostering and promoting an organisational culture where employees are engaged, feel valued, empowered to challenge and have the autonomy to work in a flexible way, be creative and take managed risks.
- To create and develop high performing teams who learn, develop, influence and deliver corporate objectives and exploit opportunities for joined up working
- To deliver agreed outcomes for residents and the city by working across the council, partners and community.
- To promote strong governance, whilst providing effective support, insight, clear and accurate advice, creative thinking, and appropriate challenge.

Specific responsibilities:

- Member of the Leadership Team who deputises for the Chief Executive.
- Line manages Tier 3 and 4 (as per agreed structure).
- Strategy, delivery, operational management and budget of strategic clusters of council business.
- Develop, influence and deliver corporate objectives.
- Accountable for cross cutting work and driving corporate performance.

Experience and skills

- *Leadership experience* – A leader at Executive or Board level, successfully leading a multi-skilled and/or multi-functional team in a complex and agile organisation.
- *Transformation delivery* - An ability to manage complex programmes and projects, resources, budgets and stakeholders to improve policy, service outcomes and deliver value for money.
- *Organisational awareness* – Able to understand and balance the national financial landscape, public policy, public sector challenges, best practice, governance and delivery of services.
- *Political acumen* - Proven track record of working within a complex political environment, considering political interest and requirements, and able to liaise, advise, engage, guide, gain buy-in and support councillors.
- *Partnership working* - Extensive experience of working with a wider range of partners to build trust and leverage maximum value from given resources and opportunities.
- *Culture change* – An influential and motivational communicator, who engages with a diverse group of stakeholders to find creative solutions, challenge the norm and deliver successful change.
- *Governance* – Able to operate in complex governance structures, meeting specific budget, professional and legal standards, whilst upholding all Council and statutory responsibilities.
- *Digital driver* – A leader who is focussed on digital opportunities, utilising technological best practice, insight, appropriate data and customer needs to support future solutions.
- *External Ambassador* – An expert communicator who can engage widely and promote Cambridge City within a national forum.

Leadership Qualities

- *Authentic* – A genuine and visible leader who is focused on our people, taking time to understand and ensure we develop, motivate and understand the needs of others. Acts with humility, is resilient and able to coach and inspire people to be the best they can be.
- *Outcome Driven* – prioritises delivering the very best outcomes for our customers, residents and stakeholders. Empowers others to improve customer experience, challenge processes, measuring impact and taking action to achieve better outcomes.
- *Empathetic collaborator* – Has a strong sense of purpose, acting with integrity. Builds relationships and networks, engages widely, and encourages groups to work, listen, learn, reflect, and deliver.
- *Influential* - Assertive and inspirational, with the confidence to challenge and persuade. Able to manage complex, contentious, and high-profile stakeholder engagement, displaying moral courage and empathy for different perspectives to elicit buy-in from all.
- *Ambitious* – An energetic corporate leader, who leads by example and inspires trust across teams to prioritise the strategic direction, promote innovation, is future orientated and takes ownership for decisions.
- *Courageous* – Positive and solution focused, looking at information and insights in new ways, navigates complexity and advocates new approaches. Is comfortable making difficult decisions, and to 'stretch' themselves and their teams.

Other features of the post:

- This position has been identified as a politically restricted post under the Local Government and Housing Act 1989.
- Working in a flexible way (location, hours and activities) to meet the needs of the role, this includes attendance at evening committee meetings.
- Participating in Emergency Planning, weekend duty cover and response activities as required.
- To deliver any other duties as reasonably required by the role.

Appendix B – Tier 3 Assistant Director and Head of Service Role Profile

Job Role & Key Accountabilities

- To be accountable for delivering clusters of Council services; leading, coaching, and inspiring a collaborative culture which delivers successful, coherent and sustainable cost-effective services.
- To work collaboratively with wider leadership team and elected Members to develop and communicate a clear vision, develop and deliver the Council's budget, explore new opportunities, define and deliver policies and plans, and align services to ensure these are achieved.
- To lead by example, transforming ways of operating, whilst fostering and promoting organisational values, behaviours and culture,
- To create and develop high performing teams where employees are engaged, valued, developed, empowered to challenge, and have the autonomy to work in a flexible way.
- To deliver agreed outcomes for residents and the city by working across the council, partners and community.
- To provide strong governance, whilst ensuring effective support, insight, clear and accurate advice, creative thinking, and appropriate challenge for colleagues and the services you manage.
- To deputise as agreed, being accountable for the management and delivery of all functions in the Directorate as delegated/devolved by the Director/Chief Operating Officer.

Specific responsibilities:

It is recognised that the responsibilities of tier 3 leaders vary to meet the demands of a specific role, cluster of Council services and priorities within the corporate plan. The table below captures examples of the expected responsibilities and how these are differentiated within tier 3.

Tier 3A specific responsibilities (Assistant Director)	Tier 3B specific responsibilities (Head of Service)
Line Managed by Chief Executive	Line managed by Director or Assistant Director (Tier 2 or 3A)
Deputises for Chief Executive on relevant area / specifics	Support Director or Assistant Director (Tier 2 and 3A) to discharge their duties, deputising for some Directorates.
Member of Leadership Team	Invited to attend Leadership Team
Responsible for strategy, delivery, operational management and budget of more than two clusters of council business	Responsible for strategy, delivery, operational management and budget of one or two clusters of council business
Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Support Director or Assistant Director (Tiers 2 / 3A) to develop and deliver corporate objectives, cross cutting work and corporate performance
Provides and delivers a clear vision and leadership for strategic clusters	Provides and delivers a clear vision and leadership for clusters of council business
Provides detailed guidance and knowledge on area of expertise (may require qualification)	
Line Manager for relevant operational / specific expertise functions	

Experience and skills

- *Leadership experience* – Experience of leading diverse workforces within a multi-skilled and/or multi-functional service covering one or more of the major disciplines in a complex organisation.
- *Organisational awareness* – Able to understand and balance public policy, national and public sector challenges, best practice, governance and delivery of services.
- *Political acumen* - Proven track record of working within a political environment, being able to work within specified governance arrangements to advise, engage, gain buy-in and support councillors.
- *Service delivery* - An understanding of relevant legislation, regulations and standards, and the ability to manage complex programmes and projects, resources, budgets and stakeholders to improve policy and service outcomes.
- *Partnership working* - Extensive experience of working with a wider range of partners and stakeholders to build trust and leverage maximum value.
- *Culture change* – A motivational communicator, who engages widely to find creative solutions, challenge the norm and deliver successful change.
- *Digital driver* – Focussed on digital opportunities, utilising technological best practice, insight, appropriate data and customer needs to deliver future solutions.
- *External Ambassador* – An expert communicator who can engage and promote Cambridge City within a national forum.

Qualities

- *Authentic* – A genuine and visible leader who is focused on our people, taking time to understand and ensure we develop, motivate and understand the needs of others. Acts with humility, is resilient and able to coach and inspire people to be the best they can be.
- *Outcome Driven* – prioritises delivering the very best outcomes for our customers, residents and stakeholders. Empowers others to improve customer experience, challenge processes, measuring impact and taking action to achieve better outcomes.
- *Empathetic collaborator* – Has a strong sense of purpose, acting with integrity. Builds relationships and networks, engages widely, and encourages groups to work, listen, learn, reflect, and deliver.
- *Influential* - Assertive and inspirational, with the confidence to challenge and persuade. Able to manage complex, contentious, and high-profile stakeholder engagement, displaying moral courage and empathy for different perspectives to elicit buy-in from all.
- *Ambitious* – An energetic corporate leader, who leads by example and inspires trust across teams to prioritise the strategic direction, promote innovation, is future orientated and takes ownership for decisions.
- *Courageous* – Positive and solution focused, looking at information and insights in new ways, navigates complexity and advocates new approaches. Is comfortable making difficult decisions, and to 'stretch' themselves and their teams.

Other features of the post:

- This position has been identified as a politically restricted post under the Local Government and Housing Act 1989.
- Working in a flexible way (location, hours and activities) to meet the needs of the role, this includes attendance at evening committee meetings.
- Participating in Emergency Planning, weekend duty cover and response activities as required.
- To deliver any other duties as reasonably required by the role.

CIVIC AFFAIRS

Present: Councillors McPherson (Chair), Carling (Vice-Chair), Bennett (online), Davey, Hauk and Thornburrow

FOR ADOPTION BY THE COUNCIL

23/6/Civ – Draft Pay Policy Statement

The Committee received a report from the Head of Human Resources. The report set out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.

In response to Councillors debate the Head of Human Resources agreed that a further review of senior officer pay could be undertaken once the new Senior Management structure, if approved by Council on 2 March has had a chance to bed in. There would be new data during the year which would support a further, earlier review to report next January/February.

Resolved (unanimously) to recommend to Council to:

- i. Approve the draft Pay Policy Statement 2023/2024 attached to the officer's report as Appendix 1.
- ii. Approve the pay proposals for chief executive, director and assistant director level pay bands following the 2022 review of senior officer salaries and as they relate to the senior management review.
- iii. Delegate authority to the Head of Human Resources to update the Pay Policy Statement 2023/24 following consideration and approval of the proposed changes to the pay bands for the roles of Chief Executive, Director and Assistant Director.

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DRAFT PAY POLICY STATEMENT 2023/24

**To:**

Civic Affairs Committee 8/02/2023

Report by:

Deborah Simpson, Head of Human Resources

Tel: 01223 - 458101 Email: deborah.simpson@cambridge.gov.uk

Wards affected:

All

1. Introduction

- 1.1 This report asks Civic Affairs Committee to consider a draft Pay Policy Statement for 2023/24, attached as Appendix 1 and the Council's senior pay arrangements, as set out in the report, for consideration at Full Council on 2 March 2023.
- 1.2 A pay policy statement is required under the Localism Act which requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.
- 1.3 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.

2. Recommendations

The Civic Affairs Committee is asked to:

- 2.1 Consider and recommend to Council the draft Pay Policy Statement 2023/2024 attached as Appendix 1.
- 2.2 To consider and recommend to Council the pay proposals for chief executive, director and assistant director level pay bands following the 2022 review of senior officer salaries and as they relate to the senior management review.
- 2.3 To recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2023/24 following consideration and approval of the proposed changes to the pay bands for the roles of Chief Executive, Director and Assistant Director.

3. Background

National Pay Awards

- 3.1 Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief Officers and the National Joint Council for Local Government Services (NJC) for staff on Bands 1-11. Pay awards for all groups were agreed with effect from April 2022. The national pay negotiations with effect from April 2023 have not yet commenced.

Senior Officer Pay Review

- 3.2 The Council has an agreement that senior officer pay scales will be reviewed every three years in line with the current market median level pay, this includes chief executive, director and heads of service salaries. The review looks at the relative pay position of the Council's pay bands when compared to other councils.
- 3.3 The last review was undertaken in 2019 and the outcome reported in the 2020 Pay Policy Statement. No changes to the pay bands were made at that time. The next three year review and a separate review of the senior management structure and associated salary levels, were scheduled for 2022. National pay awards have been applied during this time.

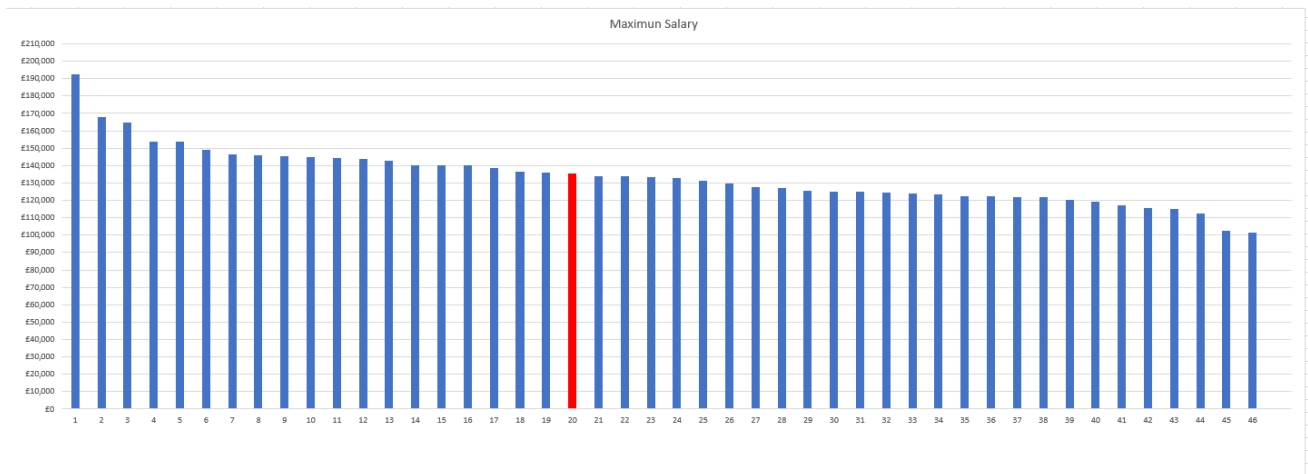
- 3.4 The Council is undertaking an ambitious transformation programme, Our Cambridge, which includes a review of the senior management structure. The Chief Executive published a consultation paper on proposals for a revised senior management structure on 10 November 2022 and following the conclusion of the consultation period on 10 December 2022 presented revised proposals to Strategy and Resources Scrutiny Committee on 30 January and will recommend final proposals to Full Council on 2 March 2023.
- 3.5 This senior management structure review includes proposed changes to the pay structure for existing heads of service roles to be replaced with a proposed role of Assistant Director. Proposals are set out below for a new pay structure for assistant director level posts.
- 3.6 In order to compare senior management salary levels for the 2022 review, data has been obtained relating to the salary levels of chief executive, director, assistant director (where shown) and heads of service levels posts in a representative sample of 46 district and borough councils from the six English regions.
- 3.7 Cambridge and the Greater Cambridge area is a high cost of living and housing area. It is a difficult area to recruit and retain across the public sector and pay and location are factors in attracting to posts at this level. Comparing to the market median may no longer be an appropriate pay strategy.
- 3.8 Analysis of this data indicates Cambridge City Council should review the salary levels all senior posts. Comparisons and proposals are set out below for revised pay levels for these posts with changes to the minimum and maximum salary levels.
- 3.9 Proposals are also set out for the new assistant director level roles which will replace the existing head of service posts and would apply to appointments at assistant director.

Chief Executive salary comparisons and proposals

- 3.10 A comparison has been made using published data on maximum salary levels for district and borough council chief executive level posts based on 2022 pay levels prior the national settlement. At this time the maximum pay point on the chief executive pay scale was £135,592. All of the data is prior to the settlement of the 2022 pay award. Following the national settlement the maximum pay point is now £137,517.

The maximum salary for the chief executive pay band at Cambridge City was ranked 20 out of 46 and 14 of 22 when looking at comparators in the East of England region.

The table below shows the position of Cambridge in the ranking of the sample of 46 councils.



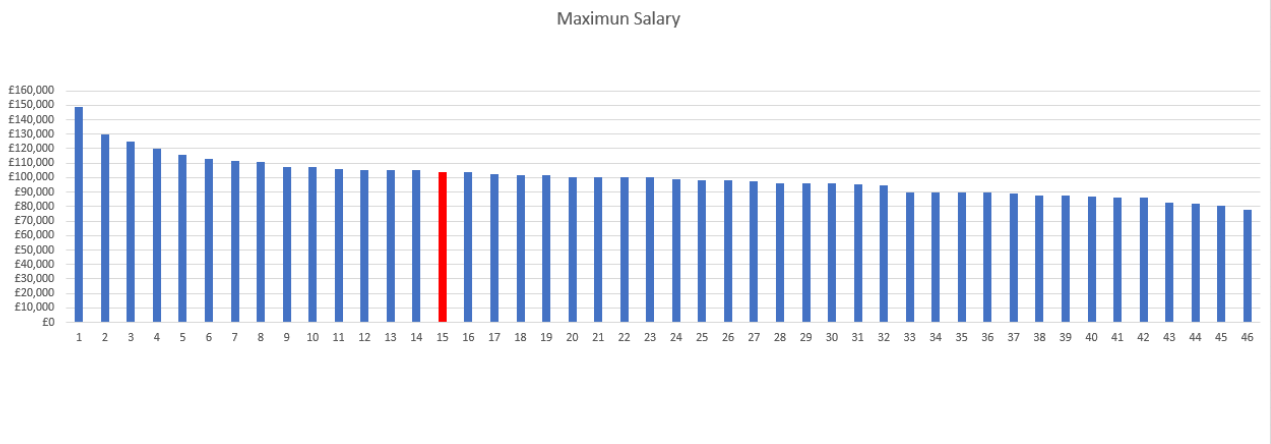
- 3.11 It is proposed to delete one point from the bottom of the pay band for the chief executive pay scale and add one new point to the top. This would increase the maximum of the chief executive pay scale to £142,617 (based on the updated 2022 national pay award salary level of £137,517), an increase of £5,100, 3.71% on this pay point. The current difference between pay points on this pay scale is approximately £5,100. This increase would take effect ahead of any national pay award in 2023.
- 3.12 This would put the maximum chief executive pay on par with the maximum for East Cambridgeshire, but lower than Huntingdonshire, Fenland, Oxford, and all Suffolk districts. It would put Cambridge approximately 14th out of the 46 councils sampled. It should be noted that the proposed increase is to the pay band, not the current pay of the chief executive.

Director salary comparisons and proposals

- 3.13 A comparison has been made using published data on maximum salary levels for district and borough council director level posts based on 2022 pay levels. At this time the maximum pay point on the director pay scale was £103,745. All of the data is prior to the settlement of the 2022 pay award. Following the national settlement the maximum pay point is now £105,670.

The maximum salary for the director pay band at Cambridge City was ranked 15 out of 46 and when looking at comparators in the East of England region was 9 of 22.

The table below shows the position of Cambridge in the ranking of 46 councils.



3.14 It is proposed to delete one point from the bottom of the pay band for the director pay scale and add one new point to the top. This would increase the maximum of the director pay scale to £109,334 (based on the updated 2022 national pay award salary level of £105,670), an increase of £3,664, 3.47% on this pay point. The current difference between pay points on this pay scale is approximately £3,664. This increase would take effect ahead of any national pay award in 2023. As a result, maximum director pay would likely increase in the ranking to around 11 out of 46 – the beginning of the upper quartile.

3.15 It should be noted that posts of director are currently subject to review under the senior management review and it is proposed to have three posts at this level. There are currently two. The costs of implementing the new senior management structure have been based on average salaries and are accounted for in the senior management review costing proposals.

Head of Service/Assistant Director salary comparisons and proposals

3.16 A comparison has been made using published data on maximum salary levels for district and borough council heads of service, and where

available assistant director level posts, based on 2022 pay levels. At this time the maximum pay point on the head of service pay scale was £79,326. All of the data is prior to the settlement of the 2022 pay award. Following the national settlement the maximum pay point is now £81,251.

The maximum salary for the head of service pay band at Cambridge City was ranked 20 out of 46 and when looking at comparators in the East of England region was 10 of 22. Over 80% of existing staff are at the top of the head of service pay band.

The table below shows the position of Cambridge in the ranking of 46 councils for head of service level posts.



- 3.17 It is proposed to delete two points from the bottom of the pay band for the head of service pay scale and to add four points to the top of the scale to create a new six-point scale. This would increase the maximum of the assistant director pay scale to £91,450 (based on the updated 2022 national pay award levels). The difference between pay points on the pay scale is approximately £2,500. This revised scale would take effect ahead of any national pay award in 2023 and would apply to new posts. As a result, the assistant director maximum would likely increase in the ranking to around 6 out of 46.
- 3.18 The pay band of assistant director will replace the current pay band of head of service. There are currently 13 posts on this grade. It should be noted that posts of head of service are currently subject to review under the senior management review. These proposals would reduce the number of posts in this new assistant director pay band from 13 to 7.
- 3.19 There will be two levels within the pay band, Level 1 and Level 2 with a BAR after the third point. Progression within Level 1 and Level 2 will be

subject to performance review. Appointment to Level 2 will be at the discretion of the Chief Executive and will be for Assistant Director roles which report directly to the Chief Executive and are part of the Council's appointed Leadership Team. There are proposed posts of Assistant Director which will report to a Director and are not part of the Council's appointed Leadership Team. The table below outlines the differences in these responsibilities.

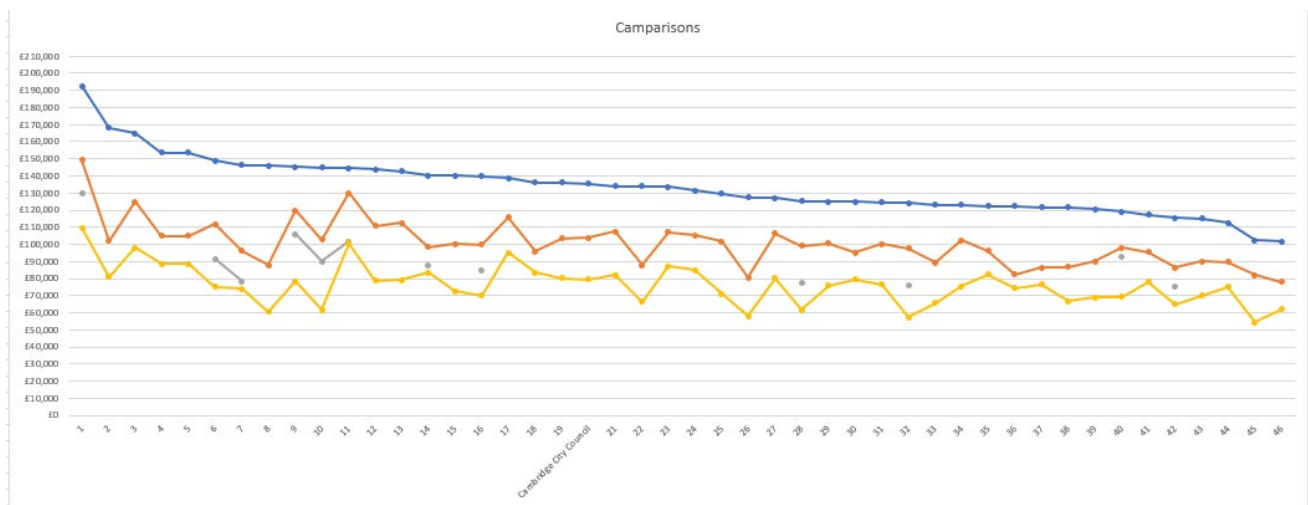
Assistant Director (Level 2)	Assistant Director (Level 1)
Deputises for Chief Executive on relevant area / specifics	Deputises for Director and other corporate leaders as required to ensure directorate responsibilities are discharged
Member of Leadership Team	Invited to attend Leadership Team
Responsible for strategy, delivery, operational management and budget of more than two clusters of council business	Responsible for strategy, delivery, operational management and budget of one or two clusters of council business
Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Supports Director and other corporate leaders to develop and deliver corporate objectives, cross cutting work and corporate performance
Provides and delivers a clear vision and leadership for strategic clusters	Provides and delivers a clear vision and leadership for clusters of council business
Leads a cluster of services with over xxx staff or a budget of xxx	Leads a cluster of services with over xxx staff, and budget up to xxx
Provides professional guidance and knowledge on area of expertise (may require qualification)	
Line Manager for relevant operational / specific expertise functions	
Member liaison and support	

3.20 The costs of implementing the new senior management structure have been based on average salaries and are accounted for in the senior management review costing proposals.

Overview of Pay Comparisons

3.21 The table below shows the pay comparison across the 46 districts and boroughs for maximum salaries for chief executive (top line), director (middle line) and head of service (bottom line) level posts. The spot salaries are where there is data for additional assistant director level roles.

The chart is organized by chief executive salary level and Cambridge City Council is marked at position 20.



4. 2022 Pay Review Proposals

- 4.1 The three year pay review has been undertaken for 2022 by the Head of Human Resources, using pay benchmarking data obtained from published pay information from 46 district and borough councils.
- 4.2 The current benchmarking of senior salaries suggests the pay levels for chief executive and director pay bands should be increased at the maximum salary level in line with our comparator authorities if we wish to remain competitive in the job market to both attract and retain people in a high cost of living area.
- 4.3 As a result of analysing the benchmarking pay comparison data it is recommended that there is an increase in minimum and maximum pay for the pay band for the posts of chief executive and director. It is proposed to do this by removing the bottom point of the four-point scale and adding a new point at the top, to retain the four-point scale and incremental progression based on performance review.
- 4.4 The proposals to have revised Assistant Director roles and delete current head of service level roles are set out the Chief Executive's Senior Management Review. The proposed pay points for the new six-point Assistant Director scale are shown below with a BAR to progression beyond the third point from level 1 to level 2. The new pay band structure would replace the current head of service grade for these new roles,

extended to set a salary to recruit and retain posts at the Assistant Director Level 1 and Level 2.

A table showing the proposals in relation to the current pay points is shown below:

Post	Existing point	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6
Chief Executive	£122,172 Delete	£127,280	£132,379	£137,517	£142,617 New	-	-
Director	£94,684 Delete	£98,348	£102,006	£105,670	£109,334 New	-	-
Head of Service (Replace with new Band)	£73,931 Delete	£76,382 Delete	£78,798 See below	£81,251 See Below	-	-	-
Proposed Assistant Director (Level 1 and 2 with bar)	-	£78,798 Level 1	£81,251 Level 1	£83,689 New Level 1	£86,200 New Progression subject to Bar Level 2	£88,786 New Level 2	£91,450 New Level 2

4.5 The proposed pay ranges would change from and to:

- Chief Executive – from £122,172 - £137,517 to **£127,280 - £142,617**.
- Director – from £94,684 - £105,670 to **£98,348 - £109,334**.
- Head of Service – from £73,931- £81,251 – deleted
- Assistant Director – from **£78,798 - £91,450** (Level 1 and Level 2, BAR at £86,200)

4.6 The next three year review of senior management pay is scheduled for 2025 but it is recommended this is kept under review following the full implementation of the proposed senior management structure.

5. Implications

a) Financial Implications

The Council has made budget provision in the Medium-Term Financial Strategy for 3.0% pay inflation in 2023/24.

Any costs associated with the changes to pay points for Assistant Director, Director and Chief Executive pay scales in 2023 will be met from the senior management review.

b) Staffing Implications

This report relates to the pay, terms and conditions of staff.

c) Equality and Poverty Implications

An equality impact assessment has not been undertaken for this report. Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

An equality impact assessment has been undertaken for the Senior Management Review.

d) Net Zero Carbon, Climate Change and Environmental Implications

The proposals in this report have no climate change impact.

e) Procurement Implications

The Living Wage Policy as it relates to contractors is included in the Pay Policy Statement.

f) Community Safety Implications

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

6. Consultation and communication considerations

6.1 The Chief Executive, Directors, Head of Legal Practice, Head of Finance, Payroll Manager and Democratic Services Manager have been consulted on this report and the attached draft Pay Policy Statement.

6.2 The Leader of the Council, Executive Councillor for Finance, Resources and Transformation, Group Leaders, Chief Executive and trade unions, Unison and GMB have been consulted or briefed on the outcomes of the senior pay review.

Senior Officers have been updated on this report and the senior pay review.

6.3 This pay policy statement once approved by Full Council will be published on the Council's website. The Pay Policy Statement will be updated following any agreed national pay award changes which affect the council's pay scales.

7. Background papers

Background papers used in the preparation of this report:

- Pay Policy Statement 2022/23
- City Council Pay scales
- Benchmarking data
- Senior Management Review – 10 November 2022

8. Appendices

Appendix 1- Pay Policy Statement 2023/24.

9. Inspection of papers

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

Pay Policy Statement 2023/24

Scope

This pay policy statement covers the posts of the chief executive, directors and heads of service.

The Council is an accredited Real Living Wage Employer, and this statement incorporates the Council's policy on the Real Living Wage. This statement also incorporates the Cambridge Weighting which is paid as a pay supplement to bring the minimum council pay rate to £11.00 per hour with effect from 1 April 2023.

The Council has a number of apprenticeship opportunities and there is a statement relating to apprenticeships.

Salary

The salary scales for the chief executive, directors and heads of service, following the nationally agreed pay award with effect from 1 April 2022 are shown below.

Progression through the pay band (a four-point scale) is subject to a range of criteria that are currently assessed via the annual performance review.

Post	Point 1	Point 2	Point 3	Point 4
Chief Executive	£122,172	£127,280	£132,379	£137,517
Director	£94,684	£98,348	£102,006	£105,670
Head of Service	£73,931	£76,382	£78,798	£81,251

Review of Salary levels

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with the current market median level pay, this includes chief executive, director and heads of service salaries. The review looks at the relative pay position of the Council's pay bands when compared to other councils.

The last review was undertaken in 2019 and the outcome reported in the 2020 Pay Policy Statement. No changes to the pay bands were made at that time. The next three year review and a separate review of the senior management structure and associated salary levels, were scheduled for 2022. National pay awards have been applied during this time.

The Council is undertaking an ambitious transformation programme, Our Cambridge, which includes a review of the senior management structure. The Chief Executive will present final proposals to Strategy and Resources Scrutiny Committee on 30 January and Full Council on 2 March 2023.

This senior management structure review includes proposed changes to the pay structure for existing heads of service roles, to be replaced with proposed roles and a pay structure for Assistant Director posts.

The 2022 pay review includes proposals to change the pay bands and salary ranges for Chief Executive and Director posts.

The table below shows the proposed new pay band structure, subject to Council approval.

Post	Existing Point	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6
Chief Executive	£122,172 Delete	£127,280	£132,379	£137,517	£142,617 New	-	-
Director	£94,684 Delete	£98,348	£102,006	£105,670	£109,334 New	-	-
Head of Service (Replace with new Band)	£73,931 Delete	£76,382 Delete	£78,798 See below	£81,251 See Below	-	-	-
Proposed Assistant Director (Level 1 and 2 with bar)	-	£78,798 Level 1	£81,251 Level 1	£83,689 New Level 1	£86,200 New Progression subject to Bar Level 2	£88,786 New Level 2	£91,450 New Level 2

Pay Awards

Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers.

This pay policy has been updated to include the pay awards with effect from April 2022.

Pay points within the senior management grades are subject to any nationally agreed pay awards with effect from 1 April 2023 and would increase in line with any nationally agreed award.

Terms and Conditions of Employment

The terms and conditions of employment for the chief executive, directors and heads of service/assistant directors within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Remuneration on Recruitment

Recruitment to the posts of chief executive and director is undertaken by a committee of Councillors appointed by Council. In the case of the chief executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee. Recruitment to posts of director is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the salary range for these posts at that time.

Recruitment to posts of head of service/assistant director will be undertaken by the chief executive or a director. The salary on recruitment will be within the salary range for these posts at that time.

There are occasions when the salary determined by the grading for a post results in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas due to fluctuations in the labour market supply. These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

It is anticipated that the proposed changes to pay bands as a result of the 2022 pay review will bring the salary levels in line with current market salary levels.

There may be occasions when due to recruitment and retention difficulties within a specific service area or role, it may be more appropriate to use a recruitment and retention package approach than a market supplement. Such an approach offers a fixed lump sum payment for new appointments or to the staff in identified roles at a given date. The payment is tied to a defined retention period and must be repaid in full if the person leaves the employment of the Council within the designated period. The aim of this approach is to recruit new staff and retain existing staff where there is evidence of both types of difficulty and a market supplement approach is assessed as less effective.

Rules governing the recruitment of the chief executive, directors and heads of service are set out in the council's constitution in section; Part 4i, Officer Employment Procedure Rules.

Bonuses

There are no bonus arrangements payable to the chief executive, directors or heads of service/assistant directors.

Performance Related Pay

Performance and progression through the pay band is assessed annually in line with the Council's performance review schemes. The performance review for directors is undertaken by the Chief Executive and for the Chief Executive by the Leader.

In line with the proposed changes to the senior management structure, for heads of service/assistant directors the performance review will be undertaken by the line manager, whether the chief executive or relevant director.

There is no performance related pay scheme outside of the performance review scheme, which determines the salary point of an officer, within the salary scale set out above.

Salaries over £100,000

The posts of chief executive and director have salary ranges which include pay points of over £100,000.

Publication of salary data

Salary data for the chief executive, directors and heads of service/assistant director is published on the council's website, in Open Data, Transparency in local government, senior salaries.

This pay policy statement once approved by Full Council will be published on the Councils website.

Expenses

The expenses which may be payable to the chief executive, a director or head of service/assistant director include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imbusement of travel and subsistence
- one professional subscription per annum
- payments under the eye-sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

Severance Payments

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years' service will be entitled to redundancy pay in line with local government guidelines and statutory provisions.

Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual weekly pay. Cambridge City Council will not apply the statutory weeks pay definition.

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the

date of the redundancy and the offer of the new job has been made before the end of the original contract.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.

The chief executive, monitoring officer and chief finance officer can only be dismissed by the Full Council. All other directors and heads of service can only be dismissed in accordance with the Councils constitution, Part 4i, Officer Employment Procedure Rules.

Pension and Pension Enhancements

The employees within the scope of this pay policy are entitled to and receive pension contributions under the Local Government Pension Scheme (LGPS). This is a contributory scheme and they currently contribute between 9.9% and 11.4% of their pensionable pay to the scheme.

The employer contribution rate is currently 17.6% i.e., the council contributes 17.6% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.6% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2022. This policy was approved by the Civic Affairs Committee on 21 September 2022. The policy is reviewed every 3 years and/or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council).

The next review of the Pensions Discretion Statement is scheduled to take place in 2025.

Pay Ratios, Real Living Wage, Cambridge Weighting and Apprenticeships

Set out below are the Council's pay arrangements with regard to the Real Living Wage, the Cambridge Weighting, apprenticeships, and the highest paid council staff.

The table below shows a number of pay ratios.

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

- **Apprentices**

The Council has engaged a number of apprentices in apprenticeship roles where these roles provide development opportunities and do not replace existing posts. They are outside of the Real Living Wage and Cambridge Weighting policies and where we pay apprentices in line with the National Living Wage/Minimum Wage Rates in their first year of apprenticeship.

The current lowest rate for an apprentice is £9.45 and this pay rate has been used in the ratios.

The Council also offer apprenticeships to current employees who are paid in accordance with their existing pay arrangements during the apprenticeship.

- **Lowest paid staff**

The lowest paid staff within the Council's pay structure are on Band 1. We have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy. The lowest pay point is £20,441 (£10.60 per hour) (April 2022).

Cambridge City Council is an accredited Real Living Wage employer and also pays a Cambridge Weighting supplement. This means that the minimum pay level for staff is £10.90 per hour, equivalent to £21,028.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Pay policies which apply to Band 1 employees include:

- car/bicycle/motorcycle mileage at HMRC rates
- re-imbusement for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye-sight tests scheme

- Travel scheme (where applicable)

- **Median average of employees**

The median average salary is £35,411 (December 2022).

- **Real Living Wage**

The Council is accredited with the Living Wage Foundation which means it has adopted a Real Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The implementation date for Real Living Wage increase is usually November for staff engaged on city council terms and conditions of employment, following the annual announcement. With effect from October 2022 the Real Living Wage has increased to £10.90 per hour.

The Council will pay the Real Living Wage rate for staff engaged on city council pay rates by way of a supplement to pay rates.

The Council will pay the minimum of the relevant Real Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will require contractors engaged through the Council's procurement processes to pay at least the Real Living Wage to all their staff who work on the Council's premises (or land maintained by the Council) for two or more hours on any day of the week for eight or more consecutive weeks. The only contracts that will be excluded from the requirement to pay the Real Living Wage are:

- contracts where it would be unlawful to require the payment of the Real Living Wage
- contracts where, following evaluation, it is considered inappropriate to impose the requirement.

- **Cambridge Weighting**

The Council pays a Cambridge Weighting to employees on city council terms and conditions of employment and related agency workers earning less than the approved rate per hour. The weighting is paid in addition to salary, the Real Living Wage supplement, to bring the hourly rate to an equivalent of £10.00 per hour (£19,294) and with effect from 1 April 2023 £11.00 per hour (£21,222). For agency workers the weighting applies in addition to current hourly rates and the Real Living Wage arrangements. The weighting is

variable, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.

- **Chief Executive**

The highest paid officer of the council is the chief executive. The highest pay point on this scale is currently £137,517 (April 2022).

- **Pay Ratios**

	Annual Salary	Ratio to Chief Executive salary/Highest pay point	Explanation
Apprentice rate of £9.45	£18,238	1:7.54	Chief Executive pay scale highest pay point and lowest apprenticeship rate
Real Living Wage Rate of £10.90 (October 2022)	£21,028	1:6.54	Chief Executive pay scale highest pay point and real Living Wage rate of £10.90
Lowest council pay scale point (£10.60)	£20,441	1:6.73	Chief Executive pay scale highest pay point and lowest council pay scale point
Cambridge Weighting – minimum £10.00 and £11.00*	£19,294 £21,222*	1:7.13 1:6.48*	Chief Executive pay scale highest pay point and £10.00 hour/£11.00* Cambridge Weighting
Median Average salary	£35,411	1:3.88	Chief Executive pay scale highest pay point and current median average salary
Chief Executive Highest pay point	£137,517	-	Chief Executive’s pay band highest pay point

- Increasing to £11.00 with effect from 1 April 2023.

Election Fees

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The role of Chief Executive is the council's Returning Officer.

The fees for Parliamentary, Police & Crime Commissioner, Euro Elections and national referenda are set by the Government. The fees for County Council elections are set by the County Council. The fees for the Combined Authority Mayoral election are set by the Combined Authority. The fees for Parliamentary and European Elections are pensionable.

Fees for district elections are set locally (mindful of neighbour district council fees) and were last set by the Civic Affairs Committee in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

These fees will be reviewed taking into account information from Government which is currently in the process of reviewing fees at the national level.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties.

Tax Avoidance and IR35

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

In addition workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income Tax and National Insurance contributions deducted and paid over to HMRC.

The Council will continue to advice employment agencies for each role, whether the role has been assessed to be within scope of IR35, or not.

Re-engagement of ex City Council staff within the scope of this policy

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex-city council member of staff within the scope of this policy outside of these arrangements.

February 2022

Cambridge City Council

Record of Officer Urgent Decision

Cambridgeshire and Peterborough Combined Authority- Appointment of the Council's Board member and substitute member

Decision taken: To appoint the Board member and substitute member for the City Council on the Combined Authority.

Decision of: Chief Executive

Reference: 22/OfficerUrgent/SR/02

Date of decision: 4 November 2022

Matter for Decision: To appoint Councillor Anna Smith as the City Council's member and Councillor Lewis Herbert as substitute member on the Cambridgeshire and Peterborough Combined Authority.

Any alternative options considered and rejected: None

Reason for the decision including any background papers considered: Normally an appointment by Full Council (which next meets on 23 February 2023), an urgent decision under paragraph 2 of section 9, Council Procedure Rules was necessary to give the required 14 days' notice by the Combined Authority of a change to the city council's Board membership.

Conflict of interest and dispensation granted by Chief Executive: None.

Comments: None

Contact for further information: Robert Pollock, Chief Executive.
Robert.Pollock@cambridge.gov.uk

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Cambridge City Council

Record of Executive Decision

Approval of Additional Energy Investment for 2023/24

Decision of: Councillor Bird, Executive Councillor for Housing

Reference: 22/URGENCY/HSC/16

Date of decision: 15.11.22 Date Published on website: 16.11.22

Decision Type: Key

Matter for Decision: Approval of a net £3,640,000 additional budget for energy investment in 2023/24

Why the Decision had to be made (and any alternative options):

The Executive Councillor's decision:

- a) Approve the inclusion of an initial budget of £3,640,000 in the Housing Capital Programme in 2023/24 in respect of delivering energy improvement works to 130 homes to bring them up to an EPC 'C' rating.
- b) Approve an increase in the budget by the value of the grant bid, subject to a successful grant bid, and recognise the associated grant income in the Housing Capital Investment Plan (budget).

Reason for the decision: This urgent decision pre-empts a decision that would otherwise have been expected to be formally made in January / February 2023 as part of the 2023/24 budget setting process.

Additional capital investment of £3,640,000 is required in 2023/24 in order to move a tranche of 130 homes up to an EPC 'C' rating.

By taking this decision now under urgency powers the authority will be in a position to be able to bid for external grant funding as part of the Social Housing Decarbonisation Fund that, subject to a successful bid, would top up our own investment allowing further energy improvement works to be delivered in these homes. The authority is required to supply formal approval of the resource being invested by them as part of the grant application process.

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

Report: Approval of Additional Energy Investment for 2023/24 Report [Document 221115 - Urgent Decision - Additional Energy Investment for 202324 - Cambridge Council](#)

Conflict of interest: None

Comments: Part 4C section 6.1 of the Councils Constitution, permits decisions to be taken which are outside of the budget framework if the decision is:

- a matter of urgency
- it is not practical to convene a quorate meeting of the Council, (this is correct);
and

The Chair of the Housing Scrutiny Committee agrees the matter is of urgency as the authority wishes to be in a position to bid for external grant funding as part of the Social Housing Decarbonisation Fund, which will not be possible unless the Council's investment is formally approved.

The next available ordinary Full Council meeting is 23 February 2023 which is too late. The decision will be reported back to Full Council at the next meeting in February 2023.

Councillor Porrer requested clarification regarding the funding sources for the investment but supported the decision.

Cambridge City Council

Record of Executive Decision

Approval of budget for purchase of former Murketts Garage Site, Histon Road Cambridge

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

Reference: 22/URGENCY/S&R/17

Date of decision: 9/12/22 Date Published on website: 14/12/22

Decision Type: Key

Matter for Decision: Urgent approval for budget approval for the purchase of the Former Murketts Garage Site, Histon Road, Cambridge.

Why the Decision had to be made (and any alternative options): The land is only available at a proposed price with purchase to be completed by December 2022, and therefore cannot wait for next Strategy and Resources Scrutiny Committee and Council Meeting scheduled for 30 January 2023. (This approval relates to the land purchase only. There will be a separate future report to the Housing Scrutiny Committee in respect of the affordable housing on this site).

The Executive Councillor's decision: Approve a loan of £5,290,000 to The Cambridge Investment partnership (CIP) to provide funds for the completion of the purchase of the Former Murketts Garage Site, Histon Road Cambridge.

Reason for the decision: As detailed in the Officers report attached.

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

Report: The report officer report contains information exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Conflict of interest: Potential of conflict of interest for Executive Councillor as they have overarching responsibility for investment decisions and is also a CIP Board Member. Response provided setting out the mitigation in the CIP set up and the role

of the S151 officer in providing specific advice on terms and security of the loan from the City Council.

Comments: Part 4C section 6.1 of the Councils Constitution, permits decisions to be taken which are outside of the budget framework if the decision is:

a matter of urgency (this is correct)

it is not practical to convene a quorate meeting of the Council, (this is correct); and the Chair of the Strategy and Resources Scrutiny Committee agrees the matter is of urgency (the Chair agreed).

The next available ordinary Full Council meeting is 23 February 2023 which is too late.

The decision will be reported back to Full Council in February 2023

Spokes Councillor commented on the risk of transaction. Concern around volatility in market conditions and the level of margin. Response provided setting out approach and risk mitigation for this site and across the programme and how this is monitored.

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

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Cambridge City Council

Record of Executive Decision

£500M LOCAL AUTHORITY HOUSING FUND REFUGEE SCHEME – APPROVAL TO DELIVER LONGER TERM HUMANITARIAN SCHEME ACCOMMODATION THROUGH THE 22-32 NEW BUILD HOUSING PROGRAMME, PARTLY FUNDED BY CENTRAL GOVERNMENT

Decision of: Councillor Bird, Executive Councillor for Housing

Reference: 23/URGENCY/HSC/2

Date of decision: 3/2/2023 Date Published on website: 8/2/23

Decision Type: Key Decision

Matter for Decision: Urgent approval to deliver longer term humanitarian scheme accommodation through the existing 2022-32 new build housing programme, partly funded by the Department for Levelling Up, Housing and Communities

Why the Decision had to be made (and any alternative options): The date for formalising the agreement and entering into an Memorandum of Understanding with DLUHC falls between Committee Cycles, and cannot wait for the next Housing Scrutiny Committee date in March 2023. As detailed further in Appendix A.

The Executive Councillor's decision: The Executive Councillor agreed to:

- 2.1. Delegate Authority to the Section 151 Officer to enter into a Memorandum of Understanding with the Department for Levelling Up, Housing and Communities to allow for the payment of allocated funding to the Council.
- 2.2. Approve that the delivery of longer term accommodation to cater for recent humanitarian schemes be delivered as part of the Councils 2022-2032 New Build Housing Programme.
- 2.3. Approve that an indicative budget of £11,367,366 be drawn down and re-phased from the sum already ear-marked and approved for investment in new homes in future years, to cover the costs associated with delivering 30(Thirty) homes to serve as longer term accommodation catering for the eligible cohort as defined in 3.2 and to recognise grant funding of £4,968,683 towards this expenditure. Following

the meeting of this need the properties delivered will revert to General Needs Housing held within council stock.

2.4. Authorise the Strategic Director to approve the purchase of open market properties into Council Stock to serve as housing for the eligible cohort as defined in 3.2., subject to consultation with the Executive Councillor for Housing, the Head of Housing, and the Head of Finance.

2.5. Delegate authority to the Strategic Director to reallocate current pipeline housing delivery and / or acquisitions to serve as housing for the eligible cohort as defined in 3.2., subject to consultation with the Executive Councillor for Housing, the Head of Housing, and the Head of Finance.

2.6. Approve that the property at 8 St Thomas Road which is under purchase negotiations by the Council be allocated to cater for the eligible cohort as indicated in 3.2., with this property to become available to support wider local authority general housing and homelessness responsibilities after the immediate needs of the eligible cohort have been addressed.

2.7. Delegate authority to the Strategic Director in consultation with the Executive Councillor for Housing to approve use of Council land as sites for modular PODs on an individual basis to deliver homes to cater for the eligible cohort as indicated in 3.2.

Reason for the decision: As detailed in Appendix A.

Scrutiny Consideration: The Chair and spokes of the Housing Scrutiny Committee was consulted prior to the action being authorised.

Report: See Appendix A

Conflict of interest: None.

Comments: Part 4C section 6.1 of the Councils Constitution, permits decisions to be taken which are outside of the budget framework if the decision is:
a matter of urgency (this is correct)
it is not practical to convene a quorate meeting of the Council, (this is correct); and
the Chair of the Housing Scrutiny Committee agrees the matter is of urgency (the Chair agreed).

The next available ordinary Full Council meeting is 23 February 2023 which is too late.

The decision will be reported back to the Housing Scrutiny Committee at the next meeting in March 2023.

With regard to purchase of homes from the open market, focus was requested to ensure that EPC standards across council stock are still met. Officers confirm that this is being taken into account.

In response to concerns about modular (pod) homes officers have confirmed that the discrepancy between deliverable size and current National Space standards is marginal, and while not met these homes make highly efficient use of available space.

In response to concern noted due to very tight deadlines for delivery, officers responded that there are some risks, but targets are deemed achievable.

In response to concerns about the impact on households currently on the housing register, officers confirm that, refugee families would be entering the register through existing processes anyway, with a large majority eligible for high banding and associated priority for housing allocations.

Officers have confirmed that assurance on future use of modular homes will be agreed within the planning process with officer inputs. Any reassurances which are put in place in line with planning approvals for these homes will be required to met in perpetuity.

Officers have confirmed that properties delivered under this funding scheme will be provided as permanent tenancies for qualifying households. Officers have confirmed that the properties to be provided will be eligible for Right to Buy, as all of our existing new build programme is currently.

Officers have confirmed that currently rent tenure is being modelled at affordable rents, subject to clarity awaited from DLUHC. This is at 60% of market rent, in line with the new build housing delivery.

Officers have confirmed that a revision of the HRA Budget Setting Report will be presented to Council to reflect this decision.

Appendix A

Executive Summary

- 1.1. The Department of Levelling Up, Housing and Communities (DLUHC) have introduced a £500 million capital fund to support Local Authorities who have been assessed as facing the greatest challenges in providing move on and settled accommodation for recent humanitarian schemes (Afghan and Ukrainian refugees).
 - 1.2. Cambridge has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation:
 - 1.2.1. A main element of £4,640,000 in funding to be used to provide a minimum of 29 homes.
 - 1.2.2. Bridging element: £328,683 in additional funding to allow the provision of at minimum 1 larger 4+ bed home to be allocated to households currently residing in bridging accommodation.
 - 1.3. Delivery is required to be part funded/financed by local authorities, amounting to 60% of costs to be met by the Council. This would require council top up funding of £6,090,000 in respect of the main element and £308,683 in respect of the bridging element.
 - 1.4. A budget is requested to be drawn down from the sum already earmarked and approved for investment in new homes. The cost is to cover the costs associated with delivering a minimum of 30 (thirty) homes to serve as longer term accommodation catering for recent humanitarian schemes (Afghan and Ukrainian refugees), with this stock to become available to support wider local authority general housing and homelessness need after the immediate needs of the eligible cohort have been addressed.
 - 1.5. DLUHC have indicated that funding allows for the rerouting of existing pipeline delivery to accommodate for priority refugee housing need. A proposal to meet the requirements of this fund is set out in this report.
 - 1.6. DLUHC funding pre-allocated under this scheme is significant and could allow the potential to increase the overall new build housing delivery across the 10-year programme in the long term.
- 1.6 Delivery is requested by a target date of 30 November 2023,

Recommendations

The Executive Councillor is recommended to:

- 1.7. Delegate Authority to the Section 151 Officer to enter into a Memorandum of Understanding with the Department for Levelling Up, Housing and Communities to allow for the payment of allocated funding to the Council.
- 1.8. Approve that the delivery of longer term accommodation to cater for recent humanitarian schemes be delivered as part of the Councils 2022-2032 New Build Housing Programme.
- 1.9. Approve that an indicative budget of £11,367,366 be drawn down, and re-phased, from the sum already ear-marked and approved for investment in new homes in future years, to cover the costs associated with delivering 30(Thirty) homes to serve as longer term accommodation catering for the eligible cohort as defined in 3.2 and to recognise grant funding of £4,968,683 towards this expenditure. Following the meeting of this need the properties delivered will revert to General Needs Housing held within council stock.
- 1.10. Authorise the Strategic Director to approve the purchase of open market properties into Council Stock to serve as housing for the eligible cohort as defined in 3.2., subject to consultation with the Executive Councillor for Housing, the Head of Housing, and the Head of Finance.
- 1.11. Delegate authority to the Strategic Director to reallocate current pipeline housing delivery and / or acquisitions to serve as housing for the eligible cohort as defined in 3.2., subject to consultation with the Executive Councillor for Housing, the Head of Housing, and the Head of Finance.
- 1.12. Approve that the property at 8 St Thomas Road which is under purchase negotiations by the Council be allocated to cater for the eligible cohort as indicated in 3.2., with this property to become available to support wider local authority general housing and homelessness responsibilities after the immediate needs of the eligible cohort have been addressed.
- 1.13. Delegate authority to the Strategic Director in consultation with the Executive Councillor for Housing to approve use of Council land as sites for modular PODs on an individual basis to deliver homes to cater for the eligible cohort as indicated in 3.2.

Background

- 1.14. Funding

1.14.1. DLUHC have introduced a £500 million capital fund to support local authorities who have been assessed as facing the greatest challenges in providing move on and settled accommodation for recent humanitarian schemes (Afghan and Ukrainian refugees).

1.14.2. Cambridge has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation:

- main element of £4,640,000 in funding to be used to provide a minimum of 29 homes.
- Bridging element: £328,683 in additional funding to allow the provision of at minimum 1 larger 4+ bed home to be allocated to households currently residing in bridging accommodation.

1.14.3. For 'main element' housing, government funding equates to 40% of total capital costs (Calculated by DLUHC as averaging £140,000 grant per property) plus £20,000 per property. For 'bridging element' housing, government funding is calculated as equating to 50% of total capital costs plus £20,000 per property.

1.14.4. 30% of the funding provided by DLUHC will be paid in Q4 2022/23 and 70% in 2023/24 (the 2023/24 funding is paid once the LA has spent 60% of their 2022/23 funding).

1.14.5. Delivery is required to be part funded/financed by local authorities, amounting to the sum £6,398,683 to be incurred by the Council.

1.15. Eligible Cohort

1.15.1. Given the objectives of the fund, those eligible for the housing are those who are homeless, at risk of homelessness or who live in unsuitable Temporary Accommodation (including bridging accommodation) and who also meet the below definition.

Those on the:

- Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS),
- Afghan Relocations and Assistance Policy (ARAP)
- Ukraine Family Scheme (UFS),
- Homes for Ukraine (HFU),
- Ukraine Extension Scheme (UES)

- 1.15.2. For those in bridging accommodation, there are multiple routes to move people on from temporary accommodation. These include support from the Home Office and the Find Your Own Accommodation pathway.
- 1.15.3. For those not in bridging accommodation, the local authority does not have to have accepted a Housing Act 1996 Part 7 homelessness duty in respect of the household for the household to be eligible, but the local authority should satisfy themselves that the household is already or would otherwise be homeless or at risk of homelessness if this accommodation was not available.

Identified Housing Need

1.16. Currently 138 households within the City are accommodated by hosts under the Homes for Ukraine scheme, with a further 5 households in temporary accommodation. 16 household under the Afghan Citizen Resettlement Scheme and Afghan Relocations and Assistance Policy have been supported by Cambridge City Council to resettle in Cambridgeshire.

1.17. The Currently indicated housing mix is set out below:

Size	Households	Percentage
1bed	86	54%
2bed	43	27%
3bed	17	11%
2 or 3 TBD	8	5%
4bed	5	3%

1.18. The Funding identified by the DLUHC Scheme is identified for delivery of 2,3, and 4+ bedroom Homes. Clarity has however been sought on the meeting of an identified 1-bedroom need as evidenced above. DLUHC have indicated that “a limited provision of 1 bed homes may be considered by LAs because these better suit the needs of the eligible cohort in the area”. While this need is clearly defined in the above analysis, delivery of 1 bedroom homes is indicated to kept to a minority component of the housing delivery under this programme, with the ambition being to deliver primarily larger homes in line with the key funding objectives.

1.19. As matters stand, by far the largest component of demand is likely to come from Ukrainian refugee households presently in Cambridge under one of the two schemes. Significant work is being put into maintaining existing sponsorship arrangements and, before these sponsorship arrangements

inevitably end, finding households privately-rented accommodation. Funding has been gained by the Council from the County which is being used to encourage landlords to let to these refugee households and also cover the entry costs into the sector. We have also committed up to 20 City Homes properties as refugee-specific accommodation and housing associations have agreed to make additional offers on top.. These offers have focused only on those households who the Council owes a statutory homelessness duty to and would need to rehouse in any event.

- 1.20. It is felt, however, that the efforts described above will not by themselves meet the scale of demand. The supply of private sector homes in Cambridge is uncertain, and it is in the nature of the sector that lettings are usually of relatively short duration. Financial support to help households meet the gap between benefits or low earnings cannot prudently continue indefinitely, leading to rents being unaffordable when support stops. Additionally, we have already seen instances of Ukrainian households from other parts of the country wishing to join family members in Cambridge, attracted by its good schools, facilities, international reputation and well-established support groups.

Considerations

- 1.21. Care need to be taken to ensure that any allocated housing facilitate integration into the local areas and so a number of factors need to be considered:
 - 1.21.1. Property distribution – While on face value a scattered housing distribution may seem preferable, thought needs to be given to the opportunities for refugee families to support one another, and so consideration has been given to distribution of allocated housing across housing estates, where integration can be influenced together with a sense of community. Likewise the use of smaller clusters of housing is considered where modular homes may be delivered as a rapid delivery solution.
 - 1.21.2. Access to infrastructure – Access to good transport connections across the city has been considered. Likewise access to community facilities which can be used as meeting areas/support hubs.
- 1.22. While open market purchase of properties into council stock may provide the required housing delivery there are a number of complicating factors in adopting solely this route:
 - 1.22.1. Competitive housing market in parallel with budgetary constraints will limit the ability of the council to acquire properties which meet required Value for Money criteria while delivering the target number of 30 homes required.

1.22.2. Properties purchased on the open market may require significant refurbishment works to bring them up to use standard. While there is an allowance in the funding for refurbishment works, this workload will lead to a maintenance backlog. Refurbishment works and pilot EPC-Raising schemes are already underway through E&F and staffing capacity to undertake this additional work timeously may be under strain if a bulk purchase route was relied upon.

1.22.3. Allowance has been indicated to provide for purchasing of housing stock within the other LA boundaries. This, however, poses significant long term maintenance and management considerations for the council given increased distances from central facilities. Additionally it is noted that surrounding LAs have been allocated similar funding and so competition for like properties would be inevitable.

1.23. Traditional new build delivery will not meet the required delivery timelines. In order to be able to meet the additional housing required to serve the eligible cohort two sub-routes have been identified:

1.23.1. Modular (pod) homes

- These homes have already been delivered across 3 sites by the city, with their use to date being targeted to move-on accommodation for rough sleepers. Hill who provided these 16 solohaus modules are able to deliver larger units, which may serve to accommodate families. Modular homes offer two substantial benefits which may allow us to meet the delivery targets set by DLUHC:

1) Speed of delivery – These are volumetric modular units which require minimal site preparation works and can be delivered by the Nov 2023 Deadline.

2) Price – Open market purchases are likely to exceed the indicative DLUHC Guidance figures. Delivery of modular homes on council owned property will allow a reduction of overall delivery costs, offsetting potential market purchase expenditure.

- Two potential modular home clusters have been preliminarily identified which may individually meet the 6-unit identified target for delivery. These homes will however be below current space standards, as would any potential open market acquisition of ex-council stock as well as many existing council stock homes.
- There would need to be further investigations into the sites identified and discussion with ward Cllrs.

1.23.2. Rerouting of existing housing delivery

- DLUHC have indicated that the proposed approach of looking at what is already in programme to meet this need is acceptable, as delivery by the time frames is key.

- DLUHC funding pre-allocated under this scheme is significant and allows potential to increase the overall new build housing delivery across the 10-year programme in the long term.
- Furthermore the larger family-size homes identified to be the largest component of this programme currently impose a significant burden on constrained finances within the general new build programme and this priority funding allows significant progress toward meeting the new homes unit mix targets.

Delivery

The DLUHC funding is defined in focus on 2, 3 and 4 bed properties, with indication given that some 1-bed properties can be included based on identified need, clearly evident in Cambridge. The level of funding however provides an opportunity to increase current delivery of larger family homes and this opportunity needs to be used to best effect. In line with DLUHC guidance the below sets out a recommended approach:

1.24. Delivery Routes identified

Possible eligibility - Refugee housing funding			
Scheme	Completion date	Note/issues	Proposed Homes delivered
St Thomas Rd 4-bed acquisition	Feb/ Mar '23	Required buyback of 4bed property to allow redevelopment site access. Property may be retained in stock as either a 3bed or (if remodel feasible) 4bed	1
Campkin Road or the Haven	Apr-23	The Campkin Road development has 25 homes eligible for this funding out of the 75 being delivered. The site sits within a much wider estate, and allows distribution as well as split allocation between Afghans and Ukrainians. The Haven is a purchase currently being completed by the council, providing 8-flats into council stock. While currently designated for Sheltered / Supported use there is scope to	16-17

		consider reallocating this housing block for refugee housing	
Market acquisitions	varied	Likely to exceed £350k/unit indicated in grant calculation. Needs to be considered along with pod homes and reallocation of existing delivery stream to ensure target can be met within budget constraints. Refurbishment works on acquisitions will impact E&F backlog and impact E&F capacity for works to existing stock	7-10
Pod /Mobile homes	varied c8-12month completion timeline	<i>2-3 bed models offer cost effective delivery. Can play role in lowering overall costs. Rapid delivery possible which can possibly meet unit targets. Site availability will be limiting factor. Opportunity affected by any requirement to meet existing space standards. Long term these units may be earmarked for TA or used alternatively as 1bed accommodation to ensure that they are acceptable from a planning perspective.</i>	6

Unit size Mix

Scheme	1Bed	2Bed	3Bed	4Bed
St Thomas /4-bed acquisition				1
Campkin Road and/or the Haven	7/8	9		
Market acquisitions			6/7	1/3
Pod /Mobile homes		6		
Total %	26%	49%	19%	6%
Need %	59%	30%	10%	1%

1.25. Programme and comment.

The indicative programme for the project is as follows:

Tasks	dates
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Approval to enter into funding agreement	January/February 2023	
Signing of funding agreement	February/March 2023	
First tranche payment	February/March 2023	Contingent on completion of funding agreement by either 15/02 or 15/03
Acquisition of 4-bed property	March 2023	Contingent on vacant Possession
Delivery of reallocated pipeline housing, with replacement additional housing to be delivered across housing programme	April 2023	
2 nd tranche payment	March/April 2023	Contingent on spend of 60% of tranche 1
Completion date for overall delivery targets	30 November 2023	

1.25.1. Using homes under construction at Campkin Road and the Haven acquisition together with the in process purchase of a purchase at St Thomas Road will allow the council to exceed the target expenditure of the 1st Tranche funding, allowing full drawdown of the 2nd Tranche Payment by March/April 2023 and mitigating significant delivery risk

1.25.2. Utilisation of the Haven may be reliant on a change of Use Application to the Planning Authority. If this is not achieved by 31st March 2022 alternative option of 7-8 further homes at Campkin Road will need to be considered

1.25.3. Risk primarily lies with the Modular home component and open market acquisitions. These are subject to factors outside of immediate council control, but the reallocation of existing pipeline allows for limiting reliance on these additional components and risk is therefore reduced to a manageable level. Risks are outlined in Section 9.

1.25.4. The minimum target delivery to serve the funding is 30 homes. Financial modelling has indicated that the above delivery route Should allow the council to meet this target, with potential to exceed the required delivery by an additional 1-3 homes, dependant on actual costs to be incurred.

1.25.5. The varied approach to delivery outlined is a guidance indication for feasibility. Actual delivery to meet DLUHC targets will vary within this programme framework as opportunities develop.

Implications

a) Financial Implications

Assuming that the Council's top up funding is drawn down for this project from existing schemes with budget approval and from the existing funds ear-marked for new homes in the 10 Year New Homes Programme, there will not be any increase in gross expenditure. A gross budget of £11,367,366 will be re-allocated from existing approved resources for this specific project. The relevant budgets will be identified once the properties to be included for this purpose have been confirmed. The Council will however, also need to recognise the additional grant income associated with the project, which is at a higher grant rate than that already built into financial assumptions of grant from Homes England. Subject to this urgent decision, a revised version of the HRA Budget Setting report 2023/24 would be presented to Council in February 2023.

b) Staffing Implications

This project would be managed by existing staff complement of the Council. Given the rapid delivery times to meet there is a requirement for funding of a further project management position to lead this work. This requirement is included in the budget allocation outlined.

c) Equality and Poverty Implications

A focused EQIA will be undertaken for this scheme.

d) Environmental Implications

A specific Climate Change Rating Tool will be completed. New Developments will be delivered in line with the Sustainable Housing Design Guide. Market purchases will be added to the works programme for sustainability improvements being delivered by Estates and Facilities.

e) Procurement Implications

None. Delivery will be in line with OJEU compliant procurement regulations.

f) Community Safety Implications

New Development housing will be built in accordance with Secure by Design Guidelines.

Consultation and communication considerations

There will be early engagement with Ward Councillors to identify site opportunities and potential issues. There will also be formal consultation through the planning process once the application has been submitted.

Risks

Below is a table setting out key risks associated with the project:

Risk	Likelihood	Impact	Mitigation
<p>Delivery failure The funding required best endeavours from the council. DLUHC is committed to funding any contract LAs enter into, even if completion occurs after the Nov-23 deadline date.</p>	Medium	<p>Reputational risk to the council. Repayment of allocated funds.</p>	<p>Early identification of opportunities to mitigate delivery failure risk. Open discussion with DLUHC regarding proposed approach and inherent risk.</p>
<p>Planning risk – modular homes The funding required best endeavours from the council. DLUHC is committed to funding any contract LAs enter into, even if completion occurs after the Nov-23 deadline date.</p>	Low	<p>Delays to a planning approval process not allowing meeting of the 30 Nov 2023 Deadline.</p>	<p>Early discussions with Planning Officers will be required to ensure timelines are met.</p>

<p>Failure to complete on Market purchases Significant competitive pressure on market acquisitions.</p>	Medium	Delivery Failure	Non-reliance on high levels of purchase – varied portfolio for delivery Early progression of purchase opportunities
<p>Public opposition /Member buy-in Significant local housing pressure may lead to negative public opinion of prioritising foreign nationals</p>	Low	Reputational Risk. Delivery Failure	It will be important to engage with the local ward Cllrs early on to identify opportunities and issues. A consultation strategy will need to be agreed. The full buy-in by national government needs to be relied upon.
<p>Exceeding proposed budget Due to unexpected reliance on additional market acquisitions or required increased purchase value for market homes</p>	Low	Additional HRA funding required	Non-reliance on single delivery route.

Background papers used in the preparation of this report

- 20/35/HSC New Council Housing Programme - i. Approved the bringing forward of a development programme to provide new housing in 2022-32 by the Council

Appendices

None.

Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, Housing Development Agency Programme Manager, tel: 01223 - 457928, email: jaques.vandervyver@cambridge.gov.uk.