

CABINET

10 February 2026
5.00 - 6.35 pm

Present: Councillors Holloway (Chair), Wade (Vice-Chair), Bird, Moore, Nestor, Smart, A. Smith, S. Smith, Thornburrow and Todd-Jones

Other Councillors present: Councillors Bick, Porrer and Young

Also present (virtually): Councillors Bennett and Clough

Officers Present:

Chief Executive: Robert Pollock

Chief Operating Officer: Jane Wilson

The Head of Finance Ds151 Officer: Matthew Fernandez-Graham

Democratic Services Manager: Dan Kalley

Team Leader: James Fisher

Deputy Democratic Services Manager: Claire Tunncliffe

FOR THE INFORMATION OF THE COUNCIL

26/10/Cab Apologies

No apologies were received.

26/11/Cab Declarations of Interest

Name	Item	Reason
Councillor S Smith	All	Personal: Sits on the Cambridge Investment Partnership Board
Councillor Bird	All	Personal: Sits on the Cambridge Investment Partnership Board
Councillor Nestor	All	Personal: Trustee of Cambridge Museum

26/12/Cab Minutes

The Leader of the Council informed those present of the following:

- i. Last week, two significant government consultations had been launched which were a centrally led Development Corporation and the Local Government Reorganisation. Both would have major implications for the future of Cambridge City and the wider area. These consultations

address issues that would help shape the long-term development of Cambridge, its surrounding villages, and the local countryside.

- ii. Would encourage residents to complete these consultations via the following links or to contact their local Councillor to share their views.
[Establishing a Development Corporation in Greater Cambridge - GOV.UK](#)
[Local government reorganisation in Cambridgeshire and Peterborough - GOV.UK](#)
- iii. A letter had been sent to the Mayor of Minneapolis in light of the recent events, expressing solidarity during these challenging times. An initial response had been received, acknowledging and appreciating the support offered.

The minutes of the meetings held on 16 December 2025, and 13 January 2026, were then approved as correct record and signed by the Chair.

26/13/Cab Public Questions

Public Question 1

- i. Members of the Cabinet may already be aware that I have been trying to raise awareness about the Tourist Information Centre in the Guildhall and might have gathered that I have been putting together the case for its inclusion in the plans for the renovated Guildhall after completion.
- ii. As part of putting together this case, which I am trying to build as comprehensively as I possibly can, I would like to invite all the members of the Cabinet to come and visit and spend some time with us, so we can show you what we have built, talk more about it and answer any questions you might have.
- iii. If you each are willing, will you please confirm receipt of this invitation and make arrangements with me to organise a convenient time for this to happen?

In response the Cabinet Member for Finance and Resources asked all Members to make a note of Mr Bannell's request and contact details to arrange an appointment if and when convenient.

Supplementary

- i. Would like to repeat my invite to all Cabinet Members visit the Tourist Information Centre to ensure that you are fully aware of what we are doing, how it works, and the value it provides. As key decision-makers,

it's important that you have a clear understanding of the services operating in the city.

- ii. We would be happy to answer any questions, explain the setup and sustainable funding model, and outline the benefits a Tourist Information Centre bring to residents, visitors, and the Council.
- iii. The key message was simple: designing a Guildhall without provision for a Tourist Information Centre would be a significant mistake.

The Cabinet Member for Finance and Resources and the Leader both thanked the public speaker for their invitation and taking the time to attend the meeting.

26/14/Cab Community Infrastructure Levy draft charging schedule consultation

The Cabinet Member for Planning and Transport introduced the report.

The report referred to the Community Infrastructure Levy (CIL) which was a charge that could be levied by local authorities on new development in their area. This was a fixed, non-negotiable charge that developers must account for from the outset of their projects. The funds could be pooled centrally and directed to areas of greatest need, rather than being restricted to specific development sites.

In response to questions from Cabinet Members and those Councillors present, the Cabinet Member for Planning and Transport responded with the following:

- i. Section 106 (S106) agreements would remain in place. This was essential for securing site-specific community and social infrastructure and would continue to be used where particular measures were required to support the needs of an individual development.
- ii. When CIL was received, a process would be in place to determine how the money was allocated, including whether contributions should be pooled with those from other sites to support wider infrastructure improvements. There would also be an element of engagement and negotiation with local communities as part of this decision-making process.
- iii. CIL would apply to every development project. Unlike S106 agreements, which were typically negotiated on large and significant sites only, CIL would generate infrastructure funding from all developments covered by a proposed charging schedule.
- iv. The charge had been set following professional advice to ensure it was proportionate and not onerous. Once implemented, a process would be

established to determine how incoming CIL funds would be allocated. Funding would also be influenced by the area in which it was collected; where a parish council or neighbourhood forum existed, a proportion of CIL income would be allocated for spending in those communities, with local bodies deciding how it should be used. A citywide contribution would still be made from all projects.

- v. Following a consultation in 2014, proposals had been developed to move to a CIL system. However, due to subsequent changes in planning legislation and emerging Government discussions on a future national infrastructure levy, the Planning Service decided not to proceed at that time but to remain prepared for potential new requirements.
- vi. South Cambridgeshire District Council (SCDC) did not operate CIL but was aware that East Cambridgeshire District Council (ECDC) did; had experience of working with ECDC when working as an architect before becoming a Councillor and the CIL process had been simple and easy to understand.
- vii. The Greater Cambridge Shared Planning Service believed the introduction of CIL as the right approach, it ensured all developers contributed to necessary infrastructure. This formed part of the Service's ongoing engagement work with communities.
- viii. The Shared Planning Service Youth Engagement Service (YES) had been awarded the Thornton Education Trust (TET) Inspire Future Generations Award for Best Local Authority in Youth Engagement which recognised the work in engaging young people and bridging the gap between the built environment and younger communities. The Service believed that moving to CIL would further support engagement and investment in local areas.
- ix. Noted that the Performance, Assets and Strategy Overview and Scrutiny Committee did not call this matter in for scrutiny as it was going to consultation but would remain on the Forward Plan.
- x. Confirmed that CIL was liable on residential developments.

The Joint Director for Planning and Economic Development said the following:

- i. The delay in implementing CIL was due to several regulatory changes and statements by Government(s) positions over recent years. The current Government confirmed last year that it did not intend to introduce a national levy, after which work begun to develop a CIL to address Greater Cambridge's strategic transport needs.
- ii. Strategic transport contributions were often avoided under the Section 106 process which required Cambridgeshire County Council and the Council to demonstrate that a development could not proceed without contributions towards that infrastructure. It was this widespread

- avoidance of strategic transport contributions through the S106 regime which had prompted the move toward CIL
- iii. CIL included clear enforcement powers, allowing the Local Planning Authority to issue a stop notice on development where the levy was not paid at commencement.
 - iv. Stated that CIL had been criticised nationally for contributing to viability issues that were delaying developments. Over the last few months there had been a narrative in London regarding emergency provision setting aside CIL.
 - v. The proposed local CIL rates had been set carefully with viability consultants to ensure they remained affordable in the context of development values and in the context of S106 obligations including affordable housing that applied to those eligible developments.
 - vi. Expected that the consultation would generate a range of views, the outcome of the consultation would be reported back to Council.

The Cabinet Member for Finance and Resources thanked the Team Leader (Delivery) and the Officers for their considerable work on the CIL, noting that it represented vital funding for transport infrastructure across Greater Cambridge.

Cabinet **unanimously resolved** to:

- i. Approve a public consultation on the draft CIL Charging Schedule and associated documentation

26/15/Cab Budget Setting Report and Medium-Term Financial Strategy 2026/27

The Cabinet Member for Finance and Resources introduced the report.

The report referred to the Budget Setting Report (BSR) and appendices which set out the Council's draft budget proposals for 2026/27, Medium-Term Financial Strategy for the following five years, 30-Year Housing Revenue Account Business Plan, Capital Strategy and Treasury Management Strategy. These items had been integrated into a single report following the recent Group Redesign Programme (which brought together the General Fund and Housing Revenue Account Finance functions) and changes to council governance

The Cabinet Member said in response to the questions and statements asked by those present:

- i. As set out in the medium-term financial strategy forecast, only a small level of net savings would be required over the five-year period to maintain a balanced budget.
- ii. Due to the scale of expenditure reductions already achieved, these savings were considered readily attainable through continued service improvement.
- iii. The Council remained on a solid financial footing, which enabled additional investment in frontline services during the current year, in response to priorities identified through the budget consultation.
- iv. There were many local authorities who were experiencing significant financial pressures, it took a substantial effort to manage and absorb these pressures. Maintaining financial stability required year-round focus on balancing budgets and controlling costs, and Cambridge City Council had maintained such discipline for many years.
- v. It was clear how easily local authorities could fall into financial difficulty. Some had attempted to borrow and invest in commercial property to generate income for services, but several had subsequently been unable to service the associated debt or achieve the expected rental returns, leading to serious financial problems. Others had faced unexpected spending pressures.
- vi. Noted the comments made by Cabinet Members, who highlighted the range of work and projects delivered across their respective portfolios.
- vii. It was important to highlight that the budget did not fully reflect the work undertaken through the Council's community leadership role, which was not statutory but provided crucial frontline services, supporting the residents of Cambridge, free lunch clubs and activities and emphasised the importance of recognising the wider collective work underway to improve Cambridge. Examples were as follows:
 - Officer support to the Conservators of the River Cam to progress the investment required to repair the locks and protect the river.
 - Leading the Cambridge Heat Network Project.
 - Contributing £1million investment in the Greater Cambridge Impact scheme which had leveraged a further £5 million from social enterprise investors with the aim of improving life chances for vulnerable residents and reducing poverty and deprivation.
- viii. Noted the comments by the Chair of the Performance, Assets and Strategy and Scrutiny Committee which were as follows:
 - Asked Cabinet to keep the Folk Festival bid under regular review, given concerns that the proposed budget might prove insufficient depending on developments over the summer.

- Expressed concern over the response to the consultation, specifically that young people were not well represented.
 - Requested a summary of movements in/out of the Civic Quarter Development Reserve.
 - Requested additional information on the crematorium, car park equipment, playground, weeds and herbicide management bids, and the Cowley Road depot, all of which had been provided in the updated papers and had been welcomed. Asked these bids were regularly reviewed.
- ix. Local Government Reform was expected within two years and would require significant preparatory work with neighbouring authorities. Although further budgets would be set, the savings targets for 2027/28 and 2028/29 were small. However, this did not preclude continued work on service reform where appropriate.
- x. The priority now was to focus on collating data and information with neighbouring authorities in preparation for reform, as this would be the next major area of change.
- xi. The emerging business plan would require substantial investment but was projected to deliver savings over a five-year period. Work would be to focus on the major strategic programme rather than on seeking minor additional savings at this stage.
- xii. The Council had shifted from being a near-monopoly provider of the crematorium and bereavement services to operating in a more competitive market, with two new crematoria opening in the catchment area and a growing online cremation had reduced demand. The cost-of-living crisis had also contributed to the public spending less on bereavement services than in previous years.
- xiii. While income from crematorium services had fallen yet was still forecast to generate £550,000 in net revenue in the coming financial year.
- xiv. Described the proposed expenditure set out in the budget papers was described as essential to address health and safety needs and protect the crematorium following prolonged deferred investment.
- xv. The Council had received compensation from Highways England for the A14 works, which had affected travel to the crematorium, and this provided some mitigation. The focus was now on maintaining service continuity and future revenue, a detailed action plan from the business planning process would be brought forward in due course.
- xvi. Commercial property investment was a long-term activity, and local authorities were restricted in such investment. The Council's portfolio continued to be strengthened where appropriate, with the team commended for their work.

- xvii. The redevelopment of Park Street car park had been funded by an £85m loan secured at a low interest rate; the redevelopment was generating sufficient income to cover both interest and capital repayments while providing a surplus for services.
- xviii. Acknowledged that some investments performed better than others.
- xix. A Strategic Steering Group had been established for the Civic Quarter project, one of the key objectives was to review all project costs and identify potential savings through value engineering; the current estimated cost stood at £97.5 million.
- xx. The Council would seek to secure a fixed-price contract to mitigate the risk of cost overruns. Work was also taking place to examine the financing arrangements, which were critical to the overall cost of the scheme. These arrangements were expected to involve a level of borrowing; the Council would only borrow where the debt could be serviced through commercial income generated by the scheme.
- xxi. The Civic Quarter project would be brought back to Cabinet and Full Council later in the year. Members would have the opportunity to decide on whether to proceed with the scheme.

The Leader stated that the Council was proud to be investing in key public assets as part of the Civic Quarter project, emphasising that the Council was retaining and improving publicly owned buildings and spaces rather than disposing of them.

The Head of Finance Ds151 Officer confirmed that the Council had never been able to reclaim Housing Benefit subsidy for individuals housed by certain charities, the subsidy provided by the Council was a statutory requirement. The current budget report had simply made the position more visible to Members, and work was now under way to address this ongoing issue.

The Cabinet Member Housing said the following in response to those present on the Housing Revenue Account:

- i. Noted the comment from Housing Advisory Board who had supported the HRA Budget Proposals, particularly to endorse the Budget Bids, which represented an improved service for tenants and leaseholders. The Board Members also recognised the current financial pressures and thanked Officers for putting together a balanced budget.
- ii. The Council had taken deliberate action to strengthen frontline housing delivery where it matters most to tenants the previous year. The subsequent compliant C2 grading had confirmed that this approach was effective. The current year's work had built on this position using the rebased 30-year HRA Business Plan and operational data to align the

- budgets with the true costs of compliance, inflation and regulatory requirements, rather than allowing financial pressures to emerge later as overspends.
- iii. The additional funding for damp, condensation and mould (DCM) works supported the step change in regulatory expectations following Awaab's Law. The compliant C2 grading confirmed that the Council was meeting the required standards. The investment builds on the compliance measures by enabling the Council to respond more quickly, undertake thorough investigations, and intervene earlier in more complex cases.
 - iv. To undertake DCM works required specialists' expertise and rapid mobilisation to meet statutory time scales. Using third-party providers allowed properties to be accessed quickly while the Council retained oversight, assurance, and accountability.
 - v. Increasing rents had been a difficult decision, such increases were challenging for tenants. Previous efforts had been made not increase rents, but this was no longer sustainable. The increase was necessary to continue delivering services and to ensure that tenants' homes remained safe and secure.
 - vi. Noted the comments by the Chair of the Performance, Assets and Strategy and Scrutiny Committee which were as follows:
 - Had raised questions on the maximum and minimum impact on rent convergence.
 - Concerns on the robustness of the savings assumptions relating to bad debt, void improvements and the related software implementation. Would ask that Cabinet regularly reviewed these areas.
 - Noted the overall level of risk and borrowing contained within the HRA proposals, and the need for constant monitoring and regular and ongoing review of underlying assumptions.
 - Had requested and received further detail and information on the following bids, damp, condensation and mould (DCM) repairs, housing disrepair claims and compensation costs, increase cost of void repairs and housing management teams.

The Leader acknowledged the comments regarding the importance of monitoring progress against savings targets and keeping oversight of borrowing levels. Suggested that the level of borrowing was partly a result of the Council's ambitious house-building programme. However, this also introduced additional financial risk and expressed appreciation for the Performance, Assets and Strategy and Scrutiny Committee's role in scrutinising these risks effectively.

Cabinet **unanimously resolved** to recommend to Full Council:

Council tax:

- a) Confirms delegation to the Chief Finance Officer of the calculation and determination of the Council Tax base which is set out at Appendix A(a).
- b) Approves the increase to the city council share of council tax for 2026/27 at 2.99%, and the updated council tax levels as set out at section 10 of the Budget Setting Report 2026/27.

Housing rents and charges:

- c) Approves an increase in rents for all Social Rent, Social Rent shared ownership and Affordable Rent properties of 4.8% (September 2025 CPI plus 1%), with effect from 1 April 2026.
- d) Agrees to fully implement rent convergence for all Social Rent tenants at a maximum rate of £1 per week from 1 April 2027, then £2 per week from 1 April 2028, in line with recent government announcements, for a period of up to 10 years.
- e) Approves an increase in rents for Affordable Rent shared ownership properties in line with the maximum permitted in each individual property lease (generally RPI plus 0.5%).
- f) Approves that garage and parking space charges are increased by up to 4.8%, as set out at section 10 of the Budget Setting Report 2026/27.
- g) Approves the methodology for calculating Housing Revenue Account service charges and leasehold administration costs as set out at Appendix K, and delegates authority to the Chief Finance Officer to carry out the detailed calculation of 2026/27 charges in line with this methodology, noting that the council will endeavour to limit increases to 4.8% where possible.

Revenue budgets:

- h) Approves the General Fund revenue proposals shown at Appendix E.
- i) Approves the Housing Revenue Account revenue proposals shown at Appendix H.

Capital budgets:

- j) Approves the General Fund capital proposals set out at Appendix F(a) and the revised General Fund capital plan set out at Appendix F(c).
- k) Approves the Housing Revenue Account capital proposals set out at Appendix I(a) and the revised capital plan set out at Appendix I(b).
- l) Approves the proposed capital financing plans set out at section 5 (General Fund) and section 7 (Housing Revenue Account) of the Budget Setting Report 2026/27, whilst noting that the constitution delegates all

executive decisions on borrowing, investment or financing to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

- m) Notes in particular that the council's ambitious Housing Revenue Account investment programme, including the 10-year new homes programme, will require new borrowing of around £483 million over the next 10 years, as set out at section 7 of the Budget Setting Report 2026/27.

Risks and reserves:

- n) Notes the key risks to the council financial standing and sustainability, and mitigations in place, as set out at section 8 of the Budget Setting Report 2026/27.
- o) Notes the impact of the Budget Setting Report 2026/27 on General Fund and Housing Revenue Account reserves, as set out at section 8 of the Report.
- p) Approves the new allocations to earmarked reserves set out at section 8 of the Budget Setting Report 2026/27, namely:-
 - £2.5 million to a new Local Government Reorganisation Reserve; and
 - £1.0 million to the Civic Quarter Development Reserve.
- q) Sets the 2026/27 prudent minimum balance at £8.059 million for the General Fund, and £6.801 million for the Housing Revenue Account, with a working target balance of 120% of the prudent minimum balance in each case, in line with the advice of the Chief Finance Officer.

Medium-Term Financial Strategy:

- r) Approves the council's Medium-Term Financial Strategy for the General Fund and Housing Revenue Account as set out at section 9 of the Budget Setting Report 2026/27.
- s) Notes the key assumptions used in the development of the Medium-Term Financial Strategy at Appendix C, and in particular the sensitivity of the Housing Revenue Account 30-Year Business Plan to changes in these assumptions, as set out in detail at Appendix J.

Capital and Treasury Management Strategy:

- t) Approves the Capital Strategy attached at Appendix O.
- u) Approves the Treasury Management Strategy 2026/27 at Appendix P, including the prudential and treasury management indicators set out at Annexe C.
- v) Approves an increase in the council's authorised limit for external debt to £650 million in 2027/28, £700 million in 2028/29, £750 million in 2029/30, then £850 million in 2030/31 in order to accommodate the borrowing required to support the new build homes programme.
- w) Approves an

increase in the deposit limit for enhanced money market funds from £5 million per fund to £10 million per fund, and an increase in the deposit limit for money market funds from £15 million per fund to £20 million per fund, as set out at Annexe A to the Treasury Management Strategy 2026/27 (Appendix P).

Other:

- x) Delegates authority to the Chief Finance Officer to reallocate budgets between services in relation to 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) (including where necessary the recalculation of recharges between the General Fund and Housing Revenue Account).
- y) Delegates authority to the Chief Finance Officer to approve an in-year increase or decrease in the capital budget for Disabled Facilities Grants in any year, in direct relation to any increase or decrease in the capital grant funding available for this purpose, and to determine the most appropriate use of any additional Disabled Facilities Grant funding for the wider benefit of the Shared Home Improvement Agency.
- z) Delegates authority to the Director of Communities 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.
- aa) Notes the Equality Impact Assessments undertaken in respect of budget proposals in the General Fund (Appendix S(a)) and Housing Revenue Account (Appendix S(b)).
- bb) Approves the schedule of proposed fees and charges for 2026/27 set out at Appendix T(A) and confidential Appendix T(b).

Section 25 report:

- cc) Notes the Chief Finance Officer's section 25 report, covering the robustness of estimates and adequacy of reserves, included at section 11 of the Budget Setting Report 2026/27.

The meeting ended at 6.35 pm

CHAIR