

Public Document Pack  
NOTICE OF COUNCIL MEETING - 23 FEBRUARY 2012

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber - Guildhall on Thursday, 23 February 2012 at 6.00 pm and I hereby summon you to attend.

Dated 15 February 2012

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', written in a cursive style.

Chief Executive

### **Agenda**

- 1 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETINGS HELD ON 20TH OCTOBER 2011 AND 11TH JANUARY 2012**

*(Pages 1 - 24)*

- 2 MAYORS ANNOUNCEMENTS**

- 3 PUBLIC QUESTIONS TIME - SEE AT THE FOOT OF THE AGENDA FOR DETAILS OF THE SCHEME**

- 4 TO CONSIDER THE RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION**

- 4a Strategy and Climate Change Portfolio Plan - Revised Vision Statements (The Leader)**

*(Pages 25 - 30)*

**4b Devolving Decisions to Area Committees (Ex Cllr for Community Development and Health and Ex Cllr for Arts, Sport and Public Places)**

*(Pages 31 - 46)*

**4c Mid-Year Treasury Management Report (The Leader)**

*(Pages 47 - 66)*

**4d Housing Revenue Account Self-Financing Business Plan, Asset Management Plan and Budget Report - 2012/13 (Ex Cllr for Housing)**

The following Appendices are attached separately:

- Appendix A – 30-Year Housing Revenue Account Business Plan 2012/13 to 2041/42
- Appendix B – 30-Year Housing Revenue Account Asset Management Plan 2012/13 to 2041/42

*(Pages 67 - 74)*

**5 TO CONSIDER BUDGET RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION**

**5a Executive Amendment**

To follow

**5b Draft Revenue and Capital budgets 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast) (The Leader)**

*(Pages 75 - 88)*

## **Associated Budget Documents**

**Budget Setting Report (BSR) - Attached separately**

**Strategy and Resources Scrutiny Committee 3 February 2012 - Attached for information - draft minutes of the meeting, which considered the budget amendments.**

**5c Labour Group Amendment - Draft Revenue and Capital budgets 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast)**

*(Pages 93 - 114)*

**6 TO CONSIDER THE RECOMMENDATIONS OF COMMITTEES FOR ADOPTION**

### **Civic Affairs - 1 February 2012**

**6a Members Allowances Scheme 2012/13**

*(Pages 115 - 122)*

**7 TO DEAL WITH ORAL QUESTIONS**

**8 TO CONSIDER THE FOLLOWING NOTICES OF MOTION, NOTICE OF WHICH HAS BEEN GIVEN BY:**

**8a Councillor Bick**

Welcoming the Department of Transport's encouragement of local authorities which want to introduce 20mph limits, Council accepts that enforcement is only one of the tools which influence the success of such schemes. But it welcomes Cambridgeshire Constabulary's readiness to carry out enforcement and its extension of the fixed penalty notice system to the 20mph limits to do so.

To further enhance the situation, it calls on the Government and ACPO to carry out a national review to optimise the tools and powers available for enforcement, to include:

- Development of optional speed awareness courses for those breaching a 20mph limit for the first time, treating it like breaches of higher speed limits
- The potential to deploy PCSOs to carry out speed controls
- The specification of speed cameras suitable for areas of 20mph limits

Council calls on local MPs and representatives in the LGA to support and follow-up this call.

## **8b Councillor Rosenstiel**

This Council believes that cycling is an extremely efficient form of transport which is good for health and the environment; supports successive Governments' commitment to encourage the use of bikes and reduce the number of cyclist-related accidents; notes with concern that the number of cyclists killed on Britain's roads rose by 7 per cent between 2009 and 2010; notes that a disproportionate number of cycling accidents involve vans and lorries; supports The Times' 'Cities fit for Cycling' campaign; and calls on the Government to take further action to improve cycling infrastructure and reduce the number of casualties on our roads.

## **9 WRITTEN QUESTIONS**

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

## Information for the Public

## QR Codes (for use with Smart Phones)

**Location** The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

**Public Participation** Some meetings may have parts, which will be closed to the public, but the reasons for excluding the press and public will be given.

Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.



- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

Speaking on Planning Applications or Licensing Hearings are subject to other rules and guidance on speaking on these issues can be obtained from Democratic Services on 01223 457013 or [democratic.services@cambri.dge.gov.uk](mailto:democratic.services@cambri.dge.gov.uk).

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and  
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A loop system is available in Committee Room 1, Committee Room 2 and the Council Chamber.

Adapted toilets are available on the ground and first floor.

Meeting papers are available in large print and other formats on request.

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**Queries on reports** If you have a question or query regarding a committee report please contact the officer listed at the end of relevant report or Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**General  
Information**

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## COUNCIL

20 October 2011

6.00 - 6.10 pm

**Present:** Councillors Nimmo-Smith (Mayor), Hart (Deputy Mayor), Al Bander, Ashton, Benstead, Bick, Bird, Blackhurst, Blencowe, Boyce, Brierley, Brown, Cantrill, Dryden, Herbert, Hipkin, Kerr, Kightley, Marchant-Daisley, McGovern, McPherson, Moghadas, O'Reilly, Owers, Pippas, Price, Reid, Reiner, Rosenstiel, Saunders, Smart, Smith, Swanson, Taylor, Todd-Jones, Tucker, Tunnacliffe, Ward, Wright and Znajek

### FOR THE INFORMATION OF THE COUNCIL

**10/50 To consider the following recommendation of the Civic Affairs Committee held on 14 September 2011**

**Resolved** (by 38 votes to 0):

That Cambridge City Council confers the Honorary Freedom of the City of Cambridge upon the City of Szeged to mark the 25th anniversary of the twinning link with that City.

The meeting ended at 6.10 pm

**CHAIR**

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**COUNCIL**

20 October 2011

6.10 - 10.35 pm

**Present:** Councillors Nimmo-Smith (Mayor), Hart (Deputy Mayor), Al Bander, Ashton, Benstead, Bick, Bird, Blackhurst, Blencowe, Boyce, Brierley, Brown, Cantrill, Dryden, Herbert, Hipkin, Kerr, Kightley, Marchant-Daisley, McGovern, McPherson, Moghadas, O'Reilly, Owers, Pippas, Price, Reid, Reiner, Rosenstiel, Saunders, Smart, Smith, Swanson, Taylor, Todd-Jones, Tucker, Tunnacliffe, Ward, Wright and Znajek

**FOR THE INFORMATION OF THE COUNCIL****11/50/CNL To approve as a correct record the minutes of the meeting held on 21 July 2011**

The minutes of the Meeting held on 21 July 2011 were confirmed as a correct record and signed by the Mayor.

**11/51/CNL Mayors Announcements****1. APOLOGIES**

Apologies were received from Councillors Pogonowski and Stuart.

**2. OPEN CAMBRIDGE WEEKEND**

It was noted that the City had collaborated with the University of Cambridge in the Open Cambridge weekend and groups of visitors had visited the Guildhall on Friday 9<sup>th</sup> and Saturday 10<sup>th</sup> September.

**3. MAYOR'S DAY OUT**

It was noted that the annual outing for senior citizens to Great Yarmouth on 1<sup>st</sup> September had gone very well and the Mayor thanked those Councillors that had helped with stewarding.

It was also noted that a group of older people from Great Yarmouth had made a return visit to Cambridge on 29<sup>th</sup> September.

#### **4. CRUSE WINE TASTING EVENT**

The Mayor thanked those Councillors who had supported the wine tasting event in aid of Cruse Bereavement Care on 19 October. It was noted that £3500 had been raised by the event.

#### **5. REMEMBRANCE**

Councillors were reminded that 2 minutes silence would be observed from the main entrance of the Guildhall on Friday 11<sup>th</sup> November at 11am. All Councillors were encouraged to attend and the Deputy Mayor would be laying a wreath on behalf of the City at the American Cemetery.

It was noted that on Sunday 13<sup>th</sup> November, the Deputy Mayor would be leading the civic procession to Great St. Mary's Church for the Remembrance Sunday Service. The Mayor would also be attending the service, and laying a wreath, at the City's War Memorial.

Details of the service had been circulated to all Councillors and their support was encouraged.

#### **6. NATIONAL TAKEOVER DAY**

It was highlighted to Councillors that National Takeover Day gave children and young people the chance to work with adults for the day and be involved in decision-making.

This year's event had deliberately been planned to coincide with Armistice Day so that young people would be encouraged to incorporate remembrance activities into their programme.

It was confirmed that two young people would shadow the Mayor on Friday 11<sup>th</sup> November and they would also be invited to stand alongside the Mayor during the observance of the 2 minutes silence on the steps of the Guildhall.

#### **8. WHITWORTH HOUSE**

It was noted that, as one of the Mayors chosen charities, Whitworth House would be holding a ceilidh in the Guildhall on Friday 20<sup>th</sup> January. All Councillors were encouraged to support the event.

## 9. CHEVYN SERVICE

It was noted that the preaching of the Chevyn Sermon would take place at St. Andrew's, Chesterton on Sunday 29<sup>th</sup> January at 10am. Notices would be despatched immediately after the Christmas/New Year break and Councillors were encouraged to attend.

## 10. DECLARATIONS OF INTEREST

Councillor	Item	Interest
Cantrill	11/54/CNL	Personal: Trustee of Winter Comfort
Price	11/55c/CNL	Personal: Conservator of the River Cam
Nimmo-Smith	11/55c/CNL	Personal: Conservator of the River Cam

### 11/52/CNL Public Questions Time

None.

### 11/53/CNL To consider the recommendations of the Executive for Adoption

The Medium Term Strategy (The Leader)

**Resolved** (by 24 votes to 0):

#### Revenue – General Fund

- 1) To agree that New Homes Bonus uncommitted funding be held in an earmarked reserve (rather than added to general reserves) with a view to considering appropriate application at a later date [Section 5, pages 75 and 76 of the MTS refer].

- 2) To agree budget provision for further grant funding in 2011/12 of £65,000 to The Junction CDC Ltd
- 3) To agree the budget strategy and process for the 2012/13 budget cycle as outlined in Section 8 and Appendix A of the MTS document.

In particular:-

- a) that the net General Fund budget (after use of reserves) be limited to £15,463,770 at this stage
- b) that the adjusted gross expenditure, for the purpose of calculating committee cash limits, should exclude major in-term contractual / agreement obligations (Pools Service, Housing Repairs and ICT contracts)
- 4) To agree the revised General Fund revenue, funding and reserves projections as shown in Appendix E, and the associated decisions in Section 8, of the MTS document.
- 5) To authorise the Director of Resources to calculate and communicate final cash limits or savings targets based on the decisions taken in the report, based on the method shown in Appendix I, of the MTS document.

### **Revenue – HRA**

- 6) To express support for the HRA budget process and strategy as outlined in Section 8 and Appendix F, of the MTS document.

### **Capital**

- 7) To agree inclusion in the Capital Plan of new items identified below, note additional funding to revised schemes approved by Executive Councillors, and approve the reschedule of works based on the latest timetables, namely:
  - (a) SC515 – Replacement CCTV cameras - £70,000 funded from Repairs & Renewals
  - (b) SC516 – Relocation of the Grand Arcade Car Park Control Room - £70,000 funded from Repairs & Renewals
  - (c) SC517 – Relining fuel tanks at Mill Road Depot - £30,000 funded from Repairs & Renewals

- (d) SC518 – Improvements to Stage Lighting Equipment at the Corn Exchange - £25,000 funded from Repairs & Renewals
- (e) SC519 – Wulfstan Way Art Project £45,000 – funded from Public Art Developer Contributions
- (f) SC520 – Community Olympic Public Art Commission - £129,000, of which £99,000 will be funded from Public Art Developer Contributions and £30,000 from the Arts & Recreation Revenue Budget 2012/13
- (g) PR001 Housing Capital Investment Programme - increase the funding in 2012/13 by £200,000
- (h) PR020 ICT Infrastructure Programme - reschedule the programme extending the programme to 2015/16 and reduce the Repairs & Renewals funding by £217,000
- (i) PR023 Admin Buildings Asset Replacement Programme - reschedule the programme and extend the programme to 2015/16 funded by additional £74,000 Repairs & Renewals
- (j) PR024 Commercial Properties Asset Replacement Programme - reschedule the programme and extend the programme to 2015/16 funded by additional £240,000 Repairs & Renewals
- (k) PR018 – Bus Shelters – increase funding in 2011/12 by £50,000 funded from Repairs & Renewals
- (l) PR026 Community Development Grants Programme – approve a new capital programme, with the remit to improve a range of facilities across the East Area - £800,000 funded from Developer Contributions.

- 8) To agree the revised Capital & Revenue Projects Plan, the Hold list and the Funding as shown in Section 6 and Appendix H of the MTS document

### **Treasury Management**

- 9) To approve the changes to the Council's Counterparty List and lending limits. [Appendix J of the MTS refers].

- 10) To approve the changes to the Treasury Management Strategy Statement and changes to the Council's Prudential and Treasury Management indicators [Section 7, pages 94 to 95 of the MTS refer].

### Annual Review of the Strategic Partnerships of the Council (The Leader)

**Resolved** (unanimously) to:

Agree a revised "Principles of Partnership Working" excluding reference to Joint Scrutiny Arrangements.

### **11/54/CNL To deal with Oral Questions**

#### **1. Councillor Herbert to the Leader**

**What will be the extra cost (a) for Cambridge City, and b) across Cambridgeshire and Peterborough, of postponing the Police Commissioner elections from May to November 2012 and does she support this separate election date initiated by the Liberal Democrat's Home Affairs lead in the House of Lords?**

The Leader confirmed that identifiable costs incurred of running the Police Commissioner elections would be met by the Home Office in the form of an advance bloc grant. This would cover the majority of the costs, with the rest being claimed back from the Home Office after the election had taken place.

The election would be run on a constabulary basis and the Returning Officer for the Cambridgeshire election would be the Chief Executive of East Cambridgeshire District Council.

It was noted that the rough estimate of running a separate election in the City next November would be £60,000-£70,000. This figure had been based on the costs in the three years since May 2009.

The Leader confirmed that at this very early stage the indirect costs, the impact on staff resource and on other parts of the organisation by holding an additional city wide election in a year could not be quantified.



It was difficult to quantify the cost to other parts of the County as running elections was the responsibility of the Returning Officer, usually the Chief Executive of the local district council. It was noted that costs would vary depending on geographical area, elector population etc. However, it was noted that when the County Council elections were held in 2009, Cambridge City Council's recharge to the County was at the low end compared to the other districts.

## **2. Councillor Moghadas to the Executive Councillor for Housing**

**How are you addressing the clash of interests between meeting the functional housing requirement, balancing the council budget and ensuring the design of the Seymour Court site meets the full needs of the community and enhances the street landscape?**

The Executive Councillor for Housing confirmed that officers would be working in partnership with house builders in an effort to minimise the cost outlay of the Council. At present costs of around £400,000 were expected but grants had been secured to cover this.

It was noted that an analysis of local need had been carried out and, due to its proximity to local shops and healthcare facilities, Seymour Court was deemed suitable for older people. It was also confirmed that 2 of the 21 council flats would be fully wheelchair accessible.

## **3. Councillor Owers to the Executive Councillor for Environmental and Waste Services**

**What is the precise reasoning behind the 'Gold Star' bin scheme in terms of reducing household waste and increasing recycling?**

The Executive Councillor for Environmental and Waste Services confirmed that the gold stars applied to the small 140 litre black refuse bins were intended to:

1) Raise public awareness that other households in the locality had reduced the amount of non-recyclable waste they produced, thereby beginning to set a social norm for this behaviour, which was otherwise hidden.

2) Advertise the availability of the smaller bins and signpost residents to where they could get further information about downsizing their bin and how to reduce waste.

It was noted that this was a low cost, 'drip-drip' approach whereby the council could slowly alter public attitudes towards and perceptions of waste reduction behaviours. Whilst it was not expected that there would be an immediate drop in household waste, there were indications that the scheme had been successful in increasing the uptake of smaller refuse bins. In the 21 days before the press coverage about gold stars there had been 16 orders for small black bins, whereas in the 21 days afterwards there had been 40 orders. A total of 59 had now been ordered, but some of these would be for new properties.

It was also noted that the Gold Star scheme was not aimed at increasing recycling.

#### **4. Councillor Cantrill to the Executive Councillor for Housing**

**The Council commits significant resources to supporting and helping the disadvantaged within Cambridge particularly those who are homeless and vulnerably housed. This is welcomed at a time of hardship for many people.**

**Could the Executive Councillor for Housing indicate what actions we are taking to help people progress towards a more stable life?**

The Executive Councillor for Housing confirmed that, via grants and its own financial commitment, the Council undertook a lot of work to prevent homelessness within the city.

The City Council also provided and supported:

- employment training
- advice services through the Customer Service Centre
- employment advice for the homeless
- start up support for social enterprises
- a dedicated rough sleeper outreach team

## **5. Councillor Dryden to the Executive Councillor for Arts, Sport and Public Places**

**In March 2008 I first asked the question to the Council if we could reinstate the Holy Trinity War Memorial so it could be brought back into use for residents and visitors to Cambridge. In June 2010 it was finally agreed by the City Council that there was money now available to carry out this work so the War Memorial could be open to the public. We are in October 2011, how near are we now to opening up the Holy Trinity War Memorial to the general public?**

The Executive Councillor for Arts, Sport and Public Places confirmed that, whilst funding had been secured, the project was complicated by the war memorial's close proximity to a red cedar tree.

It was noted that after considering all options it was recommended that the tree be felled and as a result a large public consultation was undertaken. At meetings of both the Planning Committee and the Community Services Scrutiny Committee the option to fell was supported and contact was then made with the church landowners.

The Executive Councillor confirmed that discussions were ongoing with the landowner concerning proposed conditions of the felling and the issue would be resolved as soon as possible.

## **6. Councillor O'Reilly to the Executive Councillor for Community Development and Health**

**Is the Executive Councillor concerned that ending the live monitoring of CCTV at certain times could see a rise in crime during those hours?**

The Executive Councillor for Community Development and Health confirmed that, based on professional officer advice given at the Community Services Scrutiny Committee, he did not feel that this would result in increased crime.

## **7. Councillor Wright to the Leader**

**What did the Council expend on consulting the public in the Council year May 2010 - May 2011 and on which areas of Council activity? How is the effectiveness of such consultations assessed?**

The Leader confirmed that the Council consulted the public in many different ways on many different issues over the course of a year. This could include large-scale consultation programmes on major projects down to very informal discussions with residents on very local issues.

In the time available, officers had estimated that in the municipal year 2010-11 the City Council had spent approximately £77,000 on specific consultation activity across a wide range of services. The bulk of this was statutory consultation on planning matters, including advertising costs. This figure did not include costs associated with consultation on conservation areas.

The remainder was made up of a range of consultation activity from a variety of services including open space management, arts and recreation and housing services. It was noted however, that this figure did not include the cost of staff time managing procurement exercises or undertaking a wide variety of the informal consultation that took place as part of officers' normal duties.

Similarly, the effectiveness of such consultations were assessed in a wide variety of methods ranging from independent external verification as with consultation with tenants, through to a simple assessment of the number of responses.

The following Oral Questions were also tabled, but owing to the expiry of the period of time permitted, were not covered during the meeting:

#### **8. Councillor Bird to the Executive Councillor for Customer Services and Resources**

- **Why does the city centre management not work better with City Councillors when they take issues to them?**
- **I would like to ask what is happening to stop and prevent sprawling street cafes expanding so far that they block both pavements and A Boards, which causes problems for wheelchair/pushchair access.**

#### **9. Councillor Dryden to the Leader**

**As a result of a VAT audit in May 2010 it was discovered that VAT had been omitted from rental invoices to Legion Group Plc between the period 1st October 2005 and 31st March 2010. The rental was for office accommodation at Mill Road depot under the Local Authority Parking Enforcement agreement.**

**Most commercial rents are exempt from VAT, however the Council has the option to make a decision to 'Opt to Tax'. The Council took the decision to 'Opt to Tax' this part of the depot in March 2004 due to the impending refurbishment works of the offices. The invoices raised by City Services to Legion Group Plc should have included VAT of £8,142.75, but were unable to establish why the invoices were specifically raised as Exempt (without VAT).**

**In May 2010 a VAT only invoice for £8,142.75 was sent to Legion Group Plc with a covering letter explaining the omission. Legion Group Plc contacted the Council to request payment in 3 equal instalments between June and August 2010 to which was agreed. The first payment of £2,714.25 was received on the 25th June 2010 reducing the debt to £5,428.50. However, Legion Group Plc subsequently entered Administration before any further payments were made.**

**A proof of debt was submitted to the Administrator, has the Council received any further payments yet?**

#### **10. Councillor Owers to the Executive Councillor for Environmental and Waste Services**

**Can you update Council on the progress and the details of the proposal to roll out weekend cover for City Rangers?**

#### **11. Councillor Herbert to the Leader**

**Does she support the stance of city LibDem Councillor Geoffrey Heathcock in voting for a 25% increase in Councillor allowances at the County Council?**

**11/55/CNL To consider the following Notices of Motion, notice of which has been given by:**

**11/55a/CNL Motion A**

Councillor Herbert proposed and Councillor Blencowe seconded the following motion:

“The Council considers the draft National Planning Policy Framework and related Localism Bill changes to be a dangerous threat to the power of local councils, residents and local organisations to shape their own communities.

In particular, we object to the proposed skewing in the 'presumption in favour of development', and the risk that this Government direction will favour sub-standard speculative developments in and around Cambridge.

The Council asks the Chief Executive to write to both Cambridge MPs expressing our opposition to the Government imposing this presumption, and to seek support from them and South Cambridgeshire and Cambridgeshire County councils to prevent this national direction overriding local choice and local decisions.

The Council also supports the publication of a clear timetable for a well consulted and thorough update to the 2006 Cambridge Local Plan, developed in parallel with South Cambridgeshire's revised plan, with both identifying clear site selection criteria and new strategic sites for sufficient affordable housing, including to minimise any threat from speculative sub-standard sites.”

Councillor Ward proposed and Councillor Saunders seconded the following amendment:

“The Council considers the draft National Planning Policy Framework (NPPF) and related Localism Bill changes to be a threat to the power of local councils, residents and local organisations to shape their own communities.

In particular, we consider that ambiguities between the draft framework and the 'presumption in favour of sustainable development' give rise to a risk of sub-standard speculative developments in and around Cambridge.

The Council notes that officers have written to both Cambridge MPs expressing our objections to the draft NPPF as agreed by the Development Plan Scrutiny Subcommittee. The Council requests the Executive Councillor for Planning and Sustainable Transport to work with South Cambridgeshire

and Cambridgeshire County councils to prevent this national direction overriding local choice and local decisions.

Recognising that the best defence of the city's interest is in a robust, evidence based set of planning policies, the Council also notes that it has in place a clear timetable for a well consulted and thorough update to the 2006 Cambridge Local Plan, developed in parallel with South Cambridgeshire's revised plan, with both identifying clear site selection criteria and new strategic sites for sufficient affordable housing, including to minimise any threat from speculative sub-standard sites, and reaffirms its NPPF consultation responses to the effect that there should be a clear transition arrangement to avoid any policy gap before the new plans come into effect."

On a show of hands the amendment was carried by 24 votes to 16

**Resolved** (by 24 votes to 0) that:

The Council considers the draft National Planning Policy Framework (NPPF) and related Localism Bill changes to be a threat to the power of local councils, residents and local organisations to shape their own communities.

In particular, we consider that ambiguities between the draft framework and the 'presumption in favour of sustainable development' give rise to a risk of sub-standard speculative developments in and around Cambridge.

The Council notes that officers have written to both Cambridge MPs expressing our objections to the draft NPPF as agreed by the Development Plan Scrutiny Subcommittee. The Council requests the Executive Councillor for Planning and Sustainable Transport to work with South Cambridgeshire and Cambridgeshire County councils to prevent this national direction overriding local choice and local decisions.

Recognising that the best defence of the city's interest is in a robust, evidence based set of planning policies, the Council also notes that it has in place a clear timetable for a well consulted and thorough update to the 2006 Cambridge Local Plan, developed in parallel with South Cambridgeshire's revised plan, with both identifying clear site selection criteria and new strategic sites for sufficient affordable housing, including to minimise any threat from speculative sub-standard sites, and reaffirms its NPPF consultation responses to the effect that there should be a clear transition arrangement to avoid any policy gap before the new plans come into effect.



**11/55b/CNL Motion B**

Councillor Owers proposed and Councillor Benstead seconded the following motion:

“The Council notes the extent of street drinking and drug-taking within Cambridge, and that it is a problem on the rise, particularly in the Mitcham's Corner area, on Norfolk Street, Mill Road, Burleigh Street, Barnwell Road but also at other locations across the city.

The Council endorses a balanced approach to this problem, which addresses the human cost, as well as public order aspects and the intimidatory effect that the behaviour of some street-drinkers and drug-takers can have on the public.

The Council calls upon the Executive Councillor for Community Development and Health to bring a report to the Community Services Scrutiny Committee that outlines, in consultation with key sections of the community, measures to tackle the problem including:

- effective policies to ensure that street-drinkers and drug-takers get the rehabilitation and wider support they need.
- robust measures to ensure that local police have the powers and discretion to deal with the public order problems that arise from the problematic behaviour of some street drinkers and drug-takers.

Councillor Bick proposed and Councillor Smart seconded the following amendment:

“The Council notes the extent of street drinking and drug-taking within Cambridge, particularly in the Mitcham's Corner area, on Norfolk Street, Mill Road, Burleigh Street, Barnwell Road but also at other locations across the city.

The Council endorses a balanced approach to this problem, which addresses the human cost, as well as public order aspects and the intimidatory effect that the behaviour of some street-drinkers and drug-takers can have on the public.

The council notes that:

(1) a report on the work to support individuals away from a street life based on substance abuse on the part of the Council and other statutory and voluntary agencies has been recently presented to both West-Central and East Area Committees and equally can be taken to South and North Area Committees if requested;



(2) subsequent to this report the crucial position of Alcohol Community Psychiatric Nurse within the Street Outreach team has been secured from the Council's current budget; a new pilot project on Chronic Exclusion has begun and a new daytime assessment facility at Jimmy's will soon be opened – both enabled by Council investment;

(3) although there have been encouraging reductions in rough sleeping, positive impact from our Reconnections Policy and with the engagement of drinkers in detox programmes, this work does not lend itself to quick fixes and much of it will only bear long term results if supported and maintained consistently and steadfastly;

(4) the Council has taken firm control of alcohol licensing, using the Cumulative Impact powers under the Licensing Act;

(5) while this remains a serious problem which the council and others must continue to prioritise, the evidence from the Police and the Street Outreach Team does not support alarmist statements that it is increasing in total across the city beyond established seasonal fluctuation;

(6) that the Police possess significant powers to protect the public which have recently been complemented by s27 of the Violent Crime & Disorder Act. And that these can be further extended by evidence-based requests to the council for dispersal orders under s30 of the Anti-Social Behaviour Act, which we have always agreed in the past, but for which no requests have been received since January 2010;

(7) that care is needed to apply Police powers to behaviour which equates to the actual commission of offences (such as intimidation) - which should be addressed robustly - rather than to judgemental views of different lifestyles or appearances.

The Council resolves:

(1) to continue our intensive and successful working at all levels with other agencies and specialist voluntary sector organisations, particularly the Police and the Street Outreach team, on the various aspects of this problem;

(2) to encourage the police to improve public reporting of incidents by increasing awareness of what constitutes an offence; and to consider reviews of licenses to sell alcohol where evidence supports and to work in closer collaboration with Licensing Authority;

(3) to call on members to take account of this issue in shaping neighbourhood policing priorities, the consideration of licensing applications and streetscape design; and to note the possibility that Safer City grants can assist residents' groups in securing hidden areas;

(4) to highlight the availability to Ward Councillors of the services of our Community Safety Team to facilitate multi-agency conferences on specific locations of concern.

(5) to supplement ongoing Area Committee monitoring of streetlife issues by considering biennial reviews of the streetlife issues at the Community Resources Scrutiny Committee starting from autumn 2012."

On a show of hands the amendment was carried by 24 votes to 15

**Resolved** (by 24 votes to 0) that:

The Council notes the extent of street drinking and drug-taking within Cambridge, particularly in the Mitcham's Corner area, on Norfolk Street, Mill Road, Burleigh Street, Barnwell Road but also at other locations across the city.

The Council endorses a balanced approach to this problem, which addresses the human cost, as well as public order aspects and the intimidatory effect that the behaviour of some street-drinkers and drug-takers can have on the public.

The council notes that:

(1) a report on the work to support individuals away from a street life based on substance abuse on the part of the Council and other statutory and voluntary agencies has been recently presented to both West-Central and East Area Committees and equally can be taken to South and North Area Committees if requested;

(2) subsequent to this report the crucial position of Alcohol Community Psychiatric Nurse within the Street Outreach team has been secured from the Council's current budget; a new pilot project on Chronic Exclusion has begun and a new daytime assessment facility at Jimmy's will soon be opened – both enabled by Council investment;

(3) although there have been encouraging reductions in rough sleeping, positive impact from our Reconnections Policy and with the engagement of drinkers in detox programmes, this work does not lend itself to quick fixes and much of it will only bear long term results if supported and maintained consistently and steadfastly;

(4) the Council has taken firm control of alcohol licensing, using the Cumulative Impact powers under the Licensing Act;

(5) while this remains a serious problem which the council and others must continue to prioritise, the evidence from the Police and the Street Outreach Team does not support alarmist statements that it is increasing in total across the city beyond established seasonal fluctuation;

(6) that the Police possess significant powers to protect the public which have recently been complemented by s27 of the Violent Crime & Disorder Act. And that these can be further extended by evidence-based requests to the council for dispersal orders under s30 of the Anti-Social Behaviour Act, which we have always agreed in the past, but for which no requests have been received since January 2010;

(7) that care is needed to apply Police powers to behaviour which equates to the actual commission of offences (such as intimidation) - which should be addressed robustly - rather than to judgemental views of different lifestyles or appearances.

The council resolves:

(1) to continue our intensive and successful working at all levels with other agencies and specialist voluntary sector organisations, particularly the Police and the Street Outreach team, on the various aspects of this problem;

(2) to encourage the police to improve public reporting of incidents by increasing awareness of what constitutes an offence; and to consider reviews of licenses to sell alcohol where evidence supports and to work in closer collaboration with Licensing Authority;

(3) to call on members to take account of this issue in shaping neighbourhood policing priorities, the consideration of licensing applications and streetscape design; and to note the possibility that Safer City grants can assist residents' groups in securing hidden areas;

(4) to highlight the availability to Ward Councillors of the services of our Community Safety Team to facilitate multi-agency conferences on specific locations of concern.

(5) to supplement ongoing Area Committee monitoring of streetlife issues by considering biennial reviews of the streetlife issues at the Community Resources Scrutiny Committee starting from autumn 2012.

### **11/55c/CNL      Motion C**

Councillor Price proposed and Councillor Moghadas seconded the following motion:

“The Council is committed to working to end the unacceptable hassling of residents and visitors in 2011 by swarms of punt touts, including on Market Square and King's Parade.

The Council asks the Executive Councillor for Customer Services and Resources to bring a report to the Strategy and Resources Scrutiny Committee, in consultation with the Conservators of the River Cam following their recent initiatives, and the police, to propose a package of initiatives with the aim of

- limiting touting in central Cambridge, including considering how to restrict it to only to the riverbank
- ensuring any touts are trained in customer service and stop harassing people
- using Anti Social Behaviour Orders to control touts who create a significant nuisance
- ensuring effective joint working by the Council, Conservators, police and others to sort out this problem, and ensure that punting is once again a fun attraction for the city.”

Councillor McGovern proposed and Councillor Tunnacliffe seconded the following amendment:

“The Council is committed to working to end the unacceptable hassling of residents and visitors in 2011 by swarms of punt touts, including on Market Square and King's Parade.

The Council notes the report that went to West Central Area Committee on 28<sup>th</sup> April, and the progress report due to go to the committee on 3<sup>rd</sup> November, which will report the work in hand by the council and with partners to limit touting including:

- Assessing the degree to which punt touting on King's Parade is detrimental to the visitor/resident experience.
- Assessing whether the ownership of the land by Garrett Hostel Bridge, which is used for embarkation, can be identified.
- Exploring with the County Council about how they might use any powers of control they have as a highway authority
- Supporting the Cam Conservators in the development of new policies
- Developing new ticket sales policies through Visit Cambridge, linked to a new code of conduct
- Reviewing legal powers available to the Council to control touting

The Council warmly welcomes the Cam Conservators decision of the 29<sup>th</sup> September that persons seeking to register hire punts must meet the requirements of working from a suitable site, so that businesses operating from Garret Hostel Lane will not be granted a commercial license.”

On a show of hands the amendment was carried by 24 votes to 16

**Resolved** (by 24 votes to 0) that:

The Council is committed to working to end the unacceptable hassling of residents and visitors in 2011 by swarms of punt touts, including on Market Square and King's Parade.

The Council notes the report that went to West Central Area Committee on 28<sup>th</sup> April, and the progress report due to go to the committee on 3<sup>rd</sup> November, which will report the work in hand by the council and with partners to limit touting including:

- Assessing the degree to which punt touting on King's Parade is detrimental to the visitor/resident experience.
- Assessing whether the ownership of the land by Garrett Hostel Bridge, which is used for embarkation, can be identified.
- Exploring with the County Council about how they might use any powers of control they have as a highway authority
- Supporting the Cam Conservators in the development of new policies

- Developing new ticket sales policies through Visit Cambridge, linked to a new code of conduct
- Reviewing legal powers available to the Council to control touting

The Council warmly welcomes the Cam Conservators decision of the 29<sup>th</sup> September that persons seeking to register hire punts must meet the requirements of working from a suitable site, so that businesses operating from Garret Hostel Lane will not be granted a commercial license.

### **11/56/CNL Written Questions**

Members noted the written questions and answers circulated around the Chamber.

The meeting ended at 10.35 pm

**CHAIR**

**COUNCIL**

11 January 2012

6.00 - 6.17 pm

**Present:** Councillors Nimmo-Smith (Chair), Hart (Vice-Chair), Ashton, Benstead, Bick, Bird, Blackhurst, Blencowe, Boyce, Brierley, Brown, Cantrill, Dryden, Herbert, Kerr, Kightley, Marchant-Daisley, McGovern, McPherson, Moghadas, O'Reilly, Owers, Pippas, Price, Reid, Reiner, Rosenstiel, Saunders, Smart, Stuart, Swanson, Taylor, Tucker, Tunnacliffe, Ward, Wright and Znajek

**FOR THE INFORMATION OF THE COUNCIL****12/1/CNL Apologies for absence**

Apologies for absence were received from Councillors Al Bander, Hipkin, Pogonowski, Smith and Todd-Jones.

**12/2/CNL Declaration of Interests**

12/4/CNL	Bird	Member of Unison
12/4/CNL	Dryden	Member of Unite
12/4/CNL	Kightley	Member of Unite
12/4/CNL	O'Reilly	Member of Unite
12/4/CNL	Price	Member of Unite
12/4/CNL	Reid	Member of OU staff union and previous member of National Union of Seamen
12/4/CNL	Rosenstiel	Member of Unite
12/4/CNL	Smart	Member of ATL
12/4/CNL	Taylor	Member of Unite
12/4/CNL	Ward	Wife member of Unite

**12/3/CNL Public Questions Time - see at the foot of the agenda for details of the scheme**

There were no public questions.

**12/4/CNL To consider the recommendations of Committees for Adoption**

**Civic Affairs (4 January 2012)**

**Review of Pay, Terms and Conditions and Pay Policy Statement**

**Resolved** (22 vote to 0) to;

- i. Approve the proposed changes to pay, terms and conditions and that agreed that they are implemented as soon as possible by collective agreement.
- ii. Delegate authority to the Chief Executive to
  - a) Implement the proposed changes.
  - b) Following consultation with the Leader of the Council and Group Leaders, to revise the package of proposed pay, terms and conditions if this should be necessary to secure a collective agreement at any time up to the implementation.
- iii. Approve the draft pay policy statement (as appended as appendix 5 to the Council report).

The meeting ended at 6.17 pm

**CHAIR**



<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (THE LEADER – COUNCILLOR REID)</b></p>
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## **REVISED VISION STATEMENTS**

The ruling group has amended the vision statements that were adopted alongside the annual statement at Full Council in May. The revised first and fifth statements emphasise the Council's commitment to protecting the disadvantaged and recognise the wide base of Cambridge's economic growth.

So, "A city which is diverse and tolerant, values activities which bring people together and where everyone feels they have a stake in the community" becomes "**A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing**"; and "a city with a thriving knowledge-based economy that benefits the whole community and builds on its reputation as a global hub of ideas and learning" becomes "**A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery**".

The full revised set of statements now read:

### **"Our vision**

The Council has a clear vision for the future of our city, a vision which we share with Cambridge citizens and with partner organisations.

### **Cambridge – where people matter**

A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing

A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives

A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all

**Cambridge – a good place to live, learn and work**

A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities

A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well- designed buildings

A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery

A city where getting around is primarily by public transport, bike and on foot

**Cambridge – caring for the planet**

A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution “

**Accordingly, Council is recommended to:**

Adopt the revised vision statements



To: Executive Councillor for Strategy & Climate Change:  
Councillor Sian Reid  
Report by: Andrew Limb, Head of Corporate Strategy  
Relevant scrutiny committee: Strategy & Resources 16/1/2012  
Wards affected: All Wards

## **DRAFT STRATEGY & CLIMATE CHANGE PORTFOLIO PLAN 2012-13 Key Decision**

### **1. Executive summary**

This report covers the draft Strategy & Climate Change Portfolio Plan 2012-13 which sets out the strategic objectives for the portfolio for the year ahead, describes the context in which the portfolio is being delivered and details the activities required to deliver the outcomes and the vision. Performance measures and risks are also shown for each strategic objective.

### **2. Recommendations**

The Executive Councillor is recommended:

- (a) To approve the draft Strategy & Climate Change Portfolio Plan 2012-13.
- (b) To recommend the revised vision statements to Council for adoption.

### **3. Background**

This is the second year in which Portfolio Plans have been produced by Cambridge City Council. The Plan has been developed by officers and the Executive Councillor, in parallel with the budget planning process.

The services which will deliver the strategic objectives set out in the plan will each develop more detailed operational plans. These will function as management tools to ensure the tasks that deliver the strategic objectives are planned and managed effectively.

The ruling group has amended the vision statements that were adopted alongside the annual statement at Full Council in May. The revised first and fifth statements emphasise the Council's commitment to protecting the disadvantaged and recognise the wide base of Cambridge's economic growth.

So, "A city which is diverse and tolerant, values activities which bring people together and where everyone feels they have a stake in the community" becomes "**A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing**"; and "a city with a thriving knowledge-based economy that benefits the whole community and builds on its reputation as a global hub of ideas and learning" becomes "**A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery**".

The full revised set of statements now read:

### **"Our vision**

The Council has a clear vision for the future of our city, a vision which we share with Cambridge citizens and with partner organisations.

### **Cambridge – where people matter**

A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing

A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives

A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all

### **Cambridge – a good place to live, learn and work**

A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities

A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well- designed buildings

A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery

A city where getting around is primarily by public transport, bike and on foot

## **Cambridge – caring for the planet**

A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution “

It is recommended that the Executive Councillor recommend this revised vision to Full Council in February for adoption.

### **4. Implications**

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

The financial implications of this plan are set out in the budget for the portfolio.

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

Staff will be allocated personal objectives to ensure the tasks and activities to deliver the objectives are managed. Staff will be supported in the learning and development activities they need to deliver their contribution to the plan.

#### **(c) Equal Opportunities Implications**

The activities set out in this plan aim to support the Council's equality and diversity objectives. Equality impact assessments will be carried out on decisions and projects related to this plan as appropriate.

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

The Plan contains objectives and activities likely to have a high / medium positive environmental impact.

#### **(e) Consultation**

This is a strategic document covering a number of different objectives. There has therefore been no consultation on this plan *per se*, although there has been or will be consultation on those elements of it that have a significant impact on residents at the appropriate time, in accordance with the Council's code of practice on consultation and community engagement and our statutory obligations on consulting around planning matters.

## **6. Appendices**

Appendix A Draft Portfolio Plan for Strategy & Climate Change 2012-13

## **7. Inspection of papers**

If you have a query on the report please contact:

Author's Name: Andrew Limb  
Author's Phone Number: 01223 457004  
Author's Email: [Andrew.Limb@cambridge.gov.uk](mailto:Andrew.Limb@cambridge.gov.uk)

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (THE EXECUTIVE COUNCILLOR FOR COMMUNITY DEVELOPMENT AND HEALTH - COUNCILLOR BICK AND THE EXECUTIVE COUNCILLOR FOR ARTS, SPORT AND PUBLIC PLACES - COUNCILLOR CANTRILL)</b></p>
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## **DEVOLVING DECISION MAKING TO AREA COMMITTEES**

Cambridge City Council is keen to devolve decision making to area committees wherever appropriate, in line with the principle of subsidiarity and the spirit of localism and community participation in decision making.

As part of the project over the past year to explore ways to engage citizens and communities in decision making more effectively, officers and Executive Councillors have been exploring which decisions could be devolved to area committees.

The fruit of this work is the list of decisions to be devolved as discussed at Strategy and Resources Scrutiny Committee on 10 October 2011:

- Approvals of projects funded by developer contributions for:
  - Public Art
  - Public Realm
  - Community Facilities
  - Open spaces (Children & teenagers and informal open space)
  
- Neighbourhood Planning Briefs
- Safer City Grants
- Non-statutory tree planting

In devising the process for decision making under devolved arrangements officers and Executive Councillors have considered both the principles in Appendix A of the officer's report and also the need for transparency, accountability, clarity over who is making what decision, the City Council's Constitution and other legal or process constraints. It has been the intention to devise clear and consistent principles for decision making across the piece, to aid efficient and effective decision making.

**Accordingly, Council is recommended to:**

Extend the terms of reference of Area Committees to include exercise of the following delegated functions:

- public art
- public realm
- community facilities
- play and open space projects funded by developer contributions
- non-statutory tree planting
- safer city grants





To: Executive Councillor for Arts, Sport and Public Places: Councillor Rod Cantrill  
And  
Executive Councillor for Community Development & Health: Councillor Tim Bick

Report by: Simon Payne

Relevant scrutiny committee: Community Services Scrutiny Committee 12/1/2012

Wards affected: All Wards

### **DEVOLVING DECISION MAKING TO AREA COMMITTEES**

#### **Key Decision**

#### **1. Executive summary**

1.1 This report explains the processes by which decisions on various matters will be taken by area committees from 1 April 2012, and seeks Executive Councillor approval to adopt these processes.

#### **2. Recommendations**

2.1 The Executive Councillors for Arts, Sport and Public Places and for Community Development and Health are recommended to:

(a) note the proposed process for devolving decision making on public art, public realm, community facilities, play and open space projects funded by developer contributions as set out in the foregoing report; and

(b) adopt these processes and devolve decision making to area committees.

2.2 The Executive Councillor for Arts, Sport & Public Places is recommended to:

(c) note the proposed process for devolving decision making on non-statutory tree planting as set out in the foregoing report; and

(d) adopt this process and devolve decision making to area committees.

2.3 The Executive Councillor for Community Development and Health is recommended to:

(e) note the proposed process for devolving decision making on safer city grants as set out in foregoing report; and

(f) adopt this process and devolve decision making to area committees.

### **3. Background**

3.1 Cambridge City Council is keen to devolve decision making to area committees wherever appropriate, in line with the principle of subsidiarity and the spirit of localism and community participation in decision making.

3.2 As part of the project over the past year to explore ways to engage citizens and communities in decision making more effectively, officers and Executive Councillors have been exploring which decisions could be devolved to area committees, working from a set of principles (see Appendix A).

3.3 The fruit of this work is the list of decisions to be devolved as discussed at Strategy and Resources Scrutiny Committee on 10 October 2011:

- Approvals of projects funded by developer contributions for:
  - Public Art
  - Public Realm
  - Community Facilities
  - Open spaces (Children & teenagers and informal open space)
- Neighbourhood Planning Briefs
- Safer City Grants
- Non-statutory tree planting

3.4 Devolving decisions on these issues to area committees should ensure that those decisions are taken by ward councillors with a local knowledge of the key issues facing communities in their wards, and the needs of those communities.

3.5 In devising the process for decision making under devolved arrangements officers and Executive Councillors have considered both the principles in Appendix A and also the need for transparency, accountability, clarity over who is making what decision, the City

Council's Constitution and other legal or process constraints. It has been the intention to devise clear and consistent principles for decision making across the piece, to aid efficient and effective decision making.

- 3.6 This report sets out the proposed methodology for making decisions on Safer City Grants; non-statutory tree planting and developer funded projects that relate to Public Art, Public Realm, Community Facilities and Open Spaces. A separate report will be considered by Environment Scrutiny Committee on the 10<sup>th</sup> January 2012 on Devolving Decisions on Neighbourhood Planning Briefs.

#### **4. Proposed Methodology for Devolvement of Safer City Grants**

- 4.1 In the case of Safer City Grants, it is proposed that the Safer Communities Section will continue to administer the application process up to the point of approval, with plans to consider moving the administration to Community Development over the next 12 months if that proves appropriate (the background to the existing grant scheme is set out in Appendix B). Regardless of who administers the application process, policy decisions and expert advice on applications will remain with the Executive Councillor and the Safer Communities Team. It is proposed that once a year in April/May depending on committee dates, a bidding round will take place at each Area Committee and that decisions to approve or reject applications will be made at those committees.
- 4.2 It is proposed that Safer Communities Section will advertise the availability of the grants in advance of the annual bidding round, ensuring that potential applicants know the process for bidding and are aware of the Community Safety Plan (CSP) priorities and the recurrent neighbourhood priorities.
- 4.3 If there are funds remaining after the yearly bidding round it is suggested that further bids can be submitted at any time. Decisions on approval/rejection of these applications will be made by the Chairs of Area Committees in consultation with the relevant ward councillors and Opposition Spokes Persons as and when the applications are received and outside of Area Committees. On 1 December any unspent money will be returned to the 'Citywide' pot for re-distribution by the Executive Councillor to other areas, if appropriate applications have been made.
- 4.4 Should an application be received that covers more than one area of Cambridge, that application will be submitted to the Executive Councillor for Community Development & Health for approval, in

consultation with the Chair and Opposition Spokes Persons of the Community Services Scrutiny Committee.

- 4.5 At the end of each grant cycle, a report will be delivered to the Community Services Scrutiny Committee, detailing the grants awarded during the year and any recommended changes to the criteria and grant application process. The report will also detail the budget for the coming year.
- 4.6 By devolving the power to approve applications to the Area Committees, and by linking the applications to the Safer Neighbourhood agenda it is expected that the volume and quality of applications will be enhanced.

## **5. Proposed Methodology for the Devolvement of Tree Works**

- 5.1 The Tree Strategy for the City Council is currently being revised following successful initial public consultation earlier this year. Work to the Tree Strategy and the anticipated revision of the Tree Protocol (how we deal with works to our own trees) will continue well into 2012. It will be more appropriate to develop the proposals for devolving decision making regarding trees to area committee after these pieces of work have been completed therefore this item will be reported separately. In the interim tree decisions will remain as per the current arrangements.

## **6. Proposed Methodology for Developer Funded Projects**

- 6.1 In the case of developer funded projects, the attached diagram (Appendix C) sets out a proposed model for making decisions on play, open space, community facilities, public art and public realm projects funded by developer contributions off site from the proposed development.
- 6.2 Any decisions about the use of these commuted sums will be made in accordance with City Council policy (which is approved by the relevant Executive Councillor following scrutiny) and will be subject to an evidence base known as the 'Area Needs Assessment'. There will be an 'Area Needs Assessment' for every Area Committee.
- 6.3 When planning applications are to be determined by an Area Committee then any commuted sums for off-site projects listed in paragraph 6.1 will be held for spending within the geographical area of that committee for that purpose.
- 6.4 When planning applications are to be determined by the Planning Committee (by definition these applications will be major or strategic

proposals) then any commuted sums for off-site projects will normally be split 50:50 between city wide projects and projects funded by the area committees. There will however be an opportunity to vary this proportion on a case-by-case basis, informed by both policy considerations and up to date Area Needs Assessments.

- 6.5 There will need to be a transition to the new arrangements given that there is an extensive programme of committed projects in the pipeline. The first priority will be for each Area Committee to prepare and approve an 'Area Needs Assessment'.
- 6.6 An Area Needs Assessment will be produced every three years for each Area Committee. This assessment will be a simple desk top analysis and will seek:
  - a) To quantify existing population within the whole area (split into age structure).
  - b) Estimate of new development taking place within the area over the next three years and the impact upon existing population.
  - c) Summary of existing provision with commentary on potential for enhancement/modernisation of existing provision.
  - d) Identification of any new provision over and above enhancements/modernisation.
- 6.7 Consultation by the Area Committee of the Area Needs Assessment will take place before approval.
- 6.8 Once the Area Needs Assessment has been approved by the Area Committee, then officers will need to cost key elements and link these costs to predicted developer contributions (any developer funding, even after the forthcoming national changes to introduce Community Infrastructure Levy, will need to show a consequential link between the new development and the provision to be provided) and any uncommitted developer contributions already received. Any prioritised shortfall would need to be subject to capital bids through the scrutiny and Executive Councillor process linked in to the annual budget round.
- 6.9 A report will then be prepared for each Area Committee on the Community Facilities, Play and Open Space programme to prioritise schemes and to identify which are being funded by developer contributions and which are not. This will be subject to consultation and once approved, will form the basis of project delivery. Projects that are subject to the capital programme funding would be dependent upon decisions made at Full Council and budget allocations.

- 6.10 In the case of strategic development schemes (i.e. ones approved through Planning Committee), the normal default position will be that provision would be split 50:50 between city wide projects and projects funded by the Area Committees. In the event that there was a case to vary this proportion then this would be subject to discussion between the officers and the Executive Councillor.
- 6.11 Regular reviews would be undertaken of the delivery of projects. In the event that an Area Committee failed to commit funding to the delivery of any project within three years of receipt of the developer funding then there would be a mechanism to allow for the Executive Councillor (following scrutiny) to intervene and reallocate that money to a scheme that will be delivered within the legal agreement deadline.
- 6.12 In the case of Public Art, it is proposed that there will be a simpler mechanism for release of the money. Normally, developer funding would be split 50:50 between citywide and Area Committees. The citywide funding would be reported to the Public Art Panel (as is currently the case). The remainder of the funding would be allocated to the appropriate Area Committee to support Public Art projects within that area. The appropriate Area Committee would receive reports from officers about the availability of Public Art money with proposals for local schemes and project approval would be through the Area Committee. This approach would also be subject to the Executive Councillor 'claw back' provisions set out in paragraph 6.11 above.

## **7. Implications**

### **7.1 Financial Implications**

- 7.1.1 The main financial impact of these new methodologies will be the speed at which developer funding is used to finance specific schemes. The proposed process seeks to earmark funding before it is received and on the small to medium sized projects will enable to be used shortly after the receipt of the capital amount by the City Council. In the case of the larger schemes the methodology should also speed up delivery.

### **7.2 Staffing Implications**

- 7.2.1 Staff from a range of council services will need to work closely together to support the development of Area Needs Assessments (ANA) and to ensure that proposals for projects meet community



needs as defined in the ANA and contribute to a coherent package that supports achievement of the Council's vision.

7.2.2 This is more about working differently than a requirement for additional resources, although community development resource will be required to help engage communities in the identification of needs, and a budget bid has been submitted to ensure we have adequate capacity for this process.

### **7.3 Equal Opportunities Implications**

7.3.1 The Equality Impact Assessment concludes that devolving additional decisions to the City Council's area committees should benefit the different communities of Cambridge, because the decision to approve or reject applications would rest with local councillors who better understand the specific needs of their area and the people living there.

7.3.2 The area needs assessments that would inform the decisions of the area committees would be subject to consultation in line with the council's Code of Best Practice on Consultation and Community Engagement. This would provide an opportunity for people of all backgrounds to input.

7.3.3 Each area committee also meets in the area that it serves, meaning that it is usually easier for people to attend because it is nearer to where they live. The changes would benefit residents that find it harder to attend formal decision-making meetings that are held during the day, for example people that work, because area committees meet in the evening. Area committees would need to continue to be mindful that their meetings do not finish too late so as not to disadvantage other groups, for example disabled people, older people and parents with young children.

### **7.4 Environmental Implications**

7.4.1 These recommendations should have a very low or nil impact in themselves, as they are about changing the decision making process rather than changing the activities undertaken per se. However, we will need to bear in mind the climate change impact of each project funded and decided on under this new process at the appropriate point in time.

### **7.5 Consultation**

7.5.1 The proposed methodology for developer funded schemes has been outlined to the Community Engagement and Participation Pilot Member Working Group.

7.5.2 Ward members and local communities will be consulted during the development of their Area Needs Assessments.

## **7.6 Community Safety**

7.6.1 Devolution of Safer City Grants should allow for those grants to be more effectively targeted to known areas or issues of need, thereby improving overall community safety.

## **8. Background papers**

Planning Obligations Strategy SPD

## **9. Appendices**

Appendix A – Principles for Devolving Decisions

Appendix B – Safer City Grants Process

Appendix C – Devolving Decisions Diagram

## **10. Inspection of papers**

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

Author's Name: Simon Payne  
Author's Phone Number: 01223 - 458517  
Author's Email: [simon.payne@cambridge.gov.uk](mailto:simon.payne@cambridge.gov.uk)



## Appendix A

### PRINCIPLES FOR DEVOLVING DECISIONS TO AREA COMMITTEES

1. Decisions should only go to one committee.
2. Decisions about policy will be taken by the relevant Executive Member and scrutinised centrally, to avoid the need for multiple reporting to each area committee.
3. The default position for non-policy decisions is that they will be delegated to area committees unless there is a good reason not to do so (e.g. they relate to a city-wide decision or fall into a category of decision that is evidenced to be of little interest to local people).
4. Devolved decisions will be taken by the relevant area committee within the centrally agreed policy framework.
5. The process of devolving decisions must not require any net additional resource and preferably require less net resource.
6. If all members of an area committee are inclined to support a decision then a vote should be taken as soon as possible to leave more time for debate about less consensual issues. However, residents must be given the option to raise questions to ensure a proper democratic process is maintained.

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### SAFER CITY GRANT SCHEME

The Safer City grant scheme has been in operation since the 1997/98 financial year. It provides small (maximum £5,000) grants to community projects that will help tackle crime, the fear of crime and anti-social behaviour in Cambridge. Applications can be made by any community group at any time, and the City Council endeavours to reach a decision within 5 weeks of the application being acknowledged.

The budget for this financial year is £41,000 (being £17,000 capital and £24,000 revenue). A bid to increase the pot to £50k to be used for either revenue or capital has been submitted for 2012/13. If the bid is successful the recommendation is to allocate the funds equally between the four area committees and one 'Citywide' pot. If the bid is not successful it is proposed to divide the available funds equally between the area committees and 'Citywide' pot.

The current criteria for approving Safer City Grants is:

- The application is submitted by a group with a clear structure, and not an individual;
- There is an identified need for the project, which is supported by evidence;
- The project involves working in partnership with the community or other organisations;
- The aims of the project are clearly defined;
- The project has been realistically costed;
- The project represents value for money when comparing the amount of grant requested with the benefits described;
- The project falls within one of the priority areas shown in the Cambridge Community Safety Plan 2011-14
- The ways in which the project will be monitored and evaluated have been considered; and
- The cost of the project is less than £5,000.

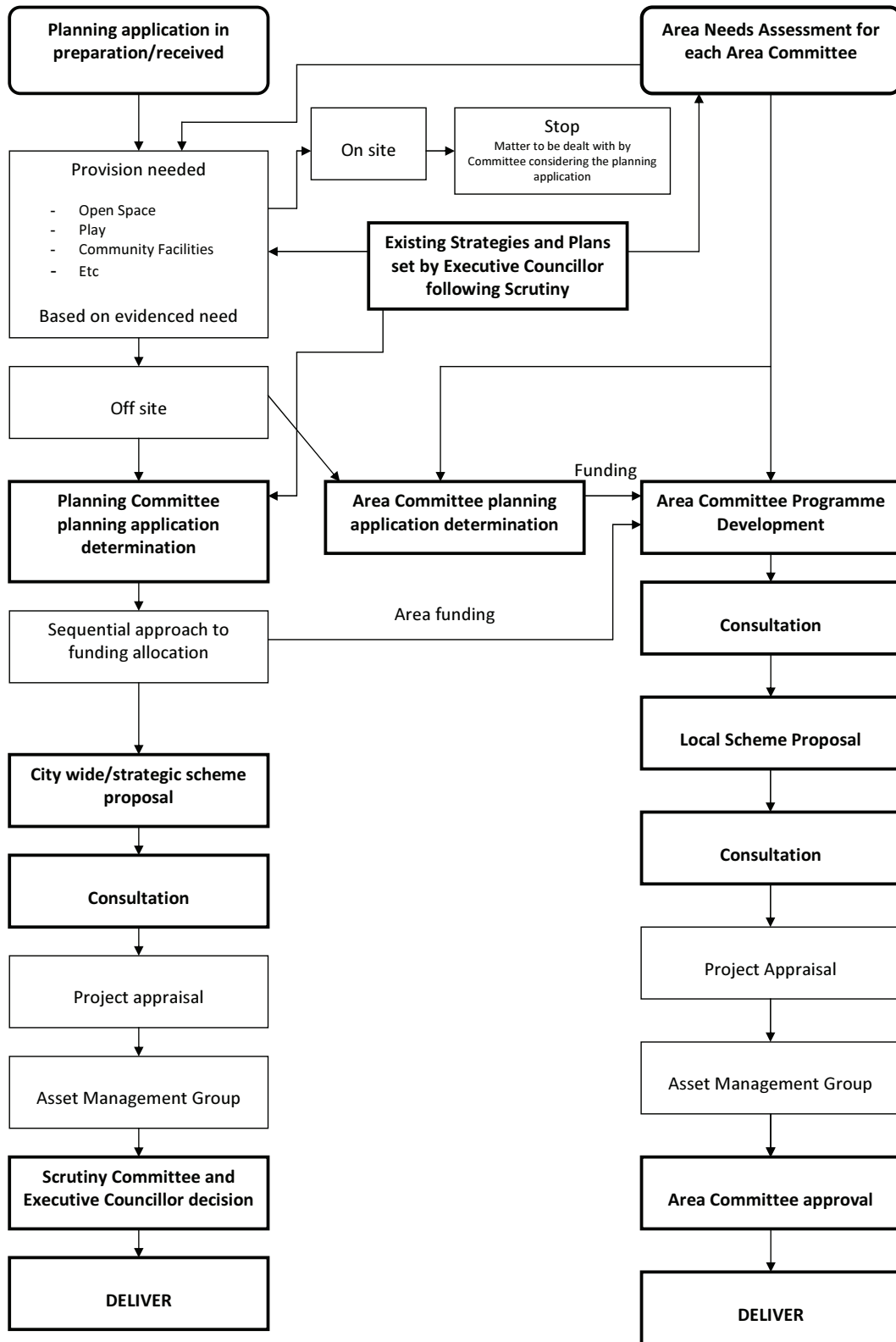
It is proposed to keep the criteria as it is with one amendment as follows:

- The project falls within one of the priority areas shown in the Cambridge Community Safety Plan 2011-14 and the recurrent neighbourhood policing priorities within the area.

Currently the process for approval of grants is as follows:

- The application is submitted to the Safer Communities Section and is examined to ensure it has been completed correctly and fully, and that all the necessary evidence has been provided;
- Application is acknowledged;
- Application is then assessed, liaising with any identified partners and obtaining any further evidence to support the project;
- Safer Communities Section draw up a report on the application, together with a recommendation whether to accept or reject it;
- Application and report is then submitted to the Executive Councillor for Community Development & Health for approval with a copy sent to opposition spokes for information.

APPENDIX C - DEVOLVING DECISION MAKING



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<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (THE LEADER – COUNCILLOR REID)</b></p>
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## **MID-YEAR TREASURY MANAGEMENT REPORT 2011/12**

This Council approved the annual Treasury Management Strategy Statement for 2011/12 on 17<sup>th</sup> February 2011 and updated it as part of its Medium Term Strategy on 20<sup>th</sup> October 2011.

The Strategy states that this Council will monitor treasury management activity through a mid-year report. The report forms the mid-year monitoring report for 2011/12. Also, as part of this strategy, the Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

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

Approve the changes to the Prudential and Treasury Management Indicators as set out in Appendix 2 of the officer's report. These will be used to update the annual Budget Setting Report.

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To: The Leader and Executive Councillor for Strategy and Climate Change: Councillor Sian Reid  
Report by: Director of Resources  
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee 16/1/2012  
Wards affected: All Wards

## **MID-YEAR TREASURY MANAGEMENT REPORT 2011/12**

### **1. Executive summary**

- 1.1 The purpose of this report is to update the Council on the Authority's treasury management activities and performance in the first half of 2011/12 in accordance with the CIPFA Treasury Management Code of Practice.
- 1.2 To advise the Council on its Treasury Management Practices as required by the CIPFA Treasury Management Code of Practice.

### **2. Recommendations**

- 2.1 The Executive Councillor is asked to recommend the revised changes to the Prudential and Treasury Management Indicators as set out in Appendix 2. These will be used to update the annual Budget Setting Report.

### **3. Treasury Statement - Background**

#### **Treasury Management Strategy Statement 2011/12**

- 3.1 This Council approved the annual Treasury Management Strategy Statement for 2011/12 on 17<sup>th</sup> February 2011 and updated it as part of its Medium Term Strategy on 20<sup>th</sup> October 2011. The Strategy states that this Council will monitor treasury management activity through a mid-year report. This report forms the mid-year monitoring report for 2011/12. Also, as part of this strategy, the Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

- 3.2 The latest government guidance issued by the Department for Communities and Local Government (CLG) on local authority treasury management states that local authorities should consider the following factors in the order they are stated i.e.

Security – Liquidity – Yield

- 3.3 The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. The Monthly Treasury Management Position Statements, updating the Executive Member, are structured according to these factors, to demonstrate that they are being considered and addressed operationally.

#### **4. Treasury Management Activity: Security**

- 4.1 The Treasury Management Strategy Statement places a high emphasis on the security of the Council's deposits. This is achieved through the careful monitoring of cash flows, by maintaining a lending list of high quality counterparties, and operating strict limits on the amounts that may be deposited with individual counterparties or groups of counterparties.

- 4.2 During the first half of 2011/12 (to 30<sup>th</sup> September 2011), cash balances have remained at appropriate levels sufficient to effectively manage the payments that this Council was required to make.

- 4.3 This Council approved the list of institutions that the Council can lend to as part of its Treasury Management Strategy Statement.

- 4.4 The list was based on advice received from the Council's treasury management advisors and includes only those institutions that have been assessed as having a high credit rating, and combining the use of Credit Default Swaps spreads (CDS), is used to give early warning signs of likely changes in credit ratings.

#### **5. Treasury Management Activity: Liquidity**

- 5.1 Once the Council is satisfied that security risk is being managed, the next consideration in treasury management is liquidity. The Council has a number of inflows and outflows every month and it is important that the Council's funds are managed to ensure there is sufficient liquidity when it is required.

5.2 Officers have maintained liquidity throughout this year. This has been achieved through effective cash management, extensive use of the Council's HSBC deposit account, as it provides the Council with instant access and a reasonable return under the adverse economic conditions (currently 0.30%).

5.3 Appendix 1 shows the Council's deposits as at 30<sup>th</sup> September 2011, of £83.230m.

## **6. Treasury Management Activity: Yield**

6.1 Only once security and liquidity have been assessed and the Council has taken all steps to minimise these risks, should yield be a factor. The base rate has remained at 0.5% throughout the financial year to date and our treasury advisor's (Sector) forecast is that it will remain at this rate until at least the second quarter of 2013, when it will start to rise slowly. There have been no changes to the base interest rate, particularly as two supporters of a rate rise, have now resigned from the Monetary Policy Committee (MPC).

6.2 The Debt Management Office (DMO) is still paying 0.25%, regardless of the deposit term. Banks are paying a variety of rates up to approximately 1.73%, depending on the time funds are deposited for.

6.3 Interest of £260,000 has been earned on the Council's deposits during the first half year at an average rate of 0.75%. This return compares favourably with the average 7 day LIBOR rate of 0.59% as at 30<sup>th</sup> September 2011. The original budget for interest earned in 2011/12 is £312,000. However, it is anticipated that this level of budget will be over-achieved and will be reviewed and revised as part of the budget process.

## **7. Treasury Management Practices**

7.1 The CIPFA Treasury Management Code of Practice requires local authorities to produce and maintain a document of Treasury Management Practices. The Code of Practice also requires that the document is subject to scrutiny and so it will be taken to Strategy & Resources Scrutiny Committee during February 2012 for this purpose.

7.2 The above document is supplemented by a systems document covering treasury management procedures, the detail of how to apply the practices for use by officers in their 'day to day' work on treasury management.

## **8. Economic Activity since Original Forecast**

### **8.1 Global economy**

The Euro zone sovereign debt crisis continued with Spain and Italy being the focus of renewed market concerns that they may soon join with Greece, Ireland and Portugal in needing assistance. This uncertainty and the lack of a co-ordinated or credible Euro zone response left commentators concerned over the potential impact of sovereign default and resulting effect on the Euro zone banking sector. The approval by various countries of the £440bn bail-out fund in September 2011 has brought temporary relief to financial markets but this does not provide a credible remedy to the scale of the Greek debt problem or the magnitude of the potential needs of other countries for support.

This, coupled with political difficulties in the US over their plans to address the budget deficit, the size and control over the US sovereign debt, and the subsequent loss of the AAA credit rating from Standard and Poor's, has led to a much more difficult and uncertain outlook for the world economy.

Growth prospects in the US, UK and the Euro zone have been lower than expected, with future prospects similarly cut. Whilst not a central view, concerns of a double dip recession in some western countries have increased. World stock markets fell in the second quarter of 2011/12 as a consequence.

### **8.2 The UK economy**

Following zero growth in the final half of 2010/11 the UK economy grew by a weaker than expected 0.2% in the first quarter of 2011/12, providing a knock on effect to future growth prospects. Growth prospects will be governed by UK consumer sentiment, which is currently subdued due to falling disposable income. Higher VAT, overhanging debt, high inflation and concerns over employment are likely to weigh heavily on consumers into the future.

Inflation remains stubbornly high, although the expectation of future falls, the external nature of the price increases (energy, oil, food etc.), and the negative impact a rate rise would have on the UK economy, is likely to stop the Bank of England Monetary Policy Committee (MPC) from raising the Bank Rate for some considerable time to come. An indicator of the worsening position arose from the MPC minutes recently

signalling a greater willingness to expand the quantitative easing programme.

International depositors continue to view UK government gilts as being a safe haven from the EU sovereign debt crisis. The consequent increase in demand for gilts has helped to add downward pressure on gilt yields and sent PWLB borrowing rates to low levels.

### 8.3 Outlook for the next 6 months of 2011/12

There remain huge uncertainties in economic forecasts due to the following major difficulties:

- the speed of economic recovery in the UK, US and EU;
- the likely political gridlock in the US preventing significant government fiscal action to boost growth ahead of the Presidential elections in November 2012;
- the potential for a major EU sovereign debt crisis which could have a significant impact on financial markets and the global and UK economy;
- the degree to which government austerity programmes will dampen economic growth;
- the potential for more quantitative easing, and the timing of this in both the UK and US; and;
- the speed of recovery of banks' profitability and balance sheet imbalances.

The overall balance of risks is unfavourable:

- low and modest growth in the UK is expected to continue, with a low Bank Rate to continue for at least 12 months, coupled with a possible extension of quantitative easing. This will keep deposit returns depressed; and;
- the expected longer run trend for PWLB borrowing rates is for them to rise, primarily due to the need for a high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. However the current safe haven status of the UK may continue for some time, postponing any increases until 2012.

## 9. Interest Rate Forecasts

9.1 Below is a table that represents our treasury management advisor's (Sector) view on interest rate predictions:

	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
BANK RATE	0.50	0.50	<b>0.50</b>	0.50	0.50	0.50	<b>0.50</b>	0.50	0.75	1.00	<b>1.25</b>	1.50	2.00	2.25	<b>2.50</b>
3 month LIBID	0.75	0.70	<b>0.70</b>	0.70	0.70	0.70	<b>0.75</b>	0.80	0.90	1.20	<b>1.40</b>	1.60	2.10	2.40	<b>2.60</b>
6 month LIBID	1.00	1.00	<b>1.00</b>	1.00	1.00	1.00	<b>1.10</b>	1.20	1.40	1.60	<b>1.80</b>	2.00	2.50	2.70	<b>2.90</b>
12 month LIBID	1.50	1.50	<b>1.50</b>	1.50	1.50	1.60	<b>1.70</b>	1.80	1.90	2.20	<b>2.40</b>	2.60	3.10	3.20	<b>3.30</b>
5 yr PWLB	2.30	2.30	<b>2.30</b>	2.30	2.30	2.40	<b>2.50</b>	2.60	2.70	2.80	<b>2.90</b>	3.10	3.30	3.50	<b>3.70</b>
10 yr PWLB	3.30	3.30	<b>3.30</b>	3.30	3.40	3.40	<b>3.50</b>	3.60	3.70	3.80	<b>4.00</b>	4.20	4.40	4.60	<b>4.80</b>
25 yr PWLB	4.20	4.20	<b>4.20</b>	4.20	4.30	4.30	<b>4.40</b>	4.50	4.60	4.70	<b>4.80</b>	4.90	5.00	5.10	<b>5.20</b>
50 yr PWLB	4.30	4.30	<b>4.30</b>	4.30	4.40	4.40	<b>4.50</b>	4.60	4.70	4.80	<b>4.90</b>	5.00	5.10	5.20	<b>5.30</b>

9.2 Sector predicts that base interest rates will not rise until the end of September 2013, at the earliest.

## 10. Treasury Management Strategy Statement (TMSS) and Annual Deposit Strategy update

- *The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below:*

Subject to statutory powers, the Council will be required to make a one-off payment to the CLG to remove the Housing Revenue Account (HRA) from the current housing subsidy system. Based on the latest HRA Self-Financing Determination, issued for consultation on 21 November 2011, the payment is expected to be £214.384m. The Executive Member is therefore requested to approve the revision of the operational boundary prudential indicator as set out in the table below:

Prudential Indicator 2011/12	Original £000	Revised in the MTS £000	Revised Prudential Indicator £000
Authorised Limit	10,000	250,000	250,000
Operational Boundary	3,000	219,600	214,384
Capital Financing Requirement	(1)	(1)	(1)

## 11. The Council's Capital Position (Prudential Indicators)

11.1 This part of the report is structured to update:

- the Council's capital expenditure plans;
- how these plans are being financed;
- the impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- compliance with the limits in place for borrowing activity.

### 11.2 Housing Revenue Account Reform

The proposed reform of the HRA subsidy arrangements is expected to take place on 28 March 2012. This will involve the Council *paying* funds to the Department for Communities Local Government that will remove the Council from the HRA subsidy system. The expected *payment* is £214.384 m. This will impact on both the capital structure of the Council (as the HRA Capital Financing Requirement will rise by the size of the payment to CLG), and the treasury management service will need to consider the funding implications for the *borrowing*. The Council's prudential indicators shown below highlight the position in relation to the original position, the expected impact of the HRA reform payment is incorporated in the recommended prudential indicator changes in section 10. The new HRA Capital Financing Requirement will form a cap on any future HRA capital expenditure.



### 11.3 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes to the capital programme as agreed as part of the Medium Term Strategy on 20<sup>th</sup> October 2011(excluding HRA Reform).

Capital Expenditure (Excluding HRA Reform)	2011/12 Original Estimate £000	Changes at MTS stage £000	2011/12 Current Estimate £000
General Fund	7,177	11,640	18,817
HRA	10,953	6,159	17,112
<b>Total</b>	<b>18,130</b>	<b>17,799</b>	<b>35,929</b>

Source: Medium Term Strategy Report – 20<sup>th</sup> October 2011

### 11.4 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing need, as shown in the table below, will increase the underlying indebtedness of the Council.

Capital Expenditure (Including HRA Reform)	2011/12 Current Estimate £'000	Current Position (Incl. HRA Reform) £000	2011/12 Revised Estimate £000
Externally funded expenditure	10,243	214,384	224,627
Internally funded expenditure	25,686		25,686
<b>Total spend</b>	<b>35,929</b>	<b>214,384</b>	<b>250,313</b>
Financed by:			
Capital receipts	(1,209)		(1,209)
Capital grants	(4,729)		(4,729)
Capital reserves	(26,957)		(26,957)
Revenue	(3,034)		(3,034)
<b>Total financing</b>	<b>(35,929)</b>		<b>(35,929)</b>
<b>Borrowing need</b>	<b>NIL</b>	<b>(214,384)</b>	<b>(214,384)</b>



## 11.5 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

### Prudential Indicator – Capital Financing Requirement

The Council is on target to achieve the original forecast Capital Financing Requirement.

### Prudential Indicator – External Debt / the Operational Boundary

<b>Operational Boundary</b>	<b>2011/12 Original Estimate £000</b>	<b>2011/12 Current Position £000</b>
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	3,633	(894)
CFR – housing	(3,634)	893
<b>Total CFR</b>	<b>(1)</b>	<b>(1)</b>
Net movement in CFR	(1)	(1)
Prudential Indicator – External Debt		
Borrowing		(214,384)
<b>Total debt 31 March 2012</b>		<b>(214,384)</b>

## 11.6 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less deposits) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2011/12 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need that will be adhered to if this proves prudent.

<b>Cumulative Net External Borrowing Requirement</b>	<b>2011/12 Original Estimate £000</b>	<b>2011/12 Current Position £000</b>	<b>2011/12 Revised Estimate £000</b>
Gross borrowing	NIL	(214,383)	(214,383)
Less: deposits	34,953	NIL	34,953
Net borrowing	34,953	(214,385)	(179,430)

No difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit that represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised limit for external debt</b>	<b>2011/12 Original Indicator £000</b>	<b>2011/12 Current Position £000</b>
Borrowing	10,000	250,000
Total	10,000	250,000

Source: Medium Term Strategy Report – 20<sup>th</sup> October 2011

## 11.7 Deposit Portfolio 2011/12

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return that is consistent with the Council's risk appetite. As set out in Section 8, it is a very difficult deposit market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short-term strategy. Given this risk adverse environment, deposit returns are likely to remain low.

The Council held £83.230m of deposits as at 30<sup>th</sup> September 2011 (£59.750m at 31<sup>st</sup> March 2011) and the deposit portfolio yield for the first six months of the year is 0.75%.

The approved limits within the Annual Deposit Strategy were not breached during the first six months of 2011/12. No new deposits will be made beyond 28<sup>th</sup> March 2012 pending decision on of the strategy for borrowing in light of the requirement under the HRA Reform.

## 11.8 Deposit Counterparty Criteria

There have been no changes to the counterparty list since the MTS.

The Council continues to monitor the guidance received from Sector on a daily basis and places deposits in line with their current advice.

As a result of the heightened uncertainty in financial markets, Sector Treasury are stressing the importance of a cautionary deposit stance, and on a temporary basis, are including in their methodology a restricted duration limit (to a maximum of 3 months) for the majority of institutions.

This limit will apply to all institutions on the suggested Sector Credit List with the following exceptions:

- UK Government and related entities such as Local Authorities
- UK semi-nationalised institutions (including Lloyds and RBS).

On 7th October 2011 Moody's Investors Service (one of the three ratings agencies used by Sector) downgraded the ratings of a number of financial institutions, including some semi-nationalised banks. The downgrades do not reflect any deterioration in the financial strength of the banking system or that of the Government. The downgrades have been caused by Moody's reassessment of the support environment in the UK. Fitch has downgraded these institutions as well.

The overall effect of these revisions does not impact on the Council's ability to make deposits with the UK banks currently on our counterparty list, but in order to minimize risks even further, our current practice is that all deposits with these institutions will be limited to a maximum of 3 months duration.

## **12. Icelandic Bank Deposits**

### **Heritable**

- 12.1 At 30 September 2011 the Council had received dividends totalling £2,460,371.00, which represented 60.40 pence in the pound of the total claim of £4,072,360.55. A further dividend was received during October 2011 bringing the total dividend to 64.6 pence in the pound.
- 12.2 The above claim is being dealt with as part of the UK legal process.

### **Landsbanki**

- 12.3 On 28 October the Icelandic Supreme Court ruled that the deposits placed by the test case UK local authorities and other wholesale depositors in Landsbanki hf have priority status over other creditors in the winding up of the bank. We await confirmation from the winding up board that they will apply the Supreme Court decision to the non-test cases.

## **13. Background papers**

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

Treasury Management Strategy Statement, Annual Deposit Strategy & Minimum Revenue Provision Policy Statement: 2011/12 – Report to Council, 17<sup>th</sup> February 2011,

Medium Term Strategy 2011 – Report to Council, 20<sup>th</sup> October 2011

Sector Treasury Services Ltd – Communication dated 7th October 2011.

## **14. Appendices**

Appendix 1 – List of current deposits as at 30<sup>th</sup> September 2011.

Appendix 2 – Treasury Management Performance and Prudential Indicators

## **15. Inspection of papers**

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

Author's Name: Steve Bevis  
Author's Phone Number: 01223 458153  
Author's Email: [Stephen.bevis@cambridge.gov.uk](mailto:Stephen.bevis@cambridge.gov.uk)

## Deposits as at 30 September 2011

Counterparty	Principal	% Rate	Maturity Date	Broker	Investment Date	
Heritable Bank Limited	1,000,000	5.65000%	Overdue	(Prebons)	09-Jan-08	United Kingdom
Heritable Bank Limited	1,000,000	6.21000%	Overdue	(Martins)	13-Jun-08	United Kingdom
Landsbanki Islands hf	2,000,000	6.22000%	Overdue	(Martins)	30-Jun-08	Iceland
Heritable Bank Limited	2,000,000	6.00000%	Overdue	(Martins)	05-Sep-08	United Kingdom
Landsbanki Islands hf	1,000,000	6.35000%	Overdue	(Martins)	01-Jul-08	Iceland
Landsbanki Islands hf	2,000,000	6.42000%	Overdue	(Martins)	01-Jul-08	Iceland
<b>Deposits in 2008/09</b>	<b>9,000,000</b>	<b>6.14041%</b>				
Nationwide BS	1,000,000	1.12000%	07-Mar-12	(Direct)	07-Sep-11	UK-Building Society
Nationwide BS	1,000,000	1.07000%	24-Feb-12	(Direct)	24-Aug-11	UK-Building Society
National Westminster Bank Plc	2,000,000	1.07000%	20-Feb-12	(Direct)	19-Aug-11	Royal Bank of Scot Grp
Nationwide BS	1,000,000	1.02000%	03-Feb-12	(Direct)	03-Aug-11	UK-Building Society
Bank of Scotland Plc	1,000,000	1.42000%	26-Jan-12	(Direct)	26-Jul-11	Lloyds Banking Group
Tayside Fire & Rescue	1,000,000	0.45000%	24-Jan-12	(Tradition)	26-Sep-11	Fire Authority
Conwy County Borough Council	1,000,000	0.60000%	11-Jan-12	(Martins)	11-Jul-11	Local Authority
National Westminster Bank Plc	2,000,000	1.00000%	22-Dec-11	(Direct)	22-Jun-11	Royal Bank of Scot Grp
National Westminster Bank Plc	2,000,000	1.00000%	15-Dec-11	(Direct)	15-Jun-11	Royal Bank of Scot Grp
Aberdeen City Council	2,000,000	0.45000%	06-Dec-11	(Sterling)	06-Sep-11	Local Authority
Midlothian Council	2,000,000	0.40000%	05-Dec-11	(Tradition)	05-Sep-11	Local Authority
Lancashire County Council	1,000,000	0.80000%	02-Dec-11	(Tradition)	04-May-11	Local Authority
Nationwide BS	2,000,000	1.02000%	02-Dec-11	(Direct)	03-Jun-11	UK-Building Society
Birmingham City Council	1,000,000	0.42000%	01-Dec-11	(Prebons)	01-Sep-11	Local Authority

Counterparty	Principal	% Rate	Maturity Date	Broker	Investment Date
Lancashire County Council	2,000,000	0.80000%	28-Nov-11	(Tradition)	28-Apr-11
Plymouth City Council	2,000,000	0.35000%	22-Nov-11	(Martins)	31-Aug-11
Barclays Bank plc	1,000,000	1.04000%	18-Nov-11	(Direct)	18-May-11
Bank of Scotland Plc	2,000,000	1.42000%	17-Nov-11	(Direct)	17-May-11
Midlothian Council	1,000,000	0.35000%	15-Nov-11	(Tradition)	15-Aug-11
Royal Borough of Kingston upon Thames	2,000,000	1.12000%	08-Nov-11	(Prebonds)	08-Dec-10
Midlothian Council	2,000,000	0.35000%	08-Nov-11	(Tradition)	08-Aug-11
Northamptonshire County Council	1,000,000	1.20000%	07-Nov-11	(Prebonds)	08-Nov-10
Barclays Bank plc	2,000,000	1.06000%	03-Nov-11	(Direct)	03-May-11
Salford City Council	1,000,000	0.35000%	03-Nov-11	(Tradition)	03-Aug-11
Northamptonshire County Council	3,000,000	1.10000%	01-Nov-11	(Prebonds)	01-Dec-10
Newcastle-upon-Tyne City Council	2,000,000	0.35000%	28-Oct-11	(Martins)	28-Jul-11
Highland Council	1,000,000	0.35000%	26-Oct-11	(Tradition)	13-Sep-11
Fife Council	4,000,000	0.75000%	24-Oct-11	(Tradition)	01-Apr-11
Thurrock Borough Council	1,000,000	0.80000%	21-Oct-11	(Martins)	01-Apr-11
Thurrock Borough Council	2,000,000	0.80000%	21-Oct-11	(Martins)	15-Apr-11
Conwy County Borough Council	2,000,000	0.40000%	21-Oct-11	(Martins)	05-Jul-11
Nottingham City Council	1,000,000	0.40000%	20-Oct-11	(Tradition)	26-Sep-11
Thurrock Borough Council	2,000,000	0.80000%	19-Oct-11	(Martins)	15-Apr-11
Thurrock Borough Council	1,000,000	0.78000%	19-Oct-11	(Martins)	03-May-11
Nationwide BS	1,000,000	0.78000%	19-Oct-11	(Direct)	04-Jul-11
Plymouth City Council	1,000,000	0.35000%	19-Oct-11	(Martins)	31-Aug-11
Barclays Bank plc	3,000,000	1.07000%	17-Oct-11	(Direct)	15-Apr-11
Bank of Scotland Plc	3,000,000	1.40000%	17-Oct-11	(Direct)	15-Apr-11

Counterparty	Principal	% Rate	Maturity Date	Broker	Investment Date	
HSBC Bank Plc [Deposit A/c]	6,230,000	0.30000%	03-Oct-11	(HSBC)	30-Sep-11	United Kingdom
<b>Current Deposits (post 1<sup>st</sup> Apr 2009)</b>	<b>69,230,000</b>	<b>0.77718%</b>				
Salford City Council	2,000,000	0.45000%	19-Jan-12	(Prebons)	04-Oct-11	Local Authority
Salford City Council	1,000,000	0.45000%	19-Dec-11	(Prebons)	04-Oct-11	Local Authority
Salford City Council	2,000,000	0.45000%	24-Nov-11	(Prebons)	04-Oct-11	Local Authority
Forward-Dated Deposits	5,000,000	0.45000%				
<b>TOTAL CURRENT DEPOSITS</b>	<b>83,230,000</b>					

## Prudential Indicators and Treasury Management Indicators

Prudential Indicators	2010/11 Actual £000	2011/12 Probable out-turn £000	2012/13 Estimate £000	2013/14 Estimate £000
<b>Extract from Budget Setting Reports (MTS, 20<sup>th</sup> October 2011)</b>				
<b>Capital Expenditure (excluding HRA Return)</b>				
General Fund	5,032	18,817	5,756	3,278
HRA	9,514	17,112	7,031	7,167
<b>TOTAL</b>	<b>14,546</b>	<b>35,929</b>	<b>12,787</b>	<b>10,445</b>
<b>Net Revenue Expenditure (Net Revenue Stream)</b>				
General Fund	19,135	20,173	21,585	21,585
HRA	31,782	33,801	35,532	37,219
<b>Ratio of financing costs to net revenue stream</b>				
General Fund	(1.93%)	(1.77%)	(3.67%)	(7.44%)
HRA (applies only to housing authorities)	(0.12%)	(0.07%)	27.96%	26.52%
<b>Estimates of Financing Costs to net revenue stream</b>				
Financing Costs				
- General Fund	(370)	(356)	(792)	(1,606)
- HRA	(37)	(24)	9,934	9,869
<b>TOTAL</b>	<b>(407)</b>	<b>(380)</b>	<b>9,142</b>	<b>8,263</b>
Less: Profile of Borrowing (HRA Self Financing Debt)*	0	(214,384)	(204,384)	(194,384)
<b>Estimates of Capital Financing Requirement as at 31<sup>st</sup> March</b>				
- General Fund	(894)	(894)	(894)	(894)
- HRA	893	893	893	893
<b>TOTAL</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
Un-earmarked balances & Reserves:- Deposits	5,000 63,901	5,000 57,798	5,000 60,487	5,000 62,689
<b>Cumulative Net Borrowing Requirement</b>	<b>68,900</b>	<b>(151,587)</b>	<b>(138,898)</b>	<b>(126,696)</b>



Treasury Management Indicators	2010/11 Actual £000	2011/12 Probable out-turn £000	2012/13 Estimate £000	2013/14 Estimate £000
<b>Authorised Limit for external debt:-</b>				
Borrowing	10,000	250,000	250,000	250,000
Other long term liabilities	0	0	0	0
<b>TOTAL</b>	<b>10,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>Operational Boundary for external debt:-</b>				
Borrowing	3,000	214,384	204,384	194,384
Other long term liabilities	0	0	0	0
<b>TOTAL</b>	<b>3,000</b>	<b>214,384</b>	<b>204,384</b>	<b>194,384</b>
<b>Upper limit for fixed interest rate exposure</b>				
Fixed rate	(320)	(400)	721	660
Variable rate	(120)	(375)	(420)	(420)
<b>Upper limit for total principal sums deposited for over 364 days</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>

Upper limit (as %age of debt at start of year	2010/11	2011/12	2012/13	2013/14
Under 12 months	0	100	95	90
12 months and within 24 months	0	100	95	90
24 months and within 10 years	0	100	95	90
5 years and within 10 years	0	100	95	90
10 years and above	0	100	95	90

\*Illustrative profile only at this stage as sources of borrowing, nature of financial instruments, loan durations and repayment profiles are currently being evaluated.

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To: Council 23/2/2012

Report by: Julia Hovells, Housing Finance & Business Manager

Wards affected: All Wards

**HOUSING REVENUE ACCOUNT SELF-FINANCING BUSINESS PLAN,  
ASSET MANAGEMENT PLAN AND BUDGET REPORT - 2012/13  
Key Decision**

**1. Executive Summary**

- 1.1 As part of the Localism Act, the Housing Revenue Account (HRA) Subsidy System will be abolished from the end of 2011/12, bringing to an end the national system of annual formulaic re-distribution of housing resources.
- 1.2 The subsidy system will be replaced with a system of Self-Financing from April 2012, with Cambridge City Council being able to retain all HRA rental streams locally, being responsible for funding the management, maintenance and major improvement of the housing stock, but also being required to take on a one-off share of the national housing debt.
- 1.3 To facilitate this change, Cambridge City Council are required to pay the Department for Communities and Local Government (CLG) the sum of £213,572,000 on 28th March 2012, based upon the final HRA Self-Financing debt settlement.
- 1.4 In preparation for Self-Financing, a 30-Year Business Plan and Asset Management Plan have been produced to provide a clear direction for operation of the housing business at a local level.

**2. Recommendations**

Council is recommended, in line with the recommendation of the Executive Councillor for Housing following a special joint meeting of Housing Management Board and Community Services on 8<sup>th</sup> February 2012:

- a) To approve the detailed 30-Year Housing Revenue Account Business Plan 2012/13 to 2041/42 at Appendix A to this report.

- b) To approve the Rent Policy as detailed in Appendix C of the HRA Business Plan 2012/13 to 2041/42.
- c) To approve the detailed 30-Year Housing Revenue Account Asset Management Plan 2012/13 to 2041/42 at Appendix B to this report.
- d) To approve the 2012/13 budget as shown in Appendix G of the HRA Business Plan.
- e) To approve the Housing Capital Investment Plan for 2011/12 to 2016/17, as detailed in Appendix H of the HRA Business Plan and Appendix F to the HRA Asset Management Plan, to include approval of in-year savings in capital budgets, re-allocation of budgets for decent homes works, rephrasing of existing projects and schemes, and approval of capital bids as submitted as part of the 2012/13 budget process.
- f) To approve, incorporating presentational amendments, the long-term Housing Capital Investment Plan for 2012/13 to 2041/42, as detailed in Appendix I of the HRA Business Plan and Appendix G to the HRA Asset Management Plan.
- g) To approve a Housing Capital Allowance for 2012/13 of £21,663,000.
- h) To agree that the authority borrow funds from the Public Works Loans Board in 2011/12, as detailed in Section 9 of the HRA Business Plan and summarised in paragraphs 3.6 to 3.16 of this report, to facilitate payment of the full self-financing settlement sum due to government on 28<sup>th</sup> March 2012.
- i) To approve that the Director of Resources have delegated authority to make the final decision with regard borrowing arrangements to facilitate payment of the self-financing settlement sum on 28<sup>th</sup> March 2012, based upon the prevailing interest rates and loan types available for that date.

### **3. Background**

- 3.1 The introduction of Self-Financing for the HRA follows a number of years of deliberation and consultation by Communities and Local Government, in an attempt to arrive at the best financial regime to replace the HRA Subsidy System.
- 3.2 A model where each local authority takes on a share of national housing debt, which their local housing business is deemed able to support, has been in the forefront throughout the consultation process.

Early estimates by CLG were that the level of debt that Cambridge City would take on would be approximately £220 million, based on the policy document issued in February 2011.

- 3.3 A draft settlement figure was released on 21st November 2011, which saw the debt settlement reduce to £214,384,000, due to a combination of changes in inflation assumptions, reductions for dwellings identified for disposal or demolition and re-classification of flatted accommodation.
- 3.4 Following a formal consultation period, which ended on 6th January 2012, the final settlement figure for Cambridge City Council was confirmed as £213,572,000 on 1st February 2012. This now allows the Council to set the final budget for the HRA for 2012/13, following consideration by HMB and Community Services. The table below compares the indicative debt settlement figures provided at earlier stages in the consultation process with the final figures, confirmed on 1<sup>st</sup> February 2012.

	Indication in February 2011	Draft for Consultation in November 2011	Final February 2012
Opening Debt Allocation	£230,060,000	£224,858,000	£224,045,000
Debt Settlement	£219,586,000	£214,384,000	£213,572,000
Debt Cap	£230,060,000	£231,651,000	£230,839,000
Debt per Dwelling	£31,067	£30,737	£30,660

- 3.5 There are a number of work streams that have been progressed in preparation for April 2012, and include:

#### Borrowing

- 3.6 Until September 2011, officers at Cambridge City and South Cambridgeshire District Councils were exploring a variety of options for securing the level of borrowing that will need to be taken on from 28th March 2012. The interest rates that the Public Works Loans Board (PWLB) was charging prior to September were high enough that a number of market alternatives for securing the funds required were financially viable options.

- 3.7 An announcement in September that the PWLB would reduce rates for this transaction only, to the levels being charged prior to the Comprehensive Spending Review of October 2010, significantly altered the view of both authorities.
- 3.8 Working with South Cambridgeshire District Council, Ernst and Young were procured to provide specialist financial advice in respect of the borrowing options available, with their final report confirming that from an external borrowing perspective, borrowing from PWLB at the reduced rate carries the greatest relative advantages compared with other options available to the authority.
- 3.9 In determining an effective borrowing strategy for the HRA, it is important to balance the cost of borrowing against the ability to retain sufficient flexibility to respond to future opportunities and challenges in terms of the delivery of housing and housing services. A key part of the assessment has been consideration of the level of risk associated with the various options available.
- 3.10 Use of any internal resource available from the General Fund could, in some circumstances, be advantageous for both the HRA and General Fund. However, as highlighted in Section 8 of the HRA Business Plan, a combination of factors, with fixed rate borrowing representing the lowest risk option for the HRA, the PWLB offering a preferential rate for this transaction and interest rates anticipated to increase in the medium to long term, in is not considered to be in the best interest of the General Fund to lend to the HRA to meet the initial self-financing payment.
- 3.11 The recommendation not to internally borrow at this point in time, does not preclude the possibility that it may be advantageous to undertake such borrowing at a future point, ie; when the business plan requires additional borrowing against the headroom available, at which point the standard PWLB rates may compare less favourably against the rates which the General Fund would seek to charge for any internal loan.
- 3.12 Although PWLB borrowing is, on balance, anticipated to be the lowest risk and cost option, the mix of loan types and terms will be key to the success of our HRA into the future.
- 3.13 As detailed in Section 9 of the HRA Business Plan, a portfolio of 20 maturity loans is recommended, with varying maturity periods, with the first loan not maturing until the point at which the business plan anticipates there will be sufficient resource to pay off the entire debt.

This approach seeks to minimise risk, while maximising the flexibility available in the business model.

3.14 The table below summarises the proposed loan portfolio, with the interest rates available as at 12<sup>th</sup> January 2012:

Loan Value (£)	Loan Rate (%)	Loan Term (Years)	Maturity Date
10,678,600	3.17	25	28/03/2037
10,678,600	3.19	26	28/03/2038
10,678,600	3.20	27	28/03/2039
10,678,600	3.22	28	28/03/2040
10,678,600	3.23	29	28/03/2041
10,678,600	3.25	30	28/03/2042
10,678,600	3.26	31	28/03/2043
10,678,600	3.27	32	28/03/2044
10,678,600	3.27	33	28/03/2045
10,678,600	3.27	34	28/03/2046
10,678,600	3.29	35	28/03/2047
10,678,600	3.29	36	28/03/2048
10,678,600	3.29	37	28/03/2049
10,678,600	3.29	38	28/03/2050
10,678,600	3.29	39	28/03/2051
10,678,600	3.28	40	28/03/2052
10,678,600	3.28	41	28/03/2053
10,678,600	3.28	42	28/03/2054
10,678,600	3.27	43	28/03/2055
10,678,600	3.27	44	28/03/2056

3.15 PWLB interest rates are reviewed and amended twice daily, introducing the risk that rates may change significantly between now and 26<sup>th</sup> March 2012, the point at which the borrowing at the preferential rate can be arranged.

3.16 It is therefore proposed that delegated authority be sought, to allow the Director of Resources to determine the final loan portfolio, taking into consideration the rates that are available for the differing loan terms on 26<sup>th</sup> March 2012.

### Business Planning

3.17 ConsultCIH, the consulting arm of the Chartered Institute of Housing, have supplied the authority with a 30-year financial modelling system. The system has allowed officers to explore the long-term impact of Self-Financing for the HRA, and to model a variety of financial and



operational scenarios, testing sensitivities to changes in modelling assumptions, for example inflation rates.

- 3.18 Officers have used outputs from this model in preparing a 30-Year Business Plan, to support decision-making in the new financial environment. The Business Plan makes a number of key base assumptions, with changes in these assumptions modelled as part of the sensitivity analysis.
- 3.19 The HRA 30-Year Business Plan is presented at Appendix A to this report, and it is anticipated that the plan will be reviewed annually as part of the authority's medium term planning and budgetary processes.

### Asset Management

- 3.20 In a self-financing environment, effective asset management is key to the success of the housing business.
- 3.21 The Council invited Savills to undertake a stock condition survey validation exercise in early 2011/12, to give confidence that the 90% of stock that has been surveyed internally, has been done in a consistent manner to the 10% undertaken by Savills in 2003. This exercise provided full assurance, with a recommendation to review the useful lives of one or two building components, where experience indicated the assumptions in our database may not be realistic. The recommendations have been fully adopted in all financial modelling undertaken as part of this exercise.
- 3.22 In conjunction with ConsultCIH, Savills have also undertaken an exercise to model the financial viability of our housing stock, both as a whole, and across 28 agreed categories. The purpose of this work was to identify whether any asset types or group of assets has a negative impact on the business model, driving the need to consider alternative options for these assets.
- 3.23 Our housing stock is in good condition, relative to some other areas of the country, and as a result, no category as a whole appeared to negatively impact on the business model.
- 3.24 To support and compliment the Business Plan, a 30-Year Asset Management Plan has also been prepared, and is included at Appendix B to this report.
- 3.25 The Asset Management Plan, which will also be refreshed on an annual basis, and fully reviewed every 3 years, provides an overview



of the assets owned and managed within the HRA. The plan identifies specific issues associated with, and investment need in, the existing stock, and considers the possibility to deliver new build affordable housing. An action plan, presented as part of the document, identifies key areas where specific work effort is required in the short to medium term.

#### **4. Implications**

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

The financial implications associated with this report are incorporated as part of the detailed 30-Year Business Plan presented as Appendix A to the report.

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

As identified in reports to HMB, during the implementation phase of self-financing for the HRA, external expert advice is being secured using a number of external consultants.

Consideration will need to be given to any ongoing need for additional staffing resource after implementation of the support services review in April 2012, with any identified additional need presented for consideration as part of the 2012 Medium Term Strategy process.

##### **(c) Equal Opportunities Implications**

An initial Equality Impact Assessment has been undertaken. The change in funding regime in itself is not expected to have a disproportionate impact on any particular equalities group, although the change in regime is anticipated to lead to future amendments to policy, which will require individual Equality Impact Assessments.

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

Environmental issues in relation to the housing stock and housing estates are considered as part of the Asset Management Plan, included at Appendix B to this report.

##### **(e) Consultation**

Although formal consultation with tenants and leaseholders is not required under the Housing Act, regular communication has been undertaken in respect of the changes that the new self-financing arrangements will bring. A series of briefings and reports to Housing

Management Board have informed members and tenant / leaseholder representatives of the progress in preparing for, and implementing, self-financing. A number of articles have been included in Open Door to inform tenants and leaseholders about the change in funding regime, with individual letters having been sent to all tenants and leaseholders during December 2011.

(f) **Community Safety**

Any community safety issues in relation to the housing stock and housing estates have been considered as part of the Asset Management Plan, included at Appendix B to this report.

## **5. Background Papers**

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

- CLG Self-Financing Policy Documents, Consultations and Determinations
- ConsultCIH Self-Financing Business Model
- Savills Asset Investment Modelling
- Ernst & Young – Funding Options for the HRA Settlement Payment

## **6. Appendices**

The appendices included as part of this report are:

- Appendix A – 30-Year Housing Revenue Account Business Plan 2012/13 to 2041/42
- Appendix B – 30-Year Housing Revenue Account Asset Management Plan 2012/13 to 2041/42

## **7. Inspection of Papers**

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

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Author's Phone Number: 01223 - 457822  
Author's Email: [julia.hovells@cambridge.gov.uk](mailto:julia.hovells@cambridge.gov.uk)



## **Council Meeting**

**23 February 2012**

**Agenda Item 5**

**Budget Papers 2012/13**



**Council Meeting 23 February 2012**

**5 TO CONSIDER BUDGET RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION:**

**Draft Revenue and Capital budgets 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast):**

- a) Executive Amendment (*to follow*)
- b) Executive Recommendations
- c) Labour Group amendment

**Refers to Budget-Setting Report (Version 4 – Council) which can be found via the Council agenda page:**

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

**The rules of debate contained in the Council Procedure Rules shall be modified in respect of the Budget Council Meeting as follows:**

1) The Executive shall present its budget recommendations. A period of 45 minutes is allowed for this, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Executive to decide.

2) The Labour Group may then present its alternative budget. A period of 45 minutes is allowed, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Labour Group to decide.

3) In a departure from the Rules, the Mayor will then afford Councillors Pogonowski and Hipkin, up to 5 minutes each to make a budget statement.

4) The Labour Group's alternative budget will then be moved as an amendment to replace the Executive recommendation. It will be debated in the usual way, and will be deemed to have been moved and seconded.

5) At the conclusion of the debate, a vote will be taken for and against the alternative budget.

6) If the Labour Group's alternative budget is voted down, the Labour Group Leader may ask for separate votes to be taken on individual proposals within the alternative budget, but there shall be no further debate.

7) Where individual amendments have been submitted by councillors, these will then be debated in the usual way. However, where they are to the same effect as something in the alternative budget, they shall be considered at the same time as the alternative budget, with the proposer being able to ask for a separate vote in accordance with paragraph 6.

8) After consideration of amendments the Executive's budget proposals will be debated in the usual way but, subject to paragraph 9) below, no amendments may be moved.

9) If the Executive's budget is rejected, amendments and alternative proposals may be made as under the present rules, subject to the dispute resolution provisions set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.



# **Council Meeting**

**23 February 2012**

**Agenda Item 5 (b)**

**Budget Papers 2012/13**

**The Executive**

<b>RECOMMENDATION TO COUNCIL (The Executive)</b>
--

**Draft Revenue and Capital Budgets – 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast) - OVERVIEW**

Recommendations of the Executive which met on 29 January 2012, as revised at Strategy & Resources Scrutiny Committee on 3 February 2012, are set out below and the resulting effects and financial implications have been incorporated into the **Budget-Setting Report (Version 4 – Council)**. This updates the Budget-Setting Report (Version 1) which originally went to Strategy & Resources Scrutiny Committee on 16 January 2012.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 4 - Council). This can be found via the Council agenda page:

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

**Accordingly, Council is recommended to:**

***General Fund Revenue Budgets and Cash Limits / Savings targets:  
[Section 4, commencing on page 30 refers]***

***in relation to the General Fund Revenue Budgets 2011/12 :***

- a) Approve the 2011/12 Revised Budget Savings and Bids as shown in Appendix D [page 75 refers].
- b) Approve the Non Cash-Limit budget items for 2011/12 as shown in Appendix E [page 86 refers].
- c) Approve the overall revised budget for 2011/12, with net spending at £21,464,340, as shown in Appendix G (a) [page 109 refers].

***in relation to the General Fund Revenue Budgets 2012/13 :***

- d) Approve the 2012/13 Non Cash-Limit budget items as shown in Appendix E [page 86 refers].
- e) Approve the 2012/13 Revenue Bids and Savings as shown in Appendix F [page 87refers].
- f) Approve the Bids to be funded from External or Earmarked Funds, as shown in Appendix H [page 112, refers]



- g) Agree the Priority Policy Fund (PPF) Bids, as shown in Appendix I (a) [page 116 refers].
- h) Approve the overall base budget for 2012/13, with net spending at £17,637,700, as shown in Appendix G (a) [page 109 refers, and funding as shown in Appendix G (b) [page 110 refers] and summarised below:

	<b>2012/13</b> <b>£</b>
<b>SPENDING:</b>	
<b>Scrutiny Committees / Portfolios</b>	
Community Services – Arts, Sport & Public Places	5,546,950
Community Services – Community Development & Health	3,496,900
Community Services – Housing	2,750,140
Environment – Environmental & Waste Services	8,829,890
Environment – Planning & Sustainable Transport	1,404,530
Strategy & Resources - Customer Services & Resources	(5,148,740)
Strategy & Resources – Strategy & Climate Change (including central adjustments to be allocated)	2,093,880
<b>Committees / Portfolios Total</b>	<b>18,973,550</b>
Capital Adjustments Account	839,230
Minimum Revenue Provision Adjustment	(3,972,040)
Contribution to Efficiency Fund	200,000
Revenue Contribution to Capital Spending	1,381,000
Contribution to Climate Change Fund	129,050
Council Tax Earmarked for Growth	86,910
<b>Spending Requirement</b>	<b>17,637,700</b>
<b>FUNDING:</b>	
Formula Grant	(8,598,810)
Council Tax Compensation Grant 2012/13	(171,600)
New Homes Bonus 2011/12 & 2012/13	(1,521,540)
Collection Fund Deficit (net)	87,110

	<b>2012/13</b>
	<b>£</b>
Raised from Council Tax (based on recommendation (k), below)	(6,831,370)
<b>Total Funding</b>	<b>(17,036,210)</b>

**Contribution from Reserves** **(601,490)**

- i) Approve the level of reserves to be used to support the 2012/13 budget, at £601,490 as shown above and in Appendix G(c) [page 111 refers].
- j) Approve the Council Tax Base as set out Appendix C (a) [page 74 refers] and set the level of Council Tax for 2012/13 as set out in Appendix C (b) [pages 74(a) and 74(b) refer], based on a 99% collection rate [Section 3, page 27 refers], and that all necessary steps be taken to collect and the Council Tax. In summary:
  - The Council Tax base has been calculated at 41,012 – see Appendix C (a) [page 74 refers];
  - No increase in the City Council level of Council Tax at band D, staying at £166.57 in 2012/13 (0%) – see Appendix C (b) [pages 74(a) and 74(b) refer] also attached;

Note that the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13.

- k) Approve:
  - (i) the Prudential Indicators as set out in Appendix T(a) (page 193 refers) and to confirm that the “Authorised Limit” determined for 2012/13 will be the statutory limit determined under section 3 of the Local Government Act 2003.
  - (ii) to delegate to the Director of Resources, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for ‘borrowing’ and ‘other long term liabilities’.
  - (iii) the Treasury Management Annual Borrowing and Investment Strategies set out in Appendices T(b) (page 199 refers) and T(c) (page 201 refers), particularly:

- to increase the maximum sum that can be invested with HSBC Bank Plc from £12m to £16m.
  - to amend the limit for a single named institution from £6m to £10m; (retaining the existing maximum sum which may be invested with counterparties belonging to the same company group at 1.5 times the level for a single named institution); and
  - to have the flexibility to use other financial means available to the Council, such as bank call accounts, notice accounts, money market funds, treasury bills and gilts. However, use of such financial instruments would be subject to an assessment in conjunction with the Council's treasury management advisors (Sector) to ensure that it would not prejudice the council's deposit priorities.
- (iv) amendments to the Council's Approved Lending (Revised Counterparty) List, shown in Appendix T(c), Annex 3 (page 210 refers)
- l) Delegate to the Director of Resources authority to finalise changes relating to corporate and departmental restructuring and the reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP) which applied from 1 April 2011 i.e. for 2011/12 budgets.

***Capital: [Section 6, page 47 refers]***

***in relation to the Capital & Revenue Projects Plan: [section 6, page 50 refers]***

- m) Approve the following project appraisals, that have been referred by Executive Councillors:

**From the Executive Councillor for Arts, Sport and Public Spaces:**

- (i) Cherry Hinton Hall Grounds improvements
- (ii) Coleridge Recreation Ground improvements

**From the Executive Councillor for Community Development & Health:**

- (i) Centre at St Paul's – Redevelopment of the main hall
- (ii) Clay Farm Community Centre  
(separate Report on CD&H agenda)

**From the Executive Councillor for Housing:**

- (i) Energy Efficiency Grant
- (ii) Landlord Accreditation Grant

**From the Executive Councillor for Environmental & Waste Services:**

- (i) Vehicle replacements 2012/13

**From the Executive Councillor for Customer Services and Resources:**

- (i) Content Management System Replacement
- (ii) Introduction of a metered electricity supply on Cambridge Market
- (iii) Electronic Market Management System

**Other:**

To agree inclusion in the Capital & Revenue Projects Plan of new items identified below, to note additional funding for revised schemes approved by Executive Councillors namely:

- PR018 - Bus Shelters
  - SC517 - Fuel Tanks Relining
  - SC518 - Corn Exchange Lighting Improvement
  - SC519 - Wulfstan Way Art Project
  - SC520 - Community Olympic Public Art Commission
- n) Agree any recommendations to Council in respect of the bids outlined in Appendix O(a) (page 159 refers) for approval to include in the Capital Plan, or put on the Hold List, including any additional use of reserves required.

**From the Executive Councillor for Planning and Sustainable Transport:**

Approve the removal of item H28 – Park Street Car Park, as identified in Appendix P (page 182 refers), from the Council's Hold List.

- o) Agree the Capital & Revenue Projects Plan , as shown in Appendix M (page 141 refers) for the General Fund (which will be updated to incorporate rephasing, new bids and the above recommendations) and Appendix S (*to be included in Version 5 – see Note*) for the Housing Capital Investment Programme.
- p) Note the impact of revenue, capital and other approvals and approve the level of reserves to be used to:
- i) support the 2011/12 budget
  - ii) support the 2012/13 and future years budgets.

[Appendix G(c), page 111 refers]

**in relation to the Housing Revenue Account: [Section 5, page 41 refers]**

- q) To note that the amendments resulting from the announcement of the final HRA Self-financing Determinations on 1 February 2012 were considered at a special meeting of the Housing Management Board with Community Services Scrutiny Committee on 8 February 2012. This resulting HRA 30-Year Business Plan is recommended for approval to Council under a separate agenda item. Changes required to the Budget Setting Report will be presented for approval by Council under a separate Executive amendment motion.

**Other:**

- r) Approve a contribution to the Climate Change Fund in 2012/13 of £129,050.  
*(Note: this was previously included in page 109 of Appendix G(a) of the BSR under the line for 'Use GF reserves above £5m').*

# Appendix C(b)

## Council Tax Setting 2012/13

1. The Council calculated its Council Tax Base 2012/13 for the whole Council area as **41,012** [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 2012/13 is **£6,831,370**.
3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:

(a)	<b>£143,161,730</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act
(b)	<b>£136,330,360</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act
(c)	<b>£6,831,370</b>	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act]
(d)	<b>£166.57</b>	being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

4. To note that Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority **will be issuing (see note below)** 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.

**Note: the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County**

**Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13 and the table will be updated accordingly.**

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 2012/13 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police Authority £	Fire & Rescue Authority £	Aggregate Council Tax £
A	111.05				
B	129.55				
C	148.06				
<b>D</b>	<b>166.57</b>				
E	203.59				
F	240.60				
G	277.62				
H	333.14				

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 2012/13 is not excessive.

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**STRATEGY AND RESOURCES SCRUTINY COMMITTEE** 3 February 2012  
5.00 - 6.04 pm

**Present:**

**Scrutiny Committee Members:** Councillors Boyce (Chair), Rosenstiel (Vice-Chair), Ashton, Benstead, Brown, Herbert and Nimmo-Smith and Saunders.

**Executive Councillors:**

Deputy Leader and Executive Councillor for Housing: Councillor Smart  
Executive Councillor for Customer Services and Resources: Councillor McGovern:  
Executive Councillor for Community Development and Health: Councillor Bick  
Executive Councillor for Arts, Sport and Public Places: Councillor Cantrill  
Executive Councillor for Planning and Sustainable Transport: Councillor Ward

**Officers Present:**

Chief Executive: Antoinette Jackson  
Director of Resources: David Horspool  
Director of Environment: Simon Payne  
Director of Customer and Community Services: Liz Bisset  
Committee Manager – Glenn Burgess

<b>FOR THE INFORMATION OF THE COUNCIL</b>
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**12/19/SR Apologies for absence**

Apologies were received from Councillors Al Bander, Swanson and Reid.

Councillor Saunders attended as an alternate for Councillor Al Bander.

**12/20/SR Declarations of interest**

None

**12/21/SR Public Questions**

None

**12/22/SR Draft Revenue and Capital Budgets**Executive Amendment – Section 25 Report

The Director of Resources introduced the Executive Amendment.

Under the Local Government Act 2003, the Chief Financial Officer was required to report to the authority, when it was making the statutory calculations required to determine its Council Tax or precept, on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves.

The Scrutiny Committee considered and approved the officer's recommendation by 5 votes to 0.

The Deputy Leader resolved to:

- i. In respect of the recommendation of the Executive on 19 January 2012, to include "Appendix X – Process for the 2012/13 Budget - Robustness of Estimates and Adequacy of Reserves" within the body of Budget Setting Report February 2012, for approval by Council on 23 February 2012.

Labour Group Amendment

The Leader of the Labour Group introduced the Labour Amendment and thanked officers for their assistance.

The following questions were put by Members on the items in the Labour Amendment and answered (A) as listed:

- i. Clarity was sought on the relationship between LB01 and LS01. A) Councillor Herbert explained that there was a need to expand the enforcement team and that any additional income generated from penalty tickets would be redirected to additional cleaning services.

- ii. Clarity was sought on the saving of £20,000 proposed under LS03. A) Councillor Herbert explained that by returning smaller planning decisions to the Planning Committee the amount of officer time required at evening Area Committees would be reduced. Given their increased delivery responsibilities, this would also ensure that the workload of Area Committees was manageable.
- iii. Concern was raised that when free bulky waste collections had been introduced previously the service had been abused. A) Councillor Herbert explained that only those meeting certain criteria would be eligible to receive free collections and officers would actively monitor this.
- iv. Clarity was sought on the need for additional staff training as proposed under LB14. A) Councillor Herbert explained that, due to the scale and complexity of benefit cuts, a wider range of frontline staff would require training. The Director of Customer and Community Services confirmed that, whilst an existing budget was in place for staff training, the Labour Group's proposals would increase this by £10,000.
- v. Further information was requested on how the £10,000 proposed under LB14 would be spent. A) Councillor Herbert confirmed that £3000 would be allocated for leaflets, £2000 for staff training and £5000 for website updates.
- vi. Further information was requested on how the savings proposed under LS05 would be achieved. A) Councillor Herbert explained that increased rental from commercial properties would be aided by the appointment of a permanent Head of Property and an additional Senior Surveyor. It was felt essential that the Council maximise its assets and strive to meet income targets on commercial properties. The Director of Resources confirmed that the additional post would improve pro-active management of the current portfolio and work to reduce the level of voids.
- vii. Clarity was sought on how the £37,800 saving proposed by LS02 would be achieved. A) Councillor Herbert explained that the figure would be made up from the printing and distribution costs of Cambridge Matters, and the reduction of half a staff post.
- viii. Clarity was sought on the consequences of reducing Repair and Replacement (R&R) funding as proposed by LS06. A) Councillor Herbert emphasised the need for a significant review of R&R funding and greater scrutiny of capital replacement and works. The Director of Resources confirmed that a review of R&R, including the centralisation of some aspects of the fund, was currently underway. It was also noted that all Project Appraisals would still be open to challenge through the scrutiny process. The Director of Environment highlighted the need to balance R&R savings with any increased risk to the Council.

- ix. Confirmation was sought that the proposed savings figures were achievable and had been accurately calculated against existing budgets. A) Councillor Herbert confirmed that in preparing their alternative budget the Labour Group had worked closely with the Director of Resources and all relevant officers.
- x. In proposing LB13 it was questioned whether the level of union support at other local authorities had been investigated. A) Councillor Herbert confirmed that discussions had been held with other local authorities. He also noted that, with changes to the building cleaning contract and low staff morale indicated through the Staff Survey, it was essential to maintain the current level of union support.
- xi. Clarity was sought on whether the £20,000 funding proposed by LC03 was in addition to the work already ongoing to improve seating in the City Centre. A) Councillor Herbert confirmed that, whilst he had identified this problem over three years ago, seating was still being removed from the City Centre. It was essential to have additional seating in busy shopping areas to encourage older people to continue using the City Centre.
- xii. Further information was requested on the £37,160 proposed by LHB01 for a Housing Projects Officer. A) Councillor Herbert explained that, as a result of staffing cuts when responsibility passed to the Customer Service Centre, additional funding was needed to address environmental improvement projects and understaffing in project delivery.
- xiii. Clarity was sought on the level of extra income proposed by LS01. A) Councillor Herbert explained that an additional City Centre Enforcement Officer would result in extra income being generated from penalty tickets for offences such as littering and vandalism.
- xiv. Clarity was sought on the scheme for additional toilets proposed by LB15. A) Councillor Herbert explained that the funding would provide 'community toilets', in facilities such as pubs, in badly served areas of the city.
- xv. Clarity was sought on the suggested criteria for bids to the 'Celebrate 2012 fund' proposed by LB10. A) Councillor Herbert explained that criteria would be developed that would encourage and enable events to take place in the local community. Councillor Benstead emphasised the relevance of the 2012 Olympics and the Queens Jubilee and the importance of celebrating and embracing these occasions.

All members were thanked for participating in the debate.

The meeting ended at 6.04 pm

**CHAIR**



# **Council Meeting**

**23 February 2012**

**Agenda Item 5 (c)**

**Budget Papers 2012/13**

**Labour Group Amendment**



<b>RECOMMENDATION TO COUNCIL (Labour Amendment)</b>
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**Draft Revenue and Capital Budgets – 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast) - OVERVIEW**

Recommendations of the Executive which met on 29 January 2012, as revised at Strategy & Resources Scrutiny Committee on 3 February 2012, are set out below and the resulting effects and financial implications have been incorporated into the **Budget-Setting Report (Version 4 – Council)**. This updates the Budget-Setting Report (Version 1) which originally went to Strategy & Resources Scrutiny Committee on 16 January 2012 *with Labour Amendments in bold italics*.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 4 - Council). This can be found via the Council agenda page:

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

**Accordingly, Council is recommended to:**

***General Fund Revenue Budgets and Cash Limits / Savings targets:  
[Section 4, commencing on page 30 refers]***

***in relation to the General Fund Revenue Budgets 2011/12 :***

- a) Approve the 2011/12 Revised Budget Savings and Bids as shown in Appendix D [page 75 refers].
- b) Approve the Non Cash-Limit budget items for 2011/12 as shown in Appendix E [page 86 refers].
- c) Approve the overall revised budget for 2011/12, with net spending at £21,464,340, as shown in Appendix G (a) [page 109 refers].

***in relation to the General Fund Revenue Budgets 2012/13 :***

- d) Approve the 2012/13 Non Cash-Limit budget items as shown in Appendix E [page 86 refers].
- e) Approve the 2012/13 Revenue Bids and Savings as shown in Appendix F [page 87 refers], ***together with the changes in the attached Labour Budget Amendment - Supplement to Appendix F***
- f) Approve the Bids to be funded from External or Earmarked Funds, as shown in Appendix H [page 112, refers]

- g) Agree the Priority Policy Fund (PPF) Bids, as shown in Appendix I (a) [page 116 refers].
- h) Approve the overall base budget for 2012/13, with net spending at £17,637,700, as shown in Appendix G (a) [page 109 refers, and funding as shown in Appendix G (b) [page 110 refers] and summarised below:

	<b>2012/13</b> <b>£</b>
<b>SPENDING:</b>	
<b>Scrutiny Committees / Portfolios</b>	
Community Services – Arts, Sport & Public Places	<b>5,578,150</b>
Community Services – Community Development & Health	<b>3,473,400</b>
Community Services – Housing	<b>2, 755,350</b>
Environment – Environmental & Waste Services	<b>8,978,640</b>
Environment – Planning & Sustainable Transport	<b>1,424,530</b>
Strategy & Resources - Customer Services & Resources	<b>(5,155,800)</b>
Strategy & Resources – Strategy & Climate Change (including central adjustments to be allocated)	<b>2,048,330</b>
<b>Committees / Portfolios Total</b>	<b>19,102,600</b>
Capital Adjustments Account	839,230
Minimum Revenue Provision Adjustment	(3,972,040)
Contribution to Efficiency Fund	200,000
Revenue Contribution to Capital Spending	1,381,000
Contribution to Climate Change Fund	<b>0</b>
Council Tax Earmarked for Growth	86,910
<b>Spending Requirement</b>	<b>17,637,700</b>
<b>FUNDING:</b>	
Formula Grant	(8,598,810)
Council Tax Compensation Grant 2012/13	(171,600)
New Homes Bonus 2011/12 & 2012/13	(1,521,540)
Collection Fund Deficit (net)	87,110



	<b>2012/13</b>
	<b>£</b>
Raised from Council Tax (based on recommendation (k), below)	(6,831,370)
<b>Total Funding</b>	<b>(17,036,210)</b>

**Contribution from Reserves** **(601,490)**

- i) Approve the level of reserves to be used to support the 2012/13 budget, at £601,490 as shown above and in Appendix G(c) [page 111 refers].
- j) Approve the Council Tax Base as set out Appendix C (a) [page 74 refers] and set the level of Council Tax for 2012/13 as set out in Appendix C (b) [pages 74(a) and 74(b) refer], based on a 99% collection rate [Section 3, page 27 refers], and that all necessary steps be taken to collect and the Council Tax. In summary:
  - The Council Tax base has been calculated at 41,012 – see Appendix C (a) [page 74 refers];
  - No increase in the City Council level of Council Tax at band D, staying at £166.57 in 2012/13 (0%) – see Appendix C (b) [pages 74(a) and 74(b) refer] also attached;

Note that the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13.

- k) Approve:
  - (i) the Prudential Indicators as set out in Appendix T(a) (page 193 refers) and to confirm that the “Authorised Limit” determined for 2012/13 will be the statutory limit determined under section 3 of the Local Government Act 2003.
  - (ii) to delegate to the Director of Resources, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for ‘borrowing’ and ‘other long term liabilities’.
  - (iii) the Treasury Management Annual Borrowing and Investment Strategies set out in Appendices T(b) (page 199 refers) and T(c) (page 201 refers), particularly:

- to increase the maximum sum that can be invested with HSBC Bank Plc from £12m to £16m.
  - to amend the limit for a single named institution from £6m to £10m; (retaining the existing maximum sum which may be invested with counterparties belonging to the same company group at 1.5 times the level for a single named institution); and
  - to have the flexibility to use other financial means available to the Council, such as bank call accounts, notice accounts, money market funds, treasury bills and gilts. However, use of such financial instruments would be subject to an assessment in conjunction with the Council's treasury management advisors (Sector) to ensure that it would not prejudice the council's deposit priorities.
- (iv) amendments to the Council's Approved Lending (Revised Counterparty) List, shown in Appendix T(c), Annex 3 (page 210 refers)
- l) Delegate to the Director of Resources authority to finalise changes relating to corporate and departmental restructuring and the reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP) which applied from 1 April 2011 i.e. for 2011/12 budgets.

***Capital: [Section 6, page 47 refers]***

***in relation to the Capital & Revenue Projects Plan: [section 6, page 50 refers]***

- m) Approve the following project appraisals, that have been referred by Executive Councillors:

**From the Executive Councillor for Arts, Sport and Public Spaces:**

- (i) Cherry Hinton Hall Grounds improvements
- (ii) Coleridge Recreation Ground improvements

**From the Executive Councillor for Community Development & Health:**

- (i) Centre at St Paul's – Redevelopment of the main hall
- (ii) Clay Farm Community Centre  
(separate Report on CD&H agenda)

**From the Executive Councillor for Housing:**

- (i) Energy Efficiency Grant
- (ii) Landlord Accreditation Grant

**From the Executive Councillor for Environmental & Waste Services:**

- (i) Vehicle replacements 2012/13

**From the Executive Councillor for Customer Services and Resources:**

- (i) Content Management System Replacement  
(ii) Introduction of a metered electricity supply on Cambridge Market  
(iii) Electronic Market Management System

**Other:**

To agree inclusion in the Capital & Revenue Projects Plan of new items identified below, to note additional funding for revised schemes approved by Executive Councillors namely:

- PR018 - Bus Shelters
- SC517 - Fuel Tanks Relining
- SC518 - Corn Exchange Lighting Improvement
- SC519 - Wulfstan Way Art Project
- SC520 - Community Olympic Public Art Commission

- n) Agree any recommendations to Council in respect of the bids outlined in Appendix O(a) (page 159 refers) for approval to include in the Capital Plan, or put on the Hold List, including any additional use of reserves required.

**From the Executive Councillor for Planning and Sustainable Transport:**

Approve the removal of item H28 – Park Street Car Park, as identified in Appendix P (page 182 refers), from the Council's Hold List.

- o) Agree the Capital & Revenue Projects Plan, as shown in Appendix M (page 141 refers) for the General Fund (which will be updated to incorporate rephasing, new bids and the above recommendations) **together with the changes in the attached Labour Budget Amendment – Supplement to Appendix O (a)** and Appendix S (*to be included in Version 5 – see Note*) for the Housing Capital Investment Programme.

**To seek funding from Cambridgeshire County Council towards the Cambridge City 20mph Zones Project capital item of £200,000 in each of 2013/14 and 2014/15.**

**Note: the net affect of the additional revenue contributions of £503,320 and new bids of £453,000 is net additional capital funding available of**

**£50,320 over the period 2011/12 to 2015/16 plus the potential for joint funding released due to County contribution.**

*Further:*

*Replace BSR pages 51 with 2012/13 Budget [Labour Amendment] Updated BSR page 51 which incorporates the capital funding changes resulting from the Labour Amendment.*

- p) Note the impact of revenue, capital and other approvals and approve the level of reserves to be used to:
- i) support the 2011/12 budget
  - ii) support the 2012/13 and future years budgets.

[Appendix G(c), page 111 refers]

**in relation to the Housing Revenue Account: [Section 5, page 41 refers]**

- q) To note that the amendments resulting from the announcement of the final HRA Self-financing Determinations on 1 February 2012 were considered at a special meeting of the Housing Management Board with Community Services Scrutiny Committee on 8 February 2012. This resulting HRA 30-Year Business Plan is recommended for approval to Council under a separate agenda item. Changes required to the Budget Setting Report will be presented for approval by Council under a separate Executive amendment motion.

*To add to Appendix K an additional revenue bid LHB01 and compensating saving LHS01 as per the attached “Labour Budget Amendment – Supplement to Appendix [ K ]” [Appendix K, Page 131 refers]*

**Other Labour Amendments:**

- r) **Replace Appendix G with Appendix G (a), (b) and (c) [Labour Amendment] [Page 109 to 111 refers] noting specifically the deletion of the additional contribution to the Climate Change Fund of £129,050 (see note below) and the provision of additional capital funding of £503,320 arising from the net amendments to Appendix F, whilst still maintaining General Reserves at £5,000,000.**

**Climate Change Fund:** *replace Appendix B (part) Earmarked & Specific Funds - Climate Change Fund table with Climate Change Fund [Labour Amendment], [Appendix B, Page 70 refers], reflecting the reversal of the £129,050 contribution in 2012/13.*

**Equalities Impact Assessment:** *replace Appendix W – Equalities Impact Assessment with Appendix W [Labour Amendment] - Equalities Impact Assessment [Appendix W, Page 217 refers]*

# Appendix C(b)

## Council Tax Setting 2012/13 – Labour Amendment

1. The Council calculated its Council Tax Base 2012/13 for the whole Council area as **41,012** [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 2012/13 is **£6,831,370**.
3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:

(a)	<b>£143,112,130</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act
(b)	<b>£136,280,760</b>	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act
(c)	<b>£6,831,370</b>	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act]
(d)	<b>£166.57</b>	being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

4. To note that Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority **will be issuing (see note below)** 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.

**Note: the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County**

**Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13 and the table will be updated accordingly.**

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 2012/13 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police Authority £	Fire & Rescue Authority £	Aggregate Council Tax £
A	111.05				
B	129.55				
C	148.06				
<b>D</b>	<b>166.57</b>				
E	203.59				
F	240.60				
G	277.62				
H	333.14				

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 2012/13 is not excessive.

# Labour Budget Amendment - Supplement to Appendix [ F ]

## 2012/13 Budget - Bids & Savings - GF

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact
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### Community Services - Arts, Sport & Public Places

#### Bid

LB10	'Celebrate 2012 Fund'	0	31,200	0	0	0	Jackie Hanson
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*Funding for community-led Olympics sporting events and Jubilee street events (100 x £100 to £500 grants for 2012 events) funded by not cutting community development grants (£2789) and leisure grants (£2928)*

<b>Portfolio Total</b>	<b>0</b>	<b>31,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
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### Community Services - Community Development & Health

#### Bid

LB09	Restore Community Development and leisure grant cuts for community groups	0	0	31,200	31,200	31,200	Jackie Hanson
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*This bid deletes two budget cuts £2789 (£23,200) and £2928 (£7870), restoring these reductions from 2013. This funding is also used above for local 2012 celebration events in current year*

#### Saving

LS04	Reduce new Neighbourhood Development Officer to part time post	0	(23,500)	(23,500)	(23,500)	(23,500)	Trevor Woollams
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*This initiative to expand Area Committee responsibilities needs to be better supported by all officers, not just one. Saving made will pay for £23,200 annual funding cut for community group by reduction of PPF 2789*

<b>Portfolio Total</b>	<b>0</b>	<b>(23,500)</b>	<b>7,700</b>	<b>7,700</b>	<b>7,700</b>
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### Community Services - Housing GF

#### Bid

LB12	Reinstate funding for implementing Travellers site, working with South Cambridgeshire DC	0	5,210	5,210	0	0	Helen Reed
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*Funding required to deliver this project after 4 years inaction, given need to tackle temporary encampments. Link to new Government £500k funding*

<b>Portfolio Total</b>	<b>0</b>	<b>5,210</b>	<b>5,210</b>	<b>0</b>	<b>0</b>
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# 2012/13 Budget - Bids & Savings - GF

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact
<b>Environment - Environmental &amp; Waste Services</b>							
<b>Bid</b>							
<b>LB01</b>	City Centre Enforcement Officer	0	27,000	27,000	0	0	Emma Thornton
<i>Additional 2 year post to expand citywide enforcement team to 4 - tackle city centre antisocial behaviour, summer littering and park damage, blocked pavements and traffic offences, working with police</i>							
<b>LB02</b>	'Cleaner Cambridge Street Blitzes'	0	60,000	60,000	60,000	60,000	Bob Carter
<i>Targeted weekend blitzes on dirtiest residential streets, working with residents, and tackling one ward every month in rotation</i>							
<b>LB03</b>	Snow clearing partnership, assisting residents to clear all well used pavements and areas with significant numbers of older people	0	39,100	6,000	6,000	6,000	Bob Carter
<i>Purchase 150 stackable salt bins for temporary installation each winter in residential areas, including set up and regular top up costs, so grit is always available before snow fall, and not after</i>							
<b>LB04</b>	Full time Dog Enforcement Officer	0	15,000	15,000	0	0	Yvonne Collins
<i>Conversion of Dog Warden to full time post - to work with Rangers to tackle repeat dog fouling and uncontrolled dogs, engage dog owners and undertake enforcement where necessary</i>							
<b>LB05</b>	Maintain the additional 50 new dog bins	0	3,250	6,500	6,500	6,500	Bob Carter
<i>Full year emptying cost, but average of half year of maintenance in Year 1</i>							
<b>LB06</b>	Recycling promotion to increase recycling in private rented housing and shared houses	0	17,000	17,000	0	0	Jas Lally
<i>Create part-time Recycling Promotions Officer to increase recycling in shared housing, and make full use of PPF2799 (£7000/year) by spending that 100% on extra recycling promotion materials</i>							
<b>LB07</b>	Free bulky waste collections for older people on lowest incomes	0	10,400	10,400	10,400	10,400	Jas Lally
<i>Free service for older people on housing benefits or pensioner credit, with particular focus on assisting people on lowest incomes without access to a car</i>							
<b>LB15</b>	'Community Toilets' scheme	0	18,000	18,000	0	0	Toni Ainley
<i>Fund 'community toilets' in badly served areas, and investigate solutions for inadequate toilets for station bus users and Parkside coach users (including 30 new 'community toilet' providers paid up to £600/year)</i>							



## 2012/13 Budget - Bids & Savings - GF

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact
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### Saving

<b>LS01</b>	Increased enforcement officer fines income	0	(10,000)	(10,000)	0	0	Yvonne Collins
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*Extra income from penalty tickets for littering and other offences from extra enforcement will be redirected to additional cleaning services, and wider training also undertaken to increase use of penalty notices*

<b>LS08</b>	Divert planned Street Champions funding into extra cleaning staff	0	(15,000)	(15,000)	0	0	Toni Ainley
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*Diversion of PPF 2821 to help fund residential street cleaning blitzes*

<b>LS09</b>	Divert Recycling Champions funding	0	(16,000)	(16,000)	0	0	Jen Robertson
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*Diversion of PPF 2800 to fund increased recycling in private rented and shared houses.[LB06]*

<b>Portfolio Total</b>	<b>0</b>	<b>148,750</b>	<b>118,900</b>	<b>82,900</b>	<b>82,900</b>	
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### Environment - Planning & Sustainable Transport

<b>LB11</b>	Reinstate full time Cycling Officer	0	20,000	20,000	20,000	20,000	Toni Ainley
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*Too much work for current part-time position. Full-time post essential to ensure cycling input on all major planning decisions, press for repairs to heavily used cycle routes, deliver extra secure cycle parking below [LC01], and promote responsible cycling working with new city centre enforcement officer*

<b>Portfolio Total</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	
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### Strategy & Resources - Customer Services & Resources

<b>LB13</b>	Reverse proposal to cut funding for union work	0	32,940	32,940	32,940	32,940	Sue Dawson
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*Delete S2747 recognising vital contribution of trade union inputs during major change and service reviews*

<b>LB14</b>	Benefit cuts training for all relevant frontline staff, and staff in partner organisations	0	10,000	10,000	0	0	John Frost
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*Required due to complexity and multiple impacts of major changes e.g. private rented tenants, and Council responsibility for Council Tax benefit. Plus additional leaflets and website updates.*

## 2012/13 Budget - Bids & Savings - GF

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact
<b>LB08</b>	Market Square improvements consultation, including on options for increasing usage	0	20,000	15,000	0	0	Emma Thornton
<i>Options report, workshop and consultation to gather views, feasibility study investigations and, if supported following consultation, updated masterplan for Market Square</i>							
<b>Saving</b>							
<b>LS03</b>	Return Area Committee planning to main Planning Committee	0	(20,000)	(20,000)	(20,000)	(20,000)	Patsy Dell / Gary Cliff
<i>Efficiency savings from returning smaller planning decisions to Planning Committee, also recognising need to avoid overloading Area Committees given their increased delivery responsibilities from 2012</i>							
<b>LS05</b>	Increase rental from Commercial Properties	0	(50,000)	(100,000)	(100,000)	(100,000)	Philip Doggett
<i>Including filling units left empty at Mill Road site and opportunities for new businesses to have discounted start up rents, assisted by extra senior surveyor, and appointment of permanent Head of Property Services</i>							
<b>Portfolio Total</b>		<b>0</b>	<b>(7,060)</b>	<b>(62,060)</b>	<b>(87,060)</b>	<b>(87,060)</b>	

## Strategy & Resources - Strategy & Climate Change

### Saving

<b>LS02</b>	Cease publication of 'Cambridge Matters'	0	(37,800)	(37,800)	(37,800)	(37,800)	Andrew Limb
<i>Cease publication of Council magazine 'Cambridge Matters' including printing, distribution and half post reduction</i>							
<b>LS06</b>	Repair and Replacement funding review and reductions	0	(200,000)	(150,000)	(150,000)	0	Julia Minns
<i>Review and make efficiency savings in Repair and Replacement funds with tighter specifications for capital replacement and works</i>							
<b>LS07</b>	Delete extension of fixed term Corporate Strateav post	0	(27,500)	(7,000)	0	0	Antoinette Jackson
<i>Saving from deletion of PPF2735</i>							
<b>Portfolio Total</b>		<b>0</b>	<b>(265,300)</b>	<b>(194,800)</b>	<b>(187,800)</b>	<b>(37,800)</b>	
<b>All Portfolios - Net Impact of Labour Amendment</b>		<b>0</b>	<b>(90,700)</b>	<b>(105,050)</b>	<b>(164,260)</b>	<b>(14,260)</b>	

# Appendix G (a) [Labour Amendment]

## General Fund Projection 2011/12 to 2015/16

Description	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Net spending - Committee totals	19,053,660	16,876,710	16,035,310	15,490,280	15,403,600
Capital Adjustment Account	839,230	839,230	839,230	839,230	839,230
Minimum Revenue Provision Adjustment	(3,972,040)	(3,972,040)	(3,972,040)	(3,972,040)	(3,972,040)
<b>Sub-Total</b>	<b>15,920,850</b>	<b>13,743,900</b>	<b>12,902,500</b>	<b>12,357,470</b>	<b>12,270,790</b>
Contribution to Efficiency Fund	475,000	200,000	0	0	0
Revenue Contribution to Capital	4,511,000	1,381,000	1,380,000	1,380,000	1,380,000
<b>Sub-Total</b>	<b>20,906,850</b>	<b>15,324,900</b>	<b>14,282,500</b>	<b>13,737,470</b>	<b>13,650,790</b>
Council Tax Earmarked for Growth	109,250	86,910	202,210	454,620	1,699,730
Future Years Priority Policy Fund	0	0	500,000	500,000	500,000
MTS 2011 proposals	302,820	768,850	1,393,630	874,490	674,490
BSR Proposals (See table below)	145,420	1,457,040	2,012,170	2,869,420	1,576,870
<b>Net Revenue Effect of Labour Proposals (Supplement to Appendix F)</b>		<b>(90,700)</b>	<b>(105,050)</b>	<b>(164,260)</b>	<b>(14,260)</b>
<b>Deletion of Climate Change Fund contribution (Labour amendment)</b>		<b>(129,050)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Additional Contribution to Capital Funding (Labour amendment)</b>		<b>219,750</b>	<b>105,050</b>	<b>164,260</b>	<b>14,260</b>
<b>Sub-Total</b>	<b>21,464,340</b>	<b>17,637,700</b>	<b>18,390,510</b>	<b>18,436,000</b>	<b>18,101,880</b>
Net Savings Requirement	-	-	(1,505,320)	(1,515,260)	(887,350)
<b>Net Spending Requirement to Appendix G (b) below</b>	<b>21,464,340</b>	<b>17,637,700</b>	<b>16,885,190</b>	<b>16,920,740</b>	<b>17,214,530</b>

## Budget Setting Report Proposals

Description	2011/12	2012/13	2013/14	2014/15	2015/16
Revised Budget (See Appendix D)	(641,230)	0	0	0	0
Net savings (2012/13 requirement adjusted for New Revenue Budget Proposals shown in Appendices E & F)	0	(844,760)	314,110	287,210	277,210
Capital Funding from -					
- 2011/12 and 2012/13 net savings	0	243,990	0	0	0
- 2012/13 unallocated PPF	0	121,380	0	0	0
- Use of New Homes Bonus 2012/13	0	703,160	0	0	0
- Use GF Reserves above £5m	0	240,840	70,170	954,320	(318,230)
- Contribution to CCF	0	129,050	0	0	0
Bids from Growth Funding	0	45,000	106,350	106,350	96,350
Growth Posts Funded from New Homes Bonus	786,650	818,380	818,380	818,380	818,380
Earmarked New Homes Bonus funding			703,160	703,160	703,160
<b>TOTAL</b>	<b>145,420</b>	<b>1,457,040</b>	<b>2,012,170</b>	<b>2,869,420</b>	<b>1,576,870</b>

# Appendix G (b) [Labour Amendment]

## General Fund – Funding Statement 2011/12 to 2015/16

Name	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
<b>Total Net Spending Requirement From Appendix G (a) above</b>	<b>21,464,340</b>	<b>17,637,700</b>	<b>16,885,190</b>	<b>16,920,740</b>	<b>17,214,530</b>

less	External Support					
	Formula Grant including Council Tax Compensation Grant (2012/13 to 2014/15)	(9,515,100)	(8,598,810)	(8,161,400)	(7,740,670)	(7,571,020)
	Council Tax Compensation Grant (2011/12, see Formula Grant)	(169,650)	0	0	0	0
	Council Tax Compensation Grant (new for 2012/13)	0	(171,600)	0	0	0
	New Homes Bonus 2011/12 and 2012/13 announcements	(786,650)	(1,521,540)	(1,521,540)	(1,521,540)	(1,521,540)
	Council Tax Collection Fund deficit	41,580	87,110	0	0	0
	Income from Council Tax	(6,785,900)	(6,831,370)	(7,202,250)	(7,658,530)	(8,121,970)

<b>Contribution (to) / from Reserves to Appendix G (c) below</b>	<b>4,248,620</b>	<b>601,490</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>Memorandum Items</b>					
Council Tax Taxbase	40,739	41,012	42,185	43,763	45,278
Band 'D' Council Tax	£166.57	£166.57	£170.73	£175.00	£179.38
Implied annual Council Tax increase	-	0.00%	2.50%	2.50%	2.50%

# Appendix G (c) [Labour Amendment]

## General Fund - Reserves Projection 2011/12 to 2015/16

Name	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Balance at 1 April brought forward</b>	<b>9,850,110</b>	<b>5,601,490</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
Contribution (to) / from Reserves from Appendix G (b) above	4,248,620	601,490	0	0	0
<b>Balance at 31 March carried forward</b>	<b>5,601,490</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

## Labour Budget Amendment - Supplement to Appendix [ K ]

### 2012/13 Budget - Bids & Savings - HRA

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact
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#### Housing Revenue Account

##### Bid

<b>LHB01</b>	Housing Projects Officer	0	37,160	37,160	37,160	37,160	Robert Hollingsworth
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*Address environmental improvements projects and similar environmental problems in Council housing and address understaffing in project delivery*

##### Saving

<b>LHS01</b>	Reduction in Cambridge Standard and similar housing project funding	0	(37,160)	(37,160)	(37,160)	(37,160)	Andrew Latchem
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*The reduction will fund the Housing Projects officer post in LHB01 above*

<b>Net Impact of Labour HRA Amendment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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# 2012/13 Budget [Labour Amendment]

## Updated BSR page 51

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
<b>Funding available and unapplied (per Sept 2011 MTS)</b>	(160)	(943)	(1,098)	(1,093)	(1,380)
<i>Adjusted for:</i>					
Net Cash Limit underspend 2011/12 and 2012/13		(121)			
2012/13 PPF funding not applied		(244)			
Unapplied balance of 2012/13 New Homes Bonus funding		(703)			
Use of GF reserves down to £5m target level		(241)	(70)	(954)	318
<b>Labour – additional funding available down to £5m target level</b>		<b>(220)</b>	<b>(105)</b>	<b>(164)</b>	<b>(14)</b>
<b>Revised Capital funding availability</b>	<b>(160)</b>	<b>(2,472)</b>	<b>(1,273)</b>	<b>(2,211)</b>	<b>(1,076)</b>

This provides the context for considering the affordability of the Capital bids which have been submitted as part of the 2012/13 budget process, as shown below:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
<b>Revised Capital funding availability</b>	<b>(160)</b>	<b>(2,472)</b>	<b>(1,273)</b>	<b>(2,211)</b>	<b>(1,076)</b>
Capital bids	(224)	1,399	2,083	1,883	200
<b>Labour – new capital bids</b>		<b>203</b>	<b>175</b>	<b>75</b>	<b>0</b>
<b>(Surplus) / Shortfall in Funding</b>	<b>(384)</b>	<b>(870)</b>	<b>985</b>	<b>(253)</b>	<b>(876)</b>
<b>Cumulative cashflow effect</b>		<b>(1,254)</b>	<b>(269)</b>	<b>(522)</b>	<b>(1,398)</b>

This demonstrates that, although the spending requirement is very uneven (reflecting, in particular, the projected costs of the refurbishment works to the Park Street Car Park) the funding available is sufficient to allow all of the bids to be approved if they are deemed to be appropriate and necessary.

The projections in the remainder of the BSR assume, at this stage, that all of the capital bids are approved.

# Labour Budget Amendment - Supplement to Appendix [ O (a) ]

## 2012/13 Budget - Capital Bids - GF

Reference	Item Description	2011/12 Budget £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £	2015/16 Budget £	Contact	Climate Change Indicator
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### All GF Portfolios

#### Capital

<b>LC01</b>	Funds to support negotiations on installation of additional secure cycling parking in city centre and at station - EIP1	0	100,000	80,000	0	0	Toni Ainley	+H
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Requirement for Capital Funding (included above)				
0	100,000	80,000	0	0

*Station is short of well over 1000 secure spaces. City and shopping centres need similar addition too. Will include % contribution offers to landowners and operators at station and retail sites, plus also obtaining match funding from county council and developers*

<b>LC02</b>	Fix dangerous pavements, paving and cycleway problems reported by public - EIP2	0	75,000	75,000	75,000	0	Toni Ainley	nil
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Requirement for Capital Funding (included above)				
0	75,000	75,000	75,000	0

*Overhaul inadequate paths, paving and cycle ways in city giving priority to safety of older and disabled people, and high usage areas. Similar funding principles as EIP1*

<b>LC03</b>	Create seating in town centre and local shopping centres for older people - EIP3	0	20,000	20,000	0	0	Toni Ainley	nil
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Requirement for Capital Funding (included above)				
0	20,000	20,000	0	0

*Install seating to help older people and families in busy shopping and visitor areas where no seating, including adjacent to Lion Yard and Grand Arcade*

<b>LC04</b>	Install 50 new dog bins, and consider further bins in 2013	0	8,000	0	0	0	Toni Ainley	nil
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Requirement for Capital Funding (included above)				
0	8,000	0	0	0

*Install after community consultation, and target residential areas and parks with worst dog fouling. Review early 2013 and propose further capital bid for dog bins proportionate to need*

<b>All Portfolios Total</b>	<b>0</b>	<b>203,000</b>	<b>175,000</b>	<b>75,000</b>	<b>0</b>		
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Requirement for Capital Funding (included above)				
0	203,000	175,000	75,000	0



# Appendix B [Labour Amendment]

## Earmarked & Specific Funds (£ '000s)

### Repairs & Renewals

General Fund	Opening Balance	Contributions	Expenditure to Nov 2011	Closing Balance
Arts, Sport & Public Places	(872.4)	(428.5)	106.9	(1,194.0)
Community Development & Health	(1,588.4)	(351.4)	69.2	(1,870.6)
Customer Services & Resources	(4,774.5)	(925.7)	37.8	(5,662.4)
Environmental & Waste Services	(4,485.1)	(368.5)	47.0	(4,806.6)
Housing – General Fund	(325.1)	(38.9)	3.7	(360.2)
Planning & Sustainable Transport	(966.4)	(390.0)	43.3	(1,313.1)
Strategy & Climate Change	(180.4)	(20.7)	3.2	(198.0)
<b>Totals</b>	<b>(13,192.4)</b>	<b>(2,523.7)</b>	<b>311.2</b>	<b>(15,404.9)</b>

Housing Revenue Account	Opening Balance	Contributions	Expenditure to Nov 2011	Closing Balance
Housing - HRA	(1,826.2)	(263.6)	37.9	(2,051.9)

### Climate Change Fund [as amended]

Description	2011/12	2012/13	2013/14	2014/15
(Surplus) / Deficit b/f	<b>(383.1)</b>	<b>(377.5)</b>	<b>(344.8)</b>	<b>(344.8)</b>
Contributions	(184.8)	0.0	0.0	0.0
Surplus available	<b>(567.9)</b>	<b>(377.5)</b>	<b>(344.8)</b>	<b>(344.8)</b>
Approvals	190.4	32.7	0.0	0.0
(Surplus) / Deficit c/f	<b>(377.5)</b>	<b>(344.8)</b>	<b>(344.8)</b>	<b>(344.8)</b>

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## CIVIC AFFAIRS

1 February 2012

6.00 - 7.22 pm

**Present:** Councillors Boyce (Chair), Rosenstiel (Vice-Chair), Marchant-Daisley, Herbert and Stuart

**Also Present:** Councillor Taylor

### FOR ADOPTION BY THE COUNCIL

#### 12/11/civ Members Allowances Scheme 2012/13

The committee received a report from the Head of Legal Services regarding the Members Allowances Scheme 2012/13.

Members of the committee made the following comments regarding the report:

- i. Acknowledged the important work undertaken by the Independent Remuneration Panel (IRP).
- ii. Noted that, despite the recommendations of the IRP, member's allowances had been frozen for five years.
- iii. As a result of a decision by Her Majesty's Revenue and Customs (HMRC) food would no longer be provided for Councillors at Council meetings.
- iv. More clarity was needed on claiming subsistence when travelling over 3 miles to a meeting, and if this also included travelling from within the boundary of the City. Officers noted this comment.

Councillor Herbert suggested that, whilst the member's allowances budget remained the same, there was a need for a comprehensive review of the allocations after the elections in May 2012.

The Chief Executive responded that, as part of the Strategy and Climate Change Portfolio Plan, a full review of the Council's decision-making processes would be undertaken in 2012/13. It was suggested that it would be beneficial to look at member's allowances as part of this review.

Councillor Boyce proposed the following amendment to the officer's recommendation (additional text underlined):

That the Members Allowances Scheme 2011/12 be continued for the 2012/13 municipal year, but be reviewed as part of the Leaders full review of the Council's decision-making processes in 2012/13.

On a show of hands the amendment was carried by 5 votes to 0 (unanimously).

**Resolved** (unanimously) to recommend to Council that

- i. The Members Allowances Scheme 2011/12 be continued for the 2012/13 municipal year, but be reviewed as part of the Leaders full review of the Council's decision-making processes in 2012/13.

The meeting ended at 7.22 pm

**CHAIR**

## Members Allowances 2011 to 2012

Councillors are not paid a salary. However, they do get allowances to cover some of the costs of being a councillor. The Basic Allowance, the Special Responsibility Allowance, childcare and carer's allowance, and travelling costs are set by the Council having noted recommendations put to it by the Independent Remuneration Panel.

### **1 Basic Allowance and Special Responsibility Allowance (taxable)**

**Basic allowance:** This is an annual flat rate payment to all councillors, intended to recognise the time devoted by councillors to work in their wards and political groups, recognising the level of out-of-pocket expenses councillors incur in carrying out their functions (eg stationery, telephone costs and computer consumables.) It also recognises that councillors undertake their council work for the sake of public service and not for private gain. For the 2011 / 2012 municipal year each councillor will receive an annual allowance of £2,782.

In addition, all 42 Members of the Council receive £417 in an area committee allowance. Therefore, the total allowance for a City Councillor before adding any other special responsibilities listed below is £3,199.

**Special Responsibility Allowance:** This is paid to councillors who have a higher than average workload and/or hold particular positions of responsibility within the council. For the municipal year 2011 / 2012 the allocation of Special Responsibility Allowances is as follows:

Leader	£10,433
Executive Councillor	£8,346
Scrutiny Committees - Chair	£1,113
Scrutiny Committees - Vice-Chair	£278
Scrutiny Committees – Minority Spokes (Labour)	£1,391
Scrutiny Committees – Minority Spokes (Green)	£556
Planning - Chair	£2,226
Planning - Vice-Chair	£139
Planning – Member (9)	£556
Planning – Minority Spokes (Labour)	£1,550
Licensing - Chair	£696
Licensing - Vice-Chair	£139
Licensing – Minority Spokes (Labour)	£696
Licensing – Minority Spokes (Green)	£139
Licensing – Member (12)	£417
Joint Development Control (Chair / City spokes [1])	£2,226
Joint Development Control – Member (6)	£556

Standards – Spokes (2)	£556
Civic Affairs - Chair	£1,113
Civic Affairs - Vice-Chair	£278
Civic Affairs – Minority Spokes	£556
Employment Appeals Sub – Members (9)	£139
Environment and Transport Area Joint – Chair / Vice Chair	£556
Leader of the Opposition Group – Labour	£2,023
Leader of the Opposition Group – Green	£905

Special responsibility allowances for Opposition Group Leaders are calculated by allocating an amount equivalent to one fifth of the Basic Allowance (£640) to a notional 'group of one', which is then multiplied by the square root of the number of members that each group has in order to arrive at individual figures.

Area Committees – Chair (4)	£835
Area Committees – Vice-Chair (4)	£139

## **2 Travel and Subsistence Allowances (mileage claims are taxable)**

Councillors are paid at the same rates as Officers.

Mileage allowances with effect from 1 April 2011

Casual User Mileage:	52.2 pence per mile up to 8,500 miles
	14.4 pence per mile after 8,500 miles

Bicycle rate is based on the lowest casual user rate, which is now 46.9p per mile.

In the absence of any NJC motorcycle rates the Council uses the AA rates. These are amended each year by the Regional Employers organisation by reference to the motoring element of the RPI from the 1<sup>st</sup> April each year.

	<b><u>Up to 125cc</u></b>	<b><u>Over 125cc</u></b>
Up to 4000 miles		
Comprehensive insurance	21.44p per mile	33.56p per mile
Over 4000 miles	8.18p per mile	11.97p per mile

Travel and subsistence allowances are payable for those duties prescribed in Regulations; that is,

- A meeting of the executive
- A meeting of a committee of the executive
- A meeting of the authority
- A meeting of a committee or sub-committee of the authority
- A meeting of some other body to which the authority make appointments or nominations
- A meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- A meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- A meeting of a local authority association of which the authority is a member
- Duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- Duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- Any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Reimbursement of public transport fares can also be made when attending approved council duties. For journeys by train, please ask for a **travel warrant** in advance of the journey from the Members' Services office.

VAT - Please let the staff in Members' Services make your hotel and flight bookings, as the Council can then reclaim the VAT.

You can only claim travel costs **from outside** Cambridge if your absence from Cambridge was unavoidable or if a meeting is called at short notice, and you have to make a journey which you would not otherwise have made. The exception to this rule is attending Planning or Licensing Committee meetings, as these take place more frequently than other meetings.

You cannot claim subsistence allowance for duties carried out within three miles of your home or if meals are provided.

Subsistence - can only be claimed where meals/accommodation are not provided.

- (a) **Breakfast Allowance** £6.72  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, before 11 am.)
- (b) **Lunch Allowance** £9.28  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, including the lunchtime between 12 noon and 2pm.)
- (c) **Tea Allowance** £3.67  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, including the period 3 pm to 6 pm.)
- (d) **Evening Meal Allowance** £11.49  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, ending after 7 pm.)
- (e) **Overnight Subsistence**
- |   |        |
|---|--------|
| Absence overnight from the usual place of residence         | £79.82 |
| In London, or for attending one of the approved conferences | £91.04 |

### **3 Members' Childcare and Carer's Allowance**

A Childcare/Dependent Carer Allowance is payable for actual expenditure incurred whilst undertaking approved council duties. No cap shall be put on the overall budget for this Allowance, or on that which is paid to an individual member of the Council in any given year. This allowance is set by the Council having had regard to the recommendations annually of the Independent Remuneration Panel. The Panel considered allowances for childcare and dependent relatives and concluded that it was appropriate for actual expenditure to be reimbursed. The allowance should be subject to receipts being submitted. The member must provide care for a person who normally lives with the member as part of his/her family and who is:

- A child below school age during school hours
- A child under 14 outside of school hours.
- An elderly, sick or disabled dependent requiring constant care.

A Carer will be any responsible mature person who does not normally live with the member as part of the member's family.

Payments made under this scheme will be open to public inspection.



Travel, subsistence and care allowances is payable for any invitations (except social events) from any official bodies. The Scheme is set so that payment of care, travel and subsistence allowances would be such that unexpected circumstances or new responsibilities or activities were covered by default, i.e. that rather than having a prescribed list of activities that ARE covered, have a list of proscribed activities (that are not covered).

## **4 Expenses**

All Members are able to claim out of pocket expenses.

### **Council Pays For:**

- Council letter-headed paper
- Plain paper
- Postage on the letters the Members' Services team prepares for dispatch
- Ink cartridges (providing signature is received confirming that it is used predominantly for Council work)
- Travelling expenses for:
  - Meetings that are approved Council duties (including site visits\*)
  - Meetings instigated by an officer, which are (or had the potential to be) cross party
  - Training and development for councillors organised by the Council
  - Attendance at conferences and seminars that have been booked by officers
  - Briefings to Councillors that are cross party and organised by the Council
  - Council Working Parties
  - Meetings of outside bodies attended as a Council representative
  - Civic duties in capacity as a Bailiff
- Hanging files and folders for Council-supplied filing cabinets
- Phone calls made from the Council offices
- Faxes sent from Council offices (providing not of a party political nature)
- Fax rolls for Council supplied fax machines
- Hiring of accommodation for Group Away Days
- Personalised business cards and compliments slips

### **What the Councillor Needs to Pay For:**

- Ink cartridges when used mainly for private work
- Pens, pencils, notepads, post-its and other ancillary stationery
- Travelling expenses relating to:
  - Meetings within the Ward(s)
  - Visits to constituents

- Attendance at civic functions (unless a Bailiff)
- Single party meetings/briefings
- Postage on letters typed and despatched by councillors
- Envelopes
- Phone calls made from home or mobile phones
- Faxes sent from home
- Any party political affiliation fees or expenses
- Fax rolls for personally provided fax machines

- 5 Entitlements will be payable on a part-year basis in any given year where:
- The scheme is amended; or
  - A Councillor is elected to or leaves the Council; or
  - A Councillor takes on, or gives up, a position for which a special responsibility allowance is payable.
6. A co-optee's allowance of the minimum wage for hours served, plus out of pocket expenses, is available.
7. There is no backdating to the beginning of the financial year of the allowances scheme in the event of the scheme being amended.
8. There is no annual adjustment of allowance levels by reference to an index.
9. There is no entitlement to a pension for any member under its Allowances Scheme.
10. The scheme includes provision for withholding allowances as a result of any member's full or partial suspension and that decisions on whether or not to withhold an allowance in any particular case be delegated to the Standards Committee.
11. Members may receive advice on the impact of receiving allowances and expenses on their tax and benefit position by contacting Karl Tattam in the Council's Finance Department (458161). A Local Government Information Unit publication "Councillors' Tax and Benefits" can also be made available to councillors on request. There are copies of this publication in the Members' Room at the Guildhall.
12. Please make all claims **within two months** on the Council's official claim form. Claims received no later than 5th will be paid on 24th of that month.
13. **Finally, any member of the Council may, by notice in writing given to the Director of Resources, elect to forego any part of his/her entitlement to any Allowance under this scheme.**