

Version 2
Council

General Fund Mid-year Financial Review

October
2015

2015/16 to 2020/21

Cambridge City Council



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

The Council's 2015/16 budget-setting report outlined the broad elements of a comprehensive three-year strategy for securing a secure financial future of Cambridge City Council, reducing the annual savings targets significantly for each year until 2018/19. It did this by conducting a major review of our earmarked reserves, outlining a series of proposals to invest in new revenue streams, and the initiation of a significant programme of Business Transformation that is streamlining the council's operations and ensuring that we deliver services in a more joined up and efficient way. The aim of this agenda was to allow us to balance our books responsibly while minimising the need for cuts to our services and allowing us leeway to invest in our priorities, such as our Anti-Poverty Strategy.

We need to strengthen and continue this strong vision as we approach the 2016-17 budget process. This Mid-Year Financial Review gives us a chance to pause, take stock and review the assumptions and basis upon which the next budget will be built. It does not aim to pre-empt the next budget process, but rather outline concrete new pressures and savings that have emerged since February and can be used to revise the figures upon which our budget will be based, providing us with a realistic starting place for making the financial decisions that will shape the next few years. Issues such as the burden being placed on local authorities from National Insurance changes and, in the other direction, higher than anticipated savings from our Business Transformation Programme to date, alter and re-profile our current set of future savings targets, as is clear from the document. However they do not, at this stage, significantly alter the scale of the financial challenge that we will face in the next five years.

A number of challenges are implicit or explicit in this document. Firstly, there is the lingering uncertainty of the status of our core government funding, which the political events of the past six months have only increased. We can only continue to operate on our previous assumptions concerning the reduction in our Revenue Support Grant, as there is no better framework for our calculations at this stage. However, given that the Chancellor of the Exchequer has asked unprotected departments, of which the Department for Communities

and Local Government is one, to draw up a further wave of cuts, ranging from 25% to 40%, the content of the upcoming Comprehensive Spending Review to be announced on 25th November is uncertain and potentially very damaging. The lack of future certainty, tight timelines and the 'cuts fatigue' that is setting in after year-on-year reductions make this a very challenging context. However, we are determined to ensure that we have the flexibility to be able to react to the multiple possibilities that this situation presents, without having to make panicky or short-termist cuts.

This is why we will, ahead of the 2016/17 budget to be published January 2016, analyse a wide range of savings options that provide us with the set of possibilities we need to react to this potentially rapidly-changing context. Some of them have already been mooted or subjected to scrutiny, such as a further set of shared services proposals and the further outline stages of our Business Transformation Programme, which, as this document indicates, has made a strong start. As the results of the Spending Review and Local Government Finance Settlement become clear, we will be able to make the complex set of decisions required, based upon these options, to ensure that we protect both the council's financial future and the services that our residents rely on. There will also be negative consequences for future General Fund budgeting from the sudden and damaging interventions by the Chancellor's July Budget Statement to rent levels and Housing revenue account (HRA) funding. This will include greater pressure on shared overheads, and the need to bring forward reviews of services and projects where funding is shared by the HRA and the General Fund, because of the immediate and growing four year reduction in future HRA funding.

Another challenge that faces us is the uncertainty regarding New Homes Bonus. We have built in a responsible approach that gives us a lot of space for manoeuvre, since the reduction or redistribution would have to be considerable to impact directly on our General Fund resources. However, impending decisions on its future will shape the resources we have at our disposal, and drastic reductions could have impacts on our revenue and capital budgets, including the resources we have available to manage growth and other commitments.

This document also gives some insight into the process of embedding our new capital plan procedures into council business. It outlines how loose ends will be tied up and a new regime of careful forward-planning and responsible resource allocation will be initiated and how existing projects unable to satisfy the new requirements to the satisfaction of the newly-created Capital Programme Board by this November will be taken off the Capital Plan in the next budget. It gives some indication of the resource constraints of the Capital Plan,

and, along with the review undertaken earlier in the year, sets a new disciplined agenda for this council's capital projects.

In short, this document is more of a comma or semi-colon rather than a new paragraph in the administrative and political prose of this council. It aims at providing a sober and low-key chance to pause and take stock before the hard work of putting together the nuts and bolts of the next budget begins. This latter is a task that will involve us once again using our imagination and principles, within a context that poses many risks, in order to marry the threefold financial objectives of this Labour council: sound and prudent financial management to balance the books, the minimisation of the need for cuts to services, and investment in a fairer and more equal city.

Cllr Lewis Herbert - Leader of the Council

Cllr George Owers – Executive Councillor for Finance and Resources

Section 1

Introduction to the Mid-year Financial Review (MFR)

Background

The Mid-year Financial Review (MFR) for the General Fund (GF) is part of the forecasting and budget setting process which leads up to the Budget Setting Report (BSR) being presented to Council in February each year. At this time the Council Tax level for the following financial year is set.

The BSR sets out the Council's financial strategy over the medium-term, based on a range of assumptions and forecasts. This review takes the previous year's BSR as the effective 'direction of travel', reviews the key assumptions on which it is based and makes any changes necessary as a result. Other factors such as national and local policy changes, current and forecast economic indicators and new legislation may also give rise to amendments.

This MFR is the second such review since the change in control at the Council. It continues and builds upon a number of fundamental reviews of the way the council uses and manages its finances that were introduced in MFR 2014 and BSR 2015. In particular it reflects changes in the processes for developing and managing the capital plan.

The GF MFR incorporates a review of the current year's budget position (2015/16), and updated projections for the 5 years from 2016/17 to 2020/21, to demonstrate the full-year effects of any changes in assumptions made and of their impact in terms of savings requirements and potential changes required in services and their delivery. A key part of the mid-year review processes is the identification of:

- Items which require immediate action or approval
- Items which provide context for decisions on the strategy or process:
 - o The level of spending reductions required
 - o Resources to be made available for funding the Capital Plan
 - o The level of GF general reserves

Budget consultation

Last year, Cambridge City Council consulted residents on priorities for its budget in 2015/16 using the interactive YouChoose software, developed by the London Borough of Redbridge and the Local Government Association. This guided residents to increase or decrease the budgets for key services to create a balanced budget whilst incorporating budget reductions of £6m. This reduction reflected the level of savings that the Council needed to achieve over the next four years.

This year, the budget consultation process will build on the results of last year through a number of focus groups comprising local residents, businesses and representatives from the voluntary sector. These groups will look more closely at the services identified for possible budget reductions by the YouChoose consultation, considering the size and impact of potential savings. The final report from the consultation should be available by the end of October 2015 and the findings will inform the decisions that Councillors make about the Council's budget for 2016/17.

Timetable

The detailed financial planning and budget preparation timetable is included at Appendix A. Key dates and decision points are set out below:

Date	Task
2015	
12 October	Strategy & Resources Scrutiny Committee consider the GF MFR for recommendation to Council by the Leader
22 October	Council considers both GF and HRA MFR reports
2016	
6 January	Budget Setting Report (BSR) published
18 January	BSR considered by Strategy & Resources Scrutiny Committee
21 January	The Executive consider and recommend the BSR and Council Tax level to Council
8 February	Special Strategy & Resources Scrutiny Committee to consider any budget amendment proposals
25 February	Council approves Budget Setting Report and sets the level of Council Tax for 2014/15

Section 2

Policy context, priorities and external factors

Local policy context and priorities

Annual Statement

The Annual Statement for 2015/16 sets out the local policy context and priorities for the Council. It was agreed in May 2015 and can be accessed on the council's website at:

<https://www.cambridge.gov.uk/annual-statement>

The Leader's Foreword to this MFR supplements the Annual Statement by setting a direction of travel for the Council which responds to the future financial outlook.

Partnership working

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

City Deal

The City Council is working with Cambridgeshire County Council, South Cambridgeshire District Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to deliver infrastructure, housing and skills targets as agreed with Government in the Greater Cambridge City Deal. The deal consists of a grant of up to £500 million, to be released over a 15 to 20 year period, expected to be matched by up to another £500million from local sources, including through the proceeds of growth. Further information on the Deal, including the developing programme of infrastructure delivery is available on the web at:

<http://www.greatercambridgecitydeal.com/>

Shared services

The Council currently shares some services with neighbouring councils and is working with these councils to develop other shared services where it makes sense to do so. We expect the benefits of working together to include improvements in service delivery, efficiencies and greater resilience. Shared services for Legal, ICT and Building Control are expected to be operational within the current financial year, with additional collaborations for Planning and other back office services planned for 2016/17.

National policy context

Government spending announcements

The Coalition Government published the Budget on 18 March 2015. Following the General Election, an additional Summer Budget was presented to Parliament on 8 July 2015. The following announcements included in these budgets will impact on the Council and therefore required consideration:

18 March Budget

- Structural review of business rates announced
- In 2015/16 and 2016/7, total managed expenditure will fall in real terms at the same rate as over the period 2010/11 to 2014/15 – so local government can expect further reductions in government funding
- There will be a pilot scheme to allow councils to keep 100% of business rates growth above existing forecasts. The Cambridgeshire and Peterborough area, along with Greater Manchester and Cheshire East will pilot this scheme.

8 July Summer Budget

- There will be no changes to the local government finance settlement for 2015/16
- There will be a Spending Review in the autumn, with an expected publication date of 25 November 2015.
- Defence spending will be added to current 'protected' budgets and will rise by 0.5% per year in real terms until 2020/21. This reduces the total of 'unprotected' budgets, and may mean greater than expected cuts for local government
- A National Living Wage was announced, separate and distinct from the Living Wage as set by the Living Wage Foundation, which will impact on council budgets as pay rates for some lower paid employees and contractors are increased to these levels

- Local government employee pay will be restrained at 1% per year for four years from 2016/17
- Welfare cuts of £12bn will be required over 4 years, putting pressure on services that support those on low incomes and the requirement to fund the Local Council Tax Reduction Scheme.

In addition to the above, the Budget has made significant changes that impact the Council's Housing Revenue Account (HRA). These include requiring rent reductions of 1% each year for the next four years and the extension of Right to Buy to Housing Association tenants funded by compulsory sales of Council stock. Whilst there will be direct impact on the HRA business plan, there will be consequences for the GF. In the longer term there will be pressure on the GF element of the homelessness budget and increased costs within temporary accommodation budgets. There will also be increased demands on the support the council provides for residents on low incomes and on community safety services. If the HRA contracts, as currently expected, it will contribute less towards the Council's overhead costs.

Local Government finance

A great deal of uncertainty still exists for councils following the two 2015 budgets. However, the Chancellor has extended the timescale for bringing the economy back into surplus from 2018/19 to 2019/20, which should reduce the rate of required cuts to funding for local government as a whole.

No announcements have been made or indications given with regard to possible changes in the distribution of funding between councils. The system could be rebalanced, possibly through changes to New Homes Bonus (NHB), or consideration of the ability to raise council tax.

2016/17 and future years

No indications of the Local Government Finance Settlement for 2016/17 and beyond have been given. Therefore this MFR assumes that the level of Settlement Funding Assessment (SFA) will continue to reduce at a similar rate to that over the last two years until the entire Revenue Support Grant (RSG) has been removed. This equates to a 13% reduction on SFA in each of the 4 years from 2016/17 and is considered to be a prudent basis for the purpose of developing indicative budgets for these years.

The SFA includes the business rates baseline. A fundamental review of business rates is currently underway and is due to report by Budget 2016. However, HM Treasury have

indicated that the outcome is intended to be fiscally neutral. Additionally all business premises will be subject to revaluation at 1 April 2017. The impact on the Council's list of rateable values (RVs), and therefore on business rates chargeable, is uncertain. However, any impact on the council could be removed through adjustment of the top-ups and tariffs within the business rates retention system. At this stage it has been assumed that there will be no change to the business rates baseline included within the SFA.

The Chancellor has announced a Spending Review (SR) which is expected to report on 25 November 2015. This may provide some indication of changes to the level of Local Government funding for 2016/17 and possibly for the following 3 years.

The projections, which are included in the February 2015 BSR, are shown below:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Total SFA - per February 2015 BSR	6,004	5,224	4,545	3,954	3,954
Increase in net revenue savings required in year	-	780	679	591	0

New Homes Bonus

The New Homes Bonus (NHB) was launched in 2010 as a non-ringfenced payment to all local authorities based on the number of new homes added each year within its area. The eligible amount is then paid for each of a period of 6 years.

NHB is effectively a distribution mechanism for part of the total Government funding available for Local Government, and may be subject to reduction and/or redistribution. In the absence of any indication to the contrary, no changes to the amounts forecast in BSR 2015 are assumed.

Along with partners, the Council has committed 50% of NHB funding each year to a city Deal Investment and Delivery Fund. If NHB reduces, it is this contribution that would be impacted first. Reductions greater than these amounts would require savings in revenue or capital spending in general, the remainder of commitments against NHB could be funded from other sources and would require prioritisation against other spending commitments.

NHB receipt estimates, based on projections of future housing completions and empty homes brought back into use, are shown below, along with current commitments.

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Confirmed NHB funding at February 2015 BSR	(4,963)	(4,963)	(4,176)	(3,441)	(2,878)	(1,587)
Add	-	-	-	-	-	-
Estimated NHB receipts for 2016/17	-	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)
Estimated NHB receipts for 2017/18	-	-	(1,726)	(1,726)	(1,726)	(1,726)
Estimated NHB receipts for 2018/19	-	-	-	(2,004)	(2,004)	(2,004)
Estimated NHB receipts for 2019/20	-	-	-	-	(1,726)	(1,726)
Estimated NHB receipts for 2020/21	-	-	-	-	-	(1,573)
Potential New Homes Bonus Total	(4,963)	(6,017)	(6,956)	(8,225)	(9,388)	(9,670)
Commitments against NHB						
Funding for officers supporting growth e.g. within planning	785	785	785	785	785	785
Replacement of Homelessness Prevention Funding subsumed into the SFA	564	564	564	564	564	564
Direct revenue funding of capital	1,170	1,075	1,075	1,075	1,075	1,075
Contribution to City Deal Investment and Delivery Fund	1,985	3,009	3,478	4,113	4,694	4,835
Contribution to A14 Mitigation Fund	-	-	-	-	1,500	-
Total commitments against NHB	4,504	5,433	5,902	6,537	8,618	7,259
NHB uncommitted	(459)	(585)	(1,054)	(1,689)	(770)	(2,411)

External factors

Growth now appears to be established in the UK economy, with a relatively positive outlook for continuing progress. However, there are considerable risks to that growth from, for example, declining growth rates in China, and Eurozone problems with Greece and potentially other southern European economies.

The UK labour market performance continues to improve, with increasing levels of employment and wages growth. However, a productivity gap remains between the performance of the UK economy and other major advanced economies. The productivity gap, along with the housing market remains an important source of risk for the UK economy.

Inflation rates

The base rate of inflation used to drive expenditure assumptions in the GF financial forecasts is the Consumer Price Index (CPI). The base level of inflation included within forecasts is 2% reflecting the Government target for CPI. CPI was unchanged in the year to June 2015, that is, a 12-month rate of 0.0%. In the very near term, inflation is expected to remain at or close to zero as past falls in the price of food, energy and other goods continue to impact the rate. Inflation is predicted to rise towards the end of 2015, and to return to the target level of 2% within 2 years.

Interest rates on deposits

The Council lends externally, on a short-term basis, any cash balances that are held at any point within the financial year. Although anticipated to be slow, recovery in the rates available is predicted in the longer term.

Status	Year	Interest Rate Earned on Balances
Council Estimated Rates	2015/16	1.12%
	2016/17	1.37%
	2017/18	1.62%
	2018/19	1.62%

Interest rates on borrowing

The Council has no GF borrowing or existing plans to borrow.

It does however, have an HRA self-financing loan portfolio of just under £214m taken out on 28th March 2012 from the Public Works Loans Board (PWLb) at rates of between 3.46% and 3.53%. Any additional borrowing must be within the level of the current Authorised Borrowing Limit, resulting in maximum borrowing in the region of £16m still being available.

Section 3

Review of key assumptions

Budget forecasts presented in the February 2015 Budget Setting Report were based on a number of key assumptions, for example levels of general and pay inflation, interest rates, future funding requirements and Council Tax levels.

These key assumptions have been reviewed taking account of changes in external factors, Government announcements, latest forecasts and circumstances. The table below highlights where assumptions have been retained and where changes have been made for the purposes of forecasts presented in this document.

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

Key area	Assumption	Comment	Status
Pay Inflation	Pay progression cost estimate plus: 2016/17 – 1.0% 2017/18 – 1.0% 2018/19 – 1.0% 2019/20 – 1.0% and 2.5% thereafter	Reflects Government guidance for the four years from 2016/17, then providing for an increase thereafter.	Updated
Employee turnover	3%	In general, employee budgets assume an employee turnover saving of 3.0% of gross pay budget. Specific vacancy factors are applied where experience indicates that a different vacancy factor is more applicable.	Retained

Key area	Assumption	Comment	Status
General inflation (CPI)	2%	<p>Updated central provisions have been made as appropriate for fuel, electricity and gas based on current knowledge of these markets or revised contractual commitments.</p> <p>The same inflation factors are applied to Central and Support Services as for direct services.</p>	Retained
Major Contracts	Inflation per contract	Major contracts and agreements, in term, are rolled forward based on the specified indices in the contract or agreement	Retained
Income and charges increases	2.5%	Income and Charges – general assumption of 2.5% ongoing, but specific reviews of all charges required by committees. Property rental income based on detailed projections and rent reviews.	Retained
Capital funding contributions	£1.880m	Capital funding contributions at base level of £1.880m per annum.	Retained
Council Tax increase	2.0% ongoing	Council Tax increase assumed at 2.0% for 2015/16 ongoing.	Retained
Government grant	Straight line reduction from 2015/16 grant levels assumed	Assumption made of decreases each year for 2016/17 onwards until the Revenue Support Grant element reaches zero.	Retained

Section 4

Mid-year budget issues

2014/15 Outturn

The position for the net spending on General Fund revenue services for the year 2014/15 was a favourable variance of £2,840k, after allowing for approved carry forward requests of £657k. Taking into account variances on Government funding, statutory capital accounting adjustments, contributions to/ from earmarked reserves and the application of direct revenue funding for capital the overall net effect was an increase in the GF Reserve of £3,753k.

Individual budgets with 2014/15 underspends have been reviewed and on-going savings of £150k have been identified. These savings are spread widely across the Council within premises, transport, and supplies and services cost categories.

2015/16 budgets

2015/16 budgets are regularly monitored and action is taken where necessary to bring over spending in line with budgets. Where it looks likely that the annual budget will not be spent in full, this is kept under review to ensure that the service spends only what is necessary to deliver its aims and objectives. However, variance from 2015/16 budgets require consideration of their impacts on future savings requirements and budgets.

A summary of these impacts and other identified pressures and savings are given in the table below and they have been included in the revised projections for the General Fund and saving requirements given in Section 5. It is worth noting the proposal to remove all Priority Policy Funding (PPF). This funding was originally intended to provide financial 'space' for new policy-driven initiatives. However, it also has the effect of building in unspecified future spending into budgets and creating saving requirements. As a result, it has been reduced significantly over recent years, as the Council's funding has reduced. Funding for new policy-driven initiatives will now be assessed alongside all other pressures and savings.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Pressures					
Increase in Employer's Class 1 National Insurance contributions by 3.4% of relevant earnings as a result of the abolition of the second state pension (GF).	600	600	600	600	600
Telephony project - additional annual revenue expenditure, endorsed for inclusion in the MFR by Strategy and Resources Scrutiny Committee 23 March 2015	57	57	57	57	57
Bulky waste saving unlikely to be achieved. Project to realise this saving has not been started due to resource constraints and the pressures of other changes within the service	90	90	90	90	90
Office Accommodation Strategy - Letting of Guildhall Annexe - revised income profile	100	0	(50)	(50)	(50)
Gas and Electricity potential price increases	60	60	60	60	60
Replacement of new Financial Management System - Ongoing additional revenue implications - approved at Council on 23 July 2015	105	105	105	105	105
Transformation projects - Building Control: refinement of business case, Strategy and Resources Scrutiny Committee 13 July 2015	28	28	28	28	28
Transformation projects – Destination Management Organisation: refinement of business case, Community Services Scrutiny Committee 19 March 2015	31	30	5	5	5
Total pressures	1,071	970	895	895	895
Deliverable savings					
Savings identified from 2014/15 underspends – premises, transport, supplies and services	(150)	(150)	(150)	(150)	(150)
Removal of £100k annual PPF	(100)	(200)	(300)	(400)	(500)
National pay restraint at 1% until 1 April 2019	(100)	(200)	(300)	(300)	(300)
Reduce savings target to reduce contribution to reserves	(200)	(200)	(200)	(200)	(200)
Reduction in inflation provided for supplies and services expenditure	(100)	(100)	(100)	(100)	(100)
Transformation projects – Legal Shared service: refinement of business case, Strategy and Resources Scrutiny Committee 13 July 2015	(55)	(55)	(55)	(55)	(55)
Total deliverable savings	(705)	(905)	(1,105)	(1,205)	(1,305)
Total pressures less deliverable savings	366	65	(210)	(310)	(410)

Applying these budget savings and pressures gives an indication of the net savings requirements by year for the next 5 years, assuming that savings are delivered in the year that the requirement is identified.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
BSR 2015 - Current Savings Target (new savings each year)	223	46	991	1,813	1,813
Previous year savings not achieved / (over achieved)	-	-	(255)	-	-
Revised savings target	223	46	736	1,813	1,813
New pressures in year	1,071	(101)	(75)	-	-
Revised savings target including pressures	1,294	(55)	661	1,813	1,813
New deliverable savings found in year	(705)	(200)	(200)	(100)	(100)
Savings still to be found	589	(255)	461	1,713	1,713

Section 5

General Fund – Expenditure & Funding

The following projection of GF expenditure and funding results from applying the recommendations included in this report:-

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Expenditure						
Net service budgets	18,617	17,172	17,728	19,052	19,979	21,215
Revenue budget proposals	-	366	65	(210)	(310)	(410)
Future years PPF provision	-	-	-	-	-	-
Capital accounting adjustments	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)	(4,656)
Capital expenditure financed from revenue	10,857	1,562	1,880	1,880	1,880	1,880
Contributions to earmarked funds	11,024	5,749	5,794	6,196	7,388	6,534
Revised net savings requirement	-	(589)	255	(461)	(1,713)	(1,713)
Contribution to reserves	-	1,007	5	54	56	56
Net spending requirement	35,842	20,611	21,071	21,854	22,624	22,906
Funded by:						
Settlement Funding Assessment (SFA)	(6,889)	(6,004)	(5,224)	(4,545)	(3,954)	(3,954)
Locally Retained Business Rates – Growth element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	-	-	-	-	-	-
New Homes Bonus (NHB)	(4,963)	(6,017)	(6,956)	(8,225)	(9,388)	(9,670)
Appropriations from earmarked funds	(14,803)	(382)	(382)	(382)	(382)	(382)
Council Tax	(7,058)	(7,408)	(7,709)	(7,902)	(8,100)	(8,100)
Contributions from reserves	(1,329)	-	-	-	-	-
Total funding	(35,842)	(20,611)	(21,071)	(21,854)	(22,624)	(22,906)

Section 6

Capital plan

Approved plan

The capital plan was approved by Council in February 2015. Since then, Council has approved further changes to the plan including adding projects carried forward from 2014/15 of £13,289k and new approvals of £1,010k.

Approved since BSR	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Approved at BSR Feb 2015							
Programmes	10,307	533	520	700	0	0	12,060
Projects	1,161	36	31	36	0	0	1,264
Sub-total	11,468	569	551	736	0	0	13,324
Provisions	10,041	472	989	100	0	0	11,602
Total	21,509	1,041	1,540	836	0	0	24,926

Changes approved and adjustments made in year:							
Programmes	1,548	0	0	0	0	0	1,548
Projects	1,330	161	0	0	0	0	1,491
Sub-total	2,878	161	0	0	0	0	3,039
Provisions	9,430	322	(417)	120	56	487	9,998
Total	12,308	483	(417)	120	56	487	13,037

Current approved plan:							
Programmes	11,855	533	520	700	0	0	13,608
Projects	2,491	197	31	36	0	0	2,755
Sub-total	14,346	730	551	736	0	0	16,363
Provisions	19,471	794	572	220	56	487	21,600
Total	33,817	1,524	1,123	956	56	487	37,963

Changes to capital project approval processes

Changes to the capital project approval process were approved at Strategy and Resources Scrutiny Committee on 13 July 2015. All projects must now produce a detailed business case which is examined by the Capital Programme Board (CPB) to ensure that the project is properly planned and therefore deliverable. If the total cost of the project is over £300k, it also requires scrutiny and subsequent endorsement from the relevant Executive Councillor. The project can then be brought forward for funding approval through either the MFR or BSR processes. All projects are also assessed against a prioritisation matrix to support the allocation of limited capital funding. The matrix includes degree of alignment with council objectives, level of delivery risk and financial impact.

To ensure deliverability of projects already on the capital plan, a satisfactory detailed business case must be completed by the end of November 2015, or the project will be listed in the BSR for placement on the Projects under Development (PUD) list. It will then have to be put forward again for funding approval once a detailed business case has been produced.

Due to the change in approval processes, a number of urgent schemes were put forward for and received funding approval at Council on 23 July 2015, rather than be delayed for approval through this MFR. They are listed in the table below for completeness.

Mid-year capital spending proposals

The table also lists project proposals with detailed business cases that have been endorsed and are now recommended for inclusion in the Plan.

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
-	5% top-slice of 'BSR 2015 funding available' for feasibility budget (revenue)	36	66	82	82	94	94	454
	Approved since BSR Feb 2015							
SC601	Replacement Telecommunications & Local Area Network	400	0	0	0	0	0	400
SC602	Buchan Street Community Centre - new roof replacement	60	0	0	0	0	0	60
SC603	Ross Street Community Centre - new boiler system	36	0	0	0	0	0	36
SC604	Replacement Financial Management System	81	161	0	0	0	0	242
Misc	Section 106 misc	272	0	0	0	0	0	272
SC606	Garret Hostel Lane	22	0	0	0	0	0	22
	Total Approved since BSR Feb 2015	871	161	0	0	0	0	1,032
	Amendments since BSR Feb 2015							
	Costs (and funding) revised							
PV192	Development Land North side Kings Hedges Rd	(174)	(10)	47	0	0	0	(137)
PV554	Development of Land at Clay Farm	(578)	(58)	(789)	120	56	487	(762)
	Transferred from Plan to PUD							
PR030e	Cavendish Road (public art element)	(30)	0	0	0	0	0	(30)
PR030g	East Barnwell Comm Centre improv, Phase 1 S106	(255)	0	0	0	0	0	(255)
PR031g	Milton Rd Lib Comm Meeting Space S106	(100)	0	0	0	0	0	(100)
	Total Adjustments since BSR Feb 2015	(1,137)	(68)	(742)	120	56	487	(1,284)

Ref.	Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
	Proposals							
SC605	Replacement Building Access Control System	50	50	0	0	0	0	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	0	0	0	0	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	0	0	0	0	45
	Total Proposals	99	246	0	0	0	0	345
	Total Approved and Proposed	(131)	405	(660)	202	150	581	547

The prioritisation scores for the two proposed schemes are as follows:

Prioritisation category	SC605 – Access control system	PR037a – Improvements to Cherry Hinton high Street	SC607 - Fleet Maintenance and Management Service
Statutory requirement or business critical	Yes	No	Yes
Alignment with council objectives [Degree of alignment scored against objectives in Annual Statement, then averaged. 0 = no alignment, 5 = will deliver this objective in a value-added / innovative way with additional benefits for the council]	0.3 out of 5 (Scores 2 on 'Protecting essential services and transforming council delivery')	0.6 out of 5 (Scores 4 on 'Protecting our city's unique quality of life')	0.9 out of 5 (Scores 3 on 'Protecting essential services and transforming council delivery'), 2 on "Tackling the housing crisis" and 1 on "Investing in improving transport"
Financial impact	0 = cost neutral	0 = cost neutral	2 = increasing additional net income
Delivery risk – project planning	Low	Medium	Low
Delivery risk – project complexity	Medium	High	High

If the above proposals are accepted, the effect of these schemes, along with schemes already approved in year on the level of unapplied capital funding available is shown in the following table.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Funding available and unapplied per BSR Feb 2015	(712)	(1,312)	(1,630)	(1,630)	(1,880)	(1,880)
Funding S106	(272)	0	0	0	0	0
Capital Feasibility Fund	36	66	82	82	94	94
Approved since BSR Feb 2015 - S106	272	0	0	0	0	0
Approved since BSR Feb 2015 - Other	577	161	0	0	0	0
Proposed new schemes	99	246	0	0	0	0
Revised capital funding availability	0	(839)	(1,548)	(1,548)	(1,786)	(1,786)

Revised plan

If the above proposals are approved, the revised capital plan will be as follows:

MFR Proposals	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Current approved plan – as above:							
Total	33,817	1,524	1,123	956	56	487	37,963

Changes proposed:							
Programmes	15	185	0	0	0	0	200
Projects	84	61	0	0	0	0	145
Sub-total	99	246	0	0	0	0	345
Provisions	0	0	0	0	0	0	0
Total	99	246	0	0	0	0	345
Proposed plan:							
Programmes	11,870	718	520	700	0	0	13,808
Projects	2,575	258	31	36	0	0	2,900
Sub-total	14,445	976	551	736	0	0	16,708
Provisions	19,471	794	572	220	56	487	21,600
Total	33,916	1,770	1,123	956	56	487	38,308

Section 7

Risks and reserves

Risks

The Council is exposed to a number of risks and uncertainties which could affect its financial position:-

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (SFA, NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2005, may significantly exceed the provision put aside for this purpose;
- The economic recovery may slow, impacting some of the Council's income streams such as car parking income, commercial rents and planning fee income;
- New legislation or changes to existing legislation may have budgetary impacts; and
- Unforeseen capital expenditure, such as major repairs to offices and commercial properties, may be required.

Reserves

General Fund reserve

The GF reserve is held as a buffer against crystallising risks and to deal with timing issues and uneven cashflows. As such, the level of the reserve required is dependent on the financial

risks facing the council which will vary over time. Therefore, the prudent minimum balance (PMB) and target level of the GF reserve has been reviewed in the light of current risks. Detailed calculations of these amounts are provided in Appendix C.

As a result, the following changes are recommended and have been included in the calculations of net savings requirements in this report.

General Fund reserves	£m
February 2015 BSR	
- Target level	6.48
- Minimum level	5.40
September 2015 MFR – Recommended levels	
- Target level	6.16
- PMB	5.13

The table below shows current and projected levels of the GF reserve.

Description	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Balance as at 1 April (b/fwd)	(11,525)	(10,196)	(11,203)	(11,208)	(11,262)	(11,318)
Contribution (to) / from reserves	1,329	(1,007)	(5)	(54)	(56)	(56)
Balance as at 31 March (c/fwd)	(10,196)	(11,203)	(11,208)	(11,262)	(11,318)	(11,374)

Earmarked and specific funds

In addition to the GF reserve, the GF maintains a number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose, see Appendix D.

A review of the purpose and use of these funds was undertaken during 2014/15. A number of the funds were discontinued and balances released. Others will be closed once committed balances have been used. It is intended that the number and use of earmarked and specific funds is kept under review and new funds are created only where essential.

Section 8

Conclusion

General Fund savings requirements

The February 2015 BSR identified the need to find £223k of ongoing net savings in the GF in 2016/17. This amount is after the application of £602k 2015/16 savings identified in excess of that year's requirement and a further £784k of new savings in 2016/17 already identified in BSR 2015. Current financial projections, taking account of revised assumptions and incorporating all changes proposed as part of this GF MFR, show that work remains to be done to balance the budgets for 2016/17 and beyond, with additional net savings of £4.2m to be found in the next five years.

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Net savings requirement (BSR Feb 2015)	223	46	991	1,813	1,813
Contribution to savings target (Section 4)	366	(301)	(530)	(100)	(100)
Revised (MFR) net savings requirement	589	(255)	461	1,713	1,713

General Fund budget strategy

The budget process

The GF budget process for 2016/17 will remain broadly similar to that for previous years, working within an overall cash limit designed to meet known financial pressures. However, the previous policy of identifying Priority Policy Fund (PPF) funding will no longer be used to create policy space. The overall funding envelope of the Council is limited, so all new funding proposals create the need to make new savings. As a consequence the merits of every proposal should be assessed independently of an arbitrary amount of PPF.

The updated base model used to prepare this report has driven the recommendations in respect of the 2016/17 budget process and provided indications of the level of savings required to meet both current and anticipated spending needs.

The GF MFR has highlighted:

- An on-going pressure arising from changes to National Insurance contributions;
- Additional expenditure relating to the replacement financial management system, which will be supplied on a hosted 'software as a service' basis, rather than run in house;
- Additional savings identified from transformation projects; and
- Savings arising from government pay policy, limiting pay increases to 1% p.a. for 4 years.

Identification of further savings

The Council has a record of identifying and delivering savings, through both service reviews and improvements in value for money obtained over all categories of spending. These approaches to finding and delivering savings will continue, but it is expected that the value of new savings found will decrease over time as services become leaner and more cost effective.

In response to further expected funding reductions, the Council has embarked on a long term programme of transformation which will make fundamental changes to the way the Council delivers services and interacts with residents, tenants and other parties. The programme is based on the following four themes, which were introduced in MFR 2014 and confirmed in BSR 2015:-

- Protecting core services that residents need and value and ensuring fairness
- Transforming how we deliver services, working with our committed staff team and other partners
- Targeting scarce resources to help people who need help and meet the needs of the most vulnerable
- Making best use of all our assets, reinvesting all available Council resources to maximise financial return and benefits for city residents, and making existing assets work harder too.

Many of these transformational projects are 'back-loaded' with the aim of producing significant, but not instant, efficiencies. However it is only by taking this more fundamental approach that we can ensure the council will deliver the savings it needs to make into the longer term, whilst developing a new style and shape of organisation which is sustainable and fit for the new environment we find ourselves in. As benefits realisation will be key to the success of the programme, a system of governance, with regular reporting on progress and outcomes, has been put in place.

In overview, this MFR shows that:

- the future financial challenge facing the Council is daunting, and is becoming more so;
- further savings will need to be identified to balance the 2016/17 budget to be published in January 2016; and
- parallel to work on the 2016/17 budget, the Council must commence work to address the far larger budget gap projected from 2019 onwards.

After digesting the detail in the Chancellor's Autumn Budget statement on 25th November, the level of future austerity to be directed at local councils should be much clearer. The Council will then be better placed to make necessary decisions on its 2016 budget and to address the longer term challenge.

Appendix A

Financial planning timetable

Items that are applicable to the HRA (only) are shown as shaded lines.

Date	Major Stage
	2015
18-May	SLT consider Budget Timetable for 2016/17 Process
28-May	Council adopts Annual Statement setting out plan & priorities from 2015/16
09-Jun	SLT / Exec consider Budget Timetable for 2016/17 Process
07-Jul	SMT presentation on Budget Process and Timetable for 2016/17
24-Aug	SLT consider GF & HRA draft MFRs
01-Sep	SLT / Exec consider GF & HRA draft MFRs
14-Sep	Housing Revenue Account (HRA) MFR published
w/c 14 Sep	Finance despatch Budget Process Guidance and Budget Proposal Forms
24-Sep	Housing Committee considers the HRA MFR
25-Sep	Finance produce Budget Working Papers and Salaries Estimates.
30-Sep	General Fund (GF) Mid-Year Financial Review (MFR) published for S&R Scrutiny Committee
Sept / Oct	MFR & budget briefing for Members
Sept / Oct	Budget process, EqlA and Climate Change workshops for managers
09-Oct	Managers to complete and return Budget Proposal Forms to Finance for 2016/17 Revenue and Capital Budget Proposals
12-Oct	S&R Scrutiny Committee / Leader recommendation of GF MFR to Council
14-Oct	GF MFR published for Council on 22 October
14-Oct	Finance to send proposals to officer groups for assessment including climate change and poverty ratings and EqlA requirements
19-Oct	SLT consider GF, HRA and Capital Budget Proposals
w/c 19 Oct	Officer Working Groups meet to consider and comment on budget proposals
22-Oct	Council considers GF and HRA Mid-Year Financial Review reports
23-Oct	Managers to send 2015/16 September variances to Finance, reporting to SLT on 2 November
27-Oct	SLT / Exec consider GF, HRA and Capital Budget Proposals
28-Oct	General Fund & HRA individual EqlAs deadline

Date	2015
28-Oct	Officer Group (e.g. Climate change) feedback deadline
02-Nov	SLT consider General Fund Budget Proposals and 2015/16 September variances.
16-Nov	SLT consider General Fund Budget Proposals
20-Nov	Managers to complete and return budget working papers, incorporating all budget proposals, to Finance
25-Nov	SLT / Exec consider General Fund Budget Proposals and 2015/16 September variances
11-Dec	General Fund & HRA EqIA deadline
16-Dec	HRA BSR to Committee Services
18-Dec	Publish HRA Budget Setting Report 2016/17.
18-Dec	Finalise (but not publish) GF BSR and Committee budget reports
29-Dec	Final Opposition HRA EqIA deadline
Dec	Provisional Government Settlement Announcement
2016	
04-Jan	GF budget proposals for Environment Scrutiny Committees published
05-Jan	Publish HRA Opposition Budget Amendment
06-Jan	GF budget proposals for Community Services Scrutiny Committees published
06-Jan	Publish General Fund Budget Setting Report and GF budget proposals for Strategy & Resources
12-Jan	Environment Scrutiny Committee consider budget proposals for own portfolios
13-Jan	Meeting of The Executive agenda published
13-Jan	Housing Committee considers any HRA Budget Amendment Executive Councillor for Housing approves rent levels and revenue budgets Executive Councillor makes final capital proposal recommendations to Council Housing Committee considers General Fund Housing budget proposals
14-Jan	Community Services considers GF proposals for its own portfolios
18-Jan	Strategy & Resources Scrutiny Committee considers GF budget proposals for its own portfolios and GF Budget Setting Report
18-Jan	Opposition GF budget proposals to Finance (for finalisation and despatch w/c 1 Feb)
Jan	Final Government Settlement Announcement
21-Jan	Meeting of The Executive to consider and recommend GF Budget Setting Report and Council Tax requirement
22-Jan	Final Opposition GF EqIA deadline
29-Jan	General Fund Opposition Budget Amendment to Committee services
w/c 1 Feb	Publish General Fund Opposition Budget Amendment
08-Feb	Special Strategy & Resources Scrutiny Committee considers any GF budget amendment proposals
15-Feb	Council papers to Committee

Date	2016
17-Feb	Council papers published
25-Feb	Council approves GF Budget and sets Council Tax (including precepts) Council approves General Fund Capital Plan Council approves Housing Capital Plan as part of HRA BSR
31-Mar	Approved budget reports to be sent to Cost Centre Managers by Finance

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
Capital-GF Projects								
SC391	La Mimosa Punting Station	P Doggett	2	0	0	0	0	0
SC410	Mill Road Cemetery	A Wilson	21	0	0	0	0	0
SC416	UNiform e-consultee Access Module	P Boucher	7	0	0	0	0	0
SC436	Pye's Pitch Rec Facilities (\$106)	I Ross	0	0	0	0	0	0
SC468	Vie Play Area (\$106)	A Wilson	0	0	0	0	0	0
SC469	Vie Public Open Space (\$106)	A Wilson	32	0	0	0	0	0
SC476	Water Play Area Abbey Paddling Pool (\$106)	I Ross	2	0	0	0	0	0
SC477	Coleridge Paddling Pool Enhancement (\$106)	I Ross	2	0	0	0	0	0
SC478	Water Play Area Kings Hedges "Pulley" (\$106)	I Ross	2	0	0	0	0	0
SC479	Abbey Pool Play Area Facilities (\$106)	A Wilson	0	0	0	0	0	0
SC492	Jesus Green Play Area (\$106)	A Wilson	2	0	0	0	0	0
SC530	Street Cleaning Planning Software	D Blair	15	0	0	0	0	0
SC540	Electronic Market Management Software	D Ritchie	4	0	0	0	0	0
SC544	Coleridge Recreation Ground Improvements (\$106)	A Wilson	70	0	0	0	0	0
SC548	Southern Connections Public Art Commission (\$106)	A Wilson	25	21	11	21	0	0
SC551	Stourbridge Common - Riverbank Project	A Wilson	0	0	0	0	0	0
SC560	Guildhall & Corn Exchange Cap Schemes RO AR9	D Kaye	98	0	0	0	0	0
SC561	Adaptations - Riverside River Banks	A Wilson	75	0	0	0	0	0
SC562	Review - Street & Open Spaces Benches	A Wilson	5	0	0	0	0	0
SC570	Essential Structural/Holding Repairs - Park Street Multi Storey car park	S Cleary	45	0	0	0	0	0
SC571	Procurement of IT System to Manage Community Infrastructure Levy	S Saunders	20	0	0	0	0	0
SC574	Essential Repairs to Car Parks	S Cleary	165	0	0	0	0	0
SC579	Office Accommodation Strategy	F Barratt	86	0	0	0	0	0
SC582	Corn Exchange Front of House Toilets	D Kaye	7	0	0	0	0	0
SC584	Parker's Piece Lighting Project (\$106)	A Wilson	0	0	0	0	0	0
SC586	Wide Area Network	T Allen	7	0	0	0	0	0
SC587	Telephone payments upgrade & online payments Content Management System (CMS)	J James	16	0	0	0	0	0
SC588	NW Cambridge Development Underground Collection Vehicle	M Parsons	210	0	0	0	0	0
SC589	Grand Arcade Car Park Stairwell Refurbishment	S Cleary	7	0	0	0	0	0
SC590	Structural Holding Repairs & Lift Refurbishment - Queen Anne Terrace Car Park	S Cleary	499	15	20	15	0	0

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
SC591	Crematorium Data Link	T Lawrence	8	0	0	0	0	0
SC596	Replacement Air Cooling Systems	W Barfield	167	0	0	0	0	0
SC597	Empty Homes Loan Fund	Y O'Donnell	200	0	0	0	0	0
SC598	Supply and install generator at the Crematorium	T Lawrence	50	0	0	0	0	0
SC599	Buchan St Shopping Area Improvements	A Wilson	28	0	0	0	0	0
SC600	Far East Prisoners of War Commemorative Plaque	A Wilson	15	0	0	0	0	0
SC601	Replacement Telecommunications & Local Area Network	T Allen	400	0	0	0	0	0
SC602	Buchan Street Community Centre - new roof replacement	I Ross	60	0	0	0	0	0
SC603	Ross Street Community Centre - new boiler system	I Ross	36	0	0	0	0	0
SC604	Replacement Financial Management System	C Ryba	81	161	0	0	0	0
SC605	Replacement Building Access Control System	C Arnold	50	50	0	0	0	0
SC606	Garret Hostel Lane	D Prinsep	22	0	0	0	0	0
SC607	Fleet Maintenance and Management Service at Waterbeach	M Parsons	34	11	0	0	0	0
Capital-GF Projects			2,575	258	31	36	0	0
Capital-Programmes								
PR010a	Environmental Improvements Programme - North Area	A Wilson	132	50	50	50	0	0
PR010b	Environmental Improvements Programme - South Area	A Wilson	143	36	36	36	0	0
PR010c	Environmental Improvements Programme - West/Central Area	A Wilson	136	36	36	36	0	0
PR010d	Environmental Improvements Programme - East Area	A Wilson	144	48	48	48	0	0
PR010di	Environmental Improvements Programme - Riverside/Abbey Road Junction	A Wilson	31	0	0	0	0	0
PR017	Vehicle Replacement Programme	D Cox	1,027	0	0	0	0	0
PR020	ICT Infrastructure Programme	J Nightingale	170	0	0	0	0	0
PR023	Admin Buildings Asset Replacement Programme	W Barfield	71	0	0	0	0	0
PR024	Commercial Properties Asset Replacement Programme	W Barfield	27	0	0	0	0	0
PR027	Replacement of Parks & Open Space Waste/Litter Bins	D Blair	116	0	0	0	0	0
PR028	Litter Bin Replacement Programme	D Blair	132	0	0	0	0	0
PR030a	Increase Biodiversity at Stourbridge Common (S106)	G Belcher	0	0	0	0	0	0
PR030d	St Thomas Square Play Area Improvements (S106)	A Wilson	50	0	0	0	0	0
PR030e	Cavendish Rd (Mill Rd end) improvements: seating & paving (S106)	A Wilson	8	0	0	0	0	0
PR030f	Bath House Play Area Improvements (S106)	A Wilson	49	0	0	0	0	0
PR030h	Romsey 'town square' public realm improvements (S106)	A Wilson	58	0	0	0	0	0

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR030i	Ross St Community Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR030k	C3: grant for kitchen facilities & portable stage lift (\$106)	J Hanson	53	0	0	0	0	0
PR031b	BMX track next to Brown's Field Community Centre (\$106)	A Wilson	29	0	0	0	0	0
PR031d	Chestnut Grove play area improvements (\$106)	A Wilson	50	0	0	0	0	0
PR031f	Buchan St Neighbourhood Centre Improvements (\$106)	S Roden	0	0	0	0	0	0
PR031i	Perse Way Flats Play Area (\$106)	A Wilson	25	0	0	0	0	0
PR031k	St Luke's Church: grant for refurbishment of community facilities (\$106)	J Hanson	30	0	0	0	0	0
PR032c	Cherry Hinton Recreation Ground Improvements (\$106)	A Wilson	0	0	0	0	0	0
PR032e	Accordia Trim Trail & Jnr Scooter Park (\$106)	A Wilson	50	0	0	0	0	0
PR032f	Cherry Hinton Baptist Church Family Centre (\$106)	B Keady	111	0	0	0	0	0
PR032g	Cherry Hinton Rec Ground pavilion refurb. (\$106)	I Ross	99	0	0	0	0	0
PR032h	Trumpington Bowls Club Pavilion Ext. (\$106)	I Ross	70	0	0	0	0	0
PR033a	Benches in Parks & Open Spaces (\$106)	A Wilson	0	0	0	0	0	0
PR033c	Public Art element of improvements to the entrances at Histon Rd Rec (\$106)	A Wilson	13	0	0	0	0	0
PR033f	Histon Rd Rec Ground Improvements (\$106)	A Wilson	55	0	0	0	0	0
PR033i	St Mark's Church Hall - Kitchen / Lobby Extension (\$106)	B Keady	0	0	0	0	0	0
PR033j	St Augustine's Church: grant for church hall side extension (\$106)	J Hanson	87	0	0	0	0	0
PR034a	Logan's Meadow Local Nature Reserve (LNR) Extension (\$106)	G Belcher	0	0	0	0	0	0
PR034b	Paradise Local Nature Reserve (LNR) (\$106)	G Belcher	0	0	0	0	0	0
PR034c	Drainage of Jesus Green (\$106)	A Wilson	6	0	0	0	0	0
PR034d	Public Art - 150th & 400th Anniversary (\$106)	A Wilson	98	0	0	0	0	0
PR034g	Grant for extension to St Andrew's Hall to provide a dedicated space for a community cafe (\$106)	B Keady	0	0	0	0	0	0
PR034i	Parkside Pool Starting Blocks (\$106)	I Ross	0	0	0	0	0	0
PR034p	Cambridge 99 Rowing Club: grant for kitchen facilities (\$106)	I Ross	5	0	0	0	0	0
PR034q	Cambridge Canoe Club: additional boat and equipment store (\$106)	I Ross	10	0	0	0	0	0
PR035	Waste & Recycling Bins - New Developments (\$106)	K Laws	122	125	112	100	0	0
PR036	Additional investment in Commercial Property Portfolio	D Prinsep	8,515	0	0	0	0	0
PR037	Local Centres Improvement Programme	A Wilson	44	0	0	0	0	0
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	G Richardson	15	185	0	0	0	0
PR038	Drainage and resurfacing works at the Crematorium/Huntingdon Road Cemetery and Newmarket Road Cemetery	T Lawrence	20	208	208	400	0	0
PR039	Minor Highway Improvement Programme	A Wilson	30	30	30	30	0	0

Appendix B(a)

Capital Plan 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
PR040	S106 Public Art Projects	A Wilson	0	0	0	0	0	0
PR040a	Big Draw event 2015, Chesterton (public art grant) (S106)	A Wilson	1	0	0	0	0	0
PR040b	Rock Road library community garden (public art grant) (S106)	A Wilson	7	0	0	0	0	0
PR040c	Creating my Cambridge: clicking to connectivity (public art grant)	A Wilson	15	0	0	0	0	0
PR040d	Twilight at the Museums 2016: animated light projection (public art grant) (S106)	A Wilson	14	0	0	0	0	0
PR040e	Cambridge Sculpture Trails leaflet (public art grant) (S106)	A Wilson	3	0	0	0	0	0
Capital-Programmes			11,870	718	520	700	0	0
Capital-GF Provisions								
PV007	Cycleways	A Wilson	275	100	100	100	0	0
PV016	Public Conveniences	A Wilson	41	0	0	0	0	0
PV018	Bus Shelters	A Wilson	127	0	0	0	0	0
PV033B	Street Lighting	A Wilson	82	0	0	0	0	0
PV163	Compulsory Purchase Orders (CPOs)	R Ray	0	0	0	0	0	0
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	10	10	47	0	0	0
PV221b	Lion Yard - Contribution to Works Phase 2	P Doggett	40	40	300	0	0	0
PV386	HMOs - Management Orders	R Ray	0	0	0	0	0	0
PV526	Clay Farm Community Centre - Phase 1 (S106)	A Carter	0	0	0	0	0	0
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	88	0	0	0	0	0
PV532	Cambridge City 20mph Zones Project	A Wilson	316	0	0	0	0	0
PV549	City Centre Cycle Parking	A Wilson	190	0	0	0	0	0
PV554	Development Of land at Clay Farm	A Carter	1,159	269	100	120	56	487
PV564	Clay Farm Community Centre -Phase 2 (Construction)	A Carter	9,810	0	0	0	0	0
PV583	Clay Farm Commercial Property Construction Costs	D Prinsep	100	375	25	0	0	0
PV594	Green Deal	J Dicks	5,404	0	0	0	0	0
PV595	Green Deal - Private Rental Sector	J Dicks	1,829	0	0	0	0	0
Capital-GF Provisions			19,471	794	572	220	56	487
Total GF Capital Plan			33,916	1,770	1,123	956	56	487

Appendix B(b)

Capital Plan [Under Development] 2015/16 to 2020/21

Ref.	Description	Lead Officer	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
Capital-GF Under Development								
UD016	Public Conveniences	A Wilson	0	437	0	0	0	0
UD020	ICT Infrastructure Programme	J Nightingale	0	90	160	110	0	0
UD023	Admin Buildings Asset Replacement Programme	T Burdon	0	138	74	62	0	0
UD024	Commercial Properties Asset Replacement Programme	D Prinsep	0	433	20	22	0	0
UD030g	East Barnwell Comm. Centre impr. phase 1 (\$106)	D Kaye	0	255	0	0	0	0
UD030j	Cavendish Rd (Mill Rd end) improvements: public art (\$106)	A Wilson	0	30	0	0	0	0
UD030l	Sturton Street Chapel & Hall: grant for community meeting space conversion (\$106)	J Hanson	0	49	0	0	0	0
UD031g	Milton Rd Library Community Meeting Space (\$106)	D Kaye	0	100	0	0	0	0
UD033k	King's College School: grant for visitor sports changing facilities (\$106)	I Ross	0	50	0	0	0	0
UD034j	Rouse Ball Pavilion Development	A Wilson	0	250	0	0	0	0
UD034m	King's College School: grant for visitor sports changing facilities (\$106)	I Ross	0	75	0	0	0	0
UD034n	Cambridge Gymnastics Academy: grant for warehouse conversion into gym facility (\$106)	I Ross	0	65	0	0	0	0
UD034o	Netherhall School: supplementary grant for gym and fitness suite facilities (\$106)	I Ross	0	64	0	0	0	0
UD034r	Cambridge Rugby Club: grant for new changing rooms (\$106)	I Ross	0	200	0	0	0	0
UD037	Local Centres Improvement Programme	G Richardson	0	0	195	195	195	0
UD037b	Local Centres Improvement Programme - Arbury Court	G Richardson	0	195	0	0	0	0
UD472	Cherry Hinton Hall Grounds Improvements (\$106)	A Wilson	0	400	0	0	0	0
UD475	Nightingale Recreation Ground Pavilion Refurbishment (\$106)	I Ross	0	200	0	0	0	0
UD534	Refurbishment of Park Street Car Park	S Cleary	0	0	0	0	0	0
UD593	A14 mitigation schemes (previously Keep Cambridge Moving Fund contribution)	S Payne	0	0	0	0	1,500	0
UD607	Grand Arcade LED Lights	S Cleary	0	286	0	0	0	0
Capital-GF Under Development			0	3,317	449	389	1,695	0

Total GF Under Development	0	3,317	449	389	1,695	0
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Appendix B (c)

Capital Plan Funding 2015/16 to 2020/21

Description	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
External Support						
Developer Contributions	(6,867)	(146)	(123)	(121)	0	0
Other Sources	(9,047)	(50)	(50)	(50)	0	0
Prudential Borrowing	(2,804)	0	0	0	0	0
Supplementary Credit Approvals (SCA)	0	0	0	0	0	0
Total - External Support	(18,718)	(196)	(173)	(171)	0	0
City Council						
Direct Revenue Financing (DRF) - GF Services	(2)	0	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(10,857)	(1,562)	(1,880)	(1,880)	(1,880)	(1,880)
Earmarked Reserve - Capital Contributions	(297)	(208)	(208)	(400)	0	0
Earmarked Reserve - Repair & Renewals Fund	(2,228)	(15)	(20)	(15)	0	0
Earmarked Reserves - Technology Investment Fund	(4)	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(1,159)	(269)	(100)	(120)	(56)	(487)
Usable Capital Receipts	(665)	(425)	(372)	0	0	0
Total - City Council	(15,212)	(2,479)	(2,580)	(2,415)	(1,936)	(2,367)
Total Available Finance	(33,930)	(2,675)	(2,753)	(2,586)	(1,936)	(2,367)

Appendix B (d)

Funding of Capital Projects Under Development 2015/16 to 2020/21

Description	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	2018/19 (£000's)	2019/20 (£000's)	2020/21 (£000's)
External Support						
Developer Contributions	0	(1,738)	0	0	0	0
Total - External Support	0	(1,738)	0	0	0	0
City Council						
Direct Revenue Financing (DRF) - Use of Reserves	0	(1,293)	(449)	(389)	(195)	0
Earmarked Reserve - Capital Contributions	0	(286)	0	0	(1,500)	0
Total - City Council	0	(1,579)	(449)	(389)	(1,695)	0
Total Available Finance	0	(3,317)	(449)	(389)	(1,695)	0

Appendix C

General fund reserves – calculation of Prudent Minimum Balance (PMB) and target level

Description	Level of risk	Amount at risk	Risk
		£	£
Employee costs	Medium	29,144,100	87,432
Premises costs	Medium	8,646,810	51,881
Transport costs	Medium	1,244,900	7,469
Supplies and services	Medium	13,317,280	26,635
Grants and transfers	Medium	41,115,330	61,673
Grant income	Medium	49,788,620	74,683
Other income	High	44,936,490	674,047
Miscellaneous	Medium	683,600	1,367
Total one year operational risk			985,188

Allowing three years cover on operational risk **2,955,563**

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	2,000,000	25%	500,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	300,000	25%	75,000
Capital project overruns	100,000	50%	50,000
Project failure / delays to savings realisation	1,000,000	50%	500,000
Cover for lower level of earmarked and specific reserves	1,000,000	100%	1,000,000

General risks **2,175,000**

Prudent Minimum Balance **5,130,563**

Target (PMB + 20%) **6,156,675**

Operational cost risk profiles

			<i>Low</i>	<i>Medium</i>	<i>High</i>
Employee costs	overspend		1.00%	2.00%	3.00%
29,144,100	probability		20.0%	15.0%	10.0%
	amount at risk		58,288	87,432	87,432
Premises costs	overspend		2.00%	4.00%	6.00%
8,646,810	probability		20.0%	15.0%	10.0%
	amount at risk		34,587	51,881	51,881
Transport costs	overspend		2.00%	4.00%	6.00%
1,244,900	probability		20.0%	15.0%	10.0%
	amount at risk		4,980	7,469	7,469
Supplies and services	overspend		1.00%	2.00%	3.00%
13,317,280	probability		15.0%	10.0%	5.0%
	amount at risk		19,976	26,635	19,976
Grants and transfers	overspend		1.00%	2.00%	3.00%
41,115,330	probability		10.0%	7.5%	5.0%
	amount at risk		41,115	61,673	61,673
Grant income	overspend		1.00%	2.00%	3.00%
49,788,620	probability		10.0%	7.5%	5.0%
	amount at risk		49,789	74,683	74,683
Other income	overspend		5.00%	10.00%	15.00%
44,936,490	probability		15.0%	12.5%	10.0%
	amount at risk		337,024	561,706	674,047
Other	overspend		1.00%	2.00%	3.00%
683,600	probability		15.0%	10.0%	5.0%
	amount at risk		1,025	1,367	1,025

Appendix D

Earmarked and Specific Funds

Fund	Balance at 1 April 2015	Planned contributions	Planned Commitments	Uncommitted balance to end of 2020/21
	£000	£000	£000	£000
City Deal Investment and Delivery Fund	-	(22,113)	-	(22,113)
A14 Mitigation Fund	-	(1,500)	-	(1,500)
Sharing Prosperity Fund	(493)	(325)	573	(245)
Climate Change Fund	(347)	-	347	-
Asset Replacement Fund (previously Repairs and Renewals)	(2,220)	(6,000)	5,970	(2,250)
Bereavement Services (Trading / Asset Replacement Fund)	(456)	(1,961)	1,960	(457)
Council Tax Earmarked for Growth	(432)	(2,906)	3,222	(116)
Efficiency Fund	(217)	-	128	(89)
Property Strategy Fund	(61)	-	61	-
Total	(4,226)	(34,805)	12,261	(26,770)