



To: Executive Councillor for Strategy and Transformation  
Report by: Chief Executive, Strategic Directors and Head of Finance  
Relevant scrutiny committee: Strategy and Resources  
Scrutiny Committee 23 January 2017  
Wards affected: All Wards

**Strategy and Resources – Strategy and Transformation Portfolio  
Revenue and Capital Budget Proposals for 2016/17 to 2021/22**

**Key Decision**

**1. Executive summary**

**Revenue and Capital Budgets**

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2017/18 which will be considered at the following meetings:

Date	Committee	Comments
23 January 2017	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
26 January 2017	The Executive	Budget amendment may be presented
13 February 2017	Strategy & Resources	Consider any further amendments including opposition proposals
23 February 2017	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

**2. Recommendations**

The Executive Councillor is recommended to:

**Review of Charges:**

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

**Revenue:**

- b) Consider the revenue budget proposals as shown in Appendix B.

**Capital:**

- c) Consider the capital budget proposals as shown in Appendix C (none for this Portfolio).
- d) Adjust capital funding for item 2 (c) (none).

**3. Background**

- 3.1 At its meeting on 20 October 2016, Council gave initial consideration to the budget prospects for the General Fund for 2017/18 and future years in the Medium-Term Financial Strategy (MTFS) 2016.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 23 January 2017 will include a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 26 January 2017 may include details of the Government's Final Settlement for 2017/18. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2017.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

**Budget 2017/18 - Overall Revenue Budget Position**

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 26 January 2017.

**Table 1: Overall Revenue Proposals (see Appendix B)**

<b>Savings and Bids</b>	<b>2017/18 Budget £</b>	<b>2018/19 Forecast £</b>
<b>Savings:</b>		
Savings	(196,500)	(86,500)
<b>Total</b>	<b>(196,500)</b>	<b>(86,500)</b>
<b>Bids:</b>		
Unavoidable Revenue Pressures	312,900	312,900
Bids	360,000	10,000
Programme Bids	154,000	269,000
<b>Total</b>	<b>826,900</b>	<b>591,900</b>
<b>Net (savings)/bids</b>	<b>630,400</b>	<b>505,400</b>

<b>External Bids</b>	-	-
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<b>Non-Cash Limit Items</b>	<b>53</b>	-
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## Capital

- 3.6 The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). New capital proposals for this portfolio are shown in Appendix C.

**Table 2: Overall Capital Proposals (see Appendix C)**

	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
Capital Deletions	-	-	-	-	-	-
Capital Bids	-	-	-	-	-	-
<b>Net Capital Bids</b>	-	-	-	-	-	-

## **Public Consultation**

- 3.7 The Council has carried out a budget consultation exercise annually since 2002.
- 3.8 This year the council commissioned Mel Research, an independent research company, to carry out a residents' survey following methodology set out in the Local Government Association's (LGA) 'Are you being served' guidelines, found at [local.gov.uk/web/10180/home/-/journal\\_content/56/10180/3484891/ARTICLE](http://local.gov.uk/web/10180/home/-/journal_content/56/10180/3484891/ARTICLE).
- 3.9 This involved sending out by post a questionnaire to a random sample of 4,400 residents. From this random sample 1,250 people returned questionnaires, providing a robust view of what Cambridge residents think.
- 3.10 The questionnaire asked what residents thought about the council, the level of importance they attached to council services, how satisfied they were with services, and how they interacted with the council. Some questions were comparable with those asked in surveys carried out in 2011 and 2008, allowing for changes over a period of time to be identified. Where other local authorities have used the same LGA approach it has been possible to benchmark results.
- 3.11 The final report also includes insights provided by two workshops - the first involving residents from low income households and the second representatives from local businesses. These two groups are important because of the direction given by the council's Anti-Poverty Strategy and the need for the council's to fulfil its best value duty to consult about its budget priorities.
- 3.12 The results of the residents' survey was published on 17 November 2016 and can be found on the council's website at [cambridge.gov.uk/budget-consultation](http://cambridge.gov.uk/budget-consultation).

## **4. Implications**

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

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

Financial implications of budget proposals are summarised in the BSR 2017/18.

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

See text above.

### **(c) Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately on this agenda. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR, preface to Appendix C) has been included in each budget proposal to assist with assessment.

**(d) Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

**(e) Procurement Implications**

Any procurement implications will be outlined in the BSR 2017/18.

**(f) Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

[cambridge.gov.uk/current-consultations](http://cambridge.gov.uk/current-consultations)

**(g) Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2017/18.

## **5. Background papers**

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

- Budget Setting Report 2017/18
- Medium-Term Financial Strategy (MTFS) October 2016
- Individual Equality Impact Assessments

## **6. Appendices**

The following items, where applicable, are included for discussion:

<b>Appendix</b>	<b>Proposal Type</b>	<b>Included</b>
<b>A</b>	Review of Fees & Charges	x
<b>B</b>	Revenue Budget Proposals for this portfolio	✓
<b>C</b>	Capital Budget Proposals for this portfolio	x

## 7. Inspection of papers

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

Authors' Names:	John Harvey
Authors' Phone Numbers:	01223 – 458143
Authors' Emails:	<a href="mailto:john.harvey@cambridge.gov.uk">john.harvey@cambridge.gov.uk</a>

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# 2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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## Bids

### Strategy & Transformation

<b>B3927</b>	<b>Additional funding to the Council's Climate Change Fund</b>	0	250,000	0	0	0	David Kidston	+H
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An additional allocation to the Council's Climate Change Fund to support carbon reduction projects to be delivered in 2017/18, including a range of energy saving measures at the Guildhall (potential projects include solar photo-voltaics, LED lighting, a Combined Heat and Power system and a Building and Energy Management system) None  
[For details on investments see C3934]

<b>B3977</b>	<b>Further contribution to the Sharing Prosperity Fund</b>	0	100,000	0	0	0	David Kidston	Nil
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This makes a further contribution to the Sharing Prosperity Fund supplementing those made in July 2014, February 2015, February 2016 and October 2016. The funding would support the delivery of new and expanded projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy, including the extension and expansion of successful pilot projects, or new projects to meet identified needs for low income residents. Potential projects include: work to promote financial literacy and inclusion; further work to address fuel and water poverty; continued support for volunteering; and projects to improve the mental and physical health of residents on low incomes. High

<b>B3988</b>	<b>Street lighting contribution</b>	0	10,000	10,000	10,000	10,000	Lynda Kilkelly	-L
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This bid is to allow the city centre, historic core and residential areas to be lit to 80% between 10pm and 2.00 am and at 60% until dawn. The County Council restored funding in December 2016 for overnight lighting (see S3939), but not to lighting levels considered bright enough for Cambridge's needs as a city. None

### Total Bids in Strategy & Transformation

0	360,000	10,000	10,000	10,000
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### Total Bids

0	360,000	10,000	10,000	10,000
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## 2017/18 Budget - Revenue proposals

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## Non-Cash Limit Items

## Strategy &amp; Transformation

NCL3899	Reprofile Apprentice Scheme delivery between years 2016/17 and 2017/18	(53,000)	53,000	0	0	0	Deborah Simpson	Nil
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In 2014/15 budget provision was made for a four year apprentice programme. The Council started work on developing an apprentice scheme to recruit 20 apprentices over a four year period to support people in gaining workplace skills in Cambridge. The programme to increase apprenticeships will continue through to March 2018, requiring the carrying over of £50k from the 2016/17 budget to 2017/18 to complete the programme. Low

## Total Non-Cash Limit Items in Strategy &amp; Transformation

(53,000)	53,000	0	0	0
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## Total Non-Cash Limit Items

(53,000)	53,000	0	0	0
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## 2017/18 Budget - Revenue proposals

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## Programme

### Strategy & Transformation

<b>PROG3908</b>	<b>Additional funding for Business Transformation Programme</b>	0	154,000	269,000	0	0	Paul Boucher	Nil
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The Council has previously allocated significant funding for a complex council-wide programme of transformational change, including shared services and initial work developing a new council Digital Strategy. This additional funding will enable further Business Transformation Programme projects to be delivered over the next two years. The bid will provide for the additional change resources required to deliver future projects and other staffing costs associated with the programme.

#### Total Programme in Strategy & Transformation

0	154,000	269,000	0	0
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#### Total Programme

0	154,000	269,000	0	0
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## 2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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## Savings

## Strategy &amp; Transformation

<b>S3868</b>	<b>Restructure of the Stores Team and improved procurement processes</b>	0	(13,000)	(13,000)	(13,000)	(13,000)	Trevor Burdon	Nil
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A restructure of the Stores Team is anticipated to reduce staff numbers by one full time equivalent post, delivering savings to both the General Fund and the HRA. Following restructure of the Stores Team, and planned re-location to Cowley Road, improved procurement and supply chain management are anticipated to deliver savings to both the General Fund and the HRA. None

<b>S3902</b>	<b>Miscellaneous Democratic Service savings</b>	0	(28,000)	(28,000)	(28,000)	(28,000)	Gary Cliff	Nil
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Restructuring of officer support to the Mayoralty (£24k) and additional small saving (£4k) from first full year reduction in the frequency of Area Committees None

<b>S3918</b>	<b>Election 2017 - one-off saving</b>	0	(110,000)	0	0	0	Gary Cliff	Nil
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Cambridgeshire district councils run elections for the county council every four years and are reimbursed. This takes place every fourth year and there are county council elections in May 2017. Therefore there is a one-off saving of £110,000 for this year's county council elections. None

<b>S3939</b>	<b>Reduction in street lighting contribution</b>	0	(45,500)	(45,500)	(45,500)	(45,500)	Lynda Kil Kelly	Nil
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Cambridgeshire County Council has reversed the decision to turn off lighting in the City resulting in a saving of £45,500 which the City had allocated in order to keep the lights on in all areas of the city (2016/17 budget B3821) [see also proposal B3988] None

<b>Total Savings in Strategy &amp; Transformation</b>	<b>0</b>	<b>(196,500)</b>	<b>(86,500)</b>	<b>(86,500)</b>	<b>(86,500)</b>			
<b>Total Savings</b>	<b>0</b>	<b>(196,500)</b>	<b>(86,500)</b>	<b>(86,500)</b>	<b>(86,500)</b>			

## 2017/18 Budget - Revenue proposals

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## Unavoidable Revenue Pressure

## Strategy &amp; Transformation

URP3900	Changes to the calculation of holiday pay for employees	0	46,900	46,900	46,900	46,900	Deborah Simpson	Nil
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Following changes to the way in which holiday pay should be calculated to include overtime, allowances and commission in addition to basic pay, the increased cost of amending the holiday pay calculation (based on 2015/16 costs) is estimated as an overall total of £70,000 of which £23,100 relates to the HRA. Low

URP3972	Increase in Business Rates costs resulting from 2017 Rating Revaluation	0	266,000	266,000	266,000	266,000	Dave Prinsep	Nil
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Projected increase in business rates costs for Cambridge City Council's property portfolio as a result of the 2017 Rating Revaluation. None

## Total Unavoidable Revenue Pressure in Strategy &amp; Transformation

0	312,900	312,900	312,900	312,900
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## Total Unavoidable Revenue Pressure

0	312,900	312,900	312,900	312,900
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## Report Total

(53,000)	683,400	505,400	236,400	236,400
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