

Item

Strategy & Transformation Portfolio

Revenue and Capital Budget Proposals for 2017/18 to 2022/23

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

Committee:

22 January 2018, Strategy and Resources Scrutiny Committee

Report by:

Chief Executive, Strategic Directors, Head of Finance

Wards affected:

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

Key Decision

1. Executive Summary

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) 2018/19 which will be considered at the following meetings:

Date	Committee	Comments
22 January 2018	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
25 January 2018	The Executive	Budget amendment may be presented
12 February 2018	Strategy & Resources	Consider any further amendments including opposition proposals
22 February 2018	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.
- d) Adjust capital funding for item 2 (c).

3. Background

- 3.1 At its meeting on 19 October 2017, Council gave initial consideration to the budget prospects for the General Fund for 2018/19 and future years in the Medium-Term Financial Strategy (MTFS) 2017.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 22 January 2018 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 25 January 2018 may include details of the Government's Final Settlement for 2018/19. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2018.
- 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 2018/19 - 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 25 January 2018.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2018/19 Budget £	2019/20 Forecast £
Savings:		
Increased Income	-	-
Savings	(86,500)	(170,200)
Total	(86,500)	(170,200)
Bids:		
Unavoidable Revenue Pressures	57,100	69,100
Reduced Income	-	-
Programme	250,000	100,000
Bids	1,033,200	412,200
Total	1,340,300	581,300
Net (savings)/bids	1,253,800	411,100

External Bids	-	-
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Non-Cash Limit Items (net)	-	-
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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 and summarised in Table 2.

Table 2: Overall Capital Proposals (see Appendix C)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
New Capital Bids	1,030,000	9,081,000	10,200,000	2,500,000	-	-

Public Consultation

- 3.7 The Council has carried out a budget consultation exercise annually since 2002.
- 3.8 This year the Council chose to focus its budget consultations on finding out what a representative sample of local people think about approaches to finding savings that the Council is either currently following or considering. As a part of this participants were also invited to offer any other additional saving ideas that the Council could investigate. This approach was followed this year because it was felt, based on previous experience, wider residents' views about services or the Council were unlikely to have changed since 2016, when a broader residents' survey was carried out.
- 3.9 The budget consultation was undertaken by an independent market research company during September 2017, with 445 randomly selected households participating. In addition two workshops were held with people from low income households to get their perspective. Local businesses were also invited to participate in the consultation and 74 returned completed questionnaires.
- 3.10 The results of the consultation can be found on the council's website at: <https://www.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 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

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Financial implications of budget proposals are summarised in the General Fund BSR 2018/19.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund BSR 2018/19.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately to Strategy and Resources Scrutiny Committee. 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) 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 2018/19.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2018/19.

5. Consultation and communication considerations

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

6. Background papers

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

- Budget-Setting Report 2018/19
- Medium-Term Financial Strategy October 2017
- Individual Equality Impact Assessments

7. Appendices

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

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

8. Inspection of papers

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

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Review of Charges

Conference/exhibition letting charges for Guildhall

DAILY LETS:-	Charges 2017/18 *	Charges 2018/19 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£134.36	£137.72	2.50%
Evening/Weekends/Bank Holidays (per hour)	£134.36	£137.72	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£268.69	£275.41	2.50%
Evening/Weekends/Bank Holidays (per hour)	£161.21	£165.24	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£134.36	£137.72	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£51.19	£52.47	2.50%
Evening, after 5pm (per hour) + day rate	£51.19	£52.47	2.50%

* All charges are subject to VAT.

2018/19 Budget - Revenue Proposals

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Reference	Item Description	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Strategy & Transformation

B4005	Additional funding for the Council's Climate Change Fund	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 2018/19, subject to the outcome of feasibility studies to be carried out. Potential projects could include: a solar PV or solar thermal installation at Parkside Pools; a biomass boiler at Kings Hedges Learner Pool; and heating and lighting improvements at the Corn Exchange. None

B4006	Increased capacity to produce public information films	0	9,000	9,000	9,000	9,000	Andrew Limb	Nil
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The purpose of this bid is to increase the council's capacity to produce videos that help to explain its services to residents and other audiences. These videos would be published via the council's social media channels and website, serving to increase awareness of, and access to, the council's services. Bid funds would be used to buy external professional expertise and equipment and/or increase the Council's in-house capabilities. None

B4007	Future contribution to the Sharing Prosperity Fund	0	200,000	0	0	0	David Kidston	Nil
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This makes a further contribution to the Sharing Prosperity Fund. The funding will support the delivery of new or extended projects which will contribute to the delivery of the objectives of the Anti-Poverty Strategy. Potential projects include: extension of the existing Fuel and Water Poverty Officer post; continuing existing work to promote digital access for residents on low incomes and in poverty; continuation of the Living Wage campaign; and a pilot of the Cambridgeshire Culture Card with children and young people who are receiving free school meals and/or pupil premium, which will be addressed in a detailed report for decision after scrutiny by the Community Services Committee. High

B4008	Review of electoral arrangements for Cambridge City Council.	0	20,000	0	0	0	Vicky Breeding	Nil
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The Local Government Boundary Commission for England are conducting a review of the number of councillors, wards and ward boundaries within Cambridge. Extra funding is required to backfill electoral services staff time that will be taken up by the review project, and potentially to buy in additional external analytical capacity. Additional scope also required for necessary research tools and assistance. None

B4015	Funding to support the Cambridge Northern Fringe East (CNFE) Bid	0	475,000	324,000	0	0	Fiona Bryant	Nil
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2018/19 Budget - Revenue Proposals

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Bids

The Cambridge Northern Fringe East offers the last major available undeveloped brownfield site in None Cambridge as a potential site for a new innovation quarter with a live, work and learn philosophy within an area of high connectivity. It forms the Combined Authority's priority bid for the Housing Infrastructure Fund for Capital Funding to relocate the Anglian Water Waste Treatment works as part of a major infrastructure project for housing delivery (7,600 homes proposed). Revenue funding is needed firstly to establish and maintain programme governance and key management support through the bid process and beyond (18/19 £122k and if the bid is successful, a further £137k in 19/20). Secondly funding is required to develop an Area Action Plan (AAP). To meet delivery timescales the AAP process needs to be initiated in 18/19 in advance of the bid outcome. As the AAP covers a wider area than the core CNFE area, the development of an appropriate AAP will be required whatever the bid outcome

B4037	Anti Social Behaviour work and Street Life Coordinator post	0	26,200	26,200	26,200	0	Lynda Kil Kelly	Nil
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A one-year only bid of £59.8 was approved in 2017/18 initially to allow a full review of the ASB service, to identify future work levels and priorities for the Council. The review has been carried out and a number of workload areas have been identified that are non-HRA and that must be funded by the General Fund if they are to continue. They include two days per week required to do case work on street life community issues previously funded by the PCC, and essential to the overall strategy of the Street Life Working Group. The net bid for non-HRA work is £26.2k for 2017/18 and will be reviewed in 2020.

B4040	Proposal for a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour	0	28,000	28,000	28,000	28,000	Deborah Simpson	Nil
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The proposal is to introduce a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour. For employees the weighting will be paid in addition to salary and the Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour. For agency workers the weighting will apply in addition to current hourly rates and the Living Wage arrangements. The weighting will be variable, depending upon the current hourly rate and the Living Wage supplement payable at that time.

B4110	Support for asylum seekers and refugees	0	25,000	25,000	0	0	Lynda Kil Kelly	Nil
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A survey was commissioned with Cambridge Ethnic Community Forum to get a better understanding of asylum seekers and refugees in Cambridge not included in the Government schemes under which the Council is resettling refugees. The survey also sought to learn what issues and support is required. This 2 year funding bid will be used to commission services to help meet the needs identified, for example;

- Providing effective information and translation services
- Tackling economic and social marginalisation
- Providing assistance with immigration status
- Finding accommodation. The funding is needed in 2018/19 as 2017/18 funding via grant, and via Home Office funding to provide advice for VNPR programme refugees no longer applies. The new service will be reviewed mid- way through year 2 to establish whether further support is required in future years.

Total Bids in Strategy & Transformation	0	1,033,200	412,200	63,200	37,000			
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2018/19 Budget - Revenue Proposals

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Bids

Total Bids	0	1,033,200	412,200	63,200	37,000
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2018/19 Budget - Revenue Proposals

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Non-Cash Limit Items

Strategy & Transformation

NCL4146	Mill Road depot redevelopment - Equity Loan to CIP - interest receivable	0	(14,000)	(30,000)	(48,000)	(168,000)	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan, in excess of budgeted investment returns None

NCL4147	Mill Road depot redevelopment - Equity Loan to CIP - Contribution to GF development earmarked reserve	0	14,000	30,000	48,000	168,000	Fiona Bryant	Nil
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Interest receivable in relation to CIP equity loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

NCL4148	Mill Road depot redevelopment - Development Loan to CIP - interest receivable	0	(19,000)	(350,000)	(200,000)	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan, in excess of budgeted investment returns None

NCL4149	Mill Road depot redevelopment - Development Loan to CIP - Contribution to GF development earmarked reserve	0	19,000	350,000	200,000	0	Fiona Bryant	Nil
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Interest receivable in relation to CIP development loan in excess of budgeted investment returns moved to None earmarked reserve to provide contingency and risk mitigation for the project

Total Non-Cash Limit Items in Strategy & Transformation

0	0	0	0	0
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Total Non-Cash Limit Items

0	0	0	0	0
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2018/19 Budget - Revenue Proposals

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Programme

Strategy & Transformation

PROG4067	Additional funding for Business Transformation Programme	0	250,000	100,000	0	0	Paul Boucher	Nil
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The Council is currently 3 years into delivering a programme of transformational change. We are focussing None the next tranche of projects around delivering the implementation of our digital transformation strategy. The programme has already helped to support the delivery of savings within other programmes through project management and procurement support. Up to 25% of project costs can be incurred without effective management. We aim to deliver more services digitally online whilst still providing support for vulnerable customers or those with complex needs. The bid supports the retention of the Programme Office to support the programme to the end of 2019/20 and provides for additional business analysis and project management resources required to deliver these projects and other staffing costs associated with the programme.

Total Programme in Strategy & Transformation

0	250,000	100,000	0	0
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Total Programme

0	250,000	100,000	0	0
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2018/19 Budget - Revenue Proposals

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Savings

Strategy & Transformation

S4102	Reduced pension deficit contributions from the GF	0	(86,500)	(170,200)	(170,200)	(170,200)	John Harvey	Nil
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Following the latest triennial review and negotiations for a 3 year up-front settlement, the anticipated None contributions from the GF to meet the pension deficit are lower than previously budgeted.

Total Savings in Strategy & Transformation

0	(86,500)	(170,200)	(170,200)	(170,200)
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Total Savings

0	(86,500)	(170,200)	(170,200)	(170,200)
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2018/19 Budget - Revenue Proposals

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Unavoidable Revenue Pressure

Strategy & Transformation

URP4009	Members Allowances	0	12,000	24,000	24,000	24,000	Gary Cliff	Nil
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There is further work from the Independent Remuneration Panel on special responsibility allowances and any None approved increase would need funding. Also, the basic allowance for all Members will rise in line with the National Living Wage up to and including 2019/2020 and is the majority of the total bid.

URP4020	Increase in recharge of Asset Management Team to the General Fund	0	45,100	45,100	45,100	45,100	Trevor Burdon	Nil
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A review of the work undertaken by the HRA Asset Management Team results in an increase in recharge to None the General Fund in respect of work to administrative buildings, compliance and commercial property, etc

Total Unavoidable Revenue Pressure in Strategy & Transformation

0	57,100	69,100	69,100	69,100
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Total Unavoidable Revenue Pressure

0	57,100	69,100	69,100	69,100
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Report Total

0	1,253,800	411,100	(37,900)	(64,100)
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2018/19 Budget - Capital Proposals

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Capital Bids

Strategy & Transformation

C4041	Cambridge City CCTV infrastructure procurement	80,000	521,000	0	0	0	Joel Carre	+L
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Invest in City Council CCTV infrastructure as follows: a) Replacement of beyond economic repair/ obsolete CCTV cameras (60 x public space and 43 x public car park) with new Digital IP High Definition cameras; b) Replacement of obsolete digital CCTV recording and software platform with new Network Video Recording and suitable software platform and client PC operator machines; and c) Upgrade CCTV radio network so that it is resilient and uses an OFCOM licenced frequency to prevent interference and ensure stable usage in line with operational requirements. Of the total associated investment, £66K is directly attributable to Parking Service CCTV infrastructure. None

C4142	Mill Road depot development - capital contribution	0	5,760,000	0	0	0	Fiona Bryant	Nil
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A capital contribution of £5,760k is proposed to support the redevelopment of the council's Mill Road depot, principally for affordable and market housing. This development will be delivered by CIP providing the council with a capital receipt for the land and a projected surplus on the scheme. [Funded by temporary borrowing] None

C4144	Mill Road depot redevelopment -Equity Loan to CIP	950,000	1,250,000	1,000,000	2,500,000	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing] None

C4145	Mill Road depot redevelopment - Development Loan to CIP	0	1,550,000	9,200,000	0	0	Fiona Bryant	Nil
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As a partner in CIP, the Council will provide a loan, matched by its partner in the CIP, Hill Investment Partnership, to enable the development of the Mill Road depot site to provide affordable and market housing. The interest rate will be 5% per annum. [Funded by temporary borrowing] None

Total Capital Bids in Strategy & Transformation

1,030,000	9,081,000	10,200,000	2,500,000	0
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Total Capital Bids

1,030,000	9,081,000	10,200,000	2,500,000	0
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Report Total

1,030,000	9,081,000	10,200,000	2,500,000	0
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