

## Budget Setting Report 2019/20

Additional information requested by Liberal Democrat group for Strategy & Resources Scrutiny Committee on 11 February 2019

### Communities

#### 1. C4156 – CHUB - community extension to Cherry Hinton Library

#### Q. A full breakdown of funding plans for this scheme and a copy of the case approved by the Capital Board

The scheme proposes to extend the existing Cherry Hinton Library building to provide additional community facilities including; a kitchen and community café, new accessible toilets; 3 new meeting spaces which can be opened to the library space for large community events.

The total estimated full scheme cost is **£767k**. The funding identified is set out below:

<b>Funder</b>	<b>Amount</b>
Cherry Hinton Residents Association	£1,500
City Council Community Services	£5,000
County Council	£28,000
City Council S106	£200,000
External funding	£250,000
<b>Total Funding</b>	<b>£484,500</b>

The current shortfall to deliver the whole scheme in one phase is therefore **£283k**.

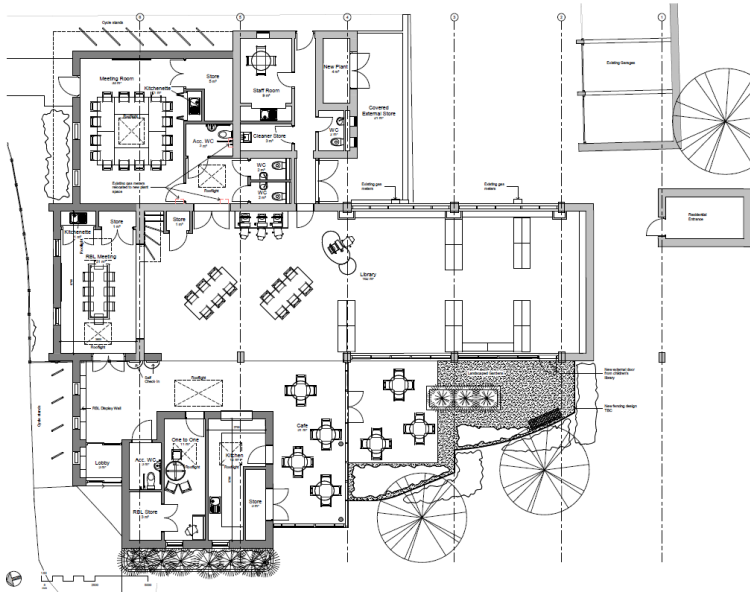
The Council is being asked to meet the shortfall of £283k, bringing total City Council funding to £483k.

If the shortfall of capital cannot be met to deliver the entire scheme at the same time, it will have to be delivered in two phases. This is likely to increase the build costs by an additional £60k due to the need to re-procure; changes in material prices and a second phase of contractor mobilisation.

External Funding is from the Royal British Legion who require a reducing liability arrangement for their funding, meaning repayments by the City Council if RBL's local membership declines below and agreed level.

A copy of the capital programme board report is attached separately. This is the scheme report from its original approval, which was for Part A of the scheme. Thus the figures are different from those included in the BSR, which now seeks to deliver the whole scheme in one single phase.

The CHUB Scheme Plans (concept stage taken out for public consultation October/November 2018):



View looking towards cafe space



View looking at Main Entrance

**2. S4286 – Reduce level of funding to Neighbourhood Community Partnerships (NCPs) pending a full review**

**Q. NCP purpose/remit; current distribution between neighbourhoods and proposed distribution of reduction; existing activities funded from current grants; officer impact assessment or reduction**

**(a) Remit of NCP projects:**

NCPs were established over 20 years ago in Abbey, Arbury and Kings Hedges areas of the city, in response to need. Initially there was a capital sum allocated for communities to spend on agreed priorities. Following on from this, a revenue budget was administered through the Neighbourhood Community Development Team. This was used to fund projects in each area and employ community workers on behalf of steering groups in each area.

- Over time groups established themselves as independent organisations (Abbey People and more recently the Arbury and Kings Hedges grouped merged to form the North Cambridge Community Partnership) and were then given grants from the NCP budget to deliver activities. Workers continued to be employed by the City Council until this year.
- The groups have run projects in their areas to meet local need and the North Cambridge projects also manages no. 37 Lawrence Way community facility with support from the funding
- See previous committee reports – Review of NCPs (16.10.2014) and Building Stronger Communities (18.01.2018)

**(b) Existing activities include:**

Activities for children and young people eg Easter egg hunt; Panto  
Community events e.g. Xmas lights; summer trips; Big lunch; cooking sessions;  
Running costs, e.g. office, telephone, newsletters

**(c) 2019/20 Budget without realignment and without savings:**

- Abbey People £26,185
- North Cambridge Community Partnership £62, 625
- **Total £88,810**

**(d) 2019/20 Budget following realignment in line with wards of highest need:**

- Abbey People £30,195 (no savings) / £23,395 (with savings)
- North Cambridge Community Partnership £58,615 (no savings) / £45,415 (with savings)
- **Total £88, 810 (no savings) / £68,810 (savings)**

**(e) Officer impact assessment on reduction in Budget:**

We have been working with both groups over the last 18 months to 2 years to highlight the importance of becoming more self-sustaining. In previous years, there have been underspends in these budgets.

Key areas for NCPs to focus on in becoming more sustainable include:

- Diversifying their funding sources;
- Focussing on activities that build stronger communities;
- Strong governance

This coming year the groups will be completing a more detailed application process for funding in line with other grant pots. Funding will still enable a wide range of activity to be undertaken. Groups have been advised that they can still apply for area committee grants in addition to NCP monies.

Alongside the NCP funding, we have recently realigned our community development resource (managed by the City Council), which means there will be the following hours per week alongside the NCP resources in these 3 wards:

- Abbey 2019/20 – 8 hrs (previously 0)
- Kings Hedges 2019/20 – 8 hrs (no change)
- Arbury 2019/20 – 7 hrs (no change)

We will be working with NCPs and other partners to identify priorities for these hours.

## **Environmental Services & City Centre**

### **3. C4180 – Vehicle Fleet Replacements 2019/20**

#### **Q. Proposed purchases vehicle by vehicle, specifying engine powering and if not electric, what the electric option would be and why not selected**

Vehicle replacements are procured according to the operational needs of the service. We look at what options are available, including electric.

To date, we have moved ten vehicles (vans) to electric. This year, we propose that one replacement vehicle will be an electric vehicle – a Nissan e-NV200 panel van, this will make 11 electric vehicles on the fleet in total.

Other vehicles due for replacement have been identified by services as unsuitable for replacement with electric vehicles, largely due to the payload or travel range of the electric vehicles. At present, purchase costs for electric models of larger vehicles (trucks) are prohibitive.

As an example of costs, our streets and estates/ housing maintenance teams use panel vans. The best electric option would be the LDV EV80 Maxus at 3500 kgs Gross Vehicle Weight (GVW) which retails at £62K; there is an £8K government grant to reduce the price to £54K. We can purchase diesel alternatives at £16k, meaning we can buy 3.4 diesel vans for the price of one electric one.

There are some other models on the market that are not yet well established. The market is developing rapidly, and we understand there will be a new electric van launched by Mercedes Benz in summer 2019; we are also expecting the launch to the UK market of electric trucks by Volvo. Thus, we hope that over the next three to five years, the options available to services will widen.

Ahead of this, we have scheduled a fleet review for 2019/20, to look at the range of vehicles currently in use, load requirements, mileages and other factors that impact on purchasing options. This will consider options for reducing the emissions and carbon consumption of our fleet – by reducing mileages travelled, and changing use patterns to allow us to significantly increase the number of operations that can be carried out using electric vehicles. We need to develop an approach to whole-lifecosts for vehicles, so that reduced fuel and servicing costs can be taken into account at the point of purchase.

The small electric van we propose to purchase will be used by our Stores team to deliver supplies to staff working around the city, reducing the need for them to drive back to the depot in their larger diesel vehicles.

Some operations will probably continue to require diesel alternatives until reliable alternatives come to market – for example, at present the electric ride on mowers

available cannot be driven on long grass which makes them too inflexible to cope with service demands.

Table below shows proposed replacements:

No	Type	Replacement type	Electric replacement available	Cost of electric equivalent	Cost of diesel variant
<b>Estates &amp; Facilities</b>					
5	Panel vans	Like for like	Yes	£54,000.00	£16,000.00
1	Crew cab tipper	Small electric van	Yes	£20,000.00	£14,000.00
<b>Streets &amp; Open Spaces</b>					
3	Tipper trucks	Like for like	Yes	£54,000.00	£27,000.00
1	Panel van	Like for like	Yes	£20,000.00	£14,000.00
1	Post rammer	Like for like	n/a	n/a	n/a
2	Ride-on mowers	Like for like	No	n/a	n/a
1	Flail	Like for like	n/a	n/a	n/a
1	Mower walker	Like for like	n/a	n/a	n/a
1	Trailer	Like for like	n/a	n/a	n/a
1	Shredder	Chipper	n/a	n/a	n/a
2	Pickup trucks (one dropside)	Like for like	No	n/a	n/a
2	Tractors	Like for like	No	n/a	n/a
1	Tipper truck	Like for like	Yes	£54,000.00	£27,000.00
<b>Shared Waste Service</b>					
1	Luton	Caged tipper	Yes	£54,000.00	£27,000.00
1	Link Tip demount	Like for like	Yes	?	£100,000.00
<b>Bereavement</b>					
1	Dumper	Like for like	Yes	£20,000.00	£14,000.00

#### 4. II4191 – Environmental Health Fees and Charges

##### Q. Detailed proposals for charges by types of service; officer impact assessment including impact on organisations meeting statutory standards

###### (a) Brief description of each of the proposed service charges

We deliver a range of services that are discretionary and customers pay to use. This has not previously been included in the base budget as an income line.

Activity where we currently levy a service charge includes:

- Residential Team Training (e.g Landlord and letting agent training 1 day course)
- Commercial Training
- Licensing Training Courses
- Primary Authority Partnerships (currently we have 3)
- Mentoring food businesses
- Food Hygiene Rating System re-inspections

We also provide services as part of pre-planning advice, and are working with colleagues to ensure that this work is charged appropriately to customers.

###### (b) Breakdown of each of these service charges

Fees will be increased by inflation only.

	<b>Charges for 2018/19</b>	<b>Income for 2018/19</b>
Residential Team Training Courses,	£89 per delegate	£3,200
Licensing Training Courses	Level 2 £100 per delegate Level 1 £65 per delegate	£5,000
Food Hygiene Courses	Online £26 Classroom £70	£500
Primary Authority Partnerships	Variable	£6,350
Mentoring food businesses	£85 per hour	£1,000
Food Hygiene Rating System re-inspections	£150 per inspection	£4,650

###### (c) Impacts on service users

We do not anticipate any negative impacts on service users from inflationary increases. Services are discretionary and hence users can avoid the charge by taking up services elsewhere.

As a provider, we are seeking to increase our offer in training and advice. As the enforcing authority, we have potential to use this to support customers. Over the last 3 years we have regularly generated an income of approximately £15K without significant marketing, so there is potential for growth.



**5. URP4222 – MRF cost – reduction in income and increase in costs**

**Q. Specific breakdown between all the contributors to this item; explanation of factors not related to world market prices and why other measures could not mitigate**

The cost mechanism within the MRF contract is complex, and is affected by a number of different aspects, including:

- Quantity of recyclate
- Quality of material
- Composition of recyclate
- Value of different material streams

Therefore the quality, composition and value of recyclable waste collected impacts on our costs.

Our budget assumptions for the contract were initially that contamination would be less than 6%; however it has been much higher, impacting on cost. This year, work with customers has reduced contamination from over 10% down to 8%. This level of contamination is costing the service approximately £120,000 per year in lost recycling credits and lost income from material sales.

Changes in the composition of the recyclate material (more zero value glass and less high value plastics) and the value of material (mixed papers falling from £40 per tonne to £5 per tonne) is also having a negative effect on the service in the region of £80,000 per year. These pressures on quality and value have come from global changes in market lead by China changing its import standards in January 2018.

Whilst that service cannot change global recyclate values, it has done extensive communication activities to engage residents not to contaminate dry recycling bins with material such as tissues, textiles and food. The service business plan for 2019/20 will contain a continuing programme of communication activities including door to door education programmes in some areas.

## Finance & Resources

### **6. B4187 – Increase Procurement Team resources from 2.5 to 3FTE / IIProcurement - Income Generation**

#### **Q. Clear explanation of these items and their relationship to each other. Where is income coming from - and for what - and why only in 2019/20?**

Currently the procurement team has a headcount to 2.5FTE. The additional 0.5FTE is a fixed term role due to end April 2019, which is currently funded from the Business Transformation Budget which ceases April 2019. This post has been instrumental in helping delivering a reduction in the region of £200,000 in procurement costs, costs that would have otherwise been out-sourced. It has also enabled a level of support to procurements not seen before; this has reduced expensive officer time and helped to create greater economies of scale.

The role will help continue to drive:

- Much greater compliance
- Capacity to achieve greater economies of scale
- Continued capacity to reduce in procurement risk
- Capacity to up-skill colleagues, council-wide, in the management of contracts
- The standardisation of process both generally and in the technical specialties such as construction
- Minimal disruption or recruitment costs
- Minimum annual budget increases when compared to externally or contract overspends resourcing
- Release of senior resources to support technically complex procurements for both the council and external clients.

This budget bid is required to underpin current activity and the extra capacity also enables delivery of the £20,000 income generation in the 2019/20 budget and potentially beyond.

The role is a fixed term three-year post which will allow a review of need at the end of the term.

The forecasted income is generated from a trading arrangement with the Cambridgeshire and Peterborough Combined Authority (CPCA) that sees Cambridge City Council providing a procurement function to the CPCA. This is a

bespoke service that is generally delivered in-house by most Local Authorities. The Combined Authority does not have this in-house service provision.

The agreement is supported by a Service Level Agreement, Terms and Conditions and a pricing matrix. This pricing matrix allows the CPCA to 'pull off' individual requirements as and when needed. It is possible that this arrangement will continue into 2020/21 and beyond, however we have not committed beyond 2019/20 as it is difficult to judge the full extent of the CPCA's requirement. An annual forecast of income generation will be provided on a yearly basis and will feed into the MTFS and BSR in future years.

**7. PROG4243 – Establishment of Corporate Programme Office**

**Q. Clear and detailed explanation of this item; the actual expenditure that is envisaged to support the totals**

The Chief Executive has already brought forward proposals to change the current structure at head of service level in order to create more impetus for the transformation of the organisation. This budget includes proposals to create some additional capacity to support that transformation.

The new Head of Transformation and the team funded by this proposal is an investment to provide capacity to achieve the savings required over the medium term. They will be focused on delivering a transformation programme which will deliver some of those savings directly and support other heads of services to deliver in their service areas.

The Council is managing some ambitious capital projects alongside the need to transform service delivery. A review of programme and project management resources and practice carried out in 2018 identified areas for improvement to help focus delivery and to manage the corporate implications of running a number of projects and programmes in tandem. The outcome of the review has included:

- The establishment of an emerging clear and robust programme governance structure, including relevant programme boards, a quality assurance group, a project managers user group and
- revised corporate templates and guidance for project planning and implement
- A bespoke suite of corporate training to build in-house capability in project and programme management
- The procurement of a corporate programme management system (PROG 4242)

The new Head of Transformation will lead the team, which will include a corporate programme manager (post already in establishment) a Portfolio Analyst and two Business Analysts to support these processes.

The total bid breakdown is provided in the table below.

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>PROG 4243 Establishment of Programme and Transformation Office</b>	<b>110</b>	<b>190</b>	<b>170</b>
Portfolio Analyst (1 FTE) To adapt and extend a current post (funded to end March 2019) to act as portfolio analyst across the Council's project and programme portfolios	50	50	50

<p><b>Business Analysts (x 2 FTE)</b>  The bid extends the posts for a further 2 years beyond the current funding (in place to end March 2020). The posts work with teams to support transformation programme through delivery of business process reviews to underpin customer focussed and efficient service delivery and to optimise transition to digital service delivery.</p>		80	80
<p><b>Shared service office</b>  City council contribution towards the resource support for the Shared Service office (HDC host authority)</p>	20	20	20
<p><b>Feasibility/Review support</b>  To provide resources to support planned strategic reviews and drive transformation changes</p>	20	20	20
<p><b>Training</b>  Corporate development and costs of associated training programmes</p>	20	20	

**8. URP4240 Eastnet - Forced Procurement Replacement of Virgin Media CPSN**

**Q. Plain English explanation of the bid**

The Cambridgeshire Public Services Network (CPSN) started in 2011 as a partnership between:

- Cambridgeshire County Council
- Huntingdonshire District Council
- South Cambs District Council
- Fenland District Council
- East Cambs District Council
- Cambridge City Council
- Fire and Police Services

They were subsequently joined by:

- Northamptonshire County Council and
- Cambridgeshire Education

A contract was let to Virgin Media (and subsequently extended to 7 years) to cover total of over 600 sites.

The contract covers the following services:

- Network Connectivity
- Internet Access – with resilience
- Wireless Services – including the highly successful CambWifi guest service
- Remote Access
- Firewalls, Email Filtering and a range of technical network functions
- Managed Service desk
- Account Management

In line with contract renewal requirements, the County Council, as lead authority, have recently retendered the contract for the Public Services Network framework covering the East and East Midlands. EastNet is the new name for the partnership between the public sector organisations across the region, with Cambridgeshire County Council acting as the lead authority.

MLL Telecom has been awarded the EastNet contract. The new contract will enable all partners involved to access an improved secure, regional network – allowing them to benefit from full fibre high speed connectivity. The bid provides for the City Council's contribution (via 3Cs ICT) to costs associated with connection, line rental, infrastructure and implementation risk and resource management.

## Planning & Transport

### 9. NS4301 Planning Service - new and revised service delivery

#### Q. Full details of specific revisions envisaged for the city, breaking the item down into costed component parts

This saving is about revisions to the services we provide, or the way in which they are provided to users. This includes changes to the way in which we review, consult, make decisions (scheme of delegation) or the explicit service that we offer – building upon recognised expertise nationally for place making.

The income/reduced costs highlighted are estimates based upon an assessment of market conditions/demand but also depend upon our ability to account for and “harness” reductions in costs of postage/printing and redeploy staff from existing tasks (e.g. Committee meetings). In a service which is struggling to recruit it becomes increasingly important to make sure the scarce resources we do have are deployed as effectively as possible.

In the case of changes to consultation, an estimate for investment in year 1 (of £10K) is included in the potential saving.

The detailed breakdown is as follows:

Description	
The Council currently offers a free Design and conservation panel with associated officer time and supported dedicated to providing constructive feedback to applicants at the pre-application stage on major projects. The use of Design review panels is now widespread, but measures for recovering the cost of such panels vary. This proposal seeks, as part of a wider review of the drive to deliver quality development, to provide an element of cost recovery to the Council for its dedication of planning and conservation officer resources to this process.	£5K
The Primary basis of this saving arises through seeking to utilise/promote the additional functionality arising from the significant planned investment in the Public Access module of Idox to reduce the physical and staff resource costs associated with consultation around planning applications. The Councils identifies, prints, envelopes and posts tens of thousands of letters per year (depending upon application scale/type) as part of its planning consultation process. The Councils software will allow all residents or businesses to set up automatic e-mail alerts about new applications adjacent or near to their properties – removing the risk that where a property is tenanted, the property owner is unaware of any relevant proposal. Promoting this capability alongside refinements to the Statement of Community involvement will realise both staff and materials savings on major schemes whilst continuing to ensure that those immediately adjacent to a site continue to be contacted directly. The	£10K (£20 yr. 2 onwards )



<p>matter is to be subject to ongoing consultation and engagement in the forthcoming (February 2019) Statement of Community Involvement consultation. The saving is mitigated in the first year by the recognition of the need to develop and promote the availability of the new capability from the summer onwards.</p>	
<p>This proposal is subject to consultation and approval by the Planning Committee in the summer and reflects the greater efficiency that arises around the use of planning officer resources from changes to the scheme of delegation. The Council's scheme of delegation currently dictates that a relatively large number of planning applications are determined by the planning committee, compared with other Councils. The commitment of officer time associated with the preparation for and attendance at Planning committee adds significantly to the cost of decision making/processing. This proposal envisages a refinement to the scheme of delegation in a way that provides appropriate means to consider the right place for a decision, to ensure that where it is appropriate proposals can be dealt with by delegated decisions. The cost saving estimated is a conservative figure based upon anticipated productivity gains (approx. 0.3 fte) regarding the officer/caseload throughput.</p>	<p>£15K</p>
<p>Introducing/developing a charged training/site tour "package" to offer to other Councils seeking to visit Greater Cambridge. The service already receives a number of enquiries through the year to accompany tour groups around development sites in the city – reflecting the fact that Cambridge has a national reputation for quality of new development. It is accordingly proposed to recover some of the officer time associated with servicing these requests.</p>	<p>£2.5K (est. based upon 4 trips at £750 per day)</p>

**10. S4302 Planning Service - service change**

**Q. Full and detailed explanation of change in service provided to users in the city, breaking item down into costed component parts; detailing of proposed charges for conservation advice and impact on householder pre-app services and specific ways in which facilities for self-service will compensate. Officer assessment of impact of charging for conservation advice on high standards of conservation practice in the city.**

These proposals seek to change the service provided to users in the City. The changes would end free conservation advice and bring charges for householder pre-app services in line with South Cambs District Council. We would seek to improve self-service advice through new web-based information/advice using a more active feedback loop to provide written/online advice to help mitigate the impacts on users.

Description of measure	Impact
<p>This proposal involves replacing the current daily, 3 hour commitment to a “duty planner” with expanded self-help information/advice to applicants and those impacted by development. This includes improved signposting of the considerable online resources, improved downloadable information and material in libraries as well as the use of video media such as via “youtube.”</p> <p>The proposed introduction of charged pre-application services means that the “duty planner” role would focus only on provision of drop in advice, for which it is considered there are several suitable alternatives. Officers would also continue to be contactable by telephone for application specific questions – for example from neighbours etc.</p> <p>This will allow the re-deployment of the planning officer resource which currently provides the duty planner services to focus on planning applications – thereby increasing the productivity of development control planning officers. The resource saving is estimated to be (0.5 fte) which means that fewer officers are required to deliver the core service. This measure would work in concert with proposals below (on pre-application advice)</p>	<p>£20K</p>
<p>This proposal relates to the planned review and refinement of pre-application advice services to include all development types including householder development and associated conservation advice.</p> <p>Whilst householder planning applications attract a fee (currently £206) this fee is currently insufficient to cover the cost to the Council of processing, reviewing and decision making, in addition to the advice that is provided at the pre-application stage.</p> <p>Feedback from agents suggests that the current pre-application services would benefit from refinement and simplification in order to maximise its value (and effectiveness). The revised offer will allow</p>	<p>£20K</p>

<p>users greater choice as to the advice they receive but would also contribute towards the costs involved in providing this service to users who solely/mainly benefit financially as a result.</p>	
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<p>The additional income would also help to maintain the Council commitment to a specialist team of conservation officers able to undertake a range of non-income related work such as conservation area appraisals.</p>	
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## **Streets & Open Spaces**

### **11. C4192 – Environmental Improvement Programme**

#### **Q. Explanation of the proposal for funding of new projects in 2019/20 by each Area Committee and of why such funds have not been allocated to new projects in 2018/19**

At the end of 2017-18, 37 new projects were added by Area Committees to the Environmental Improvement Programme to be funded from the 2018/19 EIP allocation. With a backlog of complex projects already, the new project allocation resulted in a programme to be delivered in 2018/19 of c50 projects city-wide. As a result, officers have focussed on completing the projects in the programme, with no further project applications being invited from Area Committees in 2018/19 due to insufficient officer capacity to deliver on more projects at the same time. During this time, and with 2018/19 being the last available budget year of the approved four-year programme, we carried out a review of EIP delivery performance.

There are thus funds available from 2018/19 to re-phase into 2019/20. Further, additional, capital funding is expected to be required in 2020/21, as per the BSR proposal (C4192).

Detailed proposals for the allocation of funding in 2019/20 will be presented to the Environment and Scrutiny Committee in March for discussion, ahead of a decision by the Executive Councillor, and the commencement of the programme.

The proposals will include a recommendation to continue funding area based projects whilst also trialling a city-wide approach to key areas of EIP delivery, in order to make delivery more efficient and thus make the programme overall more cost effective.