



Item

LIBERAL DEMOCRAT GROUP AMENDMENT TO: Budget-Setting Report (BSR) 2019/20

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

Report by:

Caroline Ryba, Head of Finance

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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

Foreword to the Liberal Democrat Group Amendment

Government economic policies in general, and towards local government in particular, continue to present financial stress for many whilst also placing constraints on local councils such as ours. Like the administration, we want to see this changed.

This is aggravated by the threatened impact of Brexit both on individual citizens and on the capacity of our local and national economy to generate the resources that healthy public services badly need. This threat, unresolved at the time of writing, is much more real because it is willed by both government and official opposition in Parliament.

It is therefore all the more important that the City Council maximises public use of all the resources that are already under its control. The Liberal Democrat opposition is bringing forward amendments to achieve this which have been overlooked in the Labour administration's budget proposals.

Housing continues to be the major source of disadvantage in Cambridge. The city needs homes that address the needs and the pockets of a broad spectrum of people. New social housing will help some, but not all. For a second year the administration's budget is silent on homes with tenancies customised for key public sector workers. For a second year we propose to invest in this, under a local living rent scheme, using funds which have so far been left in the bank.

Homelessness visibly haunts Cambridge and damages many. So, as part of the same housing investment we will expand the provision of rented shared houses through the council, which has proved successful in helping single homeless people without additional support needs to get back on their feet.

Polluted air harms health and requires urgent action in our city. The council has signed pledges and expressed good intentions – but we are bringing forward a series of immediate actions. We want this issue to be at the centre of daily life so that we can all see how our behaviour and our choices can help; an approach already taken by many councils elsewhere, but so far rejected here. We do this with proposals to tackle engine idling; to monitor air quality in sensitive locations such as schools in order to direct future action; to multiply electric vehicle charging opportunities; and to plant more trees!

Reducing waste and maximising recycling remain vital to saving the planet. We regret that the council has weakened our green waste collection by cutting services. We want the council to work out what it would take to introduce here a weekly collection of separated food waste, which could have both domestic and wider environmental benefit. We also propose to invest in public water fountains across the city to help reduce single-use plastic waste.

Disappointingly, the administration's budget provides further evidence that what it says and what it does are different things. Its budget last year imposed extortionate charges on disabled and elderly people using its shop mobility service, sharply contradicting its own proclamation of "One Cambridge, Fair for all". This year, despite at long last bowing to our widely-supported campaign and agreeing to scrap the charges, the administration is needlessly continuing to extract money from users right to the bitter end. We propose to withdraw them immediately.

The administration's budget also includes proposals which will radically reduce the council's current practice of proactively notifying neighbours in the vicinity of a planning application and increase the number of planning applications which get determined by officers in private, rather than by elected representatives in public. These measures reduce transparency and undermine confidence in the planning system which is often already under challenge in a growing city. To protect Cambridge and continue to empower residents, we propose to reject these cutbacks.

The funding for our revenue spending proposals utilises 35% of the projected unallocated interest income from Cambridge Investment Partnership, from the continuation of income gained from procurement services provided to other organisations, and from tightening budgetary targets for office supplies. Our housing acquisitions utilise treasury funds for which they provide a net financial return which is redirected to reduce future savings targets. Our other capital schemes utilise unallocated funding within the existing capital programme.

Councillor Tim Bick, *Leader of the Liberal Democrat Group*

Councillor Jamie Dalzell, *Liberal Democrat Group Spokesperson on Finance and Resources*

1. Executive Summary

- 1.1 This report sets out amendments proposed by the Lib Dem group to the overall set of budget proposals in the Budget Setting Report to be considered by the Executive at its meeting on 11th February 2019, for recommendation to the Council on 21st February 2019.

Through the Liberal Democrat Group Budget amendment:

- 40 homes will be acquired to let to key public service workers at local living rents
- Provision of shared housing to help homeless individuals quickly back on their feet will be increased through the purchase of a further 5 houses
- Charges for use of the council's Shop Mobility service will be removed – immediately
- Monitoring of air quality will be enabled at sensitive locations around the city to assess the need for further action
- An education campaign will be initiated to discourage drivers from leaving their engines idling in stationary vehicles that are out of traffic
- A comprehensive strategy for charging electric vehicles within the city will be developed
- The introduction of a weekly food waste collection service will be evaluated, following the recent cutbacks in the green bin collections
- A strategy will be undertaken to develop water play and community cafes on council open spaces
- The planting of 5000 more trees in Cambridge will be started in an expanded educational partnership with schools
- A scheme addressing period poverty in the city will be designed
- There will be no cutback in notification of residents in the vicinity of planning applications, nor in the determination of applications by elected councillors in public
- 10 public water fountains will be provided across the city
- Two more electric self-propelled street sweepers will be brought into service to improve cleaning in the city centre
- A fixed CCTV camera will be added to the council's network at the junction of East Road, Norfolk Street and Burleigh Street

2. Recommendations

Changes to recommendations are highlighted *in italics* referring to the recommendations of the Executive to this Council, as being presented at their meeting on 11 February 2019, subject to any Executive Amendment agreed by The Leader at this committee or the Executive are further amended as follows:

The Leader is recommended to:

For the existing recommendation “2: Recommendations”, add:

General Fund Revenue Budgets: [Section 5, Page 30 refers] add:

- *Together with the changes in the attached Appendix 1 - Lib Dem Budget Amendment to Appendices [C (a), (b), (d)]*
- Incorporate and replace the tables shown in *Appendix 4 - Lib Dem Budget Amendment at the pages so annotated*
- *New recommendation: any overachievement of savings to be used to reduce future year’s savings targets*

Earmarked Reserves [Section 5, Page 27 refers]:

- *New recommendation: to redirect 35% of the anticipated contributions to the GF development fund, releasing these funds to meet time-limited proposals.*

Capital: [Section 7, page 35 refers]

- For the existing recommendation 2 f) After *“Agree any recommendations to the Executive add “together with the changes in the attached Appendix 2 - Lib Dem Budget - Budget Amendment to Appendix [E(a)]”, specifically to recommend that Executive Councillor for Finance & Resources Invests in housing by utilising the £12.5m resources (Proposal C0004 refers).*

Equality Impact Assessment [Appendix G, Page 113 refers]

- Append *Appendix 3 - Lib Dem Budget Amendment Appendix G Equality Impact Assessment to the existing Equality Impact Assessment*

Section 25 Report [Section 10, Page 52 refers]

- Replace in Section 10 *Appendix 5 - Lib Dem Budget Amendment*

3. Council Tax

3.1 No changes are being proposed by the Lib Dem Group.

4. Capital Plan

4.1 The Lib Dem Group are proposing items identified "***Lib Dem Budget Amendment to [E(a) Capital proposals]***".

5. 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

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2019/20, ***as amended by [Lib Dem Budget Amendment]***.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2019/20.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, ***as amended by [Appendix 3 - Lib Dem Budget Amendment]***. 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 (Appendix B) 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 2019/20, **as amended by [Lib Dem Budget Amendment]**

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2019/20, **as amended by [Lib Dem Budget Amendment]**.

6. Background papers

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

- Budget Setting Report 2019/20, **updated (as appropriate) for Strategy and Resources Scrutiny Committee and the Executive on 11 February 2019, and for the [Lib Dem Amendment]**.
- Medium-Term Financial Strategy (MTFS) October 2018
- Individual Equality Impact Assessments

7. Appendices

Lib Dem Budget Amendment:

Appendix 1 - Amendment to Appendix [C (a), (b), (d)] Revenue Budget and Non-cash limit proposals

Appendix 2 - Amendment to Appendix [E (a)] Capital Budget proposals

Appendix 3 - Appendix [G] Equality Impact Assessment (Supplement)

Appendix 4 - Replacement of relevant tables in the BSR

Appendix 5 - Section 25 Report

8. Inspection of papers

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

Authors' Names:

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Appendix 1: Lib Dem Budget Amendment - Revenue Summary

Proposal Type	Proposal refs	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	Total
Part A: time-limited budget proposals funded from GF development Fund (via GF reserves)								
Bids	B001 to B008	7,500	210,000	120,000	70,000	20,000	20,000	447,500
NCL	NCL0001	(20,300)	(132,650)	(198,100)	(92,750)	(12,250)	-	(456,050)
Savings	None							-
	Net change to use of GF reserves	(12,800)	77,350	(78,100)	(22,750)	7,750	20,000	(8,550)
Part B: redirect grant funding								
Bids	B0009	-	8,730	-	-	-	-	8,730
NCL	None							-
Savings	S0001	-	(8,730)	-	-	-	-	(8,730)
	Net	-						
Part C: base budget proposals								
Bids	B0010 to B0011	-	39,100	49,100	49,100	49,100	49,100	235,500
NCL	None							-
Savings	S002 to S005	-	(37,000)	(107,000)	(107,000)	(107,000)	(107,000)	(465,000)
	Net	-	2,100	(57,900)	(57,900)	(57,900)	(57,900)	(229,500)
	Net change to use of GF reserves		2,100	-	-	-	-	2,100
	Reduce annual Savings Targets		-	(57,900)	-	-	-	-
Total impact of Lib Dem Budget Proposals								
Bids		7,500	257,830	169,100	119,100	69,100	69,100	691,730
NCL		(20,300)	(132,650)	(198,100)	(92,750)	(12,250)	-	(456,050)
Savings		-	(45,730)	(107,000)	(107,000)	(107,000)	(107,000)	(473,730)
	Net	(12,800)	79,450	(136,000)	(80,650)	(50,150)	(37,900)	(238,050)
	Change to use of GF reserves	(12,800)	79,450	(78,100)	(22,750)	7,750	20,000	(6,450)
	Reduce annual Savings Targets	-	-	(57,900)	-	-	-	-

Appendix 1: Lib Dem Budget Amendment to Appendix [C (a), (b), (d)]

2019/20 Budget - GF - Bids and Savings

Reference	Item Description	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	Contact / Climate rating / Poverty rating	Portfolio
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Appendix [C (a) - GF - Pressures & Bids]

Part A: time-limited budget proposals funded from GF development Fund (via GF reserves)

Bids

B0001	<p>Remove Shop Mobility Charges from 1st February 2019</p> <p>Financial provision for the Executive Councillor to advance the scrapping of the charges for use of the council's Shop Mobility service by two months to 1st February 2019, under the procedure for urgent decisions. Now that there is a consensus across the council that the charges should be removed, and given the harm done to the service since their introduction in May 2018 and their negative impact on disabled and elderly people, this item enables the charges to be dispensed with at the earliest possible opportunity, rather than waiting until the end of the financial year.</p>	7,500	-	-	-	-	-	James Elms Nil Low	Planning Policy & Transport
B0002	<p>Education on Engine Idling and Air Quality</p> <p>This budget item is for the development of an immediate 3 year public education campaign to curtail controllable driver behaviour of allowing engines to idle while stationary and out of traffic in the city (including installation of additional signage detailed in budget item B0004 and the management of the mobile air quality unit (B0003). This dual focus will have the benefit of creating a wider public understanding for the impact of subsequent measures. In addition to the general public, its particular potential audiences will include: the taxi trade, bus companies and drivers, the employees of major city organisations, users of council car parks and schools. The final year of the project would include evaluation of a follow-on to this with an enforcement element. The costs provided are for an Air Quality Projects Officer at City Band 6 £42,500pa and £7,500pa for promotional media. (B0003)</p>	-	50,000	50,000	50,000	-	-	Jo Dicks +M None	Environmental Services & City Centre
B0003	<p>Mobile Air Quality Monitoring to Target Hotspots</p> <p>Cambridge comprises a number of known air quality hotspots and it is already established that the major contributor to these is motor traffic, especially diesel-powered vehicles. The relationship of poor air quality to early deaths, particularly among the young and elderly, is understood and is agreed to be the basis for intervention on public health grounds. This budget item seeks to provide funding for the hire of an additional air quality monitoring system which could be relocated between sites of interest such as schools on a 3-4 monthly basis and would be sufficiently sensitive to pick up diurnal variance in air quality, such as at the time of the school run. This data would be used by the Air Quality Projects Officer to provide evidence to action local change and as an educational stimulus.</p>	-	50,000	-	-	-	-	Jo Dicks +L None	Environmental Services & City Centre
B0004	<p>Improved Signage to Combat Engine Idling</p> <p>Following on from a well-received installation of anti-idling signs at the Grafton Centre, this budget item seeks to provide funding for the purchase of signs for 20 city hotspots. Sites, which could include local schools and private businesses, will be identified by the Air Quality Projects Officer and further liaison performed leading to their installation.</p>	-	5,000	-	-	-	-	Jo Dicks +L None	Environmental Services & City Centre
B0005	<p>A Comprehensive Vehicle Charging Strategy</p> <p>Despite the increasing popularity of electric vehicles (EVs) in Cambridge, public charging points remain a rarity. Taking into account the need to improve our local environment in terms of air quality and our global environment in terms of carbon emissions, this budget item seeks to provide funding for additional officer time over 2 years to bring forward the development of a comprehensive strategy for EV charging. This would take into account the need to provide additional charge points in our city's car parks and the council's own facilities. This funding would also provide sufficient officer time to accelerate liaison with businesses and the County Council with a particular focus on residents without off-street parking, work on alterations to the council's fleet and apply to central government for additional resources. This overall item would allow the City Council to take on a leadership role in this vital strand of environmental protection and where consistent and relevant would explore potential income generation for the council.</p>	-	50,000	50,000	-	-	-	Jo Dicks / James Elms +L None	Environmental Services & City Centre
B0006	<p>Development of Weekly Food Waste Collection</p> <p>Whilst Cambridge has reduced its organic and food waste collection over recent months with the move to monthly green bin collections over winter, December 2018's Defra report clearly identifies a need for every householder to have a separate weekly food waste collection, in order to reduce our carbon footprint. This amendment seeks to provide the necessary initial funding for the redesign of waste collection in Cambridge, such that we can become an early adopter council in committing to weekly food waste collection - reducing our greenhouse gas emissions and providing a better service to residents and where consistent and relevant would explore potential income generation potential for the council.</p>	-	15,000	-	-	-	-	Trevor Nicoll Nil None	Environmental Services & City Centre

2019/20 Budget - GF - Bids and Savings

Reference	Item Description	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	Contact / Climate rating / Poverty rating	Portfolio
B0007	<p>Development of Water Play and Community Café Strategy</p> <p>The provision of paddling pools and splash pads throughout the summer as well-used and valued community assets. Existing facilities at Lamas Land and Cherry Hinton Hall are aging, have a large environmental impact, and need medium term investment. As yet, water play facilities have not been provided to emerging and future communities. The addition of commercial cafés could provide much needed income, rationalise public toilets and plant builds, extend seasonal use and increase the appeal of each site. It is recommended that a budget allocation for feasibility is made available.</p> <p>This budget will allow Officers to investigate:</p> <ul style="list-style-type: none"> - the supply and demand for water play, - the level of support from residents and friends groups - the associated costs required to invest in modern facilities, - the opportunities to rationalise park buildings and toilets and introduce new facilities, - items that would enhance existing offers such as catering, changing facilities and toilets - the preparation of business plans to support capital and revenue requirements. 	-	20,000	-	-	-	-	Alistair Wilson	Streets & Open Spaces
								Nil	
								None	
B0008	<p>Children's Tree Programme</p> <p>The Council's adopted tree strategy envisages a growth of the city's tree canopy of 2% by 2030 to reduce air pollution, mitigate the effects of climate change and contribute to human wellbeing. However, it is unlikely the council could plant enough new trees on its own land to meet the target.</p> <p>Following proposals in the Liberal Democrat Alternative Budget for 2017/18 for a Children's Tree Scheme, council has run a trial with the charity Trees for Cities at The Spinney Primary School.</p> <p>This new bid increases the council's ambition to all the city's primary schools, enabling a gift of a young tree to each year 4 primary pupil, for planting at home, a designated part of the public realm or school premises, integrated with education about the importance of trees to the environment and techniques for planting and maintenance. Considerable enthusiasm about this programme has been expressed by schools since it was first proposed by Liberal Democrats. It has the potential to increase the city's tree stock by 5,000 over 5 years. It is based on a unit cost of £20 per tree, envisages continued cooperation with Trees for Cities and the schools to manage educational costs.</p>	-	20,000	20,000	20,000	20,000	20,000	Alistair Wilson	Streets & Open Spaces
								+L	
								None	
Total Bids & Reduced Income Part A		7,500	210,000	120,000	70,000	20,000	20,000		
Part B: redirect grant funding									
B0009	<p>Development of Project addressing Period Poverty</p> <p>With national data indicating that 1 in 10 women cannot afford menstrual products, this item provides for the City Council to explore and develop a scheme to tackle period poverty in Cambridge in collaboration with a relevant voluntary sector organisation. This should seek to provide free menstrual products in the public facilities within the City Council's control. The model designed is intended to constitute the basis for a viable commissioned project for 2020-21 through the council's Community Grants programme.</p>	-	8,730	-	-	-	-	Suzanne Heminawav	Communities
								Nil	
								Low	
Total Bids & Reduced Income Part B		-	8,730	-	-	-	-		
Part C: base budget proposals									
B0010	<p>Reduce saving in BSR S4301 (Planning)</p> <p>Removal of the Executive's proposals in S4301 (1) to reduce the extent to which planning decisions are taken by the Planning Committee in public session and (2) to curtail the extent of proactive notification of residents in the neighbourhood of a planning application. (This would retain the proposal to charge other authorities for tours and visits of development sites in the city).</p>	-	30,000	40,000	40,000	40,000	40,000	Stephen Kelly	Planning Policy & Transport
								Nil	
								None	
B0011	<p>Revenue impact of capital schemes (maintenance, etc.)</p> <p>The maintenance costs arising from the capital schemes for CCTV, Water Fountains and Electric Sweepers</p>	-	9,100	9,100	9,100	9,100	9,100	Joel Carre	Streets & Open Spaces / Communities
								Nil	
								None	
Total Bids & Reduced Income - Part C		-	39,100	49,100	49,100	49,100	49,100		
Total Bids & Reduced Income - Total		7,500	257,830	169,100	119,100	69,100	69,100		

2019/20 Budget - GF - Bids and Savings

Reference	Item Description	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	Contact / Climate rating / Poverty rating	Portfolio
Appendix [C (d) - GF - Non-cash limit]									
Part A: time-limited budget proposals funded from GF development Fund (via GF reserves)									
NCL0001	Earmarked GF Development Reserve - 35% of contributions to GF reserves	(20,300)	(132,650)	(198,100)	(92,750)	(12,250)		- Caroline Ryba	Finance & Resources
	Transfer 35% of the contributions to the GF development earmarked fund based on the anticipated additional income from internal borrowing into General Fund reserves (to allow for management of anticipated income streams) to be used to fund time limited budget proposals - ref B001 to B008							Nil None	
	Total Non-cash limit / net change in use of GF reserves	(20,300)	(132,650)	(198,100)	(92,750)	(12,250)		-	
Appendix [C (b) - GF - Savings]									
Part B: redirect grant funding									
S0001	Reduce funding of Community Grants Programme	-	(8,730)	-	-	-	-	Suzanne Heminaway	Communities
	Remove unallocated budget from Community Grants programme for 2019-20 only, in order to fund B0009							Nil None	
	Total Savings & Increased Income - Part B	-	(8,730)	-	-	-	-		
Part C: base budget proposals									
S0002	Increase expected income in BSR II4313 (Procurement)	-	-	(20,000)	(20,000)	(20,000)	(20,000)	James Elms	Finance & Resources
	Continued income generation from the provision of procurement services to third party public sector bodies beyond 2019-20. Staff resource which can make this possible is provided in B4187. The concept has been successfully proved in the current arrangement with Cambridgeshire and Peterborough Combined Authority. If the council is serious about income generation, then it should undertake a budgetary commitment to continue this arrangement or to replace it with another body.							Nil None	
S0003	Increase expected savings in BSR S4176 (Supplies & Services)	-	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	John Harvey	Finance & Resources
	Increase in the savings target from the specific Supplies & Services budgets across the council which are referred to in S4176. The total spend is circa £7m and this additional saving is 0.35%, making a total expected saving of 2.9%.							Nil None	
S0004	Net income from Town Hall Lettings (see C0004)	-	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	Caroline Ryba	Finance & Resources
	Net additional income that would be received by Town Hall Lettings as part of its role as managing agent for the properties purchased under C0004. The total income from the role would be approximately £47,000, but it is anticipated that there would be a corresponding increase in fixed costs of up to £35,000 to deliver the service.							Nil High	
S0005	Revenue impact of Housing investment (see C0004)	-	-	(50,000)	(50,000)	(50,000)	(50,000)	Caroline Ryba	Finance & Resources
	The £12.5m investment in residential property to rent on a living rent basis provides a return of approximately 1.6% (ignoring any change in the capital value of the properties). The investment is split 50/50 debt and equity, as a result the interest the council will receive on the loan it has provided (£6.25m) will be £200,000 (i.e. an interest rate of approximately 3.2%). This will lead to an additional £50,000 being generated in interest income from the investment over the alternative return of £150k from the sum of £12.5m placed on bank deposit.							Nil High	
	Total Savings & Increased Income Part C	-	(37,000)	(107,000)	(107,000)	(107,000)	(107,000)		
	Total Savings & Increased Income Total	-	(45,730)	(107,000)	(107,000)	(107,000)	(107,000)		
	All Portfolios - Net Impact of Lib Dem Amendment total	(12,800)	79,450	(136,000)	(80,650)	(50,150)	(37,900)		

Appendix 2: Lib Dem Budget Amendment to Appendix [E (a) Capital proposals]

2019/20 Budget - GF - Capital Bids

Reference	Item Description	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £	2022/23 Budget £	Contact / Climate rating / Poverty rating	Portfolio
Capital								
C0001	CCTV Camera - East Road/Burleigh Street	-	25,000	-	-	-	J Carre	Strategy & External Partnerships
	To erect a CCTV camera column and two new pan/tilt/ zoom (PTZ) CCTV cameras at Burleigh Street/ East Road junction. This location is identified as a significant crime/ ASB 'hot spot' and so would benefit from the additional CCTV surveillance capacity provided. This addition is supported by the Police and safer communities team. The project is to be delivered as a variation to the current CCTV public space camera and network upgrade contract and so benefit from the associated supplier/ installation economies.						Nil	
							None	
C0002	10 Public Water Fountains	-	35,000	-	-	-	A Wilson	Streets & Open Spaces
	The council's participation in the Refill scheme, where businesses offer to refill people's water bottle for free, provides part of the need to give access to clean fresh water to the public but misses out most of the city's parks and green spaces. With input from residents' groups and area committees, this bid will roll out new public water fountains across the city where both feasible and advantageous to people's activity such as in public parks, running routes, trim trails, football and all-weather pitches.						+L	
	The new water fountain on Parkers Piece provides a good model. Wherever people play sports and exercise on the city's green spaces, the council should provide them with the choice of clean, fresh water as an alternative to high sugar drinks in single use plastic containers.						None	
C0003	Electric Self-propelled Street Sweepers	-	51,000	-	-	-	J Carre	Streets & Open Spaces
	Cambridge City Council are currently trialling a Maxwind 160 electric self-propelled street sweeper, aiming to improve the cleanliness of city centre areas where the concentration of shoppers, students and tourists makes it especially challenging for Street Cleansing front line staff using a traditional hand cart to maintain the high service level the council should aim for. The electric sweeper features rotary brushes and a vacuum hose for collection of small waste such as cigarette ends around street furniture etc.						-L	
	The trial is progressing satisfactorily and so this bid recommends the purchase of three permanent electric carts to replace the hand carts currently in use in the city centre. Maintenance costs include a complete set of new brushes per machine, per month and may be less in operation.						None	
All Portfolios - Net Impact of Lib Dem Amendment on available use		0	111,000	0	0	0		
Part D: Housing								
C0004	Housing purchase - capital	-	12,500,000	-	-	-	Caroline Ryba	Finance & Resources
	Cambridge continues to be a very difficult market for people seeking to buy and rent residential property. Rents have increased by approximately 8% over the last four years in the city. In particular, it is increasingly difficult for key workers to be able to live in the city. The City Council, as a key stakeholder in the city is in a position to assist in addressing this issue. The proposal involves the loan of £6.25m and a similar equity investment from treasury to purchase residential properties across the city to be held in a new housing property company for rental.							
	(a) 40 of the properties would be available to rent to public sector workers such as teachers and nurses. An adjustment of rent based on an adjustment of household income would only occur if household income moved by 10% over a 12 month period. Rental will be on a living rent basis (i.e. approximately one third of a household income in the bracket £15,000 - £40,000) - this is approximately 35% of the households in Cambridge. In addition, all rents would increase annually on an inflation basis. The scheme would be based on household income rather than market rents.						-L	
	(b) 5 of the properties (3 bed in size) would be prioritised for homeless individuals (requiring minimal support) to rent on a shared basis through the council's Town Hall Letting Agency (at a housing benefit level of rent) as part of the effort to address the homeless crisis in the city.						High	
All Portfolios - Net Impact of Lib Dem Amendment to Capital Plan		0	12,611,000	0	0	0		

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]



Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046. Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, (graham.saint@cambridge.gov.uk or 01223 457044).

1. Title of strategy, policy, plan, project, contract or major change to your service:
Liberal Democrat Budget proposals 2019/20

2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CIId=116&MIId=3405&Ver=4

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The Liberal Democrats budget amendment makes a number of alternative budget proposals to those set out by the ruling group in the Budget Setting Report. This EqIA has been carried out by Council officers to provide Councillors with an assessment of the potential equality impacts of the Liberal Democrat budget proposals at the point when they are being asked to make a decision, as required by the Public Sector Equality Duty under the Equality Act 2010.

Some proposals in the Liberal Democrat budget amendment will have very small or neutral impacts on equality and therefore have not been included in this EqIA. For other proposals there is not enough information at this stage on the proposal to be able to assess equality impacts.

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service? (Continued)

The proposals that could have more significant impacts related to equality include:

- B0001 Remove Shop Mobility Charges from 1st February 2019
- B0002/3/4: Education Campaign on Engine Idling and Air Quality/Improved Signage/Mobile Air Quality Monitoring to target hotspots
- B005 A Comprehensive Electric Vehicle Strategy
- B0006 Development of Weekly Food Waste Collection
- B0007 Development of Water Play and Community Café Strategy
- B0008 Children's Tree Programme
- B0009 Development of Project addressing Period Poverty
- C0001 CCTV Camera - East Road/Burleigh Street
- C0002 10 Public Water Fountains
- C0004 Housing purchase - capital

4. Responsible Service

The Finance service manages the budget process, but a range of Council services would be responsible for the individual proposals included in this EqIA, if they were implemented.

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

Residents of Cambridge City

Visitors to Cambridge City

Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here): N/a

6. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

New

Major change

Minor change

7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)

No

Yes (Please provide details):

This is an assessment of proposed amendments to the Budget Setting Report and therefore covers many Council services. The budget also affects some of the Councils partnership working.

8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?

This will go to Council on 21st February 2019

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?

- Disability Facts and Figures report (2016) by The Papworth Trust: <http://www.papworthtrust.org.uk/node/2206>
- Royal College of Physicians (2016), 'Every Breath we Take: The Lifelong impact of air pollution' (report of a working party)
- Plan International UK's research on period poverty and stigma (2017), <https://plan-uk.org/media-centre/plan-international-uks-research-on-period-poverty-and-stigma>
- Home Office (2018), Hate Crime England and Wales 2017/18 Statistical Bulletin <https://plan-uk.org/media-centre/plan-international-uks-research-on-period-poverty-and-stigma>

10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

(a) Age

B0001 Remove Shop Mobility Charges from 1st February 2019

This proposal is for financial provision to advance removing the charges for the use of the Council's Shopmobility service by two months from 1st February instead of the 1st April, which would have a positive impact for people of all ages who want to use the service

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

(a) Age (continued)

used by a mixture of age groups use the service. Since the charges were introduced in May 2018, demand of people using the service has fallen significantly. In the period from May to December 2017 there were 39% more users than in period from May to December 2018.

B0007 Development of Water Play and Community Café Strategy

As the proposal states, the pools and splash pads in the city are well-used in the summer by families with children. The proposed feasibility study will look into the supply and demand for water play to ensure that their needs are being met (including in new communities).

B0002/3/4: Education Campaign on Engine Idling and Air Quality/Improved Signage/Mobile Air Quality Monitoring to target hotspots, B005 A Comprehensive Electric Vehicle Strategy, B0006 Development of Weekly Food Waste Collection (service?), and B0008 Children's Tree Programme

These proposals may have a positive impact in preventing ill-health, disability and early deaths caused by poor air quality. Research shows that the health of young people and older people is especially likely to be impacted by poor air quality. Some of the proposals are especially focusing on schools, which could have a positive impact on children's health (for B0002 Education on Engine Idling and Air Quality, B0003 Improved Signage to Combat Engine Idling, and B0004 Mobile Air Quality Monitoring to Target Hotspots).

B0008 Children's Tree Programme

As well as helping to improve air quality like the proposals above (by increasing the city's tree stock), this proposal would have educational benefits for children of year 4 primary school age. It will enable them "a gift of planting a tree at home, a designated part of the public realm or school premises, integrated with education about the importance of trees to the environment and techniques for planting and maintenance."

(b) Disability

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(b) Disability

B0001 Remove Shop Mobility Charges from 1st February 2019

This proposal is for financial provision to advance removing the charges for the use of the Council's Shop Mobility service by two months from 1st February instead of the 1st April, which would have a positive impact for disabled people who have mobility issues that make them more likely to require the service. Since the charges were introduced in May 2018, demand of people using the service has fallen significantly. In the period from May to December 2017 there were 39% more users than in period from May to December 2018. Disabled people are more likely to have higher living costs than non-disabled people, so they are more likely to experience poverty. If the charges meant that many were not able to access the city centre because they cannot afford to use the service then this will have increased social isolation.

(b) Disability (Continued)

B0002/3/4: Education Campaign on Engine Idling and Air Quality/Improved Signage/Mobile Air Quality Monitoring to target hotspots, B005 A Comprehensive Electric Vehicle Strategy, B0006 Development of Weekly Food Waste Collection (service?) and B0008 Children's Tree Programme

These proposals may have a positive impact in preventing ill-health, disability and early deaths caused by poor air quality.

C0001 CCTV Camera – East Road/ Burleigh Street

The proposal could have a positive impact in helping the Community Safety Team and Police to be more proactive in reducing crime, including hate crime. In the UK as a whole hate crime motivated by hostility or prejudice based upon the victim's disability or perceived disability had risen by 30% from 2016/17 to 2017/18.

C0002 10 Public Water Fountains

This proposal could have a positive impact on people's health by providing easier access to water, which may mean they are less likely to buy sugary drinks and stay hydrated. Also, if people have access to water in public parks, running routes, trim trails, football and all-weather pitches, this may encourage them to exercise more, which is beneficial for physical and mental health.

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(c) Gender reassignment

B0007 Development of Water Play and Community Café Strategy

There are no specific impacts identified for this equality group. However, there could be opportunity in the feasibility study to explore whether to include gender neutral toilet and changing room facilities in looking into "opportunities to rationalise park buildings and toilets and introduce new facilities" and "items that would enhance existing offers such as... changing facilities and toilets". This could have a positive impact on people with the protected characteristic of gender reassignment if gender neutral toilets are developed as a result, where individuals do not want to use facilities designated as female or male. Currently only 9 out of 20 of the Council's public toilet facilities provide gender neutral options.

C0001 CCTV Camera - East Road/Burleigh Street

The proposal could have a positive impact in helping the Community Safety Team and Police to be more proactive in reducing crime, including hate crime. Hate crime motivated by hostility or prejudice towards transgender people nationally had risen by 32% from 2016/17 to 2017/18.

(d) Marriage and civil partnership

No impacts have been identified specific to this equality group.

(e) Pregnancy and maternity

B0007 Development of Water Play and Community Café Strategy

As the proposal states, the pools and splash pads in the city are well-used in the summer by families with children. The proposed feasibility study will look into the supply and demand for water play to ensure that their needs are being met (including in new communities). The proposal might also lead to better changing facilities for families with children.

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

(f) Race

Note that the protected characteristic 'race' refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

B0001 Remove Shop Mobility Charges from 1st February 2019

Since introducing the charges there has been a significant drop in overall usage. This proposal is for financial provision to advance removing the charges for the use of the Council's Shop Mobility service by two months from 1st February instead of the 1st April, which could have a positive impact for adults with an impairment from black or black British ethnic backgrounds who are more likely to be socially excluded as a result of their disability. The impact that disability or long-term illness has on one's ability to participate in social life (including leisure activities like shopping) varies for different ethnic groups. Adults with an impairment from black or black British ethnic backgrounds report the highest number of life areas (for example, leisure) in which participation is restricted, while adults from white ethnic backgrounds report the lowest.

C0001 CCTV Camera - East Road/Burleigh Street

The proposal could have a positive impact in helping the Community Safety Team and Police to be more proactive in reducing crime, including hate crime. Hate crime motivated by hostility or prejudice towards someone's race has remained the most common type of hate crime in the UK as a whole since 2011/12 to 2017/18.

(g) Religion or belief

C0001 CCTV Camera - East Road/Burleigh Street

The proposal could have a positive impact in helping the Community Safety Team and Police to be more proactive in reducing crime, including hate crime. Hate crime motivated by hostility or prejudice towards someone's religion have increased the most (by 40%) according to figures for the UK as a whole between 2016/17 and 2017/2018.

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

(h) Sex

B0001 Remove Shop Mobility Charges from 1st February 2019

There are more disabled women than men in the UK. This has remained broadly stable over time. Therefore, it is likely that women would benefit more from the proposal to advance the removal of the charges from 1st April to 1st February.

B0009 Development of Project addressing Period Poverty

National data from Plan International UK indicates that 1 in 10 women cannot afford menstrual products in the UK. This proposal is likely to have a positive impact on women on low incomes by seeking to provide free products in public facilities within the Council's control.

(i) Sexual orientation

C0001 CCTV Camera - East Road/Burleigh Street

The proposal could have a positive impact in helping the Community Safety Team and Police to be more proactive in reducing crime, including hate crime. Hate crime motivated by hostility or prejudice towards someone's sexual orientation was the second most common type of hate crime in the UK as a whole for 2017/2018.

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty

B0001 Remove Shop Mobility Charges from 1st February 2019

This proposal is for financial provision to advance the removal of the charges for the use of

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

(j) Other factors that may lead to inequality (Continued)

the Council's Shop Mobility service from 1st April to 1st February, which would have a positive impact on low-income people and especially those who cannot afford to pay the charges at their current rate.

B0007 Development of Water Play and Community Café Strategy

The proposed feasibility study will look into the supply and demand for free water play facilities, which could have a positive impact on low-income families, if it increases the number of facilities that they are able to use free of charge.

B0009 Development of Project addressing Period Poverty

National data from Plan International UK indicates that 1 in 10 women cannot afford menstrual products in the UK. This proposal is likely to have a positive impact on women in low incomes by seeking to provide free products in public facilities within the Council's control.

C0002 10 Public Water Fountains

This proposal is to increase the provision of water free of charge in public spaces, so it could have a positive impact for people in poverty or on low incomes.

C0004 Housing purchase – capital

The proposal involves the loan of £6.25m and a similar equity investment from Treasury to purchase residential properties across the city to be held in a new housing property company for rental on a "living rent basis". Most of the properties proposing to be purchased (35) are for key workers. 5 of the properties (3 bed in size) would be prioritised for homeless individuals (requiring minimal support) to rent on a shared basis through the council's Town Hall Letting Agency (at a housing benefit level of rent), which may help tackle homelessness in the city.

11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqIA accordingly.)

Appendix 3 - Lib Dem Amendment 2019/20 [BSR App G]

This will go to Council on 21st February 2019

12. Do you have any additional comments?

No negative impacts have been identified for the protected characteristics related to these budget proposals. Potential positive impacts specific to particular protected characteristics have been identified for all protected characteristics apart from marriage/ civil partnership.

13. Sign off

Name and job title of lead officer for this equality impact assessment: Helen Crowther, Equality and Anti-Poverty Officer

Names and job titles of other assessment team members and people consulted:

- David Kidston, Strategy and Partnerships Manager
- Graham Saint, Strategy Officer
- Sean Cleary, Commercial Operations Manager

Date of EqIA sign off: 1st February 2019

Date of next review of the equalities impact assessment: This will go to Council on 21st February 2019

All EqIAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Has this been sent to Helen Crowther?

Yes

No

Date to be published on Cambridge City Council website: 14th February 2019

Appendix 4 - Lib Dem Budget Amendment – Replacement Tables

Performance against savings target (BSR, page 31)

Savings Targets	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
MTFS 2018 Current Savings Target (new savings each year)	190	630	542	244	482
Previous year savings not achieved / (over achieved)	-	-	-	-	-
Revised savings target	190	630	542	244	482
Unavoidable revenue pressures	598	581	637	697	697
Reduced income	377	542	644	522	522
Bids	545	376	58	145	145
Savings	(1,533)	(1,313)	(1,325)	(1,325)	(1,325)
Increased income	(286)	(266)	(80)	(160)	(160)
Programme	110	220	200	30	30
Net bids and savings	(190)	140	134	(91)	(91)
Revised savings target / savings	-	960	536	19	482
Adjustment to savings to attain target level of reserves at the end of 5 years and smooth savings over the final 4 year period	-	(325)	99	616	153
Savings still to be found	-	635	635	635	635
Impact of Lib Dem Budget proposals	-	(58)	-	-	-
Savings still to be found	-	577	635	635	635

General Fund Reserves (BSR, page 45)

Description	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Balance as at 1 April (b/fwd)	(13,380)	(9,378)	(9,015)	(7,796)	(6,458)	(5,994)
Contribution (to) / from Reserves per MTFS 2018	4,013	(96)	876	1,099	883	0
Non-Cash Limit items (Appendix C(d))		382	96	36	(37)	(106)
Impact of rephasing savings	0	0	325	226	(390)	(543)
Impact of Lib Dem Budget proposals - made up by:	(11)	77	(78)	(23)	8	20
GF Development Reserve - 35% of contributions	(20)	(133)	(198)	(93)	(12)	-
To fund time-limited proposals	7	210	120	70	20	20
Base balance	2	-	-	-	-	-
Balance as at 31 March (c/fwd)	(9,378)	(9,015)	(7,796)	(6,458)	(5,994)	(6,623)

General Fund Projection (BSR, page 34)

Description	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Expenditure						
Net service budgets	21,002	19,314	22,608	23,262	22,396	21,026
Revenue Budget Proposals (before allocation to other lines) updated for Lib Dem Budget proposals	8	22	202	146	(129)	(129)
Capital accounting adjustments	(6,342)	(6,342)	(6,342)	(6,342)	(6,342)	(6,342)
Capital expenditure financed from revenue	3,686	2,966	1,786	1,786	1,786	1,786
Contributions to earmarked funds updated for Lib Dem Budget proposals	4,950	3,513	2,570	2,549	2,236	1,947
Revised net savings requirement updated for Lib Dem Budget proposals	-	-	(577)	(635)	(635)	(635)
Net spending requirement	23,304	19,473	20,247	20,766	19,312	17,653
Funded by:						
Settlement Funding Assessment (SFA)	(4,680)	(4,179)	(3,951)	(3,925)	(3,897)	(3,867)
Locally Retained Business Rates – Growth Element	(800)	(800)	(800)	(800)	(800)	(800)
Other grants from central government	-	-	-	-	-	-
New Homes Bonus (NHB)	(5,595)	(5,504)	(5,277)	(5,277)	(4,272)	(3,271)
Appropriations from earmarked funds	-	-	-	-	-	-
Council Tax	(8,227)	(8,627)	(9,000)	(9,426)	(9,879)	(10,344)
Contributions to / (from) reserves - updated for Lib Dem Budget proposals	(4,002)	(363)	(1,219)	(1,338)	(464)	629
Total funding	(23,304)	(19,473)	(20,247)	(20,766)	(19,312)	(17,653)

General Fund Capital Funding and Spend (BSR, pages 40 & 41)

Capital funding Available	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Funding available and unapplied (MTFS Oct 2018)	-	(1,352)	(1,761)	(1,786)	(1,786)	(1,786)
Capital bids requiring funding (Appendix E(b))	-	867	218	48	30	-
Direct revenue funding of capital (DRF) returned to revenue S4345	-	193	-	-	-	-
Impact of Lib Dem Budget proposals	-	111	-	-	-	-
Net Funding Available	-	(182)	(1,543)	(1,738)	(1,756)	(1,786)

Capital plan spending	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Spend MTFS Oct 2018	30,949	11,562	3,366	61	-	-
Approvals since MTFS Oct 2018 see Appendix E (c):						
- Cromwell Road development (GF share)	17,166	-	-	-	-	-
- Section 106 (with funding)	192	77	-	-	-	-
Capital Plan total before new proposals	48,307	11,639	3,366	61	-	-
New proposals see Appendix E (d)	(5,407)	9,502	11,625	1,957	30	-
Total Spend	42,900	21,141	14,991	2,018	30	-
Impact of Lib Dem Budget proposals	-	12,611	-	-	-	-
Total Spend	42,900	33,752	14,991	2,018	30	-

Capital plan funding	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
External support						
Developer Contributions	(2,745)	(77)	0	0	0	0
Other Sources	(495)	(431)	(25)	0	0	0
Total - External Support	(3,240)	(508)	(25)	0	0	0
City Council						
Direct Revenue Financing (DRF) - GF Services	(105)	(5)	0	0	0	0
Direct Revenue Financing (DRF) - Use of Reserves	(3,686)	(2,966)	(1,786)	(1,786)	(1,786)	(1,786)
Earmarked Reserve - Capital Contributions	(27,543)	(655)	0	0	0	0
Earmarked Reserve - Climate Change Fund	(300)	0	0	0	0	0
Earmarked Reserve - Repair & Renewals Fund	(2,156)	(682)	0	0	0	0
Earmarked Reserve - OAS	(473)	0	0	0	0	0
Internal Borrowing - Temporary Use of Balances	(626)	(29,016)	(14,723)	(1,909)	0	0
Impact of Lib Dem Budget proposals						
Usable Capital Receipts	(4,771)	(102)	0	(61)	0	0
Total Funding	(39,660)	(33,426)	(16,509)	(3,756)	(1,786)	(1,786)
Capital Plan	42,900	33,752	14,991	2,018	30	0
Net Funding Available	0	(182)	(1,543)	(1,738)	(1,756)	(1,786)

Principal earmarked and specific funds (BSR, page 112)

Fund	Balance at 1 April 2018 £000	Anticipated contributions £000	New contributions £000	Forecast expenditure £000	Forecast balance 31 March 2023 £000
General Fund (GF) Development Fund including Mill Road and Cromwell Road revised projections	0	(1,303)		1,303	0

Impact of Lib Dem Budget proposals : Available balance reduced by £456k from £1,303k to £847k.

Appendix 5 – Lib Dem Budget Amendment - Section 25 Report

These budget amendments would not require any substantive changes to the existing Section 10 – Section 25 Report. **[Section 10, Page 52 refers]**

There are two types of amendment:-

- General Fund (GF) revenue amendments – spending proposals or reductions in savings and income are matched by funding generated from a variety of sources including:
 - Using unallocated budget from within the Community Grants programme
 - Increasing income
 - Increasing the level of savings from supplies and services budgets
 - Reducing the earmarked reserve (GF Development Fund) created from interest income earned from loans provided to fund development at the former Mill Road depot and at the Cromwell Road site by 35%, thereby reducing the level of contingency funding available for these and other Cambridge Investment Partnership (CIP) projects.

These proposals represent a reprioritisation of existing funding with the addition of some small increases in income and the use of other available resources. As such they do not compromise the deliverability of the council's overall budget. It should be noted that some of the proposals support feasibility and development work that may give rise to future bids for funding.

The GF Development Fund is created in the BSR from interest receipts that are considered to be uncertain in timing and quantum. By limiting the use of this source of funding to 35% of the total income, risks related to the receipt of this income are considered to be reduced, although not eliminated entirely.

- Capital bids – proposals are matched by available capital funding from 2019/20 and the use of internal borrowing for the provision of affordable housing.

The proposal to invest in the provision of affordable housing at Living Rent uses the council's cash balances to invest £12.5m into a new housing company to buy and manage 45 houses. Interest rate returns of 1.2% will be foregone as a result. The expected 1.6% return on the proposal exceeds current returns on the council's cash investments by about £50k per year, but if interest rates rise, as expected in the short to medium term, this saving will be eroded and could fall below the returns that can be achieved on cash. On current interest rate predictions, this could occur within two to three years.

Uncertainties relating to Brexit may impact the housing market, increasing the risk of falls in the value of properties. The timing of any property purchases will be significant both in relation to possible changes in capital value and when income from rents commences.

The affordable housing scheme has been financially assessed at current year prices with estimates made in line with those used for the 23 properties owned and managed by the council's existing housing company. However, it is noted that existing properties of various ages and locations around Cambridge will be purchased, rather than new build properties located on one or a small number of developments. There is therefore a risk that management, maintenance and capital costs will be higher than estimated. Rent income has been calculated assuming that across the properties an average rent will be achieved, based on the incomes of tenants. However, a mix of tenants with incomes at the lower end of the range would reduce the rental income of the scheme. The expected return will also be subject to differential inflation rates on pay and expenditure, such as maintenance costs.

Overall, the scheme is considered to be of marginal viability, with a low level of return that cannot be guaranteed due to the risks noted above. Furthermore, the level of return leaves little scope to cover normal operational risks. Further, more detailed modelling is required to fully understand the risks and how they might be mitigated.

I therefore consider, in relation to the budget resulting from the application of these amendments, that the estimates for the financial year 2019/20 to be sufficiently robust and the financial reserves up to 31 March 2019 to be adequate. I draw attention to the financial risks associated with the low level of projected return from the proposed housing scheme.

**Caroline Ryba
Head of Finance and S151 Officer**