

Item

## **INTERIM UPDATE TO THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

**To:**

Councillor Richard Robertson, Executive Councillor for Finance and Resources

Strategy & Resources Scrutiny Committee 06/07/2020

**Report by:**

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**Wards affected:**

All

Key Decision

### **1. Executive Summary**

1.1. This report presents an overview of the impact of the Coronavirus emergency in the Spring of 2020 on Cambridge City Council's budget for 2020/21. It sets out how estimates have been made and the uncertainties within those estimates. It lists the financial support that central government has provided to the council and proposes a number of actions that the council can take to balance its budget in 2020/21.

### **2. Recommendations**

2.1. The Executive Councillor is asked to recommend that Council:

- Note the forecast impact of the Covid-19 crisis on the council's finances

- Approve changes to the 2020/21 GF revenue and capital budgets as set out in Section 7 and Appendices 1 and 2
- Approve the use of earmarked reserves, as set out in Section 7 and Appendix 3
- Note the revised savings requirements identified in Section 8.

### **3. Background**

- 3.1. The Covid-19 pandemic has had profound effects on daily life in the UK and worldwide. Travel bans, social distancing and self-isolation have substantially reduced economic activity. Whilst the government has sought to soften the financial impact on individuals and businesses to support the lock-down, there are major financial consequences for councils arising from reduced income, service pressures and additional responsibilities. Whilst some additional funding has been made available to support additional expenditure, the level of funding provided does not meet the majority of budgetary pressures, many of which arise from reductions in income.
- 3.2. Only minor revenue impacts were seen in 2019/20, as restrictions on social interaction came into force during March 2020. The current situation will give rise to significant challenges in closing the council's 2019/20 accounts, particularly in the valuation of property, pension fund assets and external debtors, as well as the external auditor's evaluation of the financial resilience of the council. However, it is the actions that the council takes to manage its finances and the success of these actions that will underpin its financial resilience through 2020/21 and beyond.
- 3.3. The government is now easing the lockdown. The estimated impacts presented here are mainly based on a three-month lockdown followed by a recovery period. Where Heads of Service have been able to make more informed estimates for their services, these have been used in this analysis. However, there is still considerable uncertainty in these estimates, as the timing and trajectory of the recovery in each service is largely unknown and the risk of a second peak in infections and the re-imposition of the lockdown remains.

### **4. Financial context**

- 4.1. The Bank of England published a Monetary Policy Report on 7 May 2020. The summary provides an outline of the current national financial situation:
  - The spread of Covid-19 and the measures to contain it are having a significant impact on the United Kingdom and many countries around the world. Activity has fallen sharply since the beginning of the year and unemployment has risen markedly.

- Payments data point to a reduction in the level of household consumption of around 30%. Consumer confidence has declined markedly and housing market activity has practically ceased.
- Companies' sales are expected to be around 45% lower than normal in 2020 Q2 and business investment 50% lower.
- CPI inflation declined to 1.5% in March and is likely to fall below 1% in the next few months, in large part reflecting developments in energy prices.
- The Monetary Policy Committee reduced the Bank Rate from 0.75% to 0.25% on 10 March 2020 and approved a further reduction to 0.1% on 19 March 2020
- Further quantitative easing has been undertaken, increasing the Bank of England's holdings of UK government bonds and sterling non-financial investment-grade corporate bonds by £200 billion to a total of £645 billion.

## **5. Resources**

### **Government financial support to local authorities**

- 5.1. To date, the council has received £1.314m Covid-19 Emergency Funding in two tranches. No further emergency funding has been announced at the time of writing this report so no allowance for further funding has been included within this MTFs update. The council has also received £25k towards temporary accommodation costs for rough sleepers.
- 5.2. Cash payments of some s31 grants to local authorities have been brought forward and payments of the central share of business rates to government have been deferred until later in the year. These changes have been made to address cashflow concerns arising from reduced collections rates on Council Tax, Business Rates, fees, charges and commercial income. The council has significant cash balances and so does not have any concerns over cashflow at present
- 5.3. The council has furloughed staff where appropriate, claiming £148k in relation to GF employees up to 31 May 2020.

## **Future funding**

- 5.4. As outlined in the Budget Setting Report 2020, two major reviews of local government funding, the Fair Funding Review and a review of the Business Rates Retention System were expected to report in 2020 and to be implemented for 2021/22. Due to the crisis, reporting and implementation of both reviews have been delayed for a year, extending the period of uncertainty in relation to the council's funding until 2022/23.
- 5.5. The Chancellor announced a three-year Comprehensive Spending Review (CSR 2020) in his Spring Budget, with a reporting date of July 2020. This would have provided some clarity as to the quantum of funding available for local government as a whole for the three years from 2021/22 to 2023/24, however the CSR has also been delayed.
- 5.6. As a result of the above, no changes are proposed to the funding included within the MTFS in October 2019. Assumptions made at that time are considered to be prudent, but the overall impact of the pandemic on the funding available to local government is unknown at present.

## **6. 2020/21 revenue forecasts**

- 6.1. The impact on income and costs based on a three-month lockdown and subsequent recovery has been forecast based on the best information available in mid-May when the forecasts presented here were made. Where services cover a number of discrete areas, these have been forecast separately. Where lockdown and recovery periods are expected to be longer due to the nature of the service, for example Cambridge-Live, this has been allowed for in the estimates presented.
- 6.2. Although best efforts have been made in a short timescale, it should be noted that the current situation is unprecedented and the resulting forecasts should be considered in this context.
- 6.3. The forecasts indicate a net overspend of £9.8m before any mitigating factors, with the major services impacted as follows:

| Service                                      | 2020/21<br>Expenditure<br>Increase /<br>(Decrease)<br>£'000 | 2020/21<br>Income<br>(Increase) /<br>Decrease<br>£'000 | 2020/21 Net<br>Impact £'000 |
|--|---|--|-----------------------------|
| Parking Services                             | 0   | 2,651  | 2,651                       |
| Corn Exchange/Cambridge Live area            | 0   | 1,890  | 1,890                       |
| Housing General Fund, including homelessness | 1,125   | 55   | 1,180                       |
| Property Services                            | 0   | 724  | 724                         |
| Shared Waste                                 | 0   | 450  | 450                         |
| Other services                               | 156   | 2,757  | 2,913                       |
| <b>Total</b>                                 | <b>1,281</b>  | <b>8,527</b>   | <b>9,808</b>                |

6.4. No further work has been done on potential impacts for 2021/22 due to the high level of uncertainty surrounding recovery trajectories. Initially the financial impact of the crisis was not expected to extend into 2021/22, but this will be kept under review.

## 7. Mitigation proposals

7.1. The council has undertaken a review of all revenue budget proposals approved at budget-setting in February 2020 with a view to deleting or deferring as many as possible whilst having regard to its key priorities of:

- Delivering sustainable prosperity for Cambridge and fair shares for all
- Tackling the city's housing crisis and delivering our planning objectives
- Tackling climate change, and making Cambridge cleaner and greener

As a result, £472k savings are proposed in 2020/21, as outlined in Appendix 1.

- 7.2. The Budget Setting Report (BSR) included non-pay inflation at 1.8%. However, as inflation predictions are now decreasing it is proposed to remove all non-pay inflation from budgets except where contractually-determined, providing a saving of £325k.
- 7.3. The council has also reviewed all capital programme schemes with funding in place for 2019/20 and 2020/21, see Appendix 2. Total savings of £1,745k are available from stopping or reducing schemes and a further £1,487k of capital spending can be deferred to 2021/22. This provides a total benefit of £3,232k in 2020/21. A further £17k underspend can be released from completed schemes.
- 7.4. A saving of £482k is to be found by reducing the contribution to the Greater Cambridgeshire Partnership (GCP) from 30% to 10% for the final 6 months of the year.
- 7.5. An initial review of earmarked reserves has identified £892k that can be released to support the budget in 2020/21, see Appendix 3 for details. The outcome of a more detailed review will be presented with MTFS in October 2020.
- 7.6. Finally, work on the closedown of the 2019/20 accounts has identified a further three technical adjustments, totalling £620k in 2020/21, that mitigate the financial impact forecast in that year

## **8. Revised savings requirement and projected reserve balances.**

- 8.1. The effect of the mitigation proposals listed in Section 7 is shown in the table below. The table assumes that the remaining 2020/21 budget gap of £2.6m is closed in the year using one-off sources of funding, such as additional Covid-19 emergency funding from government or use of GF reserves.
- 8.2. On-going net savings of £5.2m will then be required over the next five years, based on current assumptions
- 8.3. The key assumptions and uncertainties are:
- No Covid-19 financial impacts extend into 2021/22: if they do, one-off savings or use of reserves will be required to balance the budget in that year. If, for example, the impact in 2021/22 is 25% of that in the current year, a further £2.5m would be required. A range of assumptions is illustrated in section 9.

- Estimates of additional expenditure and loss of income are inherently uncertain: the nature of the crisis is unprecedented and estimates will be impacted by how the lockdown is eased, the timescale of that easing and the course of the pandemic going forward. Moreover, the overall estimated impact of £9.8m is made up of many individual estimates that will be affected in different ways.
- No additional funding from central government: for prudence, none has been assumed, except for further amounts from the Coronavirus Job Retention Scheme, which have been based on a steady reduction in the number of staff furloughed until the end of the scheme. However, it would seem likely that further support will be forthcoming.
- Collection of Business Rates and Council Tax: Whilst central government has provided some protection through the provision of the Council Tax Hardship Fund and the expanded Retail, Hospital Leisure Discount, collection of billed amounts remain uncertain. Collection rates may continue to decline if economic recovery is slow and residents and businesses come under more financial pressure. Due to the operation of the Collection Fund, the main impact on the council will be delayed to 2021/22.
- The BSR assumed a pay increase of 2.5%. An offer of 2.75% has been made but there has been no agreement. As the offer pre-dates the crisis, the likely outcome is unclear. A change of 1% has an effect of about £280k.

| <b>Savings Targets</b>   | <b>2020/21</b> | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>Total</b> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
|  | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>  |
| <b>BSR 2020 Current savings target (new savings each year)</b>   | <b>0</b>       | <b>1,815</b>   | <b>772</b>     | <b>1,906</b>   | <b>677</b>     | <b>600</b>     | <b>5,770</b> |
|  |                |                |                |                |                |                |              |
| Covid-19 net pressures - May estimate  | 9,808          |                |                |                |                |                |              |
| Additional funding - Covid-19 emergency funding  | (1,314)        | 0              | 0              | 0              | 0              | 0              |              |
| Additional funding - Covid-19 homelessness contingency funding   | (25)           |                |                |                |                |                |              |
| Additional funding - Coronavirus job retention scheme - claim to 31 May 2020                                 | (148)          | 0              | 0              | 0              | 0              | 0              |              |
| Additional funding - Coronavirus job retention scheme - estimates to end of scheme at 31 October 2020        | (230)          | 0              | 0              | 0              | 0              | 0              |              |
| Remove general inflation uplift  | (325)          | (325)          | (325)          | (325)          | (325)          | (325)          |              |
| Review of BSR 2020 approved revenue proposals  | (472)          | (201)          | (120)          | (154)          | (204)          | (204)          |              |
| Review of BSR 2020 approved capital proposals - revenue funding released / rephased                          | (2,111)        | 1,168          | 0              | 0              | 0              | 0              |              |
| Review of BSR 2020 approved capital proposals - earmarked reserves funding released / rephased               | (1,009)        | 227            | 0              | 0              | 0              | 0              |              |
| Review of BSR 2020 approved capital proposals - capital receipts available to substitute for revenue funding | (112)          | 92             | 0              | 0              | 0              | 0              |              |
| Review of BSR 2020 approved capital proposals - unused funding released from completed schemes               | (17)           | 0              | 0              | 0              | 0              | 0              |              |
| Release earmarked reserves   | (892)          | 0              | 0              | 0              | 0              | 0              |              |
| Reduce contribution from NHB to GCP from 30% to 20% (6 months at each of 30% and 10%)                        | (482)          | 0              | 0              | 0              | 0              | 0              |              |
| Interest income on Cromwell Road land purchase loan to CIP   | (324)          | (324)          | (81)           |                |                |                |              |
| Reduction in Minimum Revenue Provision   | (97)           | (97)           | (97)           | (97)           | (97)           | (97)           |              |
| Unwinding of discount on Mill Road Land loan   | (199)          |                |                |                |                |                |              |
| Budget gap - met from further government funding and/or GF reserves  | (2,051)        |                |                |                |                |                |              |
|  |                |                |                |                |                |                |              |
| <b>Net changes to funding and approved budget proposals</b>  | <b>0</b>       | <b>541</b>     | <b>(623)</b>   | <b>(576)</b>   | <b>(626)</b>   | <b>(626)</b>   |              |
|  |                |                |                |                |                |                |              |
| <b>Revised savings targets (new savings each year)</b>   | <b>0</b>       | <b>2,356</b>   | <b>(392)</b>   | <b>1,953</b>   | <b>627</b>     | <b>600</b>     | <b>5,144</b> |

8.4. On the basis that the budget gap is met from GF reserves, projected GF reserves balances are set out in the table below. It should be noted that the balance brought forward into 2020/21 has not been finalised, therefore cannot be guaranteed. In particular, the Business Rates surplus shown below was estimated in December 2019 by collections and changes in the ratings list up to 31 March 2020.

| Description   | 2020/21<br>£000 | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Balance at 1 April per BSR 2020 b/fwd (subject to year end procedures)</b> | <b>(16,053)</b> | <b>(19,778)</b> | <b>(19,392)</b> | <b>(19,106)</b> | <b>(18,820)</b> | <b>(18,534)</b> |
| Contribution (to)/from reserves per BSR 2020                                  | 328             | 386             | 286             | 286             | 286             | 286             |
| Business rates surplus per BSR 2020   | (6,104)         | 0               | 0               | 0               | 0               | 0               |
| Use of reserves to support remaining Covid-19 budget gap                      | 2,051           | 0               | 0               | 0               | 0               | 0               |
| <b>Balance at 31 March (c/fwd)</b>  | <b>(19,778)</b> | <b>(19,392)</b> | <b>(19,106)</b> | <b>(18,820)</b> | <b>(18,534)</b> | <b>(18,248)</b> |
| <b>Target GF reserves level per BSR 2020</b>                                  | <b>(6,610)</b>  | <b>(6,610)</b>  | <b>(6,610)</b>  | <b>(6,610)</b>  | <b>(6,610)</b>  | <b>(6,610)</b>  |

## 9. Recovery scenarios

9.1. The timing and extent of the recovery is unknown at this point. Therefore, there may be unavoidable additional expenditure and/or loss of income in future years as a result of the pandemic. The following table illustrates how different scenarios would impact on the future savings requirements of the council.

| Savings Targets   | 2020/21<br>£000 | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | Total<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>BSR 2020 Current savings target<br/>(new savings each year)</b>                      | 0               | 1,815           | 772             | 1,906           | 677             | 600             | 5,770         |
|   |                 |                 |                 |                 |                 |                 |               |
| Covid-19 net pressures - 2020/21<br>impact only - as above                              | 9,808           |                 |                 |                 |                 |                 |               |
| <b>Revised savings targets (new<br/>savings each year)</b>                              | 0               | 2,356           | (392)           | 1,953           | 627             | 600             | 5,144         |
|   |                 |                 |                 |                 |                 |                 |               |
| Covid-19 net pressures -<br>permanent loss of revenue /<br>additional costs of £1m p.a. | 9,808           | 1,000           | 1,000           | 1,000           | 1,000           | 1,000           |               |
| <b>Revised savings targets (new<br/>savings each year)</b>                              | 0               | 3,356           | (392)           | 1,953           | 627             | 600             | 6,144         |
|   |                 |                 |                 |                 |                 |                 |               |
| Covid-19 net pressures - 25%<br>impact in 2021/22 only                                  | 9,808           | 2,452           |                 |                 |                 |                 |               |
| <b>Revised savings targets (new<br/>savings each year)</b>                              | 0               | 4,808           | (2,844)         | 1,953           | 627             | 600             | 5,144         |
|   |                 |                 |                 |                 |                 |                 |               |
| Covid-19 net pressures - slow<br>recovery over 3 years - 50%, 25%,<br>10%               | 9,808           | 4,904           | 2,452           | 981             |                 |                 |               |
| <b>Revised savings targets (new<br/>savings each year)</b>                              | 0               | 7,260           | (2,844)         | 482             | (354)           | 600             | 5,144         |

## 10. Next steps

- 10.1. The council will continue to monitor the financial impact of the Coronavirus emergency, both actual and forecasts for the year, through its regular monthly financial management processes. It will continue to respond to data requests from MHCLG and others to ensure that these impacts are understood by government.
- 10.2. The council will update its MTFS fully in autumn 2020, taking into account the developing situation and up-to-date estimates using information available at that time.

## 11. Implications

### a) Financial Implications

These are set out in this paper.

**b) Staffing Implications**

Some proposed budget changes may have staffing implications, as identified in the narrative.

**c) Equality and Poverty Implications**

Whilst the council must work towards a balanced budget, proposed changes to the budget have been made with consideration of the council's priorities, including that relating to anti-poverty.

**d) Environmental Implications**

Whilst the council must work towards a balanced budget, proposed changes to the budget have been made with consideration of the council's priorities, including that relating to climate changes and the environment.

**e) Procurement Implications**

The Council has sought to support suppliers who may have been facing particular hardship during lockdown.

**f) Community Safety Implications**

N/A.

**12. Consultation and communication considerations**

N/A

**13. Background papers**

Budget Setting Report (BSR) 2020

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MIId=3896&Ver=4>

**14. Appendices**

Appendix 1 – Revenue savings proposed

Appendix 2 – Proposals for deleting and deferring capital schemes

Appendix 3 – Proposed use of earmarked reserves

**15. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Caroline Ryba, Head of Finance, tel: 01223 - 458134, email: [caroline.ryba@cambridge.gov.uk](mailto:caroline.ryba@cambridge.gov.uk) .

## Appendix 1 – Revenue savings proposed

| Change to proposal approved in BSR 2020/21   | Outline of proposal approved in BSR   | Saving or Pressure 20/21 £ | Saving or Pressure 21/22 £ | Saving or Pressure 22/23 £ | Saving or Pressure 23/24 £ | Saving or Pressure 24/25 £ | Saving or Pressure 25/26 £ | Total £     |
|--|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------|
| Impact of Overhead recharges for shared services - reduction against budgeted charge (URP4500)   | Where other councils run shared services, we are required to contribute to those councils' overheads. This £400k is currently only an estimate of the net contribution we need to make. Work is underway to finalise these figures.   | (231,000)                  | (231,000)                  | (231,000)                  | (231,000)                  | (231,000)                  | (231,000)                  | (1,386,000) |
| Shortfall in savings this year due to the delay in the launch of the Customer Portal - avoided (B4507)                                       | The development of the iEG4 customer portal in 2019/2020 is expected to reduce customer contacts and facilitate a reduction in staffing to offset the iEG4 licence fee of £76,000 in 2020/21. Due to delays in the project the full savings of cannot be achieved in 2020/2021, but £40,000 is achievable. This bid is to cover the balance of Customer Service Centre staffing reduction to offset the licence costs for 2020/2021.  | (36,000)                   | 0                          | 0                          | 0                          | 0                          | 0                          | (36,000)    |
| Street Aid - Safer Communities - continue volunteer coordinator - not taken forward (B4513)  | This bid is to extend the contract of the Cambridge Street Aid Co-ordinator post for two further years. Currently it is a fixed term contract to November this year paid from Sharing Prosperity Fund £14,500 It is a part time role for 20 hours a week. The postholder has recruited several Champions for the campaign from the general public and the universities and the campaign has surpassed the targets set in donations, grants and events to raise awareness. We will continue to look for match funding from the businesses. | (14,500)                   | (14,500)                   | 0                          | 0                          | 0                          | 0                          | (29,000)    |
| Review of Community Centres Phase 1 - Ongoing efficiencies in income and reduced overtime (£25k pa) - reduced by 50% in first year (S4527)   | Offer saving of £25k arising from anticipated increased income at The Meadows Centre and reduction in overtime budgets.   | 12,500                     | 0                          | 0                          | 0                          | 0                          | 0                          | 12,500      |
| Reduce Leisure Management Contract budget for contract variations - Sports & Recreation - saving unachievable, all years (S4528)             | Remove budget for contract variation and utility variance adjustment from leisure management budget. This is not always 100% spent. The proposal is to remove it entirely. There is a risk unforeseen costs may result in overspend.  | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 60,000      |
| 3C Building Control Review of Ratio of Non Fee Earning to Fee Earning Elements - full saving of £50k pa not achievable in first year (S4536) | Review of the ratio of non fee earning to fee earning element of Building Control.  | 30,000                     | 0                          | 0                          | 0                          | 0                          | 0                          | 30,000      |

| Change to proposal approved in BSR 2020/21  | Outline of proposal approved in BSR  | Saving or Pressure 20/21 £ | Saving or Pressure 21/22 £ | Saving or Pressure 22/23 £ | Saving or Pressure 23/24 £ | Saving or Pressure 24/25 £ | Saving or Pressure 25/26 £ | Total £  |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------|
| Restructure Cycling and Walking Promotion Grant in line with demand - saving not taken following termination of CJAC (S4541)                                  | Part of the council's promotion of cycling and walking is through providing grants to public, private and voluntary & community sector partners. Applications have consistently been limited and spending from this budget has been c£7k. Accordingly the budget will be reduced to that figure and promoted as 'active travel' for cyclists and walkers Also applicants seeking funding for cycling and walking projects will be able to apply to the Council's other existing grant funds, such as Environmental Improvement Projects and Communities  | 17,000                     | 17,000                     | 17,000                     | 17,000                     | 17,000                     | 17,000                     | 102,000  |
| Dog Warden Service - service review - 50% of saving not achievable in first year (S4544)  | The dog warden service is delivered by a dedicated part time dog warden post (0.5 FTE) and 0.5 FTE of a public realm enforcement officer post. The review will look at addressing the issue of single person dependency, operational resilience and service efficiency.  | 8,750                      |                            |                            |                            |                            |                            | 8,750    |
| Local Taxation Fees Income (court costs collected) - 50% of income not achievable in first year (I14549)  | Projected increase in Local Taxation fee income (court costs collected).   | 15,000                     | 0                          | 0                          | 0                          | 0                          | 0                          | 15,000   |
| Potential additional income from letting Administrative Buildings - income not achievable in first year (I14552)  | Free up space at the Guildhall and/or Mandela House to enable commercial letting of the space vacated to generate income streams. This may require some existing allocated capital to the Office Accommodation Strategy to be vired to undertake improvement works to the space to be let.   | 50,000                     | 0                          | 0                          | 0                          | 0                          | 0                          | 50,000   |
| Increased surplus achieved by Trade Waste - additional surplus not achievable in first year (I15555)  | Further development of commercial refuse services Work underway on figures?  | 25,000                     | 0                          | 0                          | 0                          | 0                          | 0                          | 25,000   |
| North East Cambridge - part-time Community Development Officer to begin wider engagement - not yet required (B4572)   | The planning service has started work to develop an Area Action Plan for North East Cambridge. The Council has found that community development outreach work in the area with local people and businesses in the two years leading up to commencement of work is invaluable in supporting local democracy and enabling local people to become involved and help shape the new area. This bid is for an 8 hour a week resource for a period of two years. After this, and once the s106 agreement is signed, it is then anticipated that as with other major developments such as North West Cambridge and the Southern Fringe, community development resource will be provided to support the new community and help integrate new and existing areas of the city and surrounding area.       | (10,000)                   | (10,000)                   | 0                          | 0                          | 0                          | 0                          | (20,000) |
| Celebration of Women 2020 - defer 50% (B4618)   | Celebration of Women 2020 Exhibition and community activities complementing the Vote#100 programme, to involve: (a) Print, frame and hang colourised pictures of some of the key early female civic figures at the Guildhall £500; (b) An event celebrating the contribution of women to city life up to £4.5k; (c) A history trail around the city, including the peripheries, focussing on similar women, with an emphasis on the city not the university and to include school outreach £15k  | (10,000)                   | 10,000                     | 0                          | 0                          | 0                          | 0                          | 0        |
| Youth Liaison Officer - supporting partnership work on Child Criminal Exploitation and serious violent crime - delay start and reprofile over 3 years (B4619) | Community Youth Liaison Officer - supporting statutory agency partnership work to address child criminal exploitation and serious violent crime. Funding for two years to employ an officer who will support work being undertaken by partner agencies to protect and support young people living in the city. Will involve gathering intelligence, considering of positive activities, raising awareness, facilitating good coordination between agencies and stakeholders and identifying sources of funding to enhance the work. Based in the community safety service with close links to ChYpPs. 2 years fixed term position with small project budget of £5k. Note: officers are seeking external funding to support this position - if successful, the bid may be withdrawn or amended. | (33,750)                   | 0                          | 33,750                     | 0                          | 0                          | 0                          | 0        |

| Change to proposal approved in BSR 2020/21  | Outline of proposal approved in BSR  | Saving or Pressure 20/21 £ | Saving or Pressure 21/22 £ | Saving or Pressure 22/23 £ | Saving or Pressure 23/24 £ | Saving or Pressure 24/25 £ | Saving or Pressure 25/26 £ | Total £     |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------|
| Partnership work on climate change research and projects - defer half to following year (B4621)                   | This budget proposal will fund research and joint development projects targeted at the changes needed by Cambridge as a city to deliver on our objective of net zero carbon at the earliest practical opportunity, and will link to the work programme of the Cambridgeshire Climate Commission being funded by the Combined Authority   | (12,500)                   | 12,500                     | 0                          | 0                          | 0                          | 0                          | 0           |
| Improve visibility & accessibility of planning applications - stop project (B4625)                                | To allow research adaptation to enable information on planning applications to be shared with interested parties who could contribute to their evaluation and enable a positive impact on the quality of applications  | (30,000)                   | 0                          | 0                          | 0                          | 0                          | 0                          | (30,000)    |
| Providing consultancy advice on Cutting Carbon Emissions in Current Building Stock - stop project (B4626)         | 3C Building Control Services to undertake research and training to enable the service to provide information on adapting homes and buildings for climate change for residents, and also architects/consultants, with focus on Cambridge's challenges (old housing stock, historic buildings). This will also enable the service to be ahead of the changes in building technology and the climate crisis, and lead to new income.  | (44,000)                   | 0                          | 0                          | 0                          | 0                          | 0                          | (44,000)    |
| Community Clear Out Days, £25k pa recurring - delay launch by 6 months (B4633)                                    | Double the number of this year's Community Clear Out days across the city from 15 to 30  | (12,500)                   | 0                          | 0                          | 0                          | 0                          | 0                          | (12,500)    |
| Climate Change communication and community engagement - defer half to following year (B4640)                      | Work to communicate and engage with residents on climate change mitigation and adaptation activity including the development of the next Climate Change Strategy   | (10,000)                   | 10,000                     | 0                          | 0                          | 0                          | 0                          | 0           |
| Double current wildflower meadows - delay one year (B4645)  | To deliver on the Biodiversity Motion pledge to enhance our estate for biodiversity, double the current area of wildflower meadows across the city through a mix of formal pictorial meadows and native wildflower meadows on parks, open spaces and road verges. Work with communities, local groups and businesses to identify suitable locations to sow and manage more meadows to benefit pollinating insects and their predators.   | (3,000)                    | 3,000                      | 0                          | 0                          | 0                          | 0                          | 0           |
| Corporate Transformation Programme - reduce first year budget by 25% (PROG 4519)                                  | The Council has an ambition, through its transformation programme, to deliver a range of strategic change activity in 2020/21 as well as implementing the outcomes of reviews and other major investment programmes delivered in 2019/20. While it is planned that the majority of transformation and change work will be resourced from within service areas or through the in-house transformation service, in some cases there will be a need for external support either to project manage an element of the programme or to provide specialist input and expertise in a particular business area. | (62,500)                   | 0                          | 0                          | 0                          | 0                          | 0                          | (62,500)    |
| Street trees fund - delay one year and spread total budget over 4 years (duration of tree canopy project) (B4662) | Establish a two year programme of strategic street tree planting (c20 trees per year, £100k per year), using engineered tree pits (average cost of £7k per tree pit) to maximise establishment rates and minimise root damage risk. This fund will complement the County's street tree replacement programme and the EU 2 Seas project (ref.B4609), where the associated planting budget is for trees in parks and green spaces, not streets.  | (50,000)                   | (50,000)                   | 50,000                     | 50,000                     | 0                          | 0                          | 0           |
| Selective Landlord Licensing [Linked to I14671] - delay and reprofile (B4663)                                     | A feasibility study is being carried out to determine if it is lawful to have a selective licensing scheme in Cambridge. This is being funded with in existing resources. If there is evidence to support such a scheme the scheme would in theory start with set up costs from September 2020. The costs outlined here would be the costs of running a scheme however it will be self funding through the licensing fees over a 5 year period.  | (82,875)                   | (48,625)                   | 0                          | 0                          | 0                          | 0                          | (131,500)   |
| Consultation on resident and business priorities for council services - stop (B4664)                              | To provide for in-depth community engagement with residents, businesses, staff and other stakeholders.   | (30,000)                   | (20,000)                   | 0                          | 0                          | 0                          | 0                          | (50,000)    |
| Fees receivable for Selective Landlord Licensing Scheme [Linked to B4663] - delay and reprofile (I14671)          | Admin and licensing fees to be charged to cover cost of running the scheme   | 32,875                     | 111,125                    | 0                          | 0                          | 0                          | 0                          | 144,000     |
|   |  | (471,500)                  | (200,500)                  | (120,250)                  | (154,000)                  | (204,000)                  | (204,000)                  | (1,354,250) |

## Appendix 2 – Proposals for deleting and deferring capital schemes

| Capital Project Code | Scheme Name  | 2019/20 Budgeted expenditure £'000 | 2020/21 Budgeted expenditure £'000 | Later years Budget expenditure £'000 | Change in funding (Reduction) /Increase 2020/21 £'000 | Change in funding (Reduction) /Increase 2021/22 £'000 | Funding                              | Notes   |
|----------------------|--|------------------------------------|------------------------------------|--------------------------------------|---|---|--------------------------------------|---|
| PR010a               | Environmental Improvements Programme - North Area        | 69                                 | 0                                  | 0                                    | (27)  | 0   | GF Reserves / Direct Revenue Funding | Reduce by 50%                                 |
| PR010b               | Environmental Improvements Programme - South Area        | 77                                 | 0                                  | 0                                    | (36)  | 0   | GF Reserves / Direct Revenue Funding | Reduce by 50%                                 |
| PR010c               | Environmental Improvements Programme - West/Central Area | 127                                | 0                                  | 0                                    | (64)  | 0   | GF Reserves / Direct Revenue Funding | Reduce by 50%                                 |
| PR010d               | Environmental Improvements Programme - East Area         | 110                                | 0                                  | 0                                    | (55)  | 0   | GF Reserves / Direct Revenue Funding | Reduce by 50%                                 |
| PR010                | Environmental Improvements Programme                     | 70                                 | 170                                | 0                                    | (60)  | 0   | GF Reserves / Direct Revenue Funding | Reduce by 25%                                 |
| SC720                | Improving and consolidating corporate data management    | 0                                  | 20                                 | 0                                    | (20)  | 0   | GF Reserves / Direct Revenue Funding | Delete  |
| SC717                | 3C ICT resource planning tool                            | 0                                  | 7                                  | 0                                    | (7)   | 0   | GF Reserves / Direct Revenue Funding | Delete  |
| SC662                | Shared Planning Service software and implementation      | 59                                 | 0                                  | 0                                    | (27)  | 0   | GF Reserves / Direct Revenue Funding | Remove uncommitted funding                    |
| SC689                | Income management software                               | 47                                 | 0                                  | 0                                    | (32)  | 32  | GF Reserves / Direct Revenue Funding | Defer uncommitted portion                     |
| SC724                | Provision of extra electric charging points              | 0                                  | 100                                | 0                                    | (50)  | 50  | GF Reserves / Direct Revenue Funding | Defer 50%                                     |
| SC710                | Guildhall Small Hall wooden floor                        | 0                                  | 45                                 | 0                                    | (45)  | 45  | GF Reserves / Direct Revenue Funding | Defer   |
| SC627                | Guildhall Large Hall Windows refurbishment               | 9                                  | 0                                  | 0                                    | (9)   | 9   | GF Reserves / Direct Revenue Funding | Defer scheme - see also Cap Rec funded amount |
| SC687                | Customer Service Centre improvements                     | 61                                 | 0                                  | 0                                    | (26)  | 0   | GF Reserves / Direct Revenue Funding | Remove uncommitted funding                    |
| PR054                | Administrative buildings maintenance                     | 0                                  | 188                                | 714                                  | (94)  | 0   | GF Reserves / Direct Revenue Funding | Reduce 2020/21 by 50%                         |
| SC711                | Guildhall PA system                                      | 0                                  | 25                                 | 0                                    | (25)  | 25  | GF Reserves / Direct Revenue Funding | Defer   |
| SC654                | Redevelopment of Silver Street Toilets                   | 559                                | 0                                  | 0                                    | (494)   | 494   | GF Reserves / Direct Revenue Funding | Defer uncommitted funding                     |
| SC739                | Abbey Pool improvements (S106)                           | 0                                  | 45                                 | 0                                    | (45)  | 0   | GF Reserves / Direct Revenue Funding | Restrict spend to S106 only                   |
| PR053                | Commercial property repair and maintenance               | 0                                  | 300                                | 1,200                                | (75)  | 0   | GF Reserves / Direct Revenue Funding | Reduce 2020/21 by 50%                         |
| SC723                | Upgrade Kings Hedges recreation areas                    | 0                                  | 150                                | 0                                    | (150)   | 0   | GF Reserves / Direct Revenue Funding | Delete  |
| SC726                | Jesus Green fish pass                                    | 0                                  | 0                                  | 50                                   | (50)  | 0   | GF Reserves / Direct Revenue Funding | Delete  |
| SC646                | Redevelopment of Cambridge Junction                      | 250                                | 0                                  | 0                                    | (219)   | 219   | GF Reserves / Direct Revenue Funding | Remove uncommitted funding                    |

| Capital Project Code | Scheme Name   | 2019/20 Budgeted expenditure £'000 | 2020/21 Budgeted expenditure £'000 | Later years Budget expenditure £'000 | Change in funding (Reduction) /Increase 2020/21 £'000 | Change in funding (Reduction) /Increase 2021/22 £'000 | Funding                              | Notes  |
|----------------------|---|------------------------------------|------------------------------------|--------------------------------------|---|---|--------------------------------------|--|
| PV007                | Cycleways   | 294                                | 0                                  | 0                                    | (294)   | 294   | GF Reserves / Direct Revenue Funding | Defer  |
| PR037                | Local Centres Improvement Programme                 | 7                                  | 0                                  | 0                                    | (7)   | 0   | GF Reserves / Direct Revenue Funding | Remove uncommitted funding   |
| SC597                | Empty Homes Loan Fund                               | 200                                | 0                                  | 0                                    | (200)   | 0   | GF Reserves / Direct Revenue Funding | Delete   |
|                      | <b>Total - GF Reserves / Direct Revenue Funding</b> |                                    |                                    |                                      | <b>(2,111)</b>  | <b>1,168</b>  |                                      |  |
| PR050                | Office Accommodation Strategy Phase 2 (OAS)         | 473                                | 0                                  | 0                                    | (403)   | 0   | Earmarked Reserves                   | Delete scheme pending re-evaluation of office accommodations needs |
| PR050f               | Guildhall Welfare Improvements (OAS)                | 189                                | 0                                  | 0                                    | (154)   | 0   | Earmarked Reserves                   | Delete scheme pending re-evaluation of office accommodations needs |
| PR050g               | Office optimisation (OAS)                           | 275                                | 0                                  | 0                                    | (225)   | 0   | Earmarked Reserves                   | Delete scheme pending re-evaluation of office accommodations needs |
|                      | <b>Total - Earmarked Reserves</b>                   |                                    |                                    |                                      | <b>(782)</b>  | <b>0</b>  |                                      |  |
| PR017                | Vehicle Replacement Programme                       | 850                                | 400                                | 0                                    | (200)   | 200   | Earmarked Reserves (R&R)             | Defer 50% to discuss   |
| SC722                | Purchase of link tip bodies                         | 0                                  | 27                                 | 0                                    | (27)  | 27  | Earmarked Reserves (R&R)             |  |
|                      | <b>Total - Earmarked Reserves (R&amp;R)</b>         |                                    |                                    |                                      | <b>(227)</b>  | <b>227</b>  |                                      |  |
| PV583                | Clay Farm Commercial Property Construction Costs    | 20                                 | 0                                  | 0                                    | (20)  | 0   | Capital Receipts                     |  |
| SC627                | Guildhall Large Hall Windows refurbishment          | 92                                 | 0                                  | 0                                    | (92)  | 92  | Capital Receipts                     | Defer - see also DRF funded amount                                 |
|                      | <b>Total - Capital Receipts</b>                     |                                    |                                    |                                      | <b>(112)</b>  | <b>92</b>   |                                      |  |
|                      |   |                                    |                                    |                                      | <b>(3,232)</b>  | <b>1,487</b>  |                                      |  |

### Appendix 3 – Proposed use of earmarked reserves

| Earmarked Reserve                          | Closing Balance<br>31 March 2020<br>£ | Comments   |
|--|---------------------------------------|--|
| GF Earmarked - Property Improvement Fund   | 8,790                                 | Fund no longer in use  |
| GF Earmarked - Cambridge LSP Joint Funding | 23,224                                | Fund no longer in use  |
| GF Earmarked - Prince Chula Bequest        | 100                                   | Requirements delivered, specific funding no longer required                      |
| GF Earmarked - Legacy R&R                  | 199,996                               | Put aside as a contingency when most R&R funds were released, no longer required |
| GF Earmarked - Technology Investment Fund  | 126,745                               | Fund no longer in use  |
| GF Earmarked - HPDG                        | 3,076                                 | Historic remaining balance, release  |
| GF Earmarked - Extra Care Contract         | 529,756                               | Contract now ended, reserve no longer required                                   |
|  | <b>891,688</b>                        |  |