

Written Questions - Council 16 July 2009

1. From Councillor Bradnack to the Executive Councillor for Customer Services and Resources

Is The Exec Councillor aware that PhD students who started their course of postgraduate studies in 2006 are currently assumed by the City Council for Council Tax purposes to have completed their PhD on June 18th 2009?

Is he also aware that after June 18th 2009 such students will not be exempted by the City Council from paying Council Tax; that they are now being sent Council Tax bills; and that this can place them in very difficult circumstances since they are not normally in a position to accept paid employment before the Board of Graduate Studies has approved the award of their degree ?

Does he recognize that in this or any year less than 10% will complete their PhD in time to meet what is effectively a 9-term deadline, which makes the June 18th deadline inappropriate and unacceptable?

Can he report the current state of negotiations between Cambridge University and the City Council on this issue, including the reasons for the City Council's reluctance to exempt people who fall into this category from paying Council Tax before they have completed their course of study?

And will he take steps to try to ensure that the pressure on those PhD students threatened with proceedings in this way is removed and that this issue is speedily resolved

Answer from Cllr Cantrill the Executive Councillor for Customer Services and Resources

Richard Smith, our Training and Policy Officer, has been leading discussions with the University and the following is a summary of recent events, it is hoped that a mutually acceptable solution will be reached in the near future.

As requested, below is a summary of the current "state of play" between Cambridge University and the Authority regarding student status and PhD students. This includes an answer to Councillor Bradnack's queries relating to:

- 1) The use of the 18th June as an end date for the academic year;
and
- 2) The issue of PhD students who are receiving "arrears"
correspondence.

Summary

The main areas of contention involve when a student has "completed" their course and whether a final-year student fulfils the "attendance" criterion that allows the Authority to grant student status for the purposes of Council Tax.

Both these issues revolve around the University and the Authority having a different interpretation of the Council Tax (Discount Disregards) Order 1992 (SI 1992/548), as amended by SI 1996/636.

Why This Has Arisen?

The Authority and the University have both acknowledged that there have been inconsistencies on both sides in the interpretation and application of "student status" for those persons seeking exemption from Council Tax.

The Authority has in the last few months become increasingly concerned by the University's interpretation of how long a person should be considered a full-time student for Council Tax purposes. This concern has partly come from documents received by the Authority certifying that individual students have submitted their dissertation (summary of research against which they are orally examined) in April 2009 and yet will continue to be treated as students until April 2010. This is to allow the completion of the examination process. However, previously the University has indicated that the student should sit their viva voce (oral) examination within four months of submitting their dissertation. Any corrections required by the examiners should (according to the graduates' Code of Practice") take no more than "several weeks". This therefore appears inconsistent with a student retaining exemption from Council Tax for a year after the submission date.

I had a meeting on the 25th June with Dr Reid and Dr Maxwell of the University to discuss these concerns, amongst others. This was a very constructive meeting with both sides having a clearer understanding of each other's point-of-view.

We have agreed to meet again in order to further discuss the areas of disagreement and to see whether there exists a possible mutually acceptable solution.

Both sides are very aware of the fact that this is causing many students worry and inconvenience, which is why we are both attempting to progress this as quickly as possible.

18th June - End Date for the Academic Year

Cambridge University's website indicated that, depending upon when Easter fell, the end of the academic year was either the 18th or 25th June. Following the meeting with Dr Reid and Dr Maxwell, plus an updating of the website for graduate students, we have agreed to use the 30th September as the end date for PhD students.

Legal Proceedings

John Frost and Kevin Jay have agreed that where a student, as a result of the current impasse, has received a summons, the Authority will suspend further action for 60 days, assuming the student contacts us. This was communicated to Dr Reid and Dr Maxwell in an email on the 13th July.

Additional info attached at the end of this document

2. From Councillor Herbert to the Leader

- a)** On the Council's money invested in Landsbanki Iceland, including interest due, what is the latest projection for the % and financial amount that will be returned to the council, and when?
- b)** On the combined sum invested in both Landsbanki banks, including interest due, what is the current projected total sum that will be returned to the council, and what % does that constitute?

Answer from the Leader:

The information requested is based on the statements made in the Council's Statement of Accounts (as considered at Civic Affairs Committee on 24 June 2009).

The following is based on an extract from the Statement of Accounts, so as to be consistent and provide appropriate context.

Investments in Landsbanki Islands hf

Landsbanki Islands hf is an Icelandic entity. Following steps taken by the Icelandic Government in early October 2008 its domestic assets and liabilities were transferred to a new bank (new Landsbanki) with the management of the affairs of Old Landsbanki being placed in the hands of a resolution committee. Old Landsbanki's affairs are being administered under Icelandic law. Old Landsbanki's latest public presentation of its affairs was made to creditors on 20 February 2009 and can be viewed on its website. This and other relevant information indicates that recovery of between 90-100% could be achieved, and the Council has taken a mid point position and assumed recovery at 95% by 2012. The Council has therefore decided to recognise an impairment based on it recovering 95p in the £.

Recovery is subject to the following uncertainties and risks:

- ◆ Confirmation that deposits enjoy preferential creditor status which is likely to have to be tested through the Icelandic courts.
- ◆ The impact of exchange rate fluctuations on the value of assets recovered by the resolution committee and on the settlement of the Council's claim, which may be denominated wholly or partly in currencies other than sterling.
- ◆ Settlement of the terms of a 'bond' which will allow creditors of Old Landsbanki to enjoy rights in New Landsbanki.
- ◆ The impact (if any) of the freezing order made by the UK Government over Landsbanki's London branch assets.

Failure to secure preferential creditor status would have a significant impact upon the amount of the deposit that is recoverable. The total assets of the bank only equate to one third of its liabilities, assuming that the Bond remains at its current value. Therefore, if preferential creditor status is not achieved the recoverable amount may only be 33p in the £.

No information has been provided by the resolution committee about the timing of any payments to depositors. Because it is anticipated that all the assets of Landsbanki Islands will need to be realised to repay priority creditors, settlement in a single sum is unlikely. Therefore, in calculating the impairment, the Council has used the estimated repayment timetables for other Icelandic banking institutions as a basis for its assumptions about the timing of recoveries.

It is therefore assumed that the repayment will be split roughly evenly between March 2010, December 2010, December 2011 and December 2012.

Assumed % and amount of repayments

Landsbanki Islands hf	£
Amount Due to Claim Date	5,118,195.06
24% in MAR-10	1,228,366.81
24% in DEC-10	1,228,366.81
24% in DEC-11	1,228,366.81
23% in DEC-12	1,177,184.86
Total of 95% expected	4,862,285.31

Investments in Heritable Bank Plc

Heritable Bank Plc is a UK registered bank under Scottish law. The company was placed in administration on 7 October 2008. The creditor progress report issued by the administrators Ernst and Young, dated 17 April 2009, outlined that the return to creditors was projected to be 80p in the £ by the end of 2012, with the first dividend payment of 15p in the £ due in the summer of 2009. The Council has therefore decided to recognise an impairment based on it recovering 80p in the £. It is anticipated that there will be some front loading of repayments and that a final sale of assets will take place after the books have been run down to the end of 2012. Therefore in calculating the impairment the Council has made the following assumptions in respect of the timing of recoveries:

Assumed % and amount of repayments

Heritable Bank Limited	£
Amount Due to Claim Date	4,072,360.55
15% in JUL-09	610,854.08
30% in JUL-10	1,221,708.17
15% in JUL-11	610,854.08
10% in JUL-12	407,236.06
10% in JUL-13	407,236.06
Total of 80% expected	3,257,888.44

Recoveries are expressed as a percentage of the Council's claim in the administration, which includes interest accrued up to 6 October 2008.

Subsequent to the approval of the draft Statement of Accounts, the latest update from the Local Government Association has identified that the recovery rate in respect of Landsbanki Islands hf could now be around 83p in the pound.

The update also notes that the LGA have agreed with the Audit Commission and CIPFA that a comprehensive note on amendments required for accounts purposes will be provided in due course, rather than suggesting piecemeal revisions as new information becomes available.

3. From Councillor Herbert to the Executive Councillor for Arts and Recreation

a) On how many days in the last nine months have significant parts of any of the Council's three main swimming pools been out of action due to maintenance or equipment problems, and when?

b) What maintenance and inspection is undertaken to spot problems BEFORE equipment breakdown occurs, and can SLM and the Council's responsibilities be sorted out so maintenance is improved, and so action switches to prevention and not the current focus on after-problem response?

c) How will the Council improve notification to the public rather than allowing people to make unnecessary wasted journeys?

d) What has she done personally to ensure increased priority for maintenance, including since her visit to Abbey and Parkside, and promises such as notices in the Abbey Pool changing rooms put up the day before her March visit (and still there) promising that the changing rooms improvements would occur 'in the spring'?

Answer from Cllr Smith the Executive Councillor for Arts and Recreation

a) The pools have had cause to be closed for whole and parts of 7 days over the period in question.

These are;

28/10/08 - Parkside - Power Failure to whole street and Gonville Place - Part day closure

09/12/08 - Parkside - Electrical fire in Electrical Panel - Part day closure

18/02/09 - Parkside - Flume wires - Part day closure

08/06/09 - Parkside - Electrical fault Cloudy water - Whole day closure

19/06/09 - Parkside - High Level vent works - Whole day closure

01/07/09 - Jesus green - Pump/Air - whole day closure

12/07/09 - Parkside - Pump failure - part day closure

b) Visual inspections are carried out during regular Council officer monitoring visits and monthly maintenance inspections are carried out by SLM. SLM have maintenance contracts with of local mechanical and electrical companies and a national pool maintenance contractor.

They are in the proces of appointing a full time maintenance engineer for the Cambridge contract and hope to appoint in the next few weeks.

An asset and maintenance replacement plan is in place and identified items are programmed in for repairs or replacements. There are some case where materials failures that could not been foreseen nor expected to fail and the Council is currently taking advice on how to redress these material failures with the original installers and suppliers.

c) When dealing with an issue that has or may cause closure to any aspect of the swimming service, SLM and the Council agree a strategy for informing the public. The need for SLM to inform the Council as soon as is practicably possible has been recently reinforced, and is a contractual requirement. The public are informed in a variety of ways, depending on the nature and the expected duration of the closure. This includes notices outside the venue, informing radio stations (this is usually seen as the most effective method) and posting a notice on the Council web page. The latter is usually only possible during the working week unless by prior arrangement. Members of the public who arrive to swim when the pool is closed would normally be redirected to one of the other pools. Council officers will ensure SLM have access to updated local media information so that news about incidents can always be quickly communicated.

d) The leisure management performance framework is now in place, and this measures a range of performance measures, which including scheduled maintenance requirements. A first report to members will be made at a meeting of the swimming service Forum on 29 July. The refurbishment of the wet side changing rooms at abbey pool is on schedule and a procurement process is underway. Options for the design have taken into account views expressed at a recent public forum held at the pool, and the two preferred options will be available for further comment and consultation during the month of July prior to commencement of works in August. The refurbishment should be completed by the end of September. It has always been the intention that works to the wet side changing area would take place during the spring/summer period of 2009 and subject to a successful procurement, this will be achieved.

4. From Councillor Wright to the Executive Councillor for Climate Change and Growth

Has the council considered regulations regarding the use of electrically powered bicycles within the city?

What guidance is available to councils on this matter?

Answer from Councillor Reid, Executive Councillor for Climate Change and Growth

The attached fact sheet produced by the Department for Transport sets out the guidance in relation to Electrically Assisted Pedal Cycles (EAPCs). This guidance relates specifically to the use of electric cycles on the public highway.

Further information about traffic management and electric cycles can be obtained directly from Cambridgeshire County Council.

On the matter of the control of cycles on land in City Council ownership such as paths over the commons, the City Council has powers to create by-laws in this respect and this would be a matter for the Executive Councillor for Arts & Recreation and Community Services Scrutiny Committee. At the current time, there are no proposals to consider this issue formally.

5. From Councillor Wright to the Executive Councillor for Climate Change and Growth

What immediate action may the council take to provide adequate cycle parking provision at Cambridge station this summer?

Answer from Councillor Reid, Executive Councillor for Climate Change and Growth

The land in question is owned by Network Rail and managed by 'ONE' (National Express) who are the leaseholders.

The City Cycling and Walking Officer has met with the station manager and Cambridge Cycling Campaign a number of times over the last 5 years to try and increase the amount of cycle parking at the station in the short term. Suggestions made include removing 2 car parking spaces in the season ticket holder car park and putting in cycle parking along the wall of the other car park by moving the car parking forward which would result in losing 1 or 2 spaces. Some additional spaces at the back of the platforms were put in about 2 yrs ago but none of the other suggestions were taken forward. There is a great reluctance to lose any revenue from car parking and to spend any significant amounts on re-arranging the car and cycle parking given the long term plans for CB1.

ONE have an agreement with Station Cycles whereby Station Cycles manage the cycle parking by removing abandoned bicycles on a 3/4 monthly basis and any bicycles causing an obstruction.

Station Cycles do offer secure cycle parking which costs £1.50 a day, £7 a week or £260 per year.

The City Council could continue to lobby National Express to replace some car parking with cycle parking and to encourage users to complain to National Express directly. There may also be scope to use the cycle hoops on posts which are on the highway (eg. along Station Rd).

6. From Councillor Walker to the Executive Councillor for Community Development and Health

The recently published 2009 Health Profile for Cambridge, produced by the Dept of Health, demonstrates that the city has significantly worse figures than the England average for

- violent crime
- physically active adults
- hospital stays for alcohol related harm. This was also flagged up in 2008.

There is also cause for concern over

- the number of obese children
- binge drinking adults
- infant deaths
- the significantly shorter lifespan for men and women in the more deprived areas in comparison to those in the least deprived areas of the city.

This Health Profile is designed to support action taken by Local Government and Primary Care Trusts to tackle health inequalities and improve people's health. What is the City Council doing to address these specific issues?

Answer from Councillor Blair, Executive Councillor for Community Development and Health

Cambridge City Sustainable Community Strategy 2008-2011 identified a number of health priorities and objectives. This led to the development of the City and South Cambridgeshire Improving Health Plan which was developed by the Improving Health Partnership which was presented to and approved by Community Services Scrutiny Committee in July 2008.

The overall county wide strategy titled "The Strategy to Tackle Health Inequalities in Cambridgeshire 2009-2011" is at present in draft format and will be agreed by the Health and Well-being Partnership on 29th July 2009. The strategy is linked to the City and South Cambs Improving Health Plan - IHP.

A report and presentation on the strategy will be presented to Community Services Scrutiny Committee in November for the endorsement of the Executive Councillor for Community Development and Health.

Also linked to the IHP are other strategies such as the Cambridgeshire Obesity Strategy and forthcoming Cambridgeshire Alcohol Strategy and the Cambridge City draft Sports Strategy.

The City has member and officer representation on the City and South Cambs Improving Health Partnership and so is already working to address local priorities such as obesity for both children and adults (e.g. the grants awarded to lunch box schemes and research into healthy eating in the workplace).

The Council has recently appointed a Health Improvement Officer who will be leading on the health agenda for the Council in conjunction with Cambridgeshire Community Services (formally known as PCT). This post has been funded by LSPA award grant for 2 years. In recognition of the importance of this work they will work with all departments within the City Council to coordinate and implement many of the above priorities strategies and action plans wherever possible in services provided to residents.

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Councillor Bradnack - Questions	Councillor Cantrill Response
<p>Is the Exec Councillor aware that PhD students who started their course of postgraduate studies in 2006 are currently assumed by the City Council for Council Tax purposes to have completed their PhD on June 18th 2009?</p>	<ul style="list-style-type: none"><li data-bbox="801 507 2042 571">▪ Yes. This is particularly relevant to those students that are undertaking their final fourth year of study.<li data-bbox="801 678 2042 805">▪ The Authority's concern with what was perceived to be a change in approach by the University towards fourth-year PhD students. It was our understanding that the duration of a PhD was three years, as reflected in the Council Tax certificates being issued to students via the University.<li data-bbox="801 912 2042 1008">▪ The view of the University is that a person's student status will end when they complete their course, which the University has suggested, not unreasonably, would be at the point at which the MPhil or PhD is awarded.<li data-bbox="801 1115 2042 1284">▪ It has been explained to the Authority that the vast majority of students (90+%) are permitted to extend their full-time studies into a fourth year. This change in approach by the Universities, i.e. the removal of the need to apply for an extension into a fourth year, was to bring Regulation 7 of their Special Regulations into line with their fee structure. This would have no impact on the study requirements of the PhD course.

Councillor Bradnack - Questions	Councillor Cantrill Response
<p>Is he also aware that after June 18th 2009 such students will not be exempted by the City Council from paying Council Tax; that they are now being sent Council Tax bills; and that this can place them in very difficult circumstances since they are not normally in a position to accept paid employment before the Board of Graduate Studies has approved the award of their degree?</p>	<ul style="list-style-type: none"> ▪ Yes. The Authority believes that a more appropriate date would be [<i>aligned to the legislative requirements</i>] the point at which the student has completed all studies expected of them, i.e. the dissertation and viva voce examination. ▪ Beyond this point, the student is no longer involved in the procedural requirements that precede the awarding of the qualification and are therefore no longer exempt for the purposes of Council Tax.
<p>Does he recognise that in this or any year less than 10% will complete their PhD in time to meet what is effectively a 9-term deadline, which makes the June 18th deadline inappropriate and unacceptable?</p>	<ul style="list-style-type: none"> ▪ Yes. The City Council recognised this is an issue, which is why it has embarked upon a series of detailed discussions with the Board of Graduate Studies, in order to reach a clear understanding of what the regulations state in relation to student liability and exemptions.

Councillor Bradnack - Questions	Councillor Cantrill Response
<p>Can he report the current state of negotiations between Cambridge University and the City Council on this issue, including the reasons for the City Council's reluctance to exempt people who fall into this category from paying Council Tax before they have completed their course of study ?</p>	<ul style="list-style-type: none"> ▪ Following detailed discussions with the Board of Graduates Studies relating to issues of Council Tax liability and student status, a meeting was held on 25th June 2009 between Dr Maxwell and Dr Reid of the University of Cambridge and the Revenue & Benefit Services Training and Policy Officer. ▪ The aim of that meeting was for both sides to discuss differing viewpoints over issues arising from students applying for student status for the purposes of Council Tax exemption, especially those students in their fourth year of studies. Those discussions are ongoing. ▪ Once we have established a clear understanding of the University view of what constitutes and full-time course of education, especially those relating to fourth year studies, we intend to request a joint meeting with the DCLG to review our findings and seek to make change to the current legislation that prescribes courses of education.
<p>And will he take steps to try to ensure that the pressure on those PhD students threatened with proceedings in this way is removed and that this issue is speedily resolved</p>	<ul style="list-style-type: none"> ▪ Yes. As a result of the current discussions that are taking place between the University and ourselves, we have taken step to suspend further action for 60 days, assuming the student contacts us. This was communicated to Dr Reid and Dr Maxwell in an email dated 13 July.