Cambridge City Council: Quarterly Performance Report July to September 2025

Introduction

This report provides a quarterly snapshot of how well the Council is performing, the risks we are facing, and whether we are delivering within our agreed budget.

It covers the period from 1 July to 30 September 2025 (called quarter 2 as it is the second three-month period in the financial year) and provides a high-level overview, highlighting areas where there are major achievements or outstanding delivery, and areas that have significant risks, issues or challenges.

The report is split into two parts, the first covering our general responsibilities, the second our role as a residential social landlord. For each part there is an appendix with more detailed information.

For simplicity, central corporate services, which support both our general responsibilities and our social landlord function, are covered in part one of the report. Where there are specific issues affecting the landlord role they are highlighted in the landlord report.

Part One: Our General Responsibilities

The Council carries out a very broad range of activities as part of its general responsibilities. These range from activities relating to our environment, for example domestic waste collection, maintenance of parks and open spaces, air quality monitoring, the 'scores on the doors' food safety inspections; our communities, including community safety, leisure, culture and community facilities, and community engagement; and place making, including planning, inclusive growth, and responding to climate change.

Overview

Between July and September 2025 (**Quarter 2**) the Council:

- Delivered its full range of services (metrics for key services, including waste, planning, customer support, environmental health are included in appendix 1)
- Continued the implementation of significant internal changes to staff structures, with nearly all of the changes completed by the end of September
- Commissioned work to review the buildings management and oversight of our corporate, commercial and community properties
- Worked with Councils across the Cambridgeshire and Peterborough footprint on the development of proposals for Local Government Reorganisation

Agreed:

- An investment in Greater Cambridge Impact[1], recognising that it had achieved its target of £6m first close investment and made good progress towards the £10m final close target
- to progress the Civic Quarter project to its next stage
- a procurement pipeline for repairs, maintenance and compliance works
- to launch consultations for its Urban Forest and Climate Change Strategies
- that City Council services shared with and hosted by South Cambridgeshire DC (planning and waste) could continue to operate on a 32-hour working week

Key achievements in the period include:

- The Park Street development delivered on time and under budget by 16.8m
- Higher than budgeted income from our car parks
- The new Operations Hub building reaching practical completion and preparing to open

[1] Greater Cambridge Impact aims to reduce inequality and promote inclusive growth in Cambridge by providing long-term capital for organisations working to improve life chances for disadvantaged children, care-experienced young people, families in crisis, and people facing homelessness

- Reaching agreement with National Highways to settle our long running compensation claim relating to the A14 improvement scheme. The agreed settlement is £1.8m compensation, plus statutory interest and payment of our costs, totalling £2.3m overall.

Significant risks and issues that emerged during the quarter include:

- Higher than budgeted costs for housing benefit and homelessness prevention (discretionary housing costs) expected to cost approximately £0.6m by the end of this financial year. There is a difference between the cost of certain kinds of supported housing and the amount we can reclaim from central government for those places. The Council is obliged to pay the full amount, covering the difference from its own funds
- Reduced income from some of our commercial properties, with an ongoing reduction of £0.4m, and a one-off cost of £1m in this year
- Recognition that we need to ensure that our corporate, commercial and community facilities are fully compliant with building regulations. As reported above, a new programme to build that assurance is now in place
- The central government announcement in August that funding for the relocation of the Anglian Waste Water Treatment plant would not be forthcoming. The relocation was an essential part of the proposed Hartree development. The council had incurred significant costs associated with developing the scheme to date, as well as relocating its operational depot and securing vacant possession on the site.
- Uncertainties generated by the outcome of the Fair Funding Review of the local government financial settlement. This means that the Council will not know what its central government financial settlement will be until near Christmas which makes it more difficult to plan for a balanced budget for 2026/27.

Overall, the impact of lower income and higher costs means that our projected financial position for the year is not on track to meet our agreed budget. Our forecast position is currently showing that we will spend £1.7 million more than planned by the end of the financial year (31 March 2026). The original budget included a contribution of £3.4 million to the General Fund balance. If our forecast is right the General Fund balance would still increase at the end of the year, but only by £1.7 million. A more detailed breakdown of our financial position at the end of the quarter is set out in Appendix One.

Although this is not an ideal position, recognising these risks, issues and financial pressures at this point in the year means that actions can be taken to address them, both in-year and into the future.

Part Two: Residential Social Landlord

As well as our general responsibilities as a District Council, Cambridge City Council is also a residential social landlord. The council owns and manages around 7500 residential properties and is actively developing new social housing.

The performance and finances of our landlord function are managed and reported separately to our general responsibilities. Our finances as a landlord are separated out from our general finances and managed through what is called our Housing Revenue Account.

Overview

From July to September 2025 the Council:

- continued with a strong focus on managing any issues our tenants experience linked to damp, condensation, and mould. As a result, we have been spending more than budgeted in this area, and this is forecast to continue throughout the year. However, this means that the Council was in a good position for the introduction of Awaab's Law on 27 October 2025, with clear processes and timescales to deal with any damp, condensation or mould issues our tenants experience, already in place and in use.

The council approved:

- a pipeline for maintenance and compliance contracts in September, with a total value of approximately 74m. These will ensure we continue have the right support in place to ensure all our residential properties meet the Decent Homes standard.
- Loan facilities for Cambridge Investment Partnership[2] for use on the Fanshawe Road, ATS Murketts, and Newbury Farm developments

The Regulator for Social Housing inspected the Council during the quarter. The outcome of the Inspection was that the Council received a consumer grading of C2 (grading run from C1 to C4, with C1 being the highest available grade). A C2 grading means that the Council, in its role as a landlord, is delivering a service to its tenants that is compliant with the national standards set out by the regulator. The regulator noted the Council's "respectful, fair and positive culture towards tenants". It recognised that the Council provides an effective, efficient and timely repairs service, with tenant satisfaction in the quality and timeliness of repairs continuing to rise.

[2] Cambridge Investment Partnership is a 50:50 Joint Venture Partnership with Local developer Hill, using our combined expertise to bring forward large scale and sustainable housing delivery. This partnership started in 2017. To date, it has delivered a total of 1152 homes.

The regulator's report highlighted areas of good performance, including the management of anti-social behaviour, transparency and the sharing of information with tenants, and tailored, individual support provided to tenants.

The report also highlighted areas for improvement. These were stock condition surveys, which are property inspections to check their overall condition, identify repairs needed, and plan future maintenance or improvements; fire risk assessment remedial actions; and data management systems which are outdated. The regulator noted that there are already action plans in place for all of these areas, including programmes to accelerate stock condition surveys, complete the fire risk remedial actions, and update our data management systems.

The findings of the regulator are reflected in the performance indicators, for example, completion of work as a result of fire risk assessments, and their publication on a quarterly basis will provide public accountability as the work to improve them is delivered.

Progress with the correction of the rent errors previously identified is on track. It should be noted however that there has been an increase in both existing tenant arrears and former tenant arrears as a result of staff time focusing on the rent error corrections. As the work on the rent errors is completed the team will be refocused back to managing rent arrears.

Specifically in relation to our house building activity, schemes on site at Fanshawe Road, East Barnwell, ATS Murketts, and Newbury Farm were on budget and on schedule at the end of the quarter. Progress is being made with designs for schemes at Hanover and Princess Court and at Ekin Road, with the intention of submitting planning applications in the next quarter (October to December 2025).

Appendix 1: General Responsibilities: Performance, Finance, and Risk indicators

General Responsibilities: Performance Indicators

Key Performance Indicators: General Responsibilities		
Link to Corporate Plan Objectives		**Ratings Key**
Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030	1	At or above stretch target
Tackling poverty and inequality and helping people in the greatest need	2	At or above baseline target
Building a new generation of council and affordable housing and reducing homelessness	3	Below baseline target/ Needs action
Modernising the council to lead a greener city that is fair for all	4	No target for this measure

Title & Description	**Baseline target**	**Stretch target**	**2025/26 Q2**	**2025/26 Q1**	**2024/25 Q4**	**2024/25 Q3**	**2024/25 Q2**	**2024/25 Q1**	**2023/24 Q4**	**2023/24 Q3**	**Plan Item**
Bins collected on schedule	99.25%	99.70%	99.9%	99.9%	99.9%	99.9%	99.9%	99.8%	99.8%	99.8%	1
This measures the effectiveness of our domestic waste collection service											
Household waste sent for reduce, recycling, composting	48%	50.00%	50.92%	52.40%	50%	49%	53%	54%	44%	48%	1
This tracks the percentage of the City's domestic waste that is not going to landfill											
Street Cleansing inspections of acceptable standard	90%	95%	90.6%	96.0%		95.6%	95.5%	99.0%			4
Percentage of Spot inspections across Litter, Detritus, Graffiti & Fly Posting that meet agreed standard											
% food businesses broadly compliant (rated 3 +)	93%	97%	97.6%	98.2%	98.0%	97.8%	97.8%	97.7%			-
This tracks food safety compliance in the city, as monitored by our environmental health team											
Average time to determine validated householder planning applications	12	10	7.07	7.93	8.03	7.22	7.61	7.69	9.79	9.37	4
This is the number of weeks Greater Cambridge Planning Service takes to validate applications											
First Point of Contact resolution	86%	89%	90%	90%	90%	89%	91%	90%	91%	91%	4
This is the percentage of contacts our customer support team is able to resolve without having to refer onwards											
Complaints resolved within target	70%	85%	72%	75%	83%	84%	81%	76%	77%	65%	4
We aim to resolve complaints within 10 working days											
Community centre programme balance	10pp away	5pp away	46:28:26	45:30:24							2
We aim for faciltiy time to be apportioned to Community (40%), Cultural (30%), and Commercial (30%) activities											
Private rented properties (inc. HMOs) in the city are made safe & suitable for occupancy		250	286	353	428						4
This is a 12 month rolling average, it is in line with Housing act 2004, associated regulations and the Councils Private Rented Sector Housing Standard											
Days to process benefit claims – Housing Benefits	9	7	2	3	2	2	3	3	2	3	2
Days to process benefit claims – Council Tax Reduction		3	2	2	2	2	2	2	1	1	2
These are the number of days taken to process claims for housing benefit and Council tax reduction- we are in the top decile nationally											

Title & Description	Baseline target	Stretch target	2025/26 Q2	2025/26 Q1	2024/25 Q4	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	Plan Item
Change of applicants in housing need	0	-2%	-4.30%	-9.29%	-5.45%	3.27%	4.79%	4.79%			2
This is ensuring the need for social housing is decreasing, or we are meeting their needs											
Number of families with children in B&B over 6 weeks	1	0	1	0	1	1	1	0	0		3
The goal is to have no families with children in B&B accommodation for more than 6 weeks											
Homelessness prevention cases with a successful outcome	60%		64%	47%	45%	51%	51%	46%			3
Of the homelessness prevention cases we undertake, the % that are successful as defined by law											
Repeat homelessness, or threat of homelessness, when previously resolved in last 2 years	6%		5.63%	6.15%	4.79%	7.80%	5.70%	5.65%			3
Looking for effectiveness of past resolutions & reduction in repeat homelessness (past resolutions through housing advice or statutory duty)											
Rough sleepers on a single night	Year on Year Improvement		62	60	44	50	55	42	37	34	3
Quarterly average of a monthly count of rough sleepers, Rating comes from improvement compared to previous years results											
Private homes retrofitted to Increase EPC rating	n/a		3	3	2	0	1	0			1
We are funded to lead this work across the County, city numbers are currently low because this phase is for homes without gas											
No of volunteer Hours	n/a		83	123	27						4
Volunteers worked hours logged											
No of corporate groups worked with in volunteering	n/a		32	29	5						4

These measures reflect the core services the Council delivers as part of our general responsibilities and show that services are being delivered within our baseline thresholds. They indicate that our core services are being delivered effectively, in the main meeting not only our baseline targets but their stretch targets as well. The measures relating to homelessness reflect national pressures in this area.

General Responsibilities: Finance

Finances for our general responsibilities are managed through our General Fund. Our detailed financial reports use our internal groups. These reflect the way we are organised internally, and all our financial reports use this structure, so you can compare our quarterly figures with our published accounts.

All of our reports show figures in a particular way:

- Expenditure is shown very simply as a number, i.e. 1234.
- Income is shown in brackets, i.e (1234)

So, where a budget has spent more than planned it is shown as a simple number because this is an increased amount of expenditure, and where a budget has spent less than planned that is shown in brackets.

Revenue Budgets

The overall forecast position is that the Council will have spent £1.7 million more than planned by the end of the year (31 March 2026). The original budget included a planned contribution of £3.4 million to the General Fund balance. The overspend means that the General Fund balance would still increase, but only by £1.7 million. This is set out in the table below:

General Fund Forecast – Q2 2025/26	Current Budget £'000	Q2 Forecast £'000	(Under budget)/over budget £'000
Net expenditure by group			
City Services	1,015	1152	137
Communities	10,721	10,346	(375)
Corporate Hub	12,637	13,958	1,321
Economy & Place	(7,832)	(7,129)	703
Planning & Building Control	1,647	1,603	(44)
Non-service expenditure	7,600	7,600	0
Total net expenditure	**25,788**	**27,530**	**1,742**
Funding			
Business rates and council tax	(24,114)	(24,114)	0
Government grants	(4,375)	(4,375)	0
Use of earmarked reserves	(710)	(710)	0
Total funding	**(29,199)**	**(29,199)**	**0**
Contribution to GF reserve	**3,411**	**1,669**	**(1,742)**

The forecast position has changed for the worse since Q1. The most notable changes since Q1 are:

- A forecast shortfall in commercial property income as a result of reduced footfall at Lion Yard (£676k worse than at Q1). This cost is shown under our Economy and Place Group
- Higher than budgeted expenditure on housing benefit (worse by £595k since Q1). The main reason for this is the high level of rents from charitable landlords, which cannot be fully recovered from DWP. The Council is obliged to cover the shortfall. Migration of claimants to Universal Credit also adversely impacts the level of subsidy that can be recovered from central government. This cost is shown under the Corporate Hub.
- The impact of the nationally agreed pay award of 3.5%, against a budget assumption of 2.5% (£359k worse across the General Fund). This is shown under the Corporate Hub
- Forecast income in relation to the fleet and crematorium continues to be lower than budgeted. The position has improved since Q1 as the crematorium has been able to recoup one-off costs related to the compulsory purchase of land adjacent to the A14. New external customers have also been secured at the garage. This is shown under City Services
- Continued higher than forecast income from our car parks (£812k better than budgeted as at Q2) mitigates some of the overall overspend. This is shown under City Services.

A more detailed breakdown to service level is shown below, followed by a table with explanations of the more significant variances.

Group / Service Grouping	Current Budget 2025/26 £'000	Current Forecast 2025/26 £'000	(Under)/ Over Budget 2025/26 £'000
City Services			
Bereavement Services	(734)	(603)	131
Car Parking	(6,473)	(7,287)	(814)
Community Safety	366	366	0
Garage Services	64	206	142
Management	379	491	112
Markets and Street Trading	(528)	(508)	20
Operational Hub	526	520	(6)
Sport and Recreation	649	774	125
Streets and Open Spaces	4,315	4,742	427
Waste & Recycling	2,451	2,451	0
Total City Services	**1,015**	**1,152**	**137**
Communities			
Active Lifestyles	2	3	1
Community Centres	1,037	907	(130)
Community Development	1,957	1,842	(115)
Community Safety	777	790	13
Culture and Community	1,082	990	(92)
Environmental Health	1,412	1,464	52
General Fund Housing	2,157	2,061	(96)
Grant Support	1,443	1,444	1
Homelessness	534	529	(5)
Housing Strategy	117	117	0
Management	203	199	(4)
Total Communities	**10,721**	**10,346**	**(375)**
Corporate Hub			
3C Legal	872	902	30
Central Contingency and Recharges to the HRA	(6,058)	(5,571)	487
Chief Executive's Office and Communications	920	941	21
Customer Support	2,207	2,206	(1)
Democratic Services	1,534	1,665	131
Financial Services, Insurance, Payroll and Pension Costs	5,759	5,669	(90)
Guildhall/Mandela House/Facilities Management	1,323	1,367	44
ICT & Digital	3,825	3,790	(35)
Management	227	206	(21)
Net Interest Payable/Receivable	(1,490)	(1,495)	(5)
People & Change	1,665	1,725	60
Procurement	291	353	62
Revenues and Benefits	1,305	1,953	648
Shared Audit	257	247	(10)
Total Corporate Hub	**12,637**	**13,958**	**1,321**
Economy and Place			
Development Team	141	140	(1)
Economy, Energy and Climate Change	1,012	1,006	(6)
General Fund Housing	289	289	0
Grant Support	88	93	5
Housing Strategy	121	120	(1)
Management	214	214	0
Property Services	(9,967)	(9,261)	706
Sustainable City	270	270	0
Total Economy and Place	**(7,832)**	**(7,129)**	**703**
Planning and Building Control			
3C Building Control	254	254	0
Greater Cambridge Planning	1,393	1,349	(44)
Total Planning and Building Control	**1,647**	**1,603**	**(44)**
Total for all Groups	**18,188**	**19,930**	**1,742**

Group	Cost Centre/Service	Reason for Variance	Forecast Over budget/ (under budget) £'000
City Services	Car Parks	Customer demand has exceeded expectations at the Grand Arcade, Park Street and Queen Anne Terrace Car Parks. This has more than offset reduced usage of the Grafton Centre Car Parks resulting from the closure of shops and cinema. New offices and laboratories are not yet open at the Grafton Centre site and the impact of these premises on car park usage therefore remains to be seen.	(814)
	Project Delivery	This variance is mainly accounted for by salaries. This is because the budget expectation was that changes would start on 1st April as part of the restructure. Changes did not start until 1st July.	102
	City Services Director	The £88k overspend in salaries is due to the regrading of 2 posts & the addition of the post of Programme Manager following colleague feedback on the restructure. It also reflects essential investment in leadership and management training to establish the new City Services leadership team, as no dedicated training budget is allocated.	112
	Recreation Assets	This variance is mainly accounted for by salaries. This is because the budget expectation was that changes would start on 1st April as part of the restructure. Changes did not start until 1st July.	133
	Bereavement Services and Crematorium	This is due to increased competition: More providers (including online-only services) are offering direct cremation, increasing consumer choice and price competition. Demand has also fallen due to changing preferences: Cultural shifts, environmental concerns, and economic pressures are pushing more people toward simpler, cost-effective options. The overspend has been partly mitigated from recouping legal costs associated with our successful A14 legal claim.	131
	Garage- External Work	East Cambridgeshire and South Cambridgeshire income is on track. Thalia contract income is lower than expected due to replacement of their fleet with a repairs & maintenance contract. Fleet manager actively looking for new business & in discussions with several companies. Private work less than forecast due to level of maintenance required on ageing City Council fleet. A vacant fitter post & long term sickness have reduced saleable hours.	168
	Grounds Maintenance & Street Cleaning	This variance is mainly accounted for by salaries. This is because the budget expectation was that changes would start on 1st April as part of the restructure. Changes did not start until 1st July. We also have staff members on long term sick leave, an overspend on agency staff covering both the sick leave and a vacant post. The cost of external cleaning contracts has risen, partly due to higher than expected increases in the National Living Wage. These pressures are partly mitigated by a forecast £100k overachievement of income.	300
Communities	Clay Farm Community Centre	Underspend made up of fixing cooling plant rather than replacing (£80k) and a saving following a 3 month lag in recruiting a replacement manager (£20k)	(91)
	Corn Exchange and Guildhalls	The positive variance is partly driven by a 17% increase in programme activity, which led to higher income from booking fees, hires, bar sales, and recharges. It is also attributed to reduced expenditure resulting from staffing shortages across the operational team.	(57)

Group	Cost Centre/Service	Reason for Variance	Forecast Over budget/ (under budget) £'000
Corporate Hub	Members Allowances	The overspend is due to the changes in Members' basic and special responsibility allowances. This is the net forecast for the cost centre as some of the other budget lines have underspent.	54
	People and Change	Overspend caused following changes made to the structure as part of the One Cambridge programme. The Assistant Director (People and Change) role, and the new People Advisor post were approved as part of the implementation process, but costs have been higher than the available budget. This will be reviewed as part of budget setting for 26/27.	60
	Procurement Services	£62k overspend due to additional fixed term resource for contract and procurement analysis.	62
	Local Taxation Services	The service is forecasting a net overspend of £70k due to a combination of factors. Main pressures include £50k for agency staff covering long-term sickness and maternity leave, £29k from underachieved Council Tax recovery income, £6.5k from the under recovery of legal costs, and £1k for business-as-usual spend. These are partly offset by a £13k MOD contribution for 81 Long Road and £3.2k net vacancy savings.	70
	Central Contingency	This central budget held the pay award contingency. The nationally agreed pay award was 3.5% which was higher than the budget assumption of 2.5%. All service budgets have received the full benefit of the pay award (and consequent increases in National Insurance and Pension contributions) and therefore the full impact of the shortfall is shown on this central budget line.	487
	Housing Benefit Subsidy & Expenditure	The projected subsidy loss to 31 March 2026 is £910k, partly offset by £270k in overpayment recovery, giving a net loss of £640k. A £45k Discretionary Housing Payments underspend further reduces the overspend to £595k. The main pressure on this budget is Rent Allowances (£723k) due to high rents from charitable landlords with restricted subsidy recovery due to the national regulations. Univeral Credit migration has also increased unrecoverable subsidy by £60k. Losses are reviewed every four weeks with no further major changes expected.	595
Economy and Place	Park Street Aparthotel	The Park Street lease was completed on 22 October 2025. Rent will commence on 14 January 2026. The forecast has been adjusted to incorporate the rent-free period.	(461)
	Commercial Properties	A new letting at Cyrus Way has been completed at a higher rent. The property was previously vacant. There is a foreast overachievement in rental income on Barnwell Business Park following completion of a number of recent lease renewals and new relettings of previously vacant units on this estate. This higher income is partly offset by underachieved rental and service charge income from Orwell House Offices as units have been vacated pending the Hartree redevelopment. These empty units are also subject to business rates, payable by the Council.	(77)
	Property Services	This is due to a vacant post but a recruitment plan in progress.	(58)
	The Lion Yard	Despite best efforts, the tenant failed to provide ground rent calculations for 3 years. Upon reconciliation of outstanding years, it transpired that there was a reimbursement of c.£700,000 required, covering the last 3 years up to 24/25. The on-account income forecast for 25/26 has therefore been reduced by £350k to reflect the impact of the detailed ground rent information.	1,076
		Other Minor Variances across the Council	(51)
		Total	**1,742**

General Responsibilities: Capital

The current forecast position on the council's general fund capital programme is as follows:

Capital Forecast – Q2 2025/26	Current Budget £'000	Q2 Forecast £'000	Forecast Slippage £'000	(Under budget)/overbudget £'000
General Fund				
Park Street	32,797	16,000	0	(16,797)
Other	44,893	31,447	13,275	(171)
GF Total	**77,690**	**47,447**	**13,275**	**(16,968)**

We are expecting to spend £16.8 million less than budgeted on the Park Street redevelopment, which has recently fully opened, as a result of strong contract management. This project is funded from external borrowing, so the underspend reduces the need to borrow rather than releasing any new resource. There was an unavoidable overspend of £917k for the new Operational Hub, caused by delays from external contractors. It is important to note that the original capital bid was made over five years ago, and since then, inflationary pressures—particularly in construction, materials, and labour, have significantly increased the cost base for delivery.

Other General Fund capital projects are broadly forecast to deliver to budget. The timing of loans to the Cambridge Investment Partnership (CIP) for the Newbury Project means that £6.8m of this budget will need to be carried forward into 2026/27. Other projects where budgets are expected to be requested to be carried forward are East Barnwell (£1.5 million), the WREN Solar project at Waterbeach (£1.4m), swimming pool decarbonisation (£1.1m), repairs to Jesus Green river bank (£0.8 million), and remedial works at the Clay Farm Centre (£0.7m).

General Responsibilities: Risk

We keep a list of risks that could prevent the Council meeting its goals and its responsibilities, we score those risks to understand how serious they are, and we put in place controls and actions to reduce the level of those risks.

All of our individual risks feed into our seven strategic risk areas. These strategic risk areas apply across all of our activities, covering both our general responsibilities and our social landlord function. Every risk area is rated either green, yellow, amber or red, as follows:

- Green shows that risk levels in that area are low and well managed.
- Yellow indicates that there is a higher level of risk, but it is still well managed and under control
- Amber flags that the risk level is higher than we want and we are taking action to bring the risk level down. Where the risk level is caused by external factors outside our control and cannot be lowered, it needs to be very closely monitored.
- Red is the most serious level, and where we have a red risk there should be a clear, agreed and closely monitored action plan to reduce the risk.

Strategic Risks

The latest assessment of each strategic risk area is as follows:

	Strategic Risk Area	**Risk level**
1	The Council is able to deliver on our vision and objectives	Yellow
2	The Council is financially robust	Yellow
3	The Council has an effective and resilient workforce	Green
4	The Council's physical and digital infrastructure is fit for purpose	Yellow
5	The Council has viable and robust plans for the future	Yellow
6	The Council is able to meet its legal responsibilities	Yellow
7	The Council is well governed	Green

What this shows is that the Council has good overall control and effective risk management.

However, in order to make sure that there is full visibility, any operational risk which is rated either amber or red is also reported, split out by whether they are an operational risk for our general responsibilities (reported here) or for our role as a residential social landlord (reported in appendix 2).

Under our General Responsibilities there are 6 amber operational risks and no red risks. The Council's amber risks are as follows:

Operational Risks

Description	**Current Controls**	**Actions to reduce risk level**
Cyber-attack. This is a significant external risk, as seen through examples of attacks on national and international businesses, local authorities, NHS and others	Active system management, mandatory cybersecurity training for staff, easy reporting of suspected phishing emails.	Budget bid in place for additional external support to ensure 24/7 system oversight. This risk is likely to remain amber, even with additional controls
Reaching the Council's carbon reduction target	Climate Change Strategy, Climate Change Fund	Review and update of Strategic Asset Management Plan, providing costs and action plan to deliver MEES[3] and net zero
Compliance with property safety and repair standards for our corporate and commercial properties	Regular testing and servicing	Compliance review underway, to complete by April 2026
Recruitment and retention of staff within the commercial property team	Training plans, internal recruitment	Advertise vacancies more widely; using consultancy to cover gaps.
Impact of whole organisation restructure on operational Health and Safety	Programmed training and engagement with operational teams	There is a budget bid for additional operational H&S capacity
Accurate accounting for S106 funds as process is updated	S106 funds are logged and tracked in Excel but we are in the process of moving to a improved system	New process and systems are being developed, working across Economy and Place, City Services and Shared Planning

[3] Minimum Energy Efficiency Standard

Appendix 2: Residential Social Landlord: Performance, Finance and Risk Indicators

Residential Social Landlord: Performance Measures

These measures are the key pieces of information we track to understand how well we are performing as a landlord. As set out in the main report there are a number of measures that are below our baseline target, and there are specific improvement plans in place to bring them up to baseline and beyond.

(for Key, see appendix 1 Performance measures)

Title & Description	Baseline target	Stretch target	2025/26 Q2	2025/26 Q1	2024/25 Q4	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	Plan Item
% statutory safety inspections completed on time in our homes *Percentage of all safety-critical and statutory checks that are carried out as required.*	95%	99%	100%								2
FRAs, completed or within time, (snapshot of existing risk) *Ensures fire safety-critical and statutory checks are delivered as required, followed up by the appropriate actions*	95%	99%	94%								2
Emergency responsive repairs completed within the landlord's target timescale *Reflects speed and reliability of repairs, supporting tenant satisfaction.*	90%	95%	87%	93%	95%	88%	98%	97%	98%		2
Awaab's Law: % of emergency hazards resolved within 24 hours (pending) *Ensures all safety-critical quality of the Council's housing stock.*	TBC		-	-	-	-	-	-	-	-	2
Average re-let time in days (standard re-lets) *Ensures both loss of income and the time a household is waiting for a home is minimised*	38.5	35	46.9	43.4	37.3	37.7	39.7	42.7	60.9	63.7	2
Void loss - % of rent lost through dwellings being vacant (LCRA) *Monitors the impact of empty homes on the council's income stream.*	3%	1%	4.21%	4.16%	3.22%	3.10%	2.96%	3.27%	2.84%		4
Current tenant arrears as a % of the annual rent debit *Monitors outstanding debts owed to the council*	3.50%	3.85%	3.82%	3.64%	3.27%	3.59%	3.52%	3.48%	3.45%	3.37%	4
Former tenant arrears as a % of the annual rent debit *Monitors outstanding debts owed to the council*	2%	2.2%	3.3%	3.0%	3.0%	2.8%	2.7%	2.5%	1.9%	1.8%	4
No. Council housing starts *Quarterly update of cumulative total on number of builds started this year*	n/a		29	29	105	0	0	0	84	84	3
No. new affordable homes completed within councils own programme *Quarterly update of cumulative total on number of builds completed this year*	n/a		70	70	98	70	24	0	248	152	3
% new build affordable homes to CamStandard on Council owned land *This is about improving the environmental impact of our homes*	n/a		84%	79%	78.65%	78.65%	77.71%	77.71%	76.57%	73.11%	3
Homes retrofitted to EPC C rating *This is about improving the environmental impact of our homes*	Variable based on funding		7	4	59	72	54	18			1

Residential Social Landlord: Finance

We manage the finances of our social landlord responsibilities separately to the finances for our general responsibilities. This is done through a separate account called the Housing Revenue Account (HRA).

Revenue

At the end of September, our projections show that we will have spent £2.2m more than planned by the end of the year. The budget agreed at the beginning of the year had included a £1m contribution to the HRA balance by the end of the year. What our current projection shows is that the HRA balance will reduce by £1.2m at the end of the year

HRA Forecast – Q2 2025/26	**Current Budget £'000**	**Q2 Forecast £'000**	**(Under budget)/over budget £'000**
Income	(57,998)	(58,285)	(287)
Operating expenditure	36,897	40,320	3,423
Net operating surplus	**(21,101)**	**(17,965)**	**3,136**
Net interest cost	8,949	7,942	(1,007)
Capital financing	11,140	11,140	0
Contribution to earmarked reserves	0	36	36
(Surplus)/deficit	**(1,012)**	**1,153**	**2,165**

The main reasons for the forecast overspend are:

- the need for interim fire safety measures including waking watch at a number of sites (£459k). As a result of work already undertaken, the number of sites with waking watches in place has reduced from eleven to two, with the final two scheduled to be lifted in January 2026, which will remove this cost going forward
- increased spend on housing repairs including damp, condensation and mould (£1,180,000)
- cost of rectifications (£846k forecast overspend) as a result of fire and other damage to properties
- additional costs of dealing with voids due to the poor condition of significant numbers of void properties (£528,000)
- historic costs for the management of Mill Road estate (£471,000)
- these overspends are partly offset by reduced interest costs as the HRA has not yet needed to borrow externally this year (£1,222,000 better than budget)

The following table presents all the major variances on the Housing Revenue Account.

Category	Line Item	Service/Cost Centre	Reason for Variance	Over budget/ (under budget) £'000
Income	Rental income (dwellings)		Gross rents are forecast to be higher than budgeted. This is partly due to new council dwellings being let out to tenants earlier than assumed in the budget. The number of dwellings that are being re-let on the basis of rent flexibility is higher than anticipated with an overall positive impact on rental income.	(250)
	Interest Receivable		The forecast level of interest receivable from the HRA's share of cash investments is lower than budgeted as the rate of interest on investments is lower than assumed when the budget was set.	215
Expenditure	Supervision & management - General	Housing Support Staffing Costs	There have been additional staffing costs required to deliver the rent regulation project. Furthermore, the housing finance team was not fully staffed until October, so there was a need to use agency staffing, resulting in a forecast overspend. Permanent staff have now been recruited so no further agency expenditure is anticipated.	285
	Supervision & management - Special	Stanton House	This housing scheme has now been handed over to the Housing Development Agency and therefore the unspent budget will not be needed this year.	(64)
		Sheltered Scheme Cleaning	The reported underspend on this budget has reduced by £60k since Q1 following realignment of budgets and staffing within the overall HRA budget.	(62)
		Mill Road Third Party Management	Mill Road estate faced delays in year-end accounts from the estate management company, causing multiple overspends to fall due at once and increasing budget pressures. One-off utility costs, complex estate services, and new compliance requirements have also driven costs up. Accounts are now up to date, but late service charge information still makes budgeting difficult.	206
	Repairs & maintenance	Risk and Compliance	Currently there is a lower volume of electrical safety surveys being conducted due to more being completed in previous years.	(287)
		Citywide Schemes	Current overspend on door entry and lift maintenance is being offset by underspend in lamp column repairs. The remaining underspend is wholly on smoke/heat detector replacements due to a large portion of the programme being delivered ahead of schedule in the previous financial year.	(191)
		Compliance Team	Currently there are agency staff back filling roles within the team which is causing overspend. Active recruitment to fill the permanent roles is in progress	128
		Third Party Management Company Servicing and Repairs	Mill Road estate faced delays in year-end accounts from the estate management company, causing multiple overspends to fall due at once and increasing budget pressures. One-off utility costs, complex estate services, and new compliance requirements have also driven costs up. Accounts are now up to date, but late service charge information still makes budgeting difficult.	271
		Asset Management	Asset Management is expected to overspend significantly, predominantly due to the need to provide building security where fire safety works are awaited.	459
		Voids	High number of void properties are being returned into the service in very poor condition. There are also a high number of properties that need major clearance work before void works can commence which incurs additional costs.	528
		Insurance Related Repairs	There has been a high volume of insurance works during the year causing the overspend. This is partly as a result of fires at HRA properties, where some rectification costs cannot be claimed from insurers and the Council must also pay the excess on its claims.	846
		Repairs Day to Day	High volume of damp and mold works during the year, most of this has been undertaken by an external supplier due to the specialist nature of the works	1,180
	Interest Payable	Loan Interest	The loan interest budget assumed that external borrowing would be required from 1st October 2025. Borrowing is now not anticipated until Q4, therefore the forecast amount of interest payable has reduced. Furthermore, the level of internal borrowing outstanding as at 31 March 2025 was lower than had been assumed when the loan interest budget was set, therefore interest payments on this internal borrowing are forecast to be lower.	(1,222)
			Other Minor Variances across the Housing Revenue Account	123
			Total	**2,165**

Capital Programme

The current forecast position on the HRA capital programme is as follows:

Capital Forecast – Q2 2025/26	Current Budget £'000	Q2 Forecast £'000	Forecast Slippage £'000	(Under budget)/over budget £'000
Housing Revenue Account				
Existing stock	40,894	30,909	10,011	27
New build and acquisitions	101,907	52,420	48,292	(1,195)
Other	3,284	13	96	(3,175)
HRA Total	**146,085**	**83,342**	**58,399**	**(4,343)**

Residential Social Landlord: Risk

The approach to risk is the same as for our general responsibilities, with the overall risk level as set out in the part one appendix.

There is one amber risk and no red risks that relate specifically to our role as a residential social landlord

Description	Current Controls	Actions to reduce risk level
Failure of communal heating systems in newly developed housing blocks	Communal heating systems are monitored for any issues	Specialist consultants are advising the Council, with a list of key actions in place for our contractor

Appendix 3: Treasury Management

The Council has a statutory responsibility to report its treasury management activity. In simple terms this sets out how we are managing our money, including our investments and our borrowing.

During the year to date, all treasury management activity has been carried out in line with the Treasury Management Strategy Statement as approved by Full Council in February 2025.

As at 30 September 2025, total council borrowing stood at £243.4 million, which is the same as the previous quarter and in line with expectations. This consists of £213.6 million of HRA self-financing loans which the council was required by government to take out in return for the transfer of its housing stock in 2012, and £29.8 million of external debt finance to support the Park Street development. Further planned borrowing will take place in the second half of the year.

Interest income on investments is currently forecast at £5.3 million for the year, compared to a budget of £5.4 million. This reflects the reduction in the Bank of England bank rate from 4.5% in April to 4% now and further forecast reductions in interest rates. This is partly offset by the impact of significant capital slippage which means that the council has higher balances to invest while it waits for capital projects to proceed.

The council's latest prudential indicators are set out in detail below.

Prudential and Treasury Management Indicators

Prudential Indicator Estimates (£m)	BSR 2025/26	Q2 2025/26 (Forecast)
Capital expenditure		
- GF	77.690*	47.447
- HRA	146.085*	83.342
Total	**223.775***	**130.789**
Capital Financing Requirement (CFR) as at 31 March		
- GF	155.830	154.843
- HRA	328.202	273.674
Total	**484.032**	**428.517**
Deposits (average annualised balance)	**90.000**	**90.000**
External gross debt as at 31 March	**340.793**	**340.539**
Ratio of net financing costs to revenue stream		
- GF %	1.87%	-4.85%
- HRA %	15.30%	12.36%
Net income from commercial and service investments		
- GF (£ million)	16.176	17.537
- HRA (£ million)	0.472	0.621
Ratio of net income from commercial and service investments to net revenue stream		
- GF %	42.21%	60.06%
- HRA %	0.79%	1.07%

* Capital expenditure budgets have been updated to reflect rephasing and other changes to the capital programme approved since the BSR

Treasury Indicator Estimates (£m)	BSR 2025/26	Q2 2025/26
Authorised limit		
- Borrowing	600.000	600.000
- Other long-term liabilities	2.000	2.000
Operational boundary		
- Borrowing	494.032	408.601
- Other long-term liabilities	1.500	1.500
Upper limit for total principal sums deposited for over 364 days and up to 5 years	50.000	50.000
Analysis of exposure to fixed and variable interest rates		
- Net interest on fixed rate borrowing/deposits	11.311	11.311
- Net interest on variable rate borrowing/deposits	(1.675)	(1.675)
Maturity structure of new fixed rate borrowing – 5 years and above		
- Upper limit	100%	100%
- Lower limit	100%	100%