Cambridge City Council: Quarterly Performance Report April to June 2026

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 1st April to 30th June (called quarter 1 as it is the 1st 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.

As this report reflects Quarter 1 activity, and whilst it reflects a good start to the year, it is important to recognise it is early in the financial year to draw any broad conclusions.

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 April and June 2026 (Quarter 1) the Council:

- Celebrated 75 years of city status through a programme of city-wide events.
- Opened the new Silver Street public toilets.
- Introduced a Public Space Protection Order (PSPO) at Babraham Road Park and Ride to tackle dangerous and anti-social driving, t.
- Launched the Skill Mill project to support young people at risk of offending through training and employment opportunities.
- Secured external funding, including £375,000 to reduce long-term rough sleeping, £155,000 for a food procurement improvement project, and £19,500 to support community wellbeing activities.
- Continued delivery of the £6 million Waterbeach Renewable Energy Network (WREN) project, supporting the transition of the waste fleet to electric and low-emission vehicles.
- Finalised preparation for changes introduced through the Renters' Rights Act 2025 which came into force on 1 May 2026.

Appendix one provides high level performance, risk and financial outcomes for our general responsibilities.

Agreed:

- Demolition and associated works at the NEC site following the Government's decision not to proceed with relocation of the Cambridge Wastewater Treatment Plant. A capital budget of up to £285,000 was approved.
- Ongoing delivery of the Waterbeach Renewable Energy Network (WREN) project to support carbon reduction and fleet decarbonisation initiatives.

- Publication of the Greater Cambridge Housing Trajectory and Housing Land Supply on the Councils' shared planning service website. This will provide annual updates on housing supply and delivery across Greater Cambridge.

Key achievements in the period include:

- Built and Natural Environment team's cost recovery improved from 20% to over 50%, with further improvements planned.
- The Council's Democratic Services Team was shortlisted for the national Democracy Project of the Year 2026 Award in recognition of its successful delivery of the 2026 City Council Elections, including participation in the national flexible voting pilot on behalf of MHCLG.

Significant developments that emerged during the quarter include:

- Ministers confirming in June 2026 that a development corporation will be set up to deliver thousands of new homes and infrastructure across Cambridge city and South Cambridgeshire.

Part Two: Residential Social Landlord

As well as our general responsibilities, Cambridge City Council is also a residential social landlord. The council owns and manages around 7,700 residential properties with an additional 1,250 leaseholders 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 a Housing Revenue Account.

Overview

- Between April and June 2026, the council approved the delivery of four homes through the Local Authority Housing Fund (LAHF Round 4) to support temporary accommodation and refugee housing needs within the city.
- Submitted a £96.4 million housing bid to support the delivery of approximately 3000 (1400 council) homes over the next ten years[1].
- Continued to work through the refunds owed to tenants following the overcharging of rents and service charges. Due to the large number of refunds and complexity of some accounts this work will be ongoing into at least December 2026.

Housing Improvement Action Plan

- The Housing Improvement Plan has been aligned with the digital improvement programme. to ensure the efficient programme of improvements for the entire housing service. This programme reports into both Housing Leadership Board and Housing Advisory Board. This will support compliance with the Regulator of Social Housing's requirements and the improvements identified following the October 2025 inspection.
- The Tenant and Leaseholder Involvement Strategy is being implemented to strengthen tenant and leaseholder involvement in shaping housing services. Supporting this, the Tenant Census project has been launched to improve tenant data, support regulatory compliance and help ensure services are tailored to residents' needs, with tenant engagement due to commence in the next quarter.

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[1] It was announced in August that the bid from Cambridge City Council was successful, with the full amount being awarded. More information will be included in the Quarter Two Performance Report

House building developments

- In relation to our house building activity, schemes at Fanshawe Road, East Barnwell, ATS Murketts, and Newbury Farm continued to make good progress and remained on budget and on schedule at the end of the quarter.

- Hannover and Princess development was approved at planning committee on 24 June[2].

- Davy Road and Stanton House schemes also progressed, with resident decanting near completion and design proposals refined following consultation and Design Review Panel feedback. Work is continuing with planning officers to finalise the schemes ahead of anticipated planning submissions in October 2026.

- Following publication of the North Cambridge Framework for Change in March 2026, engagement with residents, businesses and key stakeholders has continued. Co-design work for the Arbury Court public realm and open space is ongoing as well as resident drop-in sessions. Design work is progressing on Arbury Court and Kingsway/Brackley Close.

[2] With the announcement that the council was successful in gaining funding via a Strategic Partnership with Homes England the council will now ensure funding to deliver 72 council homes at this site

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

General Responsibilities: Quarterly Performance Indicators

This quarter a review has taken place to ensure that the KPIs rating (Red, Amber, Green status) better reflects the operating context. The definition for ratings is:

Green (Stretch Target)
A KPI is considered **Green** when performance is operating at an **optimal level**. There are no significant performance concerns, and results are either meeting stretch targets or are within appropriate distance of challenging targets where 100% attainment may not be realistic.

Amber (Baseline Target)
A KPI is considered **Amber** when performance falls between the Amber and Green thresholds. Performance is **above the minimum acceptable level** but has not yet reached an optimal position.

Red (Below Baseline Target)
If the KPI value is below the amber threshold, this is considered **below minimum acceptable performance** levels. Services will have oversight of the position and approaches in place for improvement.

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.

It should be noted that these measures can also reflect the performance of the city, with factors outside of the Council's direct control. For example, for the measure '*% Food businesses broadly compliant*' being compliant is the responsibility of the business. The Council's role is to make sure businesses are assessed, and if they are not compliant, to make sure the public are able to see the scores, where possible to work with the business to help them improve, and where necessary, take enforcement actions.

Title & Description	Baseline target	Stretch target	2026/27 Q1	2025/26 Q4	Q3	Q2	Q1	2024/25 Q4	Q3	Q2
Bins collected on schedule	99.25%	99.70%	99.90%	99.91%	99.92%	99.90%	99.92%	99.92%	99.87%	99.89%
This measures the effectiveness of our domestic waste collection service										
Household waste sent for reduce, recycling, composting	48%	50.00%	52.00%	47.95%	47.92%	48.03%	48.88%	43.72%	48.59%	52.98%
This tracks the percentage of the City's domestic waste that is not going to landfill										
Street Cleansing inspections of acceptable standard	90%	95%	97.3%	94.4%	92.4%	90.6%	96.0%		95.6%	95.5%
Percentage of Spot inspections across Litter, Detritus, Graffiti & Fly Posting that meet agreed standard										
% food businesses broadly compliant (rated 3 +)	93%	97%	97.3%	97.4%	97.6%	97.6%	98.2%	98.0%	97.8%	97.8%
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	7.32	7.37	7.92	7.07	7.93	8.03	7.22	7.61
This is the number of weeks Greater Cambridge Planning Service takes to determine applications										
First Point of Contact resolution	86%	89%	89.6%	89.5%	88.5%	90%	90%	90%	89%	91%
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%	69%	75%	84%	72%	75%	83%	84%	81%
We aim to resolve complaints within 10 working days										
Community centre programme balance	10pp away	5pp away	51:20:30	60:22:18	51:30:19	46:28:26	45:30:24			
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	200 - annual	250 - annual	81 (81)	135 (355)	110 (220)	55 (110)	55 (55)	89 (428)	87 (339)	122 (252)
This is in line with Housing act 2004, associated regulations and the Councils Private Rented Sector Housing Standard (cumulative figure in brackets)										
Days to process benefit claims – Housing Benefits	9	7	3.1	1.5	2	2	3	2	2	3
This is a combined average of new and existing claims; new claims require longer to process, and cannot be done in the same speed										
Days to process benefit claims – Council Tax Reduction	n/a	3	1.8	1.7	2	2	2	2	2	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										
Change of applicants in housing need	0	-2%	2.77%	-5.05%	-8.44%	-4.30%	-9.29%	-5.45%	3.27%	4.79%
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	0	0	0	1	0	1	1	1
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	45%	60%	61.0%	68.8%	55.7%	69.4%	54.3%	54.7%	59.7%	56.3%
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	8%	6%	1.1%	3.2%	3.0%	4.38%				
Looking for effectiveness of past resolutions & reduction in repeat homelessness (past resolutions through housing advice or statutory duty) *Note: due to concerns of accuracy, past quarters perfromance has been updated in this report*										
Rough sleepers on a single night	Year on Year Improvement		24	26	28	35	37	23	26	27
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		1	2	3	3	3	2	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		678	35	154	83	123	27		
Volunteers worked hours logged										
No of corporate groups worked with in volunteering	n/a		17	10	18	32	29	5		

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 majority of services **resolved 75% or more complaints within target**, with five services (City Homes, Council Tax, Customer Services, Housing Benefit and Planning) resolving 100% in target. The only areas to fall below the Council's target were **Repairs** and the **Shared Waste** Service with 36% and 68% respectively. As these two service areas are the highest volume areas for complaints being received, this had a significant effect on the overall average.

The **Repairs** team reports that complexity and the level of detail within complaints have increased, with a growing number appearing to have been generated or supported by AI. This has resulted in significantly longer submissions requiring more detailed investigation and coordination across teams, which has affected the Council's ability to respond within target timescales.
The team are reviewing how complaints are allocated, investigated and monitored, with a stronger focus on early ownership, escalation of complex cases and improved oversight of response deadlines. The aim is to improve performance while ensuring responses remain accurate, evidence-based and fully address the issues raised.

Shared Waste complaint response performance was affected by ongoing Case Tracker system issues, which impacted complaint visibility, allocation, and reporting. This meant some complaints may have appeared overdue or unresolved despite being actively managed. The team introduced manual monitoring processes to help track complaints while the system issues were addressed.
Although wider operational pressures (including staffing pressures, team transitions / secondments, increased workload due to launch of the new weekly food waste collection service) also contributed to meeting performance targets, the reported figures were affected by system reporting inaccuracies rather than complaint handling performance alone. The issues are being tackled, with no recent recurrence, and performance reporting continues to be monitored to ensure data accuracy.

Number of volunteer hours is significantly higher than anticipated: As of April 2026 we are now monitoring this more robustly. Previously it was an estimated figure. It's also a highly seasonal service as corporate volunteer groups wish to be out volunteering when the weather is pleasant.

July - Sept quarter data will show a significant reduction as we've had many cancellations due to amber and red heat health alerts making volunteer sessions unsafe and some businesses cancelling on the day.

Community centre programme balance - The balance of community centre bookings reflects an increase in County Council funded one-to-one tuition for those excluded from schools. These bookings are a positive part of the overall provision and therefore the Council will review this measure to ensure that it better reflects the overall success of the community centres programme. We are expecting to see some change in this in Q2.

Change of applicants in housing need is, to some extent, beyond the Council's control. This KPI reflects demand from new housing applicants, in relation to the number of social housing properties available. Although the number of new applications received in the quarter dropped from quarter 1, this drop was more than offset by an increase in the number of applications made active during the quarter (4% increase) combined with a 13% drop in the number of social housing properties available to let.

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. 1,234.
- Income is shown in brackets, i.e. (1,234)

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

Every quarter, we look at our income and expenditure so far and use that to forecast the expected position at the end of the financial year (a year-end forecast). The Q1 forecast showed that our expected year end position is in line with our published budget.

Forecast Outturn by council group is set out in the table below:

Group	Current Budget £'000	Q1 Forecast £'000	(Under budget)/over budget £'000
Chief Executive Office	2,901	2,911	10
City Services	1,354	1,091	(263)
Communities	10,783	11,533	750
Corporate Hub	14,063	13,560	(503)
Economy & Place	(7,542)	(7,542)	0
Planning & Building Control	1,607	1,597	(10)
Non-service expenditure	10,319	10,319	0
Total net expenditure	**33,485**	**33,469**	**(16)**
Funded by:			
Business rates and council tax	(18,467)	(18,467)	0
Government grants	(12,148)	(12,148)	0
Use of earmarked reserves	(4,345)	(4,345)	0
Total funding	**(34,960)**	**(34,960)**	**0**
Contribution to GF reserve	**1,475**	**1,491**	**16**

Note that the above figures take into account agreed carry forward of £0.3m of specific unspent budgets from 2025/26.

Although the overall forecast position is broadly in line with budget, this reflects a number of significant over and underspends across individual service areas, which are highlighted below.

- The Communities Group is showing 0.7m of additional cost, which reflects the loss of income from the closure of the Corn Exchange venue from 1st January 2027, as part of the Civic Quarter redevelopment project. Should the project not be approved by Full Council in October, there would still be a significant loss of income due to the lead-in times for booking acts.

- Because interest rates have remained higher than expected there is additional expected income of 0.3m from our investments, shown within the Corporate Hub.

- Income from car parking is higher than expected, meaning that at Q1 the position is £0.3m million better than budget. This is shown under City Services.

A detailed breakdown to service level is shown below, followed by a table with explanations of the bigger changes from the published budget.

Group	Current Budget 2026/27 £'000	Current Forecast 2026/27 £'000	(Under)/ Over Budget 2026/27 £'000
Chief Executive Office			
Chief Executive Office	1,097	1,130	33
Democratic Services	1,804	1,781	(23)
Total Chief Executive Office	**2,901**	**2,911**	**10**
City Services			
Bereavement Services	(583)	(603)	(20)
Car Parking	(8,321)	(8,643)	(322)
Community Safety	366	366	-
Garage Services	162	185	23
Management	472	472	-
Markets and Street Trading	(536)	(460)	76
Operational Buildings	752	751	(1)
Sport and Recreation	929	985	56
Streets and Open Spaces	4,930	4,905	(25)
Waste and Recycling	3,183	3,133	(50)
Total City Services	**1,354**	**1,091**	**(263)**

Group	Current Budget 2026/27 £'000	Current Forecast 2026/27 £'000	(Under)/ Over Budget 2026/27 £'000
Communities			
Community Centres	940	949	9
Community Development	2,089	2,081	(8)
Community Grants	1,447	1,453	6
Community Safety	784	792	8
Cultural Services	871	1,562	691
Environmental Health	1,496	1,542	46
Housing Strategy and Advice	2,347	2,352	5
Homelessness	550	547	(3)
Management	259	255	(4)
Total Communities	**10,783**	**11,533**	**750**
Corporate Hub			
Central Costs and Recharges	(4,347)	(4,380)	(33)
Customer Service Centre	2,251	2,259	8
Financial Services	2,240	2,220	(20)
Housing Benefit Expenditure	719	665	(54)
ICT	3,646	3,646	-
Insurance	1,215	1,215	-
Internal Audit	278	262	(16)
Investment interest and financing costs	1,525	1,196	(329)
Legal Services	913	932	19
Management	137	126	(11)
Office Buildings	1,345	1,326	(19)
People and Change	2,405	2,301	(104)
Procurement	325	390	65
Revenues and Benefits Administration	1,411	1,402	(9)
Total Corporate Hub	**14,063**	**13,560**	**(503)**
Economy and Place			
Commercial Property Services	(9,556)	(9,559)	(3)
Development	402	402	-
Economy, Energy and Climate Change	1,263	1,263	-
Management	349	352	3
Total Economy and Place	**(7,542)**	**(7,542)**	**-**
Planning and Building Control			
Building Control	198	198	-
Greater Cambridge Planning Service	1,409	1,399	(10)
Total Planning and Building Control	**1,607**	**1,597**	**(10)**
Total for all Groups	**23,166**	**23,150**	**(16)**
Non-service expenditure			
Capital expenditure financed from revenue	3,341	3,341	-
Collection Fund deficit	6,613	6,613	-
Contributions to earmarked funds	365	365	-
Total non-service expenditure	**10,319**	**10,319**	**-**
Net spending requirement	**33,485**	**33,469**	**(16)**
Funded by:			
Business rates baseline	(7,144)	(7,144)	-
Accumulated business rates growth	(218)	(218)	-
Government grants	(12,148)	(12,148)	-
Council tax	(11,105)	(11,105)	-
Appropriations from earmarked funds	(4,345)	(4,345)	-
Contributions to/(from) reserves	1,475	1,475	-
Total funding	**(33,485)**	**(33,485)**	**-**
Net Total	**-**	**(16)**	**(16)**

Group	Cost Centre/Service	Reason for Variance	Forecast Over budget/ (under budget) £'000
City Services	Car Parking	Increased income reflects strong demand at Grand Arcade, Park Street, Queen Anne Terrace and Adam & Eve Street car parks. This has more than covered reduced usage at the Grafton Centre following recent closures of offices and shops there. The future impact of the new offices and laboratory developments at the Grafton Centre site on parking demand is not yet known	(275)
	Markets	If the decision on the Civic Quarter is to go ahead with the redevelopment of the Market Square, there will be reduced income from January 2027.	77
	Greater Cambridge Shared Waste	A DEFRA capital grant is now covering costs that the Council had expected to pay, saving £50k in this financial year.	(50)
Communities	Corn Exchange and Guildhalls	The forecast additional cost is due to the planned closure of the venue and the loss of income to cover fixed costs	662
Corporate Hub	Office Buildings	The £54k underspend is mainly due to vacant posts during part of the year, which have now been filled.	(54)
	Investment interest and financing costs	Because interest rates have remained higher for longer than anticipated, we are expecting a higher income from investments.	(329)

Group	Cost Centre/Service	Reason for Variance	Forecast Over budget/ (under budget) £'000
	Revenues and Benefits Subsidy	The £54k underspend variance is based on the Q1 Housing Benefit expenditure assessment using the information currently available on Northgate. The forecast may change during the winter period as further information becomes available. Subsidy loss is currently estimated at circa £850k and is expected to be funded from the General Fund budget and income generated from the recovery of Housing Benefit overpayments. The service is working with charities to change their registration status to Registered Provider status, which is expected to help reduce subsidy loss in future years.	(54)
	People & Change	£54k underspend due to delay in recruiting a replacement Digital Lead Officer	(54)
	Procurement	A net overspend of £64k is forecast, mainly due to a fixed-term Procurement Analyst being employed to support a high volume of complex procurements.	65
Economy & Place	Lion Yard - South End	This is due to an improved rental income forecast following a review of rents.	(55)
Economy & Place (continued)	Orwell House Offices-Internal	Reduced costs of £59k are forecast because the empty business rates liability for an empty building is lower than budgeted.	(59)
	4 Cyrus Way, Cygnet Park, Peterborough	Increased income of £73k is forecast due to an improved rental income forecast following a rent review.	(73)

General Responsibilities: Capital

The outturn position on the council's General Fund capital programme is as follows:

Capital Forecast – Q1 2026/27	Current Budget £'000	Q1 Forecast £'000	Forecast Slippage £'000	(Under budget)/ over budget £'000
General Fund				
Loans to Cambridge Investment Partnership	22,041	22,041	0	0
Other	26,021	23,680	2,185	(157)
GF Total	**48,062**	**45,721**	**2,185**	**(157)**

The following individual projects have an underspend or overspend of over £50k, after taking into account budgets carried forward:

Group	Project	Current Budget 2026/27 £'000's	Current Forecast 2026/27 £'000's	Variance 2026/27 £'000's	Commentary
City Services	Redevelopment of Silver Street Toilets	0	128	128	The project is complete and the toilets are now open. A small number of outstanding building invoices have been incorporated into the forecast.
Corporate	Administrative buildings maintenance	571	25	(546)	No significant capital expenditure is currently forecast. However, improvement works to the ground floor of Mandela House are planned to accommodate additional staff as a result of the Guildhall closure. The estimated cost is approximately £25,000 and approval has been obtained.

Group	Project	Current Budget 2026/27 £'000's	Current Forecast 2026/27 £'000's	Variance 2026/27 £'000's	Commentary
City Services	Market Square project	154	0	(154)	The project is currently on hold pending the decision on the wider Civic Quarter project.
City Services	Depot Relocation programme to create Operational Hub	0	283	283	The Operational Hub project is complete. The Garage project is progressing, however there is no project budget remaining in 2026/27.
City Services	Decarbonisation works - Abbey pool, Parkside pool, Cherry	1,114	960	(154)	The full budget is expected to be spent, although not all expenditure will be incurred in 2026/27. The project is due to be completed in 2027/28 and is being delivered as part of the new Leisure Management Contract.
Economy and Place	East Barnwell new centre	2,885	2,656	(229)	The project is currently within budget. Some slippage is anticipated due to off-site recreation works starting later than expected.
Communities	Planned maintenance works at community centres	436	100	(336)	There are multiple tenders and quotations currently active for this project. A cash flow forecast is being prepared to provide a more accurate estimate of costs in the current year. It is unlikely that the full budget will be spent this year.
City Services	Bereavement Service capital improvements	1,000	80	(920)	The tender process has taken longer than anticipated and, as a result, the main roof works will not commence before winter. Enabling works will continue to support an earlier start to the main works programme next year.

Group	Project	Current Budget 2026/27 £'000's	Current Forecast 2026/27 £'000's	Variance 2026/27 £'000's	Commentary
Communities	Mandatory Disabled Facilities Grants (Tenants)	404	250	(154)	Demand for Disabled Facilities Grants (DFGs) has historically been low within the city. During 2026/27, the Council has adopted an approach arising from the Islington case, enabling more than one DFG to be awarded to an individual where the standard grant limit of £30,000 is insufficient to meet assessed needs.
Communities	Mandatory Disabled Facilities Grants (Owner Occupiers)	404	250	(154)	Demand for Disabled Facilities Grants (DFGs) has historically been low within the city. During 2026/27, the Council has adopted an approach arising from the Islington case, enabling more than one DFG to be awarded to an individual where the standard grant limit of £30,000 is insufficient to meet assessed needs.

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 these 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
8	Capacity and Resilience Risk Arising from Local Government Reorganisation	Amber

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

The LGR strategic risk will likely be Amber until 1st April 2028. This level has been set as amber as the strategic risk focuses on ensuring operational capacity and resilience; work is ongoing under both the LGR remit in creating an LGR focused team between the City Council and South Cambridgeshire District Council, there is also work that various services and groups are doing to support LGR capacity once the geography is known. The strategic risk is likely to change once the geography is known.

Operational Risks

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 five amber operational risks and no red risks.

The Council’s amber risks are as follows:

Description	**Current Controls**	**Actions to reduce risk level**
Cybersecurity Attack	• Comprehensive cybersecurity protocols • Regular security training for staff • Advanced threat detection systems • Timely security updates • Advanced security testing (Penetration testing etc.) • Business continuity plans	There are multiple controls in place to manage the risk, however it is not possible to reduce this risk below amber. The action now underway is the periodic updating of service business continuity plans to make sure we have the right plans in place in case of a successful attack.
Accounting for S106 balances	• Periodic reconciliations between service-based and Finance records. • S106 drawdown formalised and use of S106 incorporated into capital financing as part of budget setting.	S106 records have now been transferred to a dedicated system which will make reconciliations easier. Planned future recruitment of additional resource within Shared Planning to support S106 monitoring will also help to reduce this risk in the medium term.

Description	Current Controls	Actions to reduce risk level
Impact of ongoing strategic change on service delivery	• Quarterly reporting to Leadership Team and Cabinet on performance, risks and finance to highlight potential impacts • Regular updates on strategic changes that could impact on service delivery, in particular Local Government Reorganisation	The impact of Local Government Reorganisation on service delivery has oversight from the Leadership Team.
Failure to achieve our carbon reduction target and deliver the Council's vision.	• Updated climate change strategy in place to cover 2026-2031. • Climate Change fund in place. • Carbon management plan developed. • GF retrofit manager appointed to deliver retrofit projects to operational and commercial stock.	Developing an implementation plan for newly adopted Climate Change Strategy 2026 (Target: 21 Aug 2026) Asset Management and MEES Strategy (Target: 31 Oct 2026) Participation in EU Horizons City Twinning programme to share best practice on achieving net zero.
Compliance with statutory requirements across Asset Portfolio	Clear leadership, governance and accountability arrangements in place Every corporate building has an identified accountable owner.	Compliance policies and risk registers being reviewed and updated to give better visibility of risk and assurance

In line with new Economic Crime and Corporate Transparency Act we have developed our risk management system to categorise and report fraud related risks. We are working with colleagues to review existing risks and identify new risks. This new legislation requires all organisations to identify whether any of their activities could be subject to fraud and set out what they are doing to manage the risk of fraud. Individual fraud risks will be reported in the same way as our other risks, so any amber or red fraud risk will be reported here.

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

Residential Social Landlord: Performance Measures

(for Key, see appendix 1 Performance measures)

Title & Description	Baseline target	Stretch target	2026/27 Q1	2025/26 Q4	Q3	Q2	Q1	2024/25 Q4	Q3	Q2
% 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%	97.7%	97.9%	96.8%	100%				
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%	100%	100%	100%	94%				
Emergency responsive repairs completed within the landlord's target timescale *Reflects speed and reliability of repairs, supporting tenant satisfaction.*	90%	95%	78%	93%	96%	87%	93%	95%	88%	98%
Awaab's Law: % responded to request within 2 working days *Ensures all safety-critical quality of the Council's housing stock in a timely manner*	85%	95%	95%	90%	88%					
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	69.7	56.7	47.5	46.9	43.4	37.3	37.7	39.7
Void loss - % of rent lost through dwellings being vacant (LCRA) *Monitors the impact of empty homes on the council's income stream.*	3%	1%	3.18%	3.07%	2.93%	4.21%	4.16%	3.22%	3.10%	2.96%
Current tenant arrears as a % of the annual rent debit *Monitors outstanding debts owed to the council*	3.85%	3.50%	3.84%	3.95%	4.19%	3.82%	3.64%	3.27%	3.59%	3.52%
Former tenant arrears as a % of the annual rent debit *Monitors outstanding debts owed to the council*	2.2%	2%	3.8%	3.8%	3.7%	3.3%	3.0%	3.0%	2.8%	2.7%
No. Council housing starts *Quarterly update of cumulative total on number of builds started this year*	n/a		0	29	29	29	29	105	0	0
No. new affordable homes completed within councils own programme *Quarterly update of cumulative total on number of builds completed this year*	n/a		0	126	126	70	70	98	70	24
Percentage affordable homes to Camstandard *This is about improving the environmental impact of our homes*	n/a		0%	83%	84%	79%	79%	78.65%	77.71%	77.71%
Homes retrofitted to EPC C rating *This is about improving the environmental impact of our homes*	Variable based on funding		35	2	11	7	4	59	72	54

These measures are the key pieces of information we track to understand how well we are performing as a landlord. 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.

The Council provides additional performance information to our Housing Advisory Board. The Year-end report is published on the Council website and can be found here Housing performance report. The Q1 report has not yet been published.

Average re-let time in days and **Void loss** are connected measures, both reflecting the time it takes the Council to re-let properties. This shows the total rent and service charge loss resulting from void properties. This includes properties set aside for redevelopment, bulk handovers of new-build properties awaiting letting, and homes undergoing energy-efficiency works. A new voids process was introduced in Quarter 1 of 2026/27 to help reduce these losses, the Council continues to refine this process to reduce re-let times and void loss as much as possible.

Average re-let time in days (standard relets) includes both the time taken to complete void repairs and the time taken to let the property. Once keys were returned by the void repairs team, it took an average of 6.5 days to house a general needs tenant in Q1. The Lettings Team continues to review its processes to improve performance, reduce rent loss and shorten void times by advertising properties as early as possible with accurate information, shortlisting eligible applicants promptly and arranging viewings during void works where it is safe to do so.

Both **Current** and especially **Former Tenant arrears** are below target while the Rent regulation project continues to work through the refunds owed. It is important to complete the work on the rent charges, so that we can be certain than any arrears figures are accurate. Once this work is complete in 2026/27, the Council will be able to progress the work on arrears and reduce our former tenant arrears. Separately, two software systems are being brought in that will allow for some automation of actions and better management of our accounts, freeing up Income Officers capacity to work with those tenants who most need our support.

Emergency responsive repairs have been negatively impacted due to absences in key roles. This is expected to improve in the coming Quarters.

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

Based on data as at the end of June, the HRA's year end-operating deficit is forecast to be £2.0 million higher than budgeted, mainly due to overspends on repairs and maintenance. To ensure that the HRA balance can remain above its target level, the planned revenue contribution to capital expenditure for the year may have to be reduced by £2.0 million. This approach is consistent with previous years, but it will increase the amount of borrowing required to finance the capital programme in the longer term.

Service Grouping	Current Budget 2026/27 £'000	Current Forecast 2026/27 £'000	Forecast Variance 2026/27 £'000
Income			
Rental income (dwellings)	(54,314)	(54,314)	0
Rental income (other)	(2,798)	(2,795)	3
Service charges	(3,333)	(3,325)	8
Contribution towards expenditure	(487)	(487)	0
Other income	(489)	(474)	15
Total Income	**(61,421)**	**(61,395)**	**26**
Expenditure			
Supervision & management - General	6,885	7,080	195
Supervision & management - Special	4,837	4,667	(170)
Repairs & maintenance	15,063	16,991	1,928
Depreciation	12,254	12,254	0
Bad debt provision	561	561	0
Other expenditure	1,374	1,382	8
Total Expenditure	**40,974**	**42,935**	**1,961**
Net cost of HRA services	**(20,447)**	**(18,460)**	**1,987**
Interest receivable	(768)	(768)	0
HRA (surplus)/deficit for the year	**(21,215)**	**(19,228)**	**1,987**
Other movements in the HRA balance			
Loan interest	13,077	13,077	0
Direct revenue financing of capital	8,266	8,266	0
Transfer to/(from) earmarked reserves	0	(10)	(10)
(Surplus)/deficit for year	**128**	**2,105**	**1,977**

The main reasons for the forecast overspend are:

- £0.9 million costs as a result of fire and other damage to properties, which could not be anticipated when budgets were set
- increased spend on housing repairs (£0.5 million), including damp, condensation and mould, in order to comply with Awaab's law.
- additional costs of dealing with voids due to the poor condition of significant numbers of void properties (£0.3 million)
- the need for interim fire safety measures including waking watch at a number of sites (£0.1 million). As a result of work already undertaken, the number of sites with waking watches in place has reduced from eleven to two. It is taking longer than anticipated to address the final two sites as decanting is required.

Although some of these costs are unexpected and unavoidable, the Leadership Team is continuing to take action to ensure that a tight grip is exerted on costs wherever possible.

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

Budget Line	Service Grouping	Reason for Variance	(Under budget)/ over budget £'000
Income	Other Income	This is a timing issue, this income was received in 25/26 rather than 26/27 so is showing as an underachievement in this year	70
	Service Charges	This is due to lower General Housing Service Charges and increased Consultancy costs relating to Heat Networks.	49
Expenditure	Repairs & maintenance	Client and Third Party Repairs: There continues to be a very high volume of insurance related repair activity. This is linked to property damage caused by fires, floods and emergency response, reinstatement and follow-on works. Some rectification costs cannot be claimed from insurers, and the Council has to cover the excess cost on its claims. The position is largely incident-led and therefore partly one-off, although the increasing complexity and value of claims presents an ongoing financial pressure. A review of provisions and some premiums is underway, with the aim of mitigating this pressure if possible.	886

Budget Line	Service Grouping	Reason for Variance	(Under budget)/ over budget £'000
Expenditure (contd)		Delivery Assurance Team: DCM (Damp, Condensation & Mould) is forecasting an adverse year-end position, driven primarily by sustained demand and existing casework. Despite one of the hottest summers on record, demand has remained at winter levels: 65 cases were reported in May and 63 in June, averaging 64 per month compared with a November–March winter average of 65.8. This has significantly reduced the normal opportunity to profile spend in line with the seasons that would normally see expenditure down. The transition backlog of 192 cases has now been reduced by around half, with remaining cases being progressed alongside new high-priority work ahead of the coming winter. The key mitigation is the new in-house DCM taskforce, which will undertake mould treatment, minor remedial works and increasingly the initial assessment of straightforward cases. This represents a significant efficiency opportunity, reducing reliance on external contractors and professional surveys, currently costing around £25k per month, while improving case ownership, productivity and speed of response. Alongside this, tighter control of works and quotations, risk-based prioritisation and reduced reliance on temporary staffing will progressively reduce the cost base while maintaining statutory compliance."	525
		Voids: Overspend reflects a high volume of voids with challenging handover conditions and major clearances received during the year. Additional works were completed while properties were void to improve overall condition and support a more robust standard for re-letting. Overspend relates to jobs assigned to external contractor and property clearance. The service is seeking to find efficiencies in procurement and collaborative working with other teams.	291
		Risk and Compliance: Overspend due to additional Fire Assessment and Safety work being commissioned.	207
		Asset Management: Year to date overspend relates primarily to Waking Watch arrangements implemented in response to specific fire safety risks requiring on-site security presence at a limited number of properties. The requirement has reduced during the year, with ongoing cover now confined to a small number of sites and forecast to the end of January 2027.	96

Budget Line	Service Grouping	Reason for Variance	(Under budget)/ over budget £'000
		Enabling Communities - HRA: Overspend due to staffing backfill requirements for the year.	87
		Third Party Management Company Servicing and Repairs: Forecast is based on committed costs which are higher than budget. The budget is to be reviewed as part of Q2 forecast and budget setting.	64
		Citywide Schemes: Savings generated from a reduced rollout of smoke detectors as the programme was accelerated in previous years. In future years this budget may need to be realigned to support other areas such as door and lift entry.	(115)
	Supervision & management - General	Third Party Management and Estate Costs: Net £63k underspend on Third Party Management Costs due to electricity credits. This offsets the increased repair costs on Third Party Management Company Servicing and Repairs shown above. The budget is to be reviewed as part of Q2 forecast and budget setting.	(63)
	Supervision & management - Special	Sheltered Schemes: Mainly due to underspend on utilities across various sites.	(99)
		Other Minor Variances across the Housing Revenue Account	45
		Total	**1,973**

Residential Social Landlord: Capital

The outturn position on the HRA capital programme is as follows:

Capital Forecast – Q1 2026/27	Current Budget £'000	Q1 Forecast £'000	Forecast Slippage £'000	(Under budget)/over budget £'000
Housing Revenue Account				
Existing stock	35,436	32,408	3,029	0
New build and acquisitions	68,899	49,450	19,450	0
Other	4,681	4,681	0	0
HRA Total	**109,016**	**86,538**	**22,478**	**0**

Within 2026/27, there is an overall underspend on the HRA capital programme. As at Q1, budget totalling £22.478 million is anticipated to be requested to be carried forward into 2027/28 and subsequent years to allow projects to be completed.

The following individual projects have an underspend or overspend of over £50k, before taking into account budgets that may need to be carried forward:

Project	Reason for Variance	(Under budget)/over budget £'000
Decent homes programme		
Decent Homes Planned Maintenance Contractor Overheads	The forecast takes account of expected main contractor overheads for the Foster and TSG contracts.	1,028
Wall Structure	All of the Wall Structure funds are being used on Bermuda Terrace project.	669

Project	Reason for Variance	(Under budget)/over budget £'000
Central Heating / Boilers	A proactive asbestos testing and removal process is underway, with increased works being taken in void properties. The budget for asbestos removal will need to be reviewed as part of the MTFS .	504
Other Health and Safety Works	No works identified this year.	(53)
Sulphate Attacks	No works identified this year.	(109)
Kitchens	We have ordered the whole year plan, however we are still having no access problems/refusals of works. We have given TSG further planned kitchens to complete ahead of schedule to fill the shortfall.	(184)
Electrical / Wiring	On TSG works programme and forecasted works currently ordered. Further works will be identified during the year, however any underspend will be required as stock condition surveys highlight issues	(234)
Decent Homes Backlog	These works form part of the procurement pipeline agreed by Cabinet in September. Some of this backlog budget in 25/26 will be required in 2026 and 2027 to cover additional roofing works when the new planned maintenance contract is implemented.	(4,199)
Other spend on existing stock		
Asbestos Removal	A proactive asbestos testing and removal process is underway. The budget for asbestos removal will be reviewed as part of the MTFS	215
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	The forecast takes account of expected main contractor overheads for the Foster and TSG contracts	(115)
Lifts and Door Entry Systems	The only cost so far is for work carried forward from last financial year, there are no further works in the programme for this year.	(125)
Disabled Adaptions	Current identified works have been raised with contractors. Awaiting 15 quotes from TSG for further works. Additionally, 2 Major works have been identified.	(325)

Project	Reason for Variance	(Under budget)/over budget £'000
New build schemes		
Meadows and Buchan Street	Expected to be around 1% over budget due to increased costs and scope throughout life of project. Overall, Meadows and Buchan HRA and General Fund project expected to be around 3% over.	318
Newbury Farm	Variance due to delay in entering into main works contract	277
ATS, Histon Road	Project is within budget overall. Profiling of budget to be reviewed across life of project.	150
East Road	East Road in no longer a scheme	70
Kendal Way	Variance due to delay in entering into main works contract	(170)
East Barnwell	Project within budget overall. Phase 1 ahead of programme, forecasted spend pulled from 2027-2028 into 2026-2027.	(790)
St Thomas's Road	Project has been on pause but now restarting as part of Small Sites programme. Spend now expected for associated architects' fees	(1,097)
Paget Road	Variance is related to delay in programme due move to re-tender the site for delivery. Tendering is now in progress	(1,112)
Ekin Road	Programme delayed. Cashflow reforecast to start on site later in 2026.	(1,930)
Davy Road	Underspend as planning submission has been delayed. Work now not expected to commence until end of financial year.	(2,715)
Stanton House	Expenditure reflects preplanning consultants costs. The start on site date has been moved to the next financial year, and budget will need to be moved to 2026/27.	(3,469)
Eddeva Park	Eddeva Park is no longer a scheme	(3,471)

Project	Reason for Variance	(Under budget)/over budget £'000
Princess and Hanover	Compulsory Purchase Order required to achieve vacant possession, inquiry date set in October 2026, this has delayed leasehold buy backs. Planning application progression slow as scheme is complex. A Viability Assessment delayed the planning committee date and amendments to the draft conditions have delayed the decision notice. Vacant possession, planning approval and Homes England funding are required to progress construction.	(7,573)
Acquisitions		
Local Authority Housing Fund Acquisitions	Variance due to timing. New budget approved for 4 acquisitions in 26/27. £0.917m LAHF funding announced in May 2026. Budgets to be updated in Q2 and as part of rephasing.	2,000

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 are no red or amber risks that relate specifically to our role as a residential social landlord.

Appendix 3: Treasury Management

The Council has a statutory responsibility to monitor and report on its treasury management activities. Treasury management encompasses the management of the Council's cash flows, investments, borrowing, and associated financial risks, ensuring that public funds are managed prudently and effectively.

All treasury management activity undertaken during the year to date has been carried out in accordance with the Treasury Management Strategy Statement approved by Full Council in February 2026.

As at 30 June 2026, the Council's total borrowing stood at £296.6 million, unchanged from the previous quarter and in line with expectations. This includes £213.6 million of Housing Revenue Account (HRA) self-financing loans, originally taken out following the Government's housing self-financing reforms in 2012, and £83.0 million of external borrowing to support the Park Street development. Additional HRA borrowing is anticipated later in the financial year to finance planned capital expenditure.

Investment income is currently forecast to be £1.8 million for 2026/27, compared with a budget of £1.5 million. While the reduction in the Bank of England base rate from 4.0% in 2025/26 to 3.75% in 2026/27 has moderated investment returns, no further reductions are currently forecast during the remainder of the financial year. The higher forecast also reflects delays within the capital programme, resulting in higher average cash balances available for investment pending the progression of approved capital schemes.

The Council's latest prudential and treasury management indicators are set out below and demonstrate continued compliance with the prudential framework and the approved Treasury Management Strategy.

Prudential Indicator Estimates (£m)	BSR 2026/27	Q1 2026/27 (Forecast)
Capital expenditure		
- GF	45.73	47.447
- HRA	109.02	86.538
Total	**154.75**	**133.985**
Capital Financing Requirement (CFR) as at 31 March		
- GF	172.049	116.133
- HRA	341.186	299.54
Total	**513.235**	**415.670**
Deposits (average annualised balance)	**90**	**90**
External gross debt as at 31 March	**416.529**	**342.778**
Ratio of net financing costs to revenue stream		
- GF %	1.38%	4.37%
- HRA %	20.04%	12.28%
Net income from commercial and service investments		
- General Fund (£ million)	18.425	19.454
- HRA (£ million)	0.625	0.625
Ratio of net income from commercial and service investments to net revenue stream		
- GF %	60.13%	63.54%
- HRA %	1.02%	1.02%

* 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 2026/27	Q1 2026/27
Authorised limit		
- Borrowing	600	600
- Other long-term liabilities	2	2
Operational boundary		
- Borrowing	523.235	408.601
- Other long-term liabilities	1.173	1.5
Upper limit for total principal sums deposited for over 364 days and up to 5 years	50	50
Analysis of exposure to fixed and variable interest rates		
- Net interest on fixed rate borrowing/deposits	14.264	11.311
- Net interest on variable rate borrowing/deposits	-1.532	-1.675
Maturity structure of new fixed rate borrowing – 5 years and above		
- Upper limit	100%	100%
- Lower limit	100%	100%