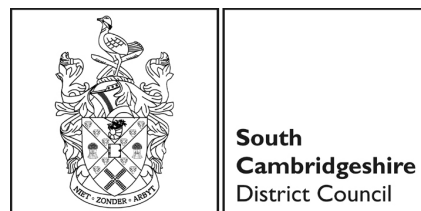


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3 January 2007

To: The Leader – Councillor Dr DR Bard  
Deputy Leader – Councillor Mrs DSK Spink MBE  
Members of the Cabinet – Councillors SM Edwards, Mrs VG Ford, JA Hockney,  
RMA Manning, Mrs DP Roberts and SGM Kindersley

Dear Councillor

You are invited to attend the next meeting of **CABINET**, which will be held in the **COUNCIL CHAMBER, FIRST FLOOR** at South Cambridgeshire Hall on **THURSDAY, 11 JANUARY 2007** at **10.00 a.m.**

Yours faithfully  
**GJ HARLOCK**  
Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

AGENDA		PAGES
PROCEDURAL ITEMS		
1.	Apologies for Absence	
2.	Minutes of Previous Meeting To authorise the Leader to sign the Minutes of the meeting held on 14 December 2006 as a correct record.	1 - 12
3.	Declarations of Interest	
RECOMMENDATION TO COUNCIL		
4.	Discretionary Rate Relief	13 - 28
OPERATIONAL ITEMS		
DECISIONS MADE BY CABINET		
5.	Performance Management (Milestones and Performance Indicators) Quarterly Report 2006/07 - 6 Month Report	29 - 42
6.	Direct Labour Organisation Business Plan	43 - 58
7.	Cambridgeshire Waste Collection / Disposal Partnering Agreement	59 - 74
8.	Extension of Hours to Post D.2.32	75 - 78

## **INFORMATION ITEMS**

- |           |   |                |
|-----------|---|----------------|
| <b>9.</b> | <b>Quarterly Monitoring Report including Budgetary Control and Prudential Indicators: Third Quarter 2006/07</b> | <b>79 - 90</b> |
|-----------|---|----------------|

## **STANDING ITEMS**

- |            |   |  |
|------------|---|--|
| <b>10.</b> | <b>Matters Referred by Scrutiny and Overview Committee</b>      |  |
| <b>11.</b> | <b>Updates from Cabinet Members Appointed to Outside Bodies</b> |  |

## **GUIDANCE NOTES FOR VISITORS TO SOUTH CAMBRIDGESHIRE HALL**

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***Do not*** re-enter the building until the officer in charge or the fire brigade confirms that it is safe to do so.

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### **Banners / Placards / Etc.**

No member of the public shall be allowed to bring into or display at any Council meeting any banner, placard, poster or other similar item. The Chairman may require any such item to be removed.

### **Disturbance by Public**

If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room. If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.

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The Council operates a NO SMOKING policy.

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Vending machines and a water dispenser are available on the ground floor near the lifts. There shall be no food and drink in the Council Chamber.

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

Minutes of a meeting of the Cabinet held on  
Thursday, 14 December 2006

**PRESENT:** Councillor Dr DR Bard (Leader of Council)  
Councillor Mrs DSK Spink MBE (Planning and Economic Development Portfolio Holder and Deputy Leader of Council)

<b>Councillors:</b>	SM Edwards	Resources, Staffing, Information & Customer Services Portfolio Holder
	Mrs VG Ford	Community Development Portfolio Holder
	JA Hockney	Conservation, Sustainability and Community Planning Portfolio Holder
	RMA Manning	Environmental Health Portfolio Holder
	Mrs DP Roberts	Housing Portfolio Holder

Officers in attendance for all or part of the meeting:

Holly Adams	Democratic Services Officer
Andy Glaves	Choice Based Lettings Project Officer
Steve Hampson	Executive Director
Greg Harlock	Chief Executive
Caroline Hunt	Principal Planning Policy Officer
Denise Lewis	Head of Strategic Housing
Simon McIntosh	Corporate Manager for Policy, Performance and Partnerships
Guy Moody	Democratic Services Officer
Kelly Quigley	Communications Officer
Dale Robinson	Corporate Manager for Health & Environmental Services
Paul Swift	Policy and Performance Review Manager
Alison Talkington	Senior Planning Policy Officer
Gwynn Thomas	Principal Accountant (Housing)
Tim Waller	Planning Policy Officer (Monitoring)

Councillors RE Barrett, JD Batchelor, NN Cathcart, R Hall, Mrs EM Heazell, Mrs CA Hunt, SGM Kindersley, Mrs CAED Murfitt, Mrs HM Smith, RT Summerfield, RJ Turner and Dr SEK van de Ven were in attendance, by invitation.

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**Procedural Items**

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**1. MINUTES OF PREVIOUS MEETING**

The Leader was authorised to sign as a correct record the minutes of the meeting held on 9 November 2006.

**Disabled Facilities Grant Policy and Funding (Minute 6)**

The Executive Director undertook to provide Councillor Mrs EM Heazell with details about virement after his meeting with the Strategic Lead for Community Living for the Primary Care Trust.

**2. DECLARATIONS OF INTEREST**

The following personal interests were declared:

Councillor Dr DR Bard	As a member of Sawston Parish Council, previous occupiers of 57 High Street (minute 10)
Councillor JD Batchelor	As a member of Cambridgeshire County Council (minutes 8 and 11)
Councillor SGM Kindersley	As a member of Cambridgeshire County Council (minutes 8 and 11)
Councillor Mrs HM Smith	As a member of Milton Parish Council and Milton Community Centre (minute 13)
Councillor RT Summerfield	As a member of Milton Parish Council and Milton Community Centre (minute 13)
Councillor RJ Turner	As a member of Cambridgeshire County Council (minutes 8 and 11)

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### Recommendation to Council

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### 3. WORKFORCE PLAN 2006/07 TO 2008/09

The Resources, Staffing, Information & Customer Services Portfolio Holder commended the revised Workforce Plan, which incorporated the many changes undergone since the original plan was approved in June 2005, and which would support the Council's continuing evolution and link with the forthcoming review of portfolios. He highlighted the improvement in staff retention and the appointment of staff from ethnic minorities. There was strong support for the Council taking a lead role in the re-introduction of trainee and apprenticeship programmes, even on a small scale. The Constitution Review Working Party would be making recommendations to Council before May 2007 on new portfolios which aligned with the new corporate structure.

Cabinet **RECOMMENDED TO COUNCIL** that the Workforce Plan 2006/07 to 2008/09 be approved.

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### Decisions made by Cabinet

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### 4. LOCAL DEVELOPMENT FRAMEWORK ANNUAL MONITORING REPORT

The Planning and Economic Development Portfolio Holder advised members that the complete report, which was available for download from the Council's website, demonstrated the Council's progress against key milestones for plan preparation established in the Local Development Scheme.

Cabinet **AGREED** to delegate to the Planning and Economic Development Portfolio Holder agreement of the Local Development Framework Annual Monitoring Report for submission to the Department of Communities and Local Government.

### 5. SUB-REGIONAL CHOICE-BASED LETTINGS SCHEME: DRAFT ALLOCATIONS POLICY

Cabinet, at its meeting of 8 September 2005, had agreed in principle to proceed with the implementation of a sub-regional choice-based lettings (CBL) scheme in order to

achieve compliance with CBL delivery by 2010. The Choice-Based Lettings Advisory Group had been considering the detail of the scheme and a draft policy had been produced for consultation with partner Registered Social Landlords, statutory agencies, tenants, applicants, Parish Councils and other locally-based organisations whose clients might be affected.

Councillor Mrs EM Heazell, Chairman of the Choice-Based Lettings Advisory Group, reported that the term “adequately housed” was still under discussion, as what was deemed to be adequate varied from person to person. Other issues being considered were the relative sizes of bedrooms and the allocation of a two-bedroom dwelling to a pregnant woman after 24 weeks of pregnancy, which removed that property from the stock even if, in a worst-case scenario, the pregnancy did not go to term or the child died at birth or in infancy.

Cabinet **AGREED** that the draft policy be approved for a twelve-week consultation starting in January 2007.

Cabinet **NOTED** the contents of the draft lettings policy.

## 6. AMENDMENTS TO LETTINGS POLICY

The current lettings policy required minor amendments to address current targets and priorities before it would be superseded by the introduction of the Choice-Based Lettings scheme in 2007. Overall performance was good, except for the Best Value Performance Indicator (BVPI) for average length of time spent in hostel accommodation for homeless families including a dependent or expected child. The Executive Director confirmed that the existing partnership arrangements to provide private sector accommodation through King Street Housing Association provided better alternatives to B&B or hostel accommodation for the benefit of homeless households, but disadvantaged the Council in terms of BVPI targets.

Cabinet **AGREED** that the Council's lettings policy be amended by the addition of the following paragraphs:

- (a) The additional points for residing in temporary accommodation are given:
  - (i) To hostel residents either when they move into hostel accommodation or when a rehousing obligation is accepted by the Council, whichever is later;
  - (ii) To other occupants of temporary accommodation if they are adequately housed in their current accommodation and this can be provided permanently;
  - (iii) Prior to six months in other exceptional circumstances at the discretion of the Housing Advice and Options Manager in line with the delegated authorities;
- (b) Add an additional category of ‘A need for move on accommodation’ under the reasons for awarding welfare points; and
- (c) Formalise the practice of giving reduced priority to applicants with current or former tenant arrears to ensure that this is covered by the policy, unless there are exceptional circumstances, through adding the following into the lettings policy: “Applicants with current or former tenant arrears or other outstanding debt to the Council will receive less priority for an offer of accommodation unless there are exceptional circumstances. In these circumstances consideration will be given to the date and amount of the debt outstanding and any arrangements made to clear the arrears and adherence to these arrangements.”

## 7. WHISTLEBLOWING POLICY

Cabinet had considered the revised Whistleblowing Policy in September 2006 and the Standards Committee had subsequently confirmed the amendments made at that meeting.

Cabinet **AGREED** to adopt the revised Whistleblowing Policy.

**8. CAMBRIDGESHIRE & PETERBOROUGH MINERALS & WASTE DEVELOPMENT PLAN CONSULTATION DOCUMENT**

The Cambridgeshire County Council had published a consultation document on preferred options for the Minerals and Waste Development Plan (MWDP). The District Council had objected to the two Issues and Options Papers for the emerging MWDP due to the absence of a clear strategy for provision of major waste management facilities, lack of Sustainability Appraisals and Strategic Environmental Assessment of the various options, and the move directly from a general approach in the Issues and Options papers to a Preferred Option without an interim consultation stage on the overall strategy and site options.

The Minerals and Waste Core Strategy Development Plan Document (DPD) at the Regulation 26 stage should include a clear spatial strategy for both waste and minerals, but the Preferred Options stage of the DPD still did not provide such a strategy. Whilst there was now an indication of the scale of the waste issue and the overall type and number of major waste facilities required across the whole plan area, this was not contained in a preferred option in the Core Strategy. Furthermore, there was no indication in the DPD of the number of household waste recycling centres (HWRC) required, although a paper presented alongside the Preferred Options documents provided information.

There was no broad spatial strategy for the type and number of facilities needed in different parts of the plan area and an indication of their intended catchments; in the absence of this type of spatial element to the Core Strategy, there was no clear policy framework against which to judge the allocations in the Site Specific Policies DPD and to assess whether there was an appropriate level of provision and whether it was in the right locations. Whilst the District Council accepted the need to provide new waste facilities to meet the needs of current and future populations, this must be considered in the context of a clear strategy.

***Proposed Household Waste Recycling Centre (HWRC) at Hauxton***

The Planning and Economic Development Portfolio Holder read out a letter from Councillor Mrs JE Lockwood, local member for Hauxton, detailing the residents' objections to the proposals for a waste recycling and recovery facility on the former Bayer CropScience (West) site, citing as reasons traffic on the A10, forthcoming residential development nearby and access roads cutting across proposed new sports fields. Councillor Mrs EM Heazell, local member for Haslingfield, supported Mrs Lockwood's statement and added the objections from residents of Haslingfield. She reported that Cambridgeshire County Council officers had confirmed that there was no intention to close the existing HWRC at Thriplow. Councillor SGM Kindersley, a member of the Cambridgeshire County Council Development Control Committee, explained that there had been a unanimous decision of that body to return the Hauxton site for re-consideration and that a wider search area be considered, but that this had been over-ruled by the County Council's Cabinet. There was agreement amongst many members that it felt as if the County Council already had taken a decision on the site and that the public consultation on this and other proposals was 'cynical'.



***Proposed Waste Water Treatment Works at Honey Hill, Horningsea / Fen Ditton***

Councillor Kindersley reported that the County Council Development Control Committee had been informed that there were no options other than Honey Hill being considered for the proposed waste water treatment works, even though that site was not supported by the County's own site selection assessment. No consideration had been given to allowing Anglian Water to remain on its existing site, although that company had said that it had adequate land for a new facility on its current site. The Planning and Economic Development Portfolio Holder felt that Anglian Water needed to make a definite statement about its future plans and whether or not it intended to relocate.

Councillor Mrs CA Hunt, local member for Teversham, highlighted the risk to the Bridge of Reeds project, which was unlikely to proceed if the waste water treatment works were moved to Honey Hill. She felt that the City Council had not proven that it had failed to find alternative suitable brownfield sites for the facility within its own borders, or demonstrated that the proposed housing was needed. She queried whether the Honey Hill facility could be sustainable, with an approximate £1.2 million additional annual operating costs arising from energy required to transport waste water through increased pipeline lengths. She reported that the County Council's Head of Strategic Planning had commented at a public meeting on 26 November that other sites, and retention of the existing site, would be considered and that some level of public consultation on these options would be undertaken.

***Conclusion***

The Planning and Economic Development Portfolio Holder assured members that the Council was making every effort to object to consultation being carried out on a single set of preferred options in the absence of a clear spatial strategy, and that she had met with Cambridgeshire Horizons and representatives of other authorities to discuss the situation. Sites were needed for the waste and other facilities, but it was premature to undertake consultation on proposed sites without a spatial strategy to determine the number of sites required and the best locations for accommodating the needs of the growing population.

The Principal Planning Policy Officer explained that the County Council had carried out two Issues and Options consultations and had now reached the Preferred Option stage of the planning process, during which they had to demonstrate why the preferred sites had been chosen. Members expressed concern that the next stage in the planning process was submission. The Council could put forward further objections at this stage and make formal representations through a Public Examination if the County Council made a submission without addressing the District Council's concerns; it was noted that this would incur some financial cost. Officers undertook to include members' comments in the response to the County Council.

Cabinet **AGREED** the responses to the Minerals and Waste Development Plan consultation as contained in Appendices 2 and 3 to the report, with the inclusion of comments made by members at the meeting.

**9. CRIMINAL RECORDS BUREAU (CRB) CHECKS FOR COUNCILLORS**

The Scrutiny and Overview Committee had recommended that Cabinet develop a policy on Criminal Records Bureau (CRB) checks for members, but a Cabinet decision was deferred pending a visit from the CRB Assurance Manager. The Assurance Manager had clarified that the position held by an elected member did not meet the CRB eligibility criteria to enable the Council to request that a disclosure check be undertaken.

Cabinet **AGREED** not to proceed with the proposal to require that all members be

subject to a Criminal Records Bureau (CRB) check but, in the event of a councillor commencing in a role which does meet the CRB eligibility criteria, that the Leader or Democratic Services Manager advise the Council's CRB lead counter-signatory and that a CRB check be undertaken and the reasons for the councillor being CRB checked clearly be documented against the eligibility criteria.

Cabinet **NOTED** the guidance provided by the CRB Assurance Manager.

**10. SAWSTON: 57/59 HIGH STREET, DISPOSAL OF COUNCIL PROPERTY ON OPEN MARKET**

The Housing Portfolio Holder confirmed that there had not been any Registered Social Landlord interest in the redevelopment of the properties on High Street, Sawston. Councillor Dr DR Bard, local member, reported that Sawston Parish Council supported the proposals provided that the conservation aspects were dealt with appropriately.

Cabinet **AGREED** that planning consent be sought for the change of use of 57 High Street, Sawston to residential, and that both 57 and 59 High Street, Sawston be placed for sale on the open market, valued for retail use (no. 59) with potential for residential use above (no. 57).

**11. LOCAL GOVERNMENT WHITE PAPER**

The government had issued a white paper on local government, "Strong and Prosperous Communities", a summary of which was presented to Cabinet to inform members of matters arising from the paper. The paper was a statement of intent, not a consultation document.

The Leader reminded members of the previous local government re-organisation exercise from 1992-5, during which arguments were made against a merger with Cambridge City Council, and supported the recommendations that the Council not apply for unitary status for the same reasons as in 1995. He also noted that surveys conducted prior to the introduction of new political structures in 2001 had demonstrated that the majority of residents related more to their local parish councils than to the district council, making it very difficult to justify having a directly elected mayor. Although there could be benefits for applying to become a partner pathfinder authority pioneering an enhanced two-tier local government model, current resources were insufficient to pursue this option. There was surprise expressed at the reference to re-warding an area to have single member wards, following the Electoral Commission's creation of multi-member wards during the last Periodic Electoral Review, and members noted that representatives of single-member wards could be excluded from debates due to personal and prejudicial interests, leaving their residents without local representation.

There was support for strengthening the overview and scrutiny role, especially provisions for requiring public service partners to appear before or provide information to the Council's Scrutiny and Overview Committee. Councillor R Hall, Vice-Chairman of the Scrutiny and Overview Committee, welcomed the proposals and stated that the body's enhanced role and powers should not be underestimated.

Councillor SGM Kindersley expressed concern that Cabinet was being asked to agree recommendations not to pursue unitary status, as there had not been much recent debate about the proposals, and he felt that the government eventually would not allow the current two-tier system to continue. In response to requests to refer the issue to full Council, the Leader explained that the short timescale given to debate the issue precluded its reference to full Council and that Cabinet had to make a decision now to

inform officers and partners of the way the authority wished to proceed.

The Chief Executive, responding to queries from Councillor Mrs EM Heazell, explained that he had received a letter from the Cambridge City Council Chief Executive asking if the two authorities, along with Cambridgeshire County Council, wanted to submit a joint response, but that all three Chief Executives acknowledged that the government's timescale made it impossible to schedule special meetings of their authorities. Having conducted an informal consultation with members of the Cabinet and with the leader of the Liberal Democrat group, the Chief Executive responded that there was no support to seek unitary status at this time; his letter made clear that this was a conclusion reached on informal discussions with members and did not commit the Council to any course of action.

**Cabinet AGREED**

- (a) Not to apply for unitary status at this time, nor to become a partner pathfinder authority pioneering an enhanced two-tier local government model at this time; and
- (b) To wait until the enabling legislation, regulations and guidance were published before requesting appropriate bodies and / or lead officers to consider the principles the authority wishes to adopt and the practical implications of implementing the legislative, etc., requirements.

**12. SHEPRETH: 74-76 FROG END: OUTCOME OF OPTIONS APPRAISAL**

In view of the anticipated costs of refurbishing two semi-detached three-bedroom houses at 74-76 Frog End, Shepreth, an options appraisal had been undertaken to determine whether the properties could be acquired for refurbishment by a partner Registered Social Landlord (RSL), sold on the open market, sold for general redevelopment purposes or disposed of to an RSL partner for redevelopment of the site as affordable housing. The Housing Portfolio Holder drew members' attention to the results of the local consultation exercise, which showed that the proposal for the Council's retaining and redeveloping the site as shared ownership housing was supported by the local member, parish council, Frog End Residents' Association and tenants. She confirmed that the refurbishment would result in better properties than existed at present and that the Council would seek to ensure that 100% of the equity could not be available for purchase, therefore retaining the properties within the Council's affordable housing stock.

Councillor Dr SEK van de Ven, local member, reported that the number of responses she had received from residents demonstrated the need for affordable housing in Shepreth and suggested that redevelopment within the existing footprint would be acceptable as long as adequate parking were provided. She clarified that she supported the recommendation, but also a small-scale development as, due to traffic issues, she could not support any high-density development.

Cabinet **AGREED** that retention and refurbishment of the existing units for shared ownership be the preferred option for the pair of semi-detached properties at 74-76 Frog End, Shepreth.

**13. MILTON COUNTRY PARK - IMPROVING FACILITIES / FUTURE MANAGEMENT**

Cabinet had considered the future management of the park at its February, June and September 2006 meetings and, in line with previous decisions, car parking charges were being introduced from January 2007, catering arrangements were being re-tendered, the College of West Anglia would be using the park for aspects of its country park

management curriculum and negotiations were underway with external organisations for the establishment of a Trust to take on the park. The Community Development Portfolio Holder thanked the Head of Community Services and the Rangers for their work on the report. She urged park users to help support the park, explaining that it was necessary to raise a substantial proportion of the £75,000 identified in the Medium Term Financial Strategy, as well as a proportion of the £30,000 estimated annual parking charges, by the end of summer 2007 or else the park risked closure.

The Leader clarified the Council's position: the Council could not afford the continuing running costs of the park and could keep the park open only with an external partner. Councillor R Hall, Chairman of the Milton Country Park Advisory Group, concurred with this statement, and supported the establishment of an external Trust to manage the park. Other members agreed that a deadline must be set to focus attention on the risk that the park could be closed, and that, although it was primarily a resource for Cambridge City, Milton and the surrounding villages, it was paid for by all South Cambridgeshire taxpayers.

The Head of Community Services clarified that discussions were on-going about the identification of the park as a strategic open space around Cambridge and that he would be meeting on 15 December 2006 with the Cambridgeshire County Council Head of Property Asset Management about the County Council, a Beacon Council for asset management, undertaking an arms-length review of the park land. In light of Cabinet's intention to set a deadline for establishment of a Trust, this review might not be progressed.

Councillors Mrs HM Smith and RT Summerfield, local members for Milton, urged the Council to commit resources to work with Milton Parish Council to establish a Trust, and the Community Development Portfolio Holder explained that officers would participate in such a partnership only if the Trust were to save the Council money in the long run. Councillor Mrs Smith cautioned that closing the park would not be a cost-neutral option and asked for a further report outlining the ramifications.

Cabinet was minded not to proceed with applying for Local Nature Reserve designation of all land in the park north of the 13<sup>th</sup> Public Drain at this time, as such a status could affect the uses of the site and its attractiveness to organisations interested in forming a management trust.

Cabinet **AGREED** to establish the medium / long-term future of Milton Country Park through:

- (a) Undertaking an Asset Management Review with the assistance of Cambridgeshire County Council, subject to the outcome of the 15 December 2006 meeting between the Head of Community Services and the Cambridgeshire County Council Head of Property Asset Management, and
- (b) Seeking an appropriate external organisation to take on by 31 August 2007 the management and possible ownership of the park, whether through a Trust or by another suitable agency, but if no suitable partnership could be arranged or appeared likely by that date, that officers be instructed to take the necessary steps to close the park.

Cabinet **NOTED** the proposals for reducing the current and future net cost of the park through increasing income through car parking charges, re-tendering the catering operation, lettings of the visitor centre and obtaining sponsorship for the park, and reductions in expenditure on services.

Members congratulated the Head of Community Services on his new appointment.

#### 14. CAPITAL AND REVENUE ESTIMATES FOR STAFFING AND CENTRAL OVERHEAD ACCOUNTS

The Resources, Staffing, Information & Customer Services Portfolio Holder presented the estimates, which included the savings identified in the Medium Term Financial Strategy. Two corrections were made to Appendix A: the recharges to all Portfolio Direct Services from Staffing and Admin Buildings (inc. Depot) were (15,897,700) in the 2006/07 Revised column and (16,595,430) in the 2007/08 Estimate column.

Cabinet **AGREED** to:

- (a) Confirm the inflation figure of 2½% both for general expenditure and pay awards, on which all the estimates were being prepared;
- (b) Approve the revenue estimates and recharges as presented and shown at Appendices A and B to the report; and
- (c) Approve the capital programme as shown at Appendix C.

#### 15. INTERNAL AUDIT SERVICE TENDER EXERCISE

The Resources, Staffing, Information & Customer Services Portfolio Holder had agreed at his September meeting that invitations to tender be issued to five organisations for the internal audit contract. Bentley Jennison had ranked first for both three- and four-year contract periods.

Cabinet **AGREED** the intention of awarding the internal audit service contract to Bentley Jennison for an initial four-year period from 1 April 2007, subject to conditions and to the mandatory standstill period required under EU procurement rules.

#### 16. LOCAL AREA AGREEMENTS - PROGRESS TOWARDS STRETCH TARGETS

The majority of Local Area Agreement (LAA) interventions, or actions, were on track, with nearly two-thirds being delivered to plan, although there were areas where performance needed to be strengthened if targets were to be met by the end of the three-year agreement. The Leader drew members' attention to the new indicators in the priority areas of affordable housing, sustainable communities and climate change, community cohesion and sport, which aligned closely with the Council's corporate objectives.

Cabinet

- (a) **NOTED** the progress on current Local Area Agreement (LAA) targets and requested portfolio holders and service heads to continue to maximise performance on LAA targets in general and in particular on those which would earn reward grant;
- (b) **SUPPORTED** the direction being taken by the LAA refresh; and
- (c) **REQUESTED** portfolio holders and service managers to give realistic consideration as to how they could contribute towards LAA targets through the 2007/08 service plan process (in January, February and March 2007) while still giving priority to the three Council priorities.

#### 17. LOCAL AUTHORITY FINANCE SETTLEMENT 2007/08

The government had confirmed that the local authority finance settlement 2007/08 would be £7.562 million, the same amount given as a provisional figure nearly twelve months ago, despite the challenges facing the Council.

Cabinet **AGREED** that the letter attached at Appendix B to the report be issued in response to the consultation on the Local Authority Finance Settlement 2007/08, subject to an amendment in paragraph (iii) to state that £102.26 was the maximum Council Tax the Council was allowed to set, and with authority delegated to the Chief Executive to finalise the wording of paragraph (v).

## 18. **BANKING SERVICES**

The Resources, Staffing, Information & Customer Services Portfolio Holder had agreed that negotiations with the Council's present bank be undertaken, as the service was considered to be satisfactory and good working relationships had been established between Council staff and the bank.

Cabinet **AGREED** that a five-year contract be negotiated with the Council's current bankers to comply with Contract Standing Order 4.5.

## 19. **TRADE WASTE BUSINESS PLAN**

Cabinet **DEFERRED** this item pending further investigation of financial and resource implications.

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### **Information Item**

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## 20. **HOUSING REVENUE ACCOUNT (HRA) OVERVIEW / SUBSIDY**

The Housing Portfolio Holder presented this information item, explaining that it was the first time such a report had been prepared, giving a broad overview of the present Housing Revenue Account (HRA) situation and the likely financial pressures it would face over the next few years. Members acknowledged the urgency of the capital programme funding which would be reduced unless the Council could identify additional grants and / or contributions, or made recourse to borrowing. The Chairman of Council and Housing Portfolio Holder agreed to liaise to consider an extra-ordinary meeting of Council to consider the HRA Business Plan.

Cabinet **NOTED** the report.

Cabinet thanked the Principal Accountant (Housing) for her report.

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### **Standing Items**

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## 21. **MATTERS REFERRED BY SCRUTINY AND OVERVIEW COMMITTEE**

None.

## 22. **UPDATES FROM CABINET MEMBERS APPOINTED TO OUTSIDE BODIES**

The Leader reported on the extensive negotiations he had been undertaking with the Council's partners about the future of Cambridgeshire Horizons as the local development vehicle, and about joint planning services. He would be attending a Cambridgeshire Horizons board meeting after Cabinet finished.

He highlighted his concerns about the demands of the Leadership in addition to his personal and professional life. Due to professional commitments, he felt unable to do justice to the role of the Leader and he announced his intention to resign the office after the 11 January 2007 Cabinet meeting. Councillor RMA Manning, Environmental Health Portfolio Holder, had indicated his willingness to serve as interim Leader until Council made a formal appointment on 25 January 2007. The Leader envisaged that the Planning and Economic Development Portfolio Holder would accept the responsibilities of the Environmental Health Portfolio. Councillor Dr DR Bard would focus on the growth agenda and continue as the Council's representative on Cambridgeshire Horizons and the other growth area partners. A review of the portfolios would be presented to Council before the annual meeting in May 2007, taking into consideration the new organisational structures and also the workloads of the existing portfolios.

Councillor RMA Manning supported Councillor Dr Bard's decision to stand down as Leader to focus on the growth agenda, and members expressed their support of Councillor Manning's interim Leadership.

The Chairman of the Council led members in thanking Councillor Dr Bard for his work as Leader, especially in light of the many stressful situations facing the Council, and for his dignified manner in standing down from the Leadership.

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**The Meeting ended at 1.15 p.m.**

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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**REPORT TO:** Leader and Cabinet  
**AUTHORS:** Chief Executive / Head of Revenues

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11 January 2007

**POLICY FOR THE AWARD OF DISCRETIONARY RATE RELIEF****Purpose**

1. To request that Cabinet formally recommend to Council the adoption of a policy for the award of discretionary rate reliefs in order to consolidate existing policies and practices, and to facilitate the fair and consistent award of rate relief.
2. To ensure that future awards of rate relief are allocated in a manner that maximises the benefit to local residents and assists those organisations that contribute to the Council's Corporate Objectives.

**Executive Summary**

3. The Cabinet adopted a formal policy in December 2005 for awards of 'top up' relief to charitable organisations. This report proposes a policy framework for the awards of other discretionary rate reliefs.
4. The other rate reliefs are:
  - (i) Relief for sport clubs and other not-for-profit organisations
  - (ii) Rural rate relief for essential rural businesses
  - (iii) Hardship relief
  - (iv) Partly occupied property relief (section 44a relief)
5. There is a cost to the Council of 25% of the relief awarded (with the exception of partly occupied property relief) and the policy seeks to ensure that expenditure in this area provides the most possible benefit to local residents at the lowest possible cost to the Council.

**Background**

6. The Local Government Finance Act 1988 and associated Regulations gives the Council a discretionary power to award the rate reliefs set out above.
7. The current criteria and policies used for determining awards have been developed over the last 15 or so years, generally through decisions made by Committee or Portfolio Holder. It is generally accepted best practice for an Authority to have a formal policy framework against which individual applications for rate relief can be assessed.
8. In most instances there is a cost to the Council's General Fund, and therefore to the local Council Taxpayers, in awarding relief and the Council must give due consideration to the interests of local residents when making awards.

9. By reducing the rate burden on voluntary organisations, or essential rural businesses, rate relief can play an important role in ensuring the existence of local community facilities and contribute towards the Council's Corporate Objectives.

### Considerations

10. Where awards of discretionary relief have previous been made for an indefinite period the award can only be cancelled at the end of a financial year and subject to twelve months notice. Rural rate relief is currently awarded in this manner, and consequently this revised policy will only apply to new applicants from 1 April 2007 and for existing recipients from 1 April 2008.
11. Other discretionary reliefs have been awarded on an annual basis and therefore this revised policy will take effect from 1 April 2007.
12. A proportion of the cost of discretionary rate relief is met by local Council Taxpayers through the Council's General Fund. It is therefore essential that the interests of local taxpayers be taken into consideration when evaluating requests for rate relief.
13. The rural nature of South Cambridgeshire means that awards of rural rate relief play a vital role in ensuring that essential local businesses, such as Post Offices and village stores, remain financially viable and continue to provide a service to the local community.
14. Not-for-profit organisations, such as sports clubs, often provide a valued contribution to the local community and are reliant on financial assistance in the form of discretionary rate relief.

### Options

15. Adopt formal policies as recommended in this report for awards of relief.
  - (a) This option will ensure future transparency and consistency in awards.
16. Continue to make awards based on existing policies, custom and practice.
  - (a) The lack of a consolidated policy increases the risk of inconsistencies in the award of relief.

### Implications

17. The proposed policies seek to formalise the existing approach used by the Council in making awards of rate relief and place emphasis on ensuring the awards support organisations that are mainly beneficial to South Cambridgeshire residents. It is not anticipated that there will be any significant implications, but a small number of individual applicants may find they no longer qualify, or qualify for a lower level of relief.

18.	Financial	There is a cost to the Council's General Fund of 25% of the amount of relief awarded (with the exception of relief for partly occupied properties where there is no cost). This effectively means local Council Taxpayers fund awards of relief. The policy outlined in this report and appendices is not expected to result in any significant change to the current cost to the Council in awarding relief.
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Legal	The Council has a legal obligation to consider each request for relief and must come to a reasonable decision. Both the Government and the Audit Commission have issued guidance for Council's to follow when considering awards. That advice indicates that Council's must not adopt a blanket policy regarding awards, and must consider the individual merit of each request. However, it is reasonable, and considered good practice, to set criteria against which applications can be measured
Staffing	None
Risk Management	None
Equal Opportunities	None

### Consultations

19. None

### Effect on Annual Priorities and Corporate Objectives

20.	Affordable Homes	None
	Customer Service	None
	Northstowe and other growth areas	None
	Quality, Accessible Services	Local post offices play an important role in ensuring residents have an accessibly method of paying amounts due to the Council.
	Village Life	Rural rate relief plays an important part in ensuring the financial viability of essential rural businesses, in particular food stores, and also Post Offices, petrol stations and public houses where they are the only such business in a small village.
	Sustainability	None
	Partnership	Many voluntary organisations that receive rate relief operate in partnership with the Council or share similar aims and objectives to those of the Council.

### Conclusions/Summary

21. The Council currently has a number of policies and practices for the award of various discretionary rate reliefs. Whilst these policies and practices are generally considered to be sound, and have proved effective in facilitating the award of rate relief to deserving organisations, it is considered good practice to formally consolidate the policies and practices at this time.
22. Formal policies for the award of discretionary rate reliefs are set out in the appendices to this report. The policies are intended to ensure that future awards of rate relief are of maximum benefit to local residents and assist organisations that contribute to the Council's Corporate Objectives, whilst also ensuring awards are consistent and transparent.
23. It is not anticipated that there will be any significant overall change to the level of relief that is currently awarded. However, it is possible that a small number of organisations may receive a reduced amount of relief where their activities are not specifically beneficial to local residents.

**Recommendation**

24. The Cabinet is recommended to formally recommend to Council that the policy for the award of discretionary rate reliefs set out in the appendices to this report be adopted in order to facilitate future awards of relief from the financial year 2007/08 onwards.

**Background Papers:** the following background papers were used in the preparation of this report:

Office of the Deputy Prime Minister's December 2002 publication 'Non-Domestic Rates – Guidance on Rate Relief for Charities and Other Non-Profit Making Organisations' December 2002

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## Appendix A

### South Cambridgeshire District Council

#### Policy for the Award of Discretionary Rate Relief to Not-for-Profit Organisations

In accordance with section 47 of the Local Government Finance Act 1988

#### Overview

This policy has been agreed by the South Cambridgeshire District Council to ensure all ratepayers making applications for this rate relief are treated in a fair, consistent and equal manner.

This policy;

- Sets criteria for the factors that should be considered when making a decision to award or refuse relief
- Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of discretionary rate relief are used in the most effective and economic way and in a manner that contributes to the Council's Corporate Objectives.

#### Scope of the Policy

1. Applications for discretionary rate relief will only be considered once properly completed applications for any mandatory relief to which it appears the ratepayer may be entitled have been received and considered.
2. This policy shall apply in respect of applications for discretionary rate relief from not-for-profit organisations as set out in paragraphs 2 (b) and 2 (c) of Section 47 to the Local Government Finance Act 1988.
3. The maximum amount of relief awarded under this policy to any ratepayer shall be limited to a cost to the Council of £5,000 per year.
4. Organisations applying for relief shall be required to complete the Council's Application Form and supply sufficient evidence, to the Council's satisfaction, to support their application.
5. Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation.
6. Ratepayers aggrieved with an initial decision made in respect of an application have a right of appeal. Appeals must be made in writing and will only be considered if received within six weeks of the Council notifying the ratepayer of the decision.
7. Determination of awards and appeals shall be processed in accordance with the Council's Constitution.
8. Awards shall be limited to the period ending at 31st March of the year in respect of which the application is made. New applications may be submitted each financial year.

9. In exceptional circumstances where an application is considered to be particularly deserving, but falls outside the scope of this policy, the Council may choose to make an exception and award relief. Such awards will be determined in accordance with the Council's Constitution, will be strictly at the discretion of the Council and not subject to any right of appeal.

Criteria to be used in decisions on the award of Discretionary Rate Relief to Not-for-Profit Organisations

	Criteria		
1	Does the organisation contribute to the Council's corporate objectives or statutory responsibilities, or does the organisation provide a beneficial facility or service to the local community?	Yes Go to question 2	No No relief awarded
2	Is the organisation funded wholly or mainly through public funds not provided by SCDC?	Yes No relief awarded	No Go to question 3
3	Is the annual cost to the Council of awarding 100% relief in excess of £500 <b>and</b> does the organisation possess the financial means to meet its rates liability? (Accessible financial reserves in excess of 20 times the annual rates bill are considered adequate financial means).	Yes No relief awarded	No Go to question 4
4	Is relief requested for a property that is a local facility? (e.g. a meeting room, drop in centre)	Yes Go to question 5	No Go to question 8
5	Is use of the facility equally available to all residents of the South Cambridgeshire District?	Yes Go to question 6	No No relief awarded
6	Is the facility used solely by South Cambridgeshire residents?	Yes Award full 20% relief up to a maximum cost to the Council of £5,000 per ratepayer.	No Go to question 7
7	What proportion of the usage is by South Cambridgeshire residents?	Award relief according to the following proportions: >75% usage by SC residents = 100% Relief 50-75% usage by SC residents = 75% relief	

## Appendix A(2)

		25-50% usage by SC residents = 50% relief 1-25% usage by SC residents = 25% relief	
8	Do local residents benefit from the organisation's work?	Yes Go to question 9	No No relief awarded
9	What proportion of the organisation's expenditure is to the direct and sole benefit of South Cambridgeshire residents?	Award relief according to the following proportions: >75% expenditure = 100% Relief 50-75% expenditure = 50% relief <50% expenditure = no relief	



## **Appendix B**

### **South Cambridgeshire District Council**

#### **Policy for the Award of Discretionary 'Rural' Rate Relief**

**In accordance with Section 47 paragraph 3A of the Local Government Finance Act 1988**

#### **Overview**

The Council recognises the vital role awards of rural rate relief play in assisting the financial viability of essential businesses in small rural communities.

This policy seeks to facilitate awards of rural rate relief and has been agreed by the South Cambridgeshire District Council to ensure all ratepayers making applications for this rate relief are treated in a fair, consistent and equal manner.

This policy;

- Sets criteria for the factors that should be considered when making a decision to award or refuse relief
- Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of discretionary rate relief are used in the most effective and economic way and in a manner that contributes to the Council's Corporate Objectives.

#### **Scope of the Policy**

1. Applications for discretionary rate relief will only be determined once consideration has been given to the award of any mandatory relief to which it appears the ratepayer may be entitled. If considered necessary the Council may require the ratepayer to submit a properly completed application form for mandatory relief.
2. This policy shall apply in respect of applications for discretionary rural rate relief as set out in paragraph 3A to the Local Government Finance Act 1988.
3. The maximum amount of relief awarded under this policy to any ratepayer shall be limited to a cost to the Council of £5,000 per year.
4. Where the Council is aware that an organisation meets the criteria for an award, relief shall normally be allowed automatically. However, if there is any ambiguity regarding entitlement then the ratepayer will be required to complete an application and supply sufficient evidence, to the Council's satisfaction, to support their application.
5. Ratepayers aggrieved with an initial decision made in respect of an application have a right of appeal. Appeals must be made in writing and will only be considered if received within six weeks of the Council notifying the ratepayer of the decision.
6. Determination of awards and appeals shall be processed in accordance with the Council's Constitution.

7. Awards shall be limited to the period ending at 31st March of the year in respect of which the application is made.
8. In exceptional circumstances where an application is considered to be particularly deserving, but falls outside the scope of this policy, the Council may choose to make an exception and award relief. Such awards will be determined in accordance with the Council's Constitution, will be strictly at the discretion of the Council and not subject to any right of appeal.

### **Criteria**

Awards of discretionary rural rate relief shall be made in accordance with the following criteria.

1. The business qualifies for mandatory rural rate relief, and is considered to provide a service that is essential or of considerable benefit to the rural settlement. In this situation a discretionary award equal to 50% of the rates demand shall be made, reducing the liability to zero.
2. The business would qualify for mandatory rural rate relief except for the property's rateable value exceeding the prescribed limit for mandatory rural rate relief, **and**
  - a) Is considered to provide a service that is essential or of considerable benefit to the rural settlement.
  - b) It is considered reasonable for relief to be awarded having given consideration to the interests of Council Taxpayers.

In this situation a discretionary award of up to 100% of the rates demand shall be made.

(It is expected that awards under this criteria will usually be for 100% of the rates liability. However, for example, proportionately lower awards may be made in circumstances where the beneficial service provided extends beyond the immediate rural settlement.)

## **Appendix C**

### **South Cambridgeshire District Council**

#### **Policy for the Award of Rate Relief due to Hardship**

##### **In accordance with Section 49 to the Local Government Finance Act 1988**

##### **Overview**

This policy has been agreed by the South Cambridgeshire District Council to ensure all ratepayers making applications for this rate relief are treated in a fair, consistent and equal manner.

This policy;

- Sets criteria for the factors that should be considered when making a decision to award or refuse relief
- Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of discretionary rate relief are used in the most effective and economic way and in a manner that contributes to the Council's Corporate Objectives.

##### **Scope of the Policy**

1. Applications for discretionary rate relief will only be considered once properly completed applications for any mandatory relief to which it appears the ratepayer may be entitled have been received and considered.
2. This policy shall apply in respect of applications for discretionary rate relief due to hardship under Section 49 to the Local Government Finance Act 1988.
3. Rate relief shall only be awarded under this policy in exceptional circumstances.
4. The maximum amount of relief awarded under this policy to any ratepayer shall be limited to a cost to the Council of £5,000 per year.
5. Applications must be in writing, and, as a minimum must contain the information specified in the Council standard application form.
6. Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation.
7. Additional information deemed by the Council to be essential in order for a fair evaluation of the application to be made must be supplied on request.
8. Ratepayers aggrieved with an initial decision made in respect of an application have a right of appeal. Appeals must be made in writing and will only be considered if received within six weeks of the Council notifying the ratepayer of the decision.
9. Determination of awards and appeals shall be processed in accordance with the Council's Constitution.

10. Awards shall be limited to the period ending at 31st March of the year in respect of which the application is made. New applications may be submitted each financial year.
11. In very exceptional circumstances where an application is considered to be particularly deserving, but falls outside the scope of this policy, the Council may choose to make an exception and award relief. Such awards will be determined in accordance with the Council's Constitution, will be strictly at the discretion of the Council and not subject to any right of appeal.

### **Essential Legislative Requirements**

The applicant must meet both of the following essential legislative requirements before an application can be considered

1. The applicant must evidence to the Council's satisfaction that it would suffer hardship, financial or otherwise, if it were required to pay the rates demanded.
2. The applicant must demonstrate to the Council's satisfaction that it would be in the best interest of local Council Taxpayers for an award to be made.

### **Criteria**

Where the above essential requirements are met the applications for hardship relief shall be evaluated against the following criteria. However, the criteria outlined below are intended simply to set out the minimum considerations and are not intended to be comprehensive.

Any other relevant factors should also be considered in evaluating an application.

### **Factors weighing in support of an award of hardship relief**

1. The business is suffering hardship as a direct result of unusual factors outside its control (for example natural disasters).
2. The business is beneficial to the local community and is unlikely to survive without assistance through hardship relief.
3. The business provides employment to local residents in an area where employment opportunities are limited.
4. The factors creating hardship are of limited duration and it is reasonable to expect the hardship to end in the foreseeable future.

### **Factors weighing against the award of hardship relief**

1. The business is failing or suffering hardship due to general economic or market forces.
2. The business is suffering hardship due to inadequate financial management.
3. The amount of business rates is not a significant proportion of the organisation's running costs, and an award of relief is unlikely to affect the viability of the organisation.

4. The proprietors or directors continue to take remuneration from the business.
5. There are other organisations within the locality that provide the same services.
6. Other forms of rate relief are available to the organisation.
7. The organisation has already paid the rates in respect of which relief is sought.
8. The organisation is unable or unwilling to provide detailed financial information to support the application.

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## **APPENDIX D**

### **South Cambridgeshire District Council**

#### **Policy for the Award of Discretionary Rate Relief for Property Partially Occupied for a Temporary Period**

**In accordance with section 44A of the Local Government Finance Act 1988**

#### **Overview**

1. This policy has been agreed by the South Cambridgeshire District Council to ensure all ratepayers making applications for this rate relief are treated in a fair, consistent and equal manner.
2. The Council recognises the role that awards of rate relief for partially occupied property can play in assisting businesses during phased vacation or occupation of property to contribute to the local economy.
3. The Council's discretion in respect of this relief is limited to making a decision on whether or not to award any relief, and to determining a period that is considered temporary. There is no discretion to determine whether a portion of property is occupied or unoccupied since this is a matter of law. Nor is the Council able to exercise any discretion in respect of the amount of relief award since this is a statutory calculation.
4. This policy sets out criteria for the factors that should be considered when making a decision to award or refuse relief

#### **Criteria**

1. Applications for discretionary rate relief will only be considered once properly completed applications for any mandatory relief to which it appears the ratepayer may be entitled have been received and considered.
2. Relief shall be awarded in all instances where the Council is satisfied that;
  - a. There is partial occupation of a property
  - b. That the vacant portion is unoccupied and unused
  - c. The vacant portion is clearly defined
  - d. That the partial occupation is of a temporary nature
3. Normally, for the purpose of this policy 'temporary' shall be defined as a period not exceeding 12 months for any particular hereditament.
4. Longer periods may be considered on a case by cases basis where the Council is satisfied that the partial occupation is unavoidable, for example where the property is particularly large or there are particularly complex reasons for the partial occupation.
5. Periods in excess of 24 months shall not be considered temporary under any circumstances.

### **Applications**

1. Applications must be in writing and must be accompanied by a satisfactory plan of the property showing the occupied and unoccupied areas.
2. The applicant must allow Council officers reasonable access to the property at regular intervals for the purposes of ascertaining the degree of occupation.
3. Separate applications must be made in respect of each financial year.
4. For periods in excess of twelve months the applicant shall provide detailed information to justify why the partial occupation is unavoidable and how it remains of a temporary nature.
5. Retrospective applications will not be accepted except in exceptionally circumstances and only where the applicant can prove to the Council's satisfaction that the property was partly occupied.

### **Awards and Appeals**

1. The amount of relief shall be as calculated in accordance with the provisions of section 44a of the Local Government Finance Act.
2. Ratepayers aggrieved with an initial decision made in respect of an application have a right of appeal but, since the Council's discretion is very limited, appeals may only be submitted where the application is refused.
3. Appeals must be made in writing and will only be considered if received within six weeks of the Council notifying the ratepayer of the decision.
4. Determination of awards and appeals shall be processed in accordance with the Council's Constitution.



## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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<b>REPORT TO:</b>	Leader and Cabinet	11 January 2007
<b>AUTHORS:</b>	Senior Management Team / Performance Improvement Officer	

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**6 MONTH PERFORMANCE REPORT  
1 APRIL 2006 to 30 SEPTEMBER 2006  
PERFORMANCE INDICATORS & MILESTONES FOR 2006/07**

**Purpose**

1. This 6-month report provides Cabinet with an opportunity to review progress on the performance of the 06/07 corporate performance indicators (PI's) and milestones (M).

**Executive Summary**

2. Most PIs are on target. However most milestone dates are slipping but this does not involve any critical slippage in achieving the overall objectives. The body of the report gives a general overview and a brief but more detailed picture is provided in the **Appendix** to this report.

**Background**

3. The Council has approved 78 PIs and 27 milestones for 06/07 and these are listed in the Performance Plan (PP) 2006.
4. This 6-month report would normally be considered by SMT in October and Cabinet in November. This was not possible because Policy and Performance staff were redirected to prepare for the Corporate Governance Inspection and to re-tender contracts for the statutory three-yearly surveys, following the collapse of the contracted firm. The report to Cabinet was further delayed to enable it to be received at the same time as the 9-month financial monitoring report. The 9-month performance information is currently being collected and will be reported in March 2007.

**Considerations**

5. Officers identified the following milestone performance as at 30 September.

Corporate Priority	Priority Description	Number of Milestones:			
		Completed	On schedule	Non critical delay	Critical delay
Priority 1	Improving Customer Service	3	-	2	1
Priority 2	Northstowe and Growth Areas	2	-	7	-
Priority 3	Affordable Housing	2	-	4	1
Other Milestones	Other Major Corporate Projects	1	1	3	-
<b>Totals</b>		<b>8</b>	<b>1</b>	<b>16</b>	<b>2</b>

	<b>30 %</b>	<b>4 %</b>	<b>59 %</b>	<b>7 %</b>
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6. PI Owners reported the following PI performance as at 31<sup>st</sup> September.

<b>PI Owners End of Year Projection</b>	<b>Number of PIs</b>	<b>% in category</b>
Target will be achieved	55	71%
Target may not be achieved	8	10%
Target will not be achieved	15	19%
	<b>78</b>	

#### **Corporate Priority 1 – Improving Customer Service**

7. Most customer service PIs are on course to meet their targets. Appendix 1 gives three exceptions but the overall position is encouraging.
8. The Contact Centre milestone (M2) work is, however, subject to a 'critical delay' as it cannot be fully completed largely due to our partners currently being unable to input the necessary resources. However, should our partners commit those resources then we would need to reconsider our own priorities before we could confirm our ability to fully implement the milestone, as our own staff resource has now been redirected to other priorities. The Assistant Director (ICT) is continuing to liaise with the County Council to resolve the outstanding issues but no final implementation date can be identified.

#### **Corporate Priority 2 – Northstowe and Growth Areas**

9. There are no performance indicators with which to enable monitoring of progress on these new community projects. The Council has included provision in the Medium Term Financial Strategy for a Growth Areas Project Manager, whose responsibilities will include the development of a co-ordinated forward plan for the growth areas. One of the key roles for this post holder will be to identify realistic performance measures.
10. Progress on implementing the key Northstowe milestones has been affected by the changing timescale for completion of the master planning and town centre work, largely arising from English Partnerships and Gallaghers expected new application. Therefore there is general slippage in the milestones in this priority area but in all cases this has been out of the control of the authority. The delays are not seen as being critical to the overall progress.

#### **Corporate Priority 3 – Affordable housing**

11. Good progress continues to be made on most of the 'affordable housing' corporate priorities and despite slippages, which are out of our control, the overall objectives should be achieved.
12. The Head of Planning has agreed with the Housing PFH that the achievement of M17 (Establish monitoring of affordable housing permissions) will be treated as a priority for Q1 2007. Development Services will set a 2007/08 target, by March 31<sup>st</sup>2007. This will enable quarterly monitoring of the performance of the section in enabling the provision of affordable housing through 2007/08 and beyond.

## **PIs for Other Major Corporate Projects**

### Income, Finance and Efficiency

13. Some Benefits service PIs are unlikely to be achieved but by more effective prioritisation (e.g. of investigations) performance is likely to compare favourably with that in 2005/06.

### Satisfaction with Services and Service Delivery

14. Cabinet will be aware of the historic nature of the VOIDS issue and will be familiar with previous initiatives to try to bring about an improvement in turn-around times. The newly appointed Property Services Manager has quickly identified the need to improve performance and is working with the Housing Services Manager to bring about a sustainable improvement. The PFH is also taking an active interest in progress.

### Community Safety and Community Services

15. It is unlikely that some Environmental Health targets will be achieved (e.g. removal of abandoned vehicles).

### Housing Provision

16. The target for the 'average stay in hostel accommodation (BV 183b)' will not be achieved but a separate report went to Cabinet in December on this issue.

### A sustainable future for South Cambridgeshire

17. Recycling figures (PIs BV82ai and BV82aii) are estimated to be below target but these are very difficult PIs to estimate after only 6 months.
18. Permission has been given for the SAP rating PI (BV 63) to be reported on annually for this year only. This change is required to compensate for a lack of staff resource to calculate the information. The SAP rating baseline is also due to be recalculated as part of the stock condition survey, which is currently being carried out. This revised figure will then replace the existing estimated figure. It is also intended to buy new Asset management software, which will make the SAP rating calculation less onerous.

## **Milestones for other Major Corporate Projects**

19. It is not possible to be certain that the planned Gershon efficiency savings will be achieved (M26). A separate report to Cabinet in November provided a detailed update on the current situation.
20. Preparations for the new Community Strategy are going well but due to the requirements of the local government white paper 'Strong and Prosperous Communities' there is likely to be a delay in launching it until July to September 2007. However, we are confident that the strategy will be progressed sufficiently to enable the Council to review its priorities for 2008/09 by the summer.

### **Implications**

21. There are no significant implications at this time.

## Consultations

22. Officers have been consulted to identify the situation at the 6-month point. As the report is later than originally planned there is also some subsequent updating.

## Effect on Annual Priorities and Corporate Objectives

23.	Affordable Homes	Achieving the corporate PI targets and milestones on time would ensure the Council achieved its agreed 2006/07 corporate objectives and priorities.
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

## Conclusions/Summary

### Financial and Performance Reporting

24. Quarterly budget monitoring and performance reports have traditionally been made separately to Cabinet but the intention is to integrate the two processes. There would be significant benefits in integrating this process e.g. it would enable consideration of the resources available to improve performance. At this stage there are no areas where managers have requested short-term resources to achieve PI targets or milestones.
25. Underspends identified up to October 2006 have been incorporated within the MTFS. It will be possible to report further, at the meeting, on resources available in 2006/07 in the light of the 9-month financial monitoring report.
26. The overall picture is positive although there are slippages in a number of areas. These slippages are largely reported to be non-critical and invariably the means of rectifying these situations is out of the control of the authority.
27. Portfolio Holder attention is directed to the following PIs and milestones, where monitoring of performance will be required, as the targets may not be achieved.

### Leader of the Council

M10 – Develop Medium Term Project Plan for growth areas

### Environmental Health

SE203 - % Environmental Health complaints responded to in 3 working days.  
 BV 199c - % relevant land and highways with visible unacceptable fly posting  
 BV 218b - % abandoned vehicles removed within 24 hours  
 BV 82ai - % household waste sent for recycling  
 BV 82aii – Tonnage of household waste sent for recycling

### Planning & Economic Development

BV109b - % Minor planning applications determined in 8 weeks  
 BV109c - % other planning applications determined in 8 weeks  
 SH 311 – Number of affordable housing of all types and tenures completed  
 M12 – Completion of draft S106

M13 – Completion of Northstowe Town Centre Strategy  
M14 – Council adoption of LD  
M18 – Develop Standard S106 Agreement  
M17 – Establish Monitoring of Affordable Housing Permissions  
SP 921 - % householder planning applications determined in 8 weeks  
SP 931 – Number of landscape schemes implemented

## Housing

M20 – Agree Affordable housing commuted sums programme  
M21 – Agree rented/intermediate split and selection of RSLs  
M22 - Council held land/property appraisal  
BV 66a – Proportion of rent collected (RS&CS PFH also refers)  
SH 320 – Affordable Housing permissions as a % of all residential permissions.  
BV 212 – Average days to re-let council houses  
BV 183b – Average stay in hostel accommodation for homeless families  
BV 63 – Average SAP rating of local authority dwellings

## Conservation, Sustainability & Community Planning

M8 – Complete Civic Hub proposals  
M11 – Complete Community facility/service proposals  
M15 – Complete Northstowe Risk assessment/feasibility study for Energy and Utilities  
M27 - Publication of second Communication Strategy

## Resources, Staffing and Customer Services

M2 - Complete integration of Contact Centre  
BV 66a – Proportion of rent collected (Housing PFH also refers)  
BV 76c – Number of fraud investigations per 1,000 caseload  
BV 79a - % of cases for which the benefit calculation was correct  
M26 – Implement efficiency savings and identify 07/08 savings

28. Officers have continued to work hard to achieve PI targets and milestones in the last year, despite the difficult circumstances.

## **Recommendations**

29. Cabinet is recommended to:
- a) Confirm the importance of trying to achieve PI targets and milestone dates in relation to the areas identified in paragraphs 7 to 20, and
  - b) Review action at each portfolio holder meeting on the PIs and Milestones listed in paragraph 27 to ensure that 2006/07 targets are achieved whenever possible.

**Background Papers:** the following background papers were used in the preparation of this report: The 2005 Performance Plan.

**Contact Officer:** Ian Salter – Performance Improvement Officer  
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**APPENDIX****6-MONTH COMMENTARY ON PERFORMANCE INDICATORS AND MILESTONES  
AT RISK OF NOT BEING ACHIEVED****Corporate Priority 1 – Improving Customer Service****PIs - NOT ON TARGET**

1. **SE203 - % Environmental Health complaints responded to in 3 working days.**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
88 %	93 %	85 %

Staff shortages and difficulties in recruitment are resulting in lower than planned performance and the target will be missed. There is nothing that can now be done to enable the 06/07 target to be achieved.

2. **BV109b - % Minor planning applications determined in 8 weeks**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
68 %	70 %	66 %

The target is unlikely to be met, which is partly due to Planning waiting for the:

- a) inspection report from the work carried out by Hephher Dixon, which may recommend efficiencies that could improve capacity.
- b) ongoing business process reviews, which might also produce performance benefits.

Due to this review process, requests to advertise posts in the planning services has been for fixed terms in order not to prejudice the outcome of those reviews.

3. **BV109c - % other planning applications determined in 8 weeks**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
84 %	85 %	85 %

The target may be missed but not by much and officers will continue to work to achieve the target.

**MILESTONES - CRITICAL DELAY**

4. **M2 - Complete integration of Contact Centre** **Milestone Jun 06**

Works to integrate the CRM with the back office systems continues. Both development partners (Northgate Information Systems and Cambridgeshire County Council) are working with us to achieve the identified integration. Back office systems upgrades are essential to achieve the level of integration required but delays in implementing these additional works have occurred due to both partners (but notably Northgate IS) not being able to input the required resources. Should both partners indicate that they are able to meet the requirements and provide the required resources, then we would need to reconsider our own priorities before we could confirm our ability to fully implement the milestone. The project continues to be

managed to achieve the required outcome at the earliest opportunity but until the resources are made available it will not be possible to identify a revised full implementation date

## **Corporate Priority 2 – Northstowe and Growth Areas**

### **MILESTONES - NON-CRITICAL DELAYS**

- |    |  |                         |
|----|--|-------------------------|
| 5. | <b>M8 – Complete Civic Hub proposals</b>                   | <b>Milestone Jun 06</b> |
|    | <b>M11 – Complete Community facility/service proposals</b> | <b>Milestone Dec 06</b> |
|    | <b>M12 – Completion of draft S106</b>                      | <b>Milestone Dec 06</b> |
|    | <b>M13 – Completion of Northstowe Town Centre Strategy</b> | <b>Milestone Dec 06</b> |

Progress has been affected by the changing timescale for completion of the master planning and town centre work, arising from English Partnerships/Gallaghers expected new application. Consultants work has been extended, due largely to health rethink and proposal to include health services within the Civic Hub. The draft specification is currently being costed by architects/QS.

- |    |   |                         |
|----|---|-------------------------|
| 6. | <b>M10 – Develop Medium Term growth area Project Plan</b> | <b>Milestone Sep 06</b> |
|----|---|-------------------------|

The Council has included provision in the Medium Term Financial Strategy for a Growth Areas Project Manager, whose responsibilities would include the development of a co-ordinated forward plan for the growth areas. Steps are being taken to appoint to the post. The bid for BCE funding was not successful. In the meantime, the work carried out to identify future spending pressures on the Medium Term Financial Strategy has given us an estimate of future resources required, but more detailed work is necessary to provide a better basis for future project and financial planning.

- |    |                                      |                         |
|----|--------------------------------------|-------------------------|
| 7. | <b>M14 – Council adoption of LDF</b> | <b>Milestone Sep 07</b> |
|----|--------------------------------------|-------------------------|

The Inspector's binding report on the Core Strategy was received in November 2006. The intention is for the Core Strategy to be adopted by Council in January 2007. However, a European Court of Justice Judgement has required the Government to introduce a new 'appropriate assessment' of sites of European importance for nature conservation. The introduction of the necessary Regulations has been delayed and it is therefore unclear whether the Council has to undertake an Appropriate Assessment. Legal advice is being sought.

The Development Control Policies DPD Examination was complete in November 2006. The Northstowe Examination began on the 5<sup>th</sup> December 2006 and is currently programmed to be completed by 17<sup>th</sup> January 2007. Both binding inspector's reports are expected by April 2007.

None of these delays are as a result of the Council's actions as both delays are occasioned by government action i.e. English Partnerships late involvement in the Northstowe project and the government failure to introduce European legislation into UK Planning system.

- |    |   |                         |
|----|---|-------------------------|
| 8. | <b>M15 – Complete Northstowe Risk assessment/feasibility study for Energy and Utilities</b> | <b>Milestone Mar 07</b> |
|----|---|-------------------------|

The departure of the Strategic Development Officer in mid-August has had an affect on the speed of progress. The vacant post was advertised in early September and a



replacement has been appointed who will be in place in mid February 2007. A half-day workshop (for partners involved in discussions so far) took place in November to identify the best means of ensuring CHP provision at Northstowe and progressing the NSEP. There remains the need for a risk assessment concerning NSEP itself.

### **Corporate Priority 3 – Affordable housing**

#### **PIs - NOT ON TARGET**

#### **9. SH 311 – Number of affordable housing of all types and tenures completed**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
291	300	200

The 06/07 target will not be met. The actions of developers and the current economic climate significantly influence the completion rate. However Housing Corporation funding is allocated on a two-year basis and the completion slippages will be made up in 07/08.

#### **MILESTONES - NON-CRITICAL DELAYS**

#### **10. M18 – Develop Standard S106 Agreement Milestone Sep 06**

The DCLG has now produced model Section 106 Agreements, which all parties are expected to follow. This could mean that we will not need to develop our own model.

#### **11. M20 – Agree Affordable housing commuted sums programme. Milestone Sep 06**

No monies have yet been received so it too early to agree a programme. A major sum is expected in respect of a scheme in Papworth but this will be triggered by the commencement of this development, which is not within the Council's control. Once this and/or other significant sums have been received affordable housing schemes without funding will be considered for inclusion in a proposed programme for Cabinet approval.

#### **12. M21 – Agree rented/intermediate split and selection of RSLs. Milestone Dec 06**

Negotiations are ongoing with the developers and other partners (e.g. Housing Corporation) around the draft heads of terms for the affordable housing provision at Northstowe. However the milestone is unlikely to be achieved on time.

#### **13. M22 - Council held land/property appraisal Milestone Mar 07**

There has been a further delay and the responsible officer is now leaving the Council. This milestone is unlikely to be completed on time although it should be in progress by the end of March 2007, subject to the successful recruitment to vacant post.

#### **14. M17 – Establish Monitoring of Affordable Housing Permissions. Milestone Jun 06** **SH 320 – Affordable Housing permissions as a % of all residential permissions.**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
No data	No data	No data

The Head of Planning has agreed with the Housing PFH that the achievement of this milestone and the related PI will be treated as a priority for Q1 2007. Development Services will consider the information at their disposal and will then set a 2007/08 target, by March 31<sup>st</sup>2007. This will enable quarterly monitoring of the performance of the section in enabling the provision of affordable housing through 2007/08 and beyond.

Cabinet and the PFH have indicated that setting and achieving a target performance level will be a 07/08 priority.

### **PIs for Other Major Corporate Projects**

#### **PIs - NOT ON TARGET**

#### **Income, Finance and Efficiency**

#### **15. BV 66a – Proportion of rent collected**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
97.29 %	98 %	97.2 %

The target of 98% was purposefully challenging, since the previous years' rent arrears are included in the target, this required collection of an amount in excess of the total rent charged for 2006/07. Regrettably, it is not now anticipated that the target will be met. However, performance in this area remains reasonably strong and latest estimates indicate the final arrears figure will be similar to that at the end of 2005/06 despite the increase in rent charges. Officers are continuing to improve processes and procedures to maximise the proportion of rent collected.

#### **16. BV 76c – Number of fraud investigations per 1,000 caseload.**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
43.91	44	31

The number of investigations is likely to be lower than the target. However, the sanctions that have been imposed compare favourably to those achieved in 05/06, which is indicative of more effective prioritisation of investigations. To increase the number of investigations it would be necessary to employ more investigators, but this is not considered appropriate in the current South Cambs DC financial circumstances.

#### **17. BV 79a - % of cases for which the benefit calculation was correct**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
98 %	99 %	97 %

Of 250 cases checked to date 8 were found to have an error in the benefit award. Errors have been extremely minor but it is highly unlikely that the target will be achieved.

#### **Satisfaction with Services and Service Delivery**

#### **18. BV 212 – Average days to re-let council houses**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
29 days	21 days	40 days

The newly appointed Property Services Manager (PSM) has quickly identified the need to improve performance of this PI. The PSM and the Housing Services Manager (HSM) are taking urgent steps to identify where the delays are with a view to ensuring acceptable realistic future targets are set, which will then be achieved. Following are some of the actions that have taken place recently.

- a) Performance against this PI was considered at the PFH meeting on the 8<sup>th</sup> November.
- b) A weekly void meeting at which each void is reviewed to ensure optimum turnaround.
- c) The Housing Services team are considering moving to concurrent rather than sequential working practices.
- d) The logistics at the Waterbeach depot are being reviewed to see if improvements can be made in the overall stores process and the repairs turn-around-times.
- e) An update on all actions will be presented to the first PFH meeting in 2007.

19. **SP 921 - % householder planning applications determined in 8 weeks**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
87 %	90 %	90 %

The target may be missed but it is expected that this will be kept to a minimum.

Cleaner Villages and Environmental Quality

20. **BV 199c - % relevant land and highways with visible unacceptable fly posting**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
3 %	3 %	5 %

The 06/07 target was set after the first BV199 survey cycle in 05/06. The 06/07 end of year actual will represent a more refined and accurate baseline after the second cycle has been completed. Intervention measures are being determined as part of the developing envirocrime strategy.

21. **SP 931 – Number of landscape schemes implemented**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
39	72	72

No 06/07 schemes have yet been completed due to the lack of a landscape officer to monitor their implementation. A new Landscape Assistant commenced work at the end of July 2006. The end of year estimate figure will be reviewed at the end of the third quarter (January 2007) as the planting season progresses.

Community Safety and Community Services22. **BV 218b - % abandoned vehicles removed within 24 hours**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
85 %	85 %	80 %

Staff with responsibility for this area are providing cover for other service areas as a result of work priorities and staff vacancies. As a result of capping the dog warden post was frozen and the section is looking to restructure to compensate for this. Also it has not been possible to fill the vacant post of Recycling and Waste Minimisation Officer but a third attempt to recruit to this post is currently underway.

Housing Provision23. **BV 183b – Average stay in hostel accommodation for homeless families**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
29 weeks	24 weeks	35 weeks

A report went to the December Cabinet to make recommendations for amendments to the lettings policy, which were designed to improve performance. The next stage will be consultation with RSLs leading to implementation by February 2007. There will not be a significant improvement in the PI before 2007/08.

**Milestones for Other Major Corporate Projects**24. **M26 – Implement efficiency savings and identify 07/08 savings. Milestone Mar 07**

The planned 06/07 efficiency savings were highlighted in the Forward Look Annual Efficiency Statement, which was reported to Cabinet in July 06. A subsequent report to Cabinet in November 06 highlighted that there are some concerns over whether all of the efficiency saving will be allowable as Gershon savings. For this reason it is not possible to be certain that the milestone can be fully achieved.

25. **M27 - Publication of second Community Strategy** **Milestone Mar 07**

The initial research and consultation phase is complete. A report will go to the LSP in January 2007; following which themed partnership groups will be involved in developing policies and actions for inclusion in the new Community Strategy. The resourcing of this area of work may need to be reviewed in the light of the white paper 'Strong and Prosperous Communities' and the outcome of the Corporate Governance Inspection. Consideration is being given to a suggestion from Cambridge City for a joint LSP meeting to consider opportunities for joint working.

Given the new requirements of the white paper and current work pressures it is likely that the launch of the new Community Strategy will be re-timetabled to Q3 2007 (July to Sep 2007). The critical thing is to have a clear indication of the direction of the Community Strategy when the Council reviews its priorities for 08/09 onwards, next summer.

A sustainable future for South Cambridgeshire26. **BV 82ai - % household waste sent for recycling**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
18.19 %	19 5	18 %

27. **BV 82aii – Tonnage of household waste sent for recycling**

05/06 Actual	06/07 Target	06/07 End of Year Estimate
10,661	10,700	10,500

Both estimates, for the above 2 PIs, are slightly below target but these are very difficult PIs to provide accurate end of year estimates for after only 6 months.

28. **BV 63 – Average SAP rating of local authority dwellings**

<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 End of Year Estimate</b>
65	66	66

This is a corporately important PI and therefore performance is normally required to be reported quarterly to Cabinet but the section does not currently have the staff resource to update the Elmhurst system to enable an updated SAP rating to be calculated each quarter. SMT has given permission for this PI to be changed to annual reporting for 06/07. The backlog of inputs to the Elmhurst system will be cleared by the end of March 2007, which will enable an end-of-year SAP rating to be calculated. The 06/07 SAP rating target is 66 and it is anticipated that, once the Elmhurst system has been fully updated, the 2006/07 target will be achieved.

The SAP rating baseline is also due to be recalculated as part of the stock condition survey, which is currently being carried out. This revised figure will then replace the existing estimated figure. It is also intended to buy new Asset management software, which will make the SAP rating calculation less onerous.

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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<b>REPORT TO:</b>	Leader and Cabinet	11 January 2006
<b>AUTHORS:</b>	Executive Director / Property Services Manager	

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**DIRECT LABOUR ORGANISATION – A *WORKING* BUSINESS PLAN 2006-2011****Purpose**

1. To note the content of the Direct Labour Organisation (DLO) - *Working* Business Plan (attached as an appendix to this report) and approve the short - medium and long-term strategies, and proposals contained within.

**Executive Summary**

2. Last year external consultants - Echelon were employed to look at the future viability of the DLO and, in consultation with members, devised a recovery plan to improve the effectiveness and potential of the service.
3. A Core group made up of stakeholders oversaw the recovery process. Most of the recovery plan has been implemented, and a new DLO management team is now in place.
4. The new management team has reviewed Echelon's draft Business Plan and devised a *Working* Business Plan to provide a clear purpose and direction of travel for the service based initially on the consolidation and strengthening of its core market activity and then a structured market penetration strategy.
5. Improvements include the introduction of hand-held computers for the allocation and monitoring of repairs, new and revised key performance indicators to measure the quality of the service, and improving the operatives' skill base.
6. The short-term strategy is to break-even or make a small surplus at the end of this financial year, then to successfully tender for more packaged works from the Council in the medium term, and gear up for the re-tendering of the Responsive and Void Repairs contract in 2008. The long-term strategy is to expand into new markets.
7. The setting up of the DLO Strategic Management Board to oversee this process is seen as key to ensuring the service stays focussed on its strategic objectives.

**Background**

8. In January 2006 Cabinet approved a report recommending that the Council retain its DLO with a focus on building the business base, improving the level of service, and becoming more cost effective. A 22-point Action Plan was devised by Echelon with a core group of key stakeholders set up to oversee the recovery process.
9. Most of the Action Plan points have now been completed or progressed, and the DLO is currently profiled to make a modest surplus this financial year.
10. During the recovery process Echelon produced a Draft Performance Handbook for the core group's consideration, this become the driver for reviewing and amending

the current basket of key performance indicators currently used by the Council to measure the repairs service.

11. In June 2006 a draft 5-year Business Plan for the DLO Repairs Service was produced and presented to the core group by Echelon as part of the final stages of the recovery plan. This has now been revised and transformed into the Working Business Plan

### **Considerations**

12. Member's attention should be drawn to the content of the Working Business Plan itself, and consideration given specifically to the short, medium, and long-term strategies and goals.
13. The Working Business Plan also refers to the amendment and introduction of new Key Performance Indicators (KPIs); the continuation of the move towards multi-trade operatives; the proposal to change the name of the DLO; and the setting up of the Strategic Management Board.
14. Last year, in addition to the Responsive and Void Repair works normally carried out by the DLO, members approved the allocation of a package of programmed works for 2006/7 to the value of £840,000 - in order to aid the DLO recovery process. This has proven key in improving the viability of the service and it is proposed that members approve the allocation of additional works again for 2007/8 to ensure the DLO has a sound business base from which it can develop.
15. The DLO is nearing the successful completion of its allocation of Kitchen and Bathroom refurbishments for 2006/7, with the work being done to a good standard and at competitive rates. A recent cost comparison exercise carried out on Kitchen refurbishment works since April 2004 revealed that the average price charged by the DLO of £4,871.25 compares favourably to an average of £5,379.25 charged by our external contractors. It is proposed that Members approve an additional allocation of £200,000 of currently unallocated Kitchen and Bathroom refurbishment works to the DLO in the current financial year. This will not only aid the continuing recovery process but will also help the Council in completing the 2006/7-refurbishment programme.
16. As for next year's programme (2007/8); the following allocations are proposed (on the proviso that rates are and remain competitive) –  
  
Property Surveys (Condition, Asbestos, Energy) - £200,000  
Asbestos removal – £100,000  
Kitchen and Bathroom refurbishments – £450,000  
Disabled Adaptations - £250,000  
Paths and fences – £40,000  
**Total – £1,040,000**
17. It is envisaged that from 2008/9 onwards, all works will be subject to competitive tendering with the DLO being given the opportunity to competitively tender for future Council planned maintenance and improvement contracts as appropriate.

### **Options**

18. Last year Members agreed to support the DLO through the recovery process. The DLO is now in a much healthier condition both financially and operationally. It is on



profile to finish this financial year without an operating deficit, and it has a new management team at the helm committed to improving and growing the service.

19. The DLO *Working Business Plan* provides the service with a solid, achievable strategic overview and a clear sense of direction. It should be seen as a roadmap to move the service from recovery to a proactive market player with the capability of regularly returning a financial surplus to the Council.
20. Members are asked for their continuing support of the recovery process, in order to ensure the DLO is able to develop its business base. Adoption of the proposals contained within this report and the *Working Business plan* will ensure progress remains on track.

### Implications

21. The implications of the DLO not succeeding and continuing to make a trading deficit may well cause financial and adverse publicity difficulties for the Council. The viability of the DLO would again be called into question with all the related financial, staffing, and governance issues.

22.	Financial	There are financial implications should the DLO continue to make a trading deficit, however, if the DLO makes a surplus, this money can be ploughed back in to improving the Council's housing service. The proposed allocations of works are contained within existing and proposed budgets.
	Legal	The Local Government Act 1999 repealed the C.C.T. regime but replaced it with the best value concept. As a follow on from the precedent established at Cabinet last year; the proposed allocations to the DLO are considered to represent best value to the Council and therefore meets with the statutory concept of the Act
	Staffing	There may be potential to gear up staffing levels should the DLO successfully tender for additional work.
	Risk Management	No specific issues
	Equal Opportunities	No specific issues

### Consultations

23. The DLO Management team gave a presentation on 20 October 2006 to all DLO staff and operatives based at the Waterbeach Depot, giving an overview of the proposals contained within the DLO *Working Business Plan*.
24. A presentation and report outlining the proposals was also given by the DLO Management team at the first meeting of the DLO Strategic Management Board meeting held at Waterbeach on 20 October 2006.
25. A report outlining the proposals contained within the DLO *Working Business Plan* was also submitted and approved at the Housing Portfolio Holder's Meeting held on 8 November 2006.

**Effect on Annual Priorities and Corporate Objectives**

26.	Affordable Homes	An effective DLO will help ensure affordable council housing is maintained in good condition
	Customer Service	Providing excellent customer service underpins the proposals contained within this report
	Northstowe and other growth areas	Not applicable
	Quality, Accessible Services	Improving the DLO service will help improve quality and make the service more accessible
	Village Life	Improving and supporting village life through an efficient DLO service is a key outcome
	Sustainability	The use of local trades persons and local suppliers helps to build sustainable communities
	Partnership	The Client/DLO relationship could be considered the ultimate partnership arrangement

**Recommendations**

27. Cabinet is requested to:

- (a) note and comment upon the DLO Working Business Plan, and
- (b) allocate additional Kitchen and Bathroom refurbishment work to the DLO, to the value of up to £200,000 within the current financial year.

**Background Papers:** the following background papers were used in the preparation of this report: The DLO *Working* Business Plan

**Contact Officers:** Steve Hampson – Executive Director, Tel: (01954) 713021  
Brent O'Halloran – Property Services Manager, Tel: (01954) 713050

January 2007



Direct Labour Organisation

***A Working Business Plan***

**2007 - 2012**

## **1. Introduction - A *clear sense of direction* for the DLO**

South Cambridgeshire District Council's Direct Labour Organisation (DLO) provides a range of repair and maintenance services for the Council. It's core activity being the provision of a responsive repairs service currently for two of the three areas that make up the district. The DLO also carries out planned and cyclical maintenance, and grounds maintenance works.

The DLO has a well-trained and dedicated workforce working from a fully serviced depot in Waterbeach near Cambridge. It prides itself on the delivery of a high quality service with high levels of client and customer satisfaction. The team has built up a solid reputation over many years and has a vast amount of experience contained within the workforce enhanced by a low turnover rate of staff.

In December 2005, the Council agreed to retain the in-house DLO on the proviso that the service was rationalised. A proposed 22-point action plan was implemented, overseen by a core group of stakeholders, and a new Repairs Operations Manager started in April 2006. I joined the management team in June 2006 as the new Property Services Manager.

Since June 2006 the financial position of the DLO has continued to strengthen, with most of the 22 action points contained within the action plan being either completed or superseded. The new management team has been busy monitoring and managing the operational activities to ensure the service remains on track both financially and operationally.

This *Working* Business Plan should be seen as the natural progression of the recovery process that started in early 2006, it encapsulates the aspirations arising out of the core group stakeholder meetings together with the pragmatic business objectives of the new management team. It identifies the key factors needed for successful service delivery, and sets out the strategic direction and operational goals of the service for the next five years to ensure a sustainable future for the DLO.

**Brent O'Halloran**

**Property Services Manager**

**January 2007**

## **2. Executive Summary**

The DLO has gone through a difficult period in recent years; making an overall operating loss for the last three consecutive financial years and undergoing several management changes. External Consultants - Echelon were employed to look at the future viability of the DLO and, after consultation, devised a recovery plan to improve the effectiveness and potential of the service.

A Core group made up of stakeholders oversaw the recovery process. Most of the recovery plan has now been implemented, and a new DLO management team put in place to take over from Echelon.

The new management team has reviewed Echelon's draft Business Plan and devised its own *Working* Business Plan to provide a clear purpose and direction of travel for the service. It is based initially on the consolidation and strengthening of its core market activity, and then the development of a structured market penetration strategy.

Recent improvements include the introduction of hand-held computers for the allocation and monitoring of repairs, new and revised key performance indicators to measure the quality of the service, and improving the operatives' skill base.

The current priority is to build some business confidence back into the DLO; this will be greatly assisted if the service is able to break-even or make a small surplus at the end of the financial year 2006/7. The next step is to successfully tender for more packaged works from the Council in the short to medium term, and gear up for the re-tendering of the Responsive and Void Repairs contract in 2008. The long-term strategy is to expand into new markets working for other Registered Social Landlords and Clients.

The setting up of the DLO Services Strategic Management Board to oversee this process is key to ensuring the service stays focussed on its strategic objectives.

### **3. Background**

In January 2006 Cabinet approved a report recommending that the Council retain its DLO with a focus on building the business base, improving the level of service, and becoming a more cost effective. A 22-point Action Plan was devised with a core group of key stakeholders to oversee the recovery process.

Most of the Action Plan points have now been completed, and the DLO is currently profiled to make a modest surplus this financial year.

In June 2006 a draft 5-year Business Plan for the DLO Repairs Service was produced and presented to the core group by Echelon as part of the final stages of the recovery plan.

### **4. Recent Developments**

Echelon completed their work on this project in June 2006 and it has now fallen back to the Council to take full management responsibility for the recovery and future viability of the DLO. Sid Webb took up the position of Repairs Operations Manager in April 2006 – with the management of the DLO as the prime focus of his responsibilities, and Brent O'Halloran took up the position of Property Services Manager in June 2006 with the remit of managing both the Client and the DLO interests.

The two top priorities for new management team were: to review the aspirations contained within Echelon's *Draft* Business Plan, and to form them into a practical and achievable *Working* Business plan, and; the setting up of a DLO Services Strategic Management Board to oversee and monitor the progress of the service.

### **5. The Current financial position of the DLO**

The immediate focus for the DLO this financial year is to strengthen its financial position to ensure it achieves a break-even or surplus-making position - whilst maintaining a high level of customer service and providing good value for money.

In order to achieve this, the DLO is focussing its attention on consolidating its position within the Council by ensuring it provides an effective and efficient service. The emphasis being to ensure the core service function is right, before considering any venture into other markets or diversification.

For 2006/7 the current income projections for DLO Services as at 5 December 2006 is £2,162,700 - made up as follows:

**Income**

Response Repairs Contract	£595,300
Change of Tenancies	£675,800
Asbestos	£300,000
Disabled Adaptations	£250,000
Refurbishments	£250,000
Miscellaneous	£91,600
Other Planned Repairs	0
On-Costs Sub-Contractors Work	0

The current trading position projection suggests that the DLO will make a modest surplus in 2006/7. This projection needs to be treated with caution as it is based solely on the first eight month's of this financial year's trading figures - the new management team is tasked with closely monitor this activity.

**DLO Trading Position 2006/7 as at 24 November 2006**

	Revised Annual Budget	Expenditure To Date	Period Over/ (Under) Spend	Projected Over/ (Under) Spend	Previous Projected Over/ (Under) Spend
	£	£	£	£	£
Employees	682,770	449,093	(4,999)	3,500	3,500
Sub-Contractors/Direct Materials	905,350	770,459	242,547	300,000	186,300
Transport Related Expenses	200,030	190,079	8,260	9,000	5,000
Supplies & Services	43,160	40,308	5,268	21,000	21,000
Central Departmental & Support Services	351,390	0	0	(7,800)	(0)
<b>TOTAL EXPENDITURE</b>	<b>2,182,700</b>	<b>1,449,939</b>	<b>251,075</b>	<b>325,700</b>	<b>215,800</b>
TOTAL INCOME	(2,162,700)	(1,506,562)	(245,498)	(379,200)	(259,600)
<b>DLO Net Position</b>	<b>20,000</b>	<b>(56,623)</b>	<b>5,577</b>	<b>(53,500)</b>	<b>(43,800)</b>

**6. Allocation of works 2006/7**

Members agreed to the DLO receiving an allocation of packaged works for 2006/7 as part of the recovery plan process. Part of the package included £250,000 worth of Kitchen and Bathroom refurbishment works. The DLO is currently nearing completion this programme of works, a cost comparison analysis (see below) has confirmed that its prices are competitive when compared to other refurbishment contractors currently employed by the Council.

**Cost Comparisons**

Kitchen Refurbishments carried out for the Council by two external refurbishment contractors compared to the DLO from April 2004 to December 2006.

External contractors - 28 Refurbished Kitchens – Total cost £150,618.92 – Average cost per Kitchen £5,379.25 ea.

DLO - 28 Refurbished Kitchens – Total cost £136,402.28 – Average cost per Kitchen £4,871.51 ea.

## **7. Evolving the workforce skills-base**

The DLO is currently made up of 27 operative posts:

2 Surveyors  
11 Multi-skilled  
11 General Trades  
2 Labourers  
1 Storekeeper

The move to multi-skilled operatives will continue in order to support and increase the potential for single visit completions. As vacancies arise, the recruitment strategy will be to fill these vacancies with multi-skilled staff as far as possible. (Multi-skilled has been defined by the DLO as operatives that have a lead trade and are proficient in at least one other trade).

In parallel the skills of our own workforce will be developed so that employees are encouraged to progress from general trades to multi skilled or from labourer to general trades should they wish to do so. Within the last year two operatives have been re-graded from general trades to multi skilled and a further two operatives have been re-graded from labourer to general trades.

A training plan is agreed at the end of the annual appraisal process setting out each individual's training requirements. This will be reviewed and amended annually to ensure our workforce remains well trained.

The number of operatives employed will be monitored and adjusted to take account of workload – naturally should the DLO be successful in obtaining additional works it will need to gear up to meet these demands.

## **8. The current challenge**

The immediate focus for the service 2006/7 is as follows:

- a. To financially to break-even or make a surplus.
- b. To deliver the allocated planned maintenance works within budget, to an acceptable standard, and in a timely manner.



- c. To ensure the performance and customer service levels are maintained or improved, achieving acceptable standards as monitored and measured through the Performance Indicators.
- d. To position the service so that it is able to gear up to compete for future maintenance, refurbishment and Decent Homes works from the Council.
- e. To streamline the service - introduce Hand-Held technology to the workforce and monitor its effectiveness.
- f. To consider the options and evaluate the potential effectiveness of externalising the stores function and procuring a single supplier for materials and goods.

## 9. What's in a Name?

This *Working* Business Plan sets out the DLO's aim to develop over the next few years into an efficient and effective business unit, with a positive market strategy. To facilitate this change requires a change in perception, both internally by its own staff through changing the organisation's business ethos; and externally by its customers through changes to the organisation's image. To this end it is proposed that the DLO is renamed to reflect this new image.

It is hoped that a new name will help redefine the service and provide for a more distinct identity.

## 10. Key Performance Indicators

From a customer's perspective what really matters to them about a repair is that it is done properly and timely. With this in mind the current basket of Local Performance Indicators has been amended, and it is proposed that these revised indicators will be used for monitoring performance by drilling down to area level (East, South and West). The Repairs satisfaction questionnaire will be amended accordingly.

## 11. The Local Performance Indicators will be (existing):

- a. SH 302 - The % tenant's satisfaction with work completed on response repairs
- b. SH 327 - The % of repairs by appointment
- c. SH 328 – The % of tenants satisfied with refurbishment

And the newly introduced...

- d. **The % of *Routine* repairs completed within 23 working days.**
- e. **The % of *Urgent* repairs completed within 5 working days.**

- f. **The % of *Emergency* repairs attended within 24 hours**
- g. **The average time to complete all responsive repairs**
- h. **The Housing Repairs Performance Rating.** From 1 (poor) to 10 (excellent).

Other repairs related KPIs as required by Department of Communities and Local Government (DCLG) or the Audit Commission will still require monitoring and data collection as necessary. Including BV212 – Average days to re-let council houses.

## **12. Strategic Direction of Travel for the DLO**

The strategic direction will be the specific responsibility of the DLO Strategic Management Board; initially, to ensure the DLO consolidates its current position by concentrating on successfully delivering on its core activity of housing maintenance, then to develop the service to be in a position to successfully bid for and obtain more work from the Council, other Housing organisations, and if appropriate, the private sector.

## **13. The Council's Future Capital Programme**

Current financial forecasts suggest that the current level of annual expenditure on programmed and cyclical maintenance is unsustainable over the medium to long term. There will be a pressure on the Council to substantially reduce its capital maintenance and improvements programmes from 2010 onwards in order to stay within its projected budgetary constraints.

Unless there is a significant change in the Council's funding arrangements, the opportunity for the DLO to win additional work from the Council will diminish in two year's time. Naturally, this would suppress its recovery unless the DLO actively seek alternative revenue opportunities through new markets or diversification.

## **14. Property Service's Procurement Strategy**

The Council's Property Services team is currently reviewing its housing maintenance plan with the focus on ensuring that all of the Council's domestic properties meet the Decent Homes Standard as set out by DCLG by 31 December 2010. There will also be a need to develop elemental improvement programmes such as kitchen and bathroom refurbishments, these will all be tendered in due course.

It is currently envisaged that the DLO will be invited to submit expressions of interest in tendering for this and other programmes of work as appropriate. Although it must be emphasised that the works will be competitively tendered on a level playing field with the DLO being evaluated against any other tenderer. This will ensure the Council obtains best value for its tenants.

#### **15. Works Allocation for DLO 2007/8**

Whilst the DLO is showing clear signs of recovery, it is still undergoing a transitional stage of improvement, and needs to build a more stable business footing before it can become proactive in the open market. In light of this it is proposed that the DLO is allocated further works (over and above those already awarded in the competitively tendered Responsive and Voids works) from the 2007/8 housing maintenance programme as follows:

Property Surveys (Condition, Asbestos, Energy) - £200,000  
Asbestos removal – £100,000  
Kitchen and Bathroom refurbishments – £450,000  
Disabled Adaptations - £250,000  
Paths and fences – £40,000

It is envisaged that 2007/8 will be the last year that works are automatically allocated to the DLO, as the new procurement strategy will ensure all works are competitively tendered in future years

The works will be allocated to the DLO on the proviso that it remains in the Council's best interest to do so. Should subsequent tenders prove more economically advantageous then works will be allocated accordingly.

#### **16. Short - Medium Term Strategy up to 2010**

To increase its share of the work it receives from the Council by being included on the Council's tender lists, and successfully bidding for additional refurbishment works.

The service will also need to become more efficient in order to be able to gear up for tendering for the Responsive Repairs and Voids contract when it comes up for renewal in October 2008 (or 2009 if extended).

To develop a market penetration strategy linked to the key service goals contained within the Service Plan – in order to be included on tender lists.

#### **17. Long Term Strategy from 2010 onwards**

Provided the Short and Medium term strategic objectives are successfully achieved, the service has consolidated its position at the Council, and is regularly making a surplus; its long-term objective will be to build and expand on this position. The service will actively seek inclusion on client's tender list (possibly

via constructionline membership) for other responsive repair and refurbishment contracts within the district e.g. for other Housing Organisations, and then for contracts beyond South Cambridgeshire.

Consideration to be given to diversification into the private sector market – Disabled Facilities Grant work, and a chargeable maintenance and refurbishment service for tenants, and owner-occupiers.

## **18. The Operational Goals for the DLO**

Achievement of the operational goals will be the specific responsibility of the DLO management team. These are broken down into short-medium and long-term objectives.

## **19. 2007/8 – 2009/10 – Short-Medium term goals for the service are:**

- a. Successfully tender for the Council's Responsive Repairs and Voids contract when it comes up for renewal.
- b. Increase resident involvement in shaping the service – e.g. Wider Tenant Board membership, Contract monitoring meetings.
- c. Develop an appointment system (appointment offered at the point that the repair is requested) for urgent and routine repairs.
- d. Development of a multi-skilled and more flexible workforce
- e. Redesign the repairs service - develop 'Right First Time' Approach

## **20. 2010 onwards – Long term goals for the service are:**

- a. Successfully tender for other maintenance and refurbish contracts within the district.
- b. Successfully tender for other maintenance and refurbishment contracts in neighbouring districts.
- c. Consider the development of a private sector arm to the business.

## **21. The DLO Services Strategic Management Board**

The setting up and implementation of a Strategic Management Board (SMB) is key to ensuring that the momentum for improvement continues. It should be seen as a

natural successor to the Stakeholder Core Group that was brought together to oversee the initial recovery process. The full terms of reference of the SMB is yet to be developed, but it is proposed that the Board meets quarterly at Waterbeach and is made up of Council employees, Members and Tenants. It will have the specific remit of overseeing the strategic direction, operational management, and service performance of the DLO.

At the inaugural meeting in October 2006 the following representatives attended:

Cllr Deborah Roberts – Housing Portfolio Holder  
Brent O'Halloran – Property Services Manager  
Sid Webb – Repairs Operations Manager  
Pauline Gardner - Housing Services Manager  
Andy Booth – Tenant representative

## **22. Risk analysis**

As previously discussed, the Council's current financial forecasts suggest that the level of annual expenditure on programmed and cyclical maintenance is likely to reduce significantly from 2010 onwards.

There is therefore a real possibility that the opportunity for the DLO to win additional capital works from the Council will diminish in two year's time. It is important that the DLO actively seeks alternative revenue opportunities through new markets and diversification to help offset this effect.

As it is the intention of the Property Services Team to market test all planned maintenance works and the Responsive and Voids Repair contract in due course, there is a risk that the DLO will be unsuccessful in its bids. It is vitally important that the DLO ensures it is efficient and effective in order to be competitive.

## **23. Service Planning and monitoring**

A more detailed analysis of the DLO's key milestones will be drafted together with SMART objectives for inclusion in the 2007/8 Housing Service plan. The role of the SMB will be to monitor performance and ensure these objectives are met. The Working Business Plan itself will be updated annually.

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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<b>REPORT TO:</b>	Leader and Cabinet	11 January 2007
<b>AUTHORS:</b>	Executive Director / Environmental Services Manager	

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**APPROVAL OF THE WASTE PFI PARTNERING AGREEMENT****Purpose**

1. To approve the final draft of the Waste PFI Partnering Agreement (the Agreement), attached as an **Appendix** to this report, for future waste disposal arrangements in the County and to delegate authority for signature of the Agreement to the Environmental Heath Portfolio Holder.

**Background**

2. The Agreement sets out the arrangements to be put in place between the five Cambridgeshire Waste Collection Authorities (WCA's) and Cambridgeshire County Council as Waste Disposal Authority (WDA) in the context of the WDA's Waste PFI project for the future waste disposal arrangements in the County. It covers arrangements such as the type of materials to be delivered, and their manner of delivery, to specified PFI treatment facilities.
3. In July 2005, prior to the issue of the Waste PFI Invitation to Tender, the Environmental Health portfolio holder approved in principle the draft Agreement. It was anticipated at this time that Cabinet would be asked to sign the final Agreement slightly in advance of the signing of the PFI contract by the WDA and their chosen contractor.
4. The Waste PFI project is now at an advanced stage of development. In September 2006 the WDA appointed Donarbon Ltd as its preferred bidder and both sides are now working towards signature of the PFI contract at the end of March 2007. It is therefore appropriate that Cabinet should consider the final Agreement, attached to this report as appendix A.

**Considerations**

5. The final Agreement is in line with the previously approved draft, differing in some of the finer detail that has been agreed by all the parties during the PFI negotiations.
6. In particular, the details of the contractor are now included together with specified delivery points for each WCA. The coming into use of these delivery points varies for each WCA and so the dates are not specified at this stage. These will be added before any formal signing with any minor amendments agreed by the Legal Panel (comprising the legal officers from all parties), which has been responsible throughout for drafting the Agreement and negotiating changes.
7. The Cambridgeshire Waste Authorities Waste and Environment Forum considered and endorsed the final Agreement on 13 December 2006 and referred it back to individual partner authorities for approval.
8. Subject to the satisfactory formal approval of the Agreement by all parties it is proposed to have a formal signing ceremony with appropriate publicity, possibly coincident with the signing of the PFI Contract.

**Options**

9. The option before Cabinet is to approve the final draft of the Waste PFI Partnering Agreement for future waste disposal arrangements in the County as endorsed by the Cambridgeshire Waste Authorities Waste and Environment Forum.

**Implications**

10.	Financial	None
	Legal	As detailed in the Partnering Agreement
	Staffing	None
	Risk Management	None
	Equal Opportunities	None

**Consultations**

11. The Council's legal officers, as part of the Legal Panel, have been fully consulted as has the Cambridgeshire Waste Authorities Waste and Environment Forum.

**Effect on Annual Priorities and Corporate Objectives**

12.	Affordable Homes	The County Council taxpayer and this Council's objectives are best served by a cost effective and efficient waste management service delivered in partnership with the County Council and District partners, utilising sustainable waste management delivery options. The Partnering Agreement facilitates these arrangements.
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

**Conclusions/Summary**

13. The final Agreement satisfactorily sets out the arrangements to be put in place between the five Cambridgeshire Waste Collection Authorities (WCA's) and Cambridgeshire County Council as Waste Disposal Authority (WDA) in the context of the WDA's Waste PFI project for the future waste disposal arrangements in the County.

**Recommendations**

14. It is recommended that Cabinet:
- (a) Approve the final draft (v6.1, 01/12/06) of the Waste PFI Partnering Agreement (the Agreement) for future waste disposal arrangements in the County, and
  - (b) Delegate authority for signature of the Agreement to the Environmental Heath Portfolio Holder.

**Background Papers:** the following background papers were used in the preparation of this report: None

**Contact Officer:** Paul Quigley – Environmental Services Manager, Tel: (01954) 713134



Partnering Agreement v6.1, 01/12/06

**Partnering Agreement**

**THIS PARTNERING AGREEMENT** is made on the                      day of                      2007

**BETWEEN**

- (1) Cambridge City Council;**
- (2) East Cambridgeshire District Council;**
- (3) Fenland District Council;**
- (4) Huntingdonshire District Council; and**
- (5) South Cambridgeshire District Council (together called the Districts); and**
- (6) Cambridgeshire County Council (the "County")**

such Councils together referred to in this Partnering Agreement as "the Partners".

**WHEREAS**

- A. The National Waste Strategy 2000 issued by the Secretary of State pursuant to the Environmental Protection Act 1990 (the EPA) requires Local Authorities to achieve certain targets for recycling which are now enshrined in Best Value Performance Indicators (BVPIs). The 1999 Landfill Directive (99/31/EC) requires all Local Authorities to divert prescribed amounts of biodegradable municipal waste from landfill and this is enforced by the Waste Emissions and Trading Act 2003 (together the BVPIs and diversion requirements shall be known as the Statutory Targets);
- B. Further and future recycling opportunities present sound and sustainable environmental solutions to waste management;
- C. The County is a Waste Disposal Authority and the Districts are Waste Collection Authorities for the purposes of Section 30 of the EPA;
- D. The Districts have introduced and rolled out their own recycling initiatives with a view to achieving and exceeding the BVPIs but require flexibility in the future to introduce changed and new initiatives;
- E. Pursuant to its statutory obligations as Waste Disposal Authority to make arrangements for the disposal of waste and meet statutory targets and following a competitive tendering exercise and supported by the Government's Private Finance Initiative, the County has procured a contract (the PFI Contract) pursuant to which Donarbon Ltd (the PFI Contractor) will design build finance and operate facilities for the reception, transport, processing, treatment and disposal of waste;
- F. The PFI Contract binds the PFI Contractor to achieving targets for the diversion and recycling of certain categories of waste with a view to assisting the County and Districts meet and exceed their Statutory Targets;
- G. The Parties wish to work together in the spirit of partnership towards ensuring that there is an effective and economical interface between the PFI Contract and the activities and objectives of the Districts.

**AND**

In consideration of £1.00 given by the County to the Districts (receipt of which is hereby acknowledged) it is agreed as follows:-

**1. DEFINITIONS AND INTERPRETATION****1.1.**

Contract Waste	Municipal Waste collected by a District (including Trade Waste) which is not WCA Waste, and waste delivered to HWRCs
Delivery Point	A facility, site or transfer station licensed to receive waste for treatment, sorting, recycling, composting or disposal as necessary, and notified by the County to the District from time to time
Green and Kitchen Waste	Such waste collected by a District for recycling and composting by the PFI Contractor, and to include organic household garden and kitchen waste and cardboard. A category of Contract Waste
Joint Operations Protocol Agreement	An agreement between all Partners regarding a set of common operational principles and guidelines covering the day-to-day transactions between County and Districts, and their respective contractors where appropriate, dated April 2003 and modified by agreement of all Partners.
Legislation	Environmental Protection Act 1990, Controlled Waste Regulations 1992 and the Waste and Emissions Trading Act 2003
Municipal Waste	As defined in the Waste Emissions Trading Act 2003; household waste or waste similar to household waste in nature, including trade waste collected by WCAs.
PFI Contract	
PFI Contractor	Donarbon Ltd
Recyclable Waste	Such waste collected by a District, or on behalf of the District by a contractor, through kerbside

	collection schemes and bring recycling centres, for recycling. May or may not be Contract Waste.
Relevant Information	For the purposes of clause 3.2 below
Residual Waste Stream	Such waste collected by a District that is not Green and Kitchen Waste or Recyclable Waste or any other waste collected separately for reuse, recycling or composting
Reasonable Endeavours	Such endeavours that a Partner can reasonably take to maintain and improve services and other commitments, taking account of, without limitation price, cost, public acceptance and political sensitivity.
Statutory Targets	Recycling and composting targets for the purposes of BVPI 82 (a) and (b) and landfill diversion targets for the purposes of the WET Act
Tipping Away Payments	Payment made by County to District, when the County directs a District to take waste to a Disposal Point that is not the usual Disposal Point and is unreasonably far from the usual Disposal Point, as a result of the usual Disposal Point being unavailable for the reception of Contract Waste, as set out in EPA 1990, Section 52.
WCA Waste	Municipal Waste collected by a District which is withheld by the District for recycling through arrangements referred to in Clause 5.1 between the District and third party (to exclude Green and Kitchen Waste). WCA Waste to be as agreed and recorded and amended from time to time in accordance with the provisions of this Agreement

- 1.2. The provisions of this Partnering Agreement shall apply to all Partners save in relation to Annexe 1, which apply only to the Parties named in them.

## Partnering Agreement v6.1, 01/12/06

- 1.3. The Districts shall not be jointly and severally liable. Each District shall only be responsible for their own actions and waste.

## 2. **TERM**

- 2.1. This Partnering Agreement will commence on 1<sup>st</sup> April 2007 and unless terminated sooner in accordance with clause 7 or 8 below, continue in full force and effect until the earlier of:
  - 2.1.1. 31<sup>st</sup> March 2035 being the expiry of the PFI Contract
  - 2.1.2. Termination of the PFI Contract before its expiry
  - 2.1.3. The relevant provisions of the EPA being amended or repealed or other enactment made such that this arrangement is rendered ineffective, inappropriate or unlawful.

## 3. **PARTNERING ETHOS**

- 3.1 The Partners acknowledge that the County is entering into the PFI Contract to enable it to meet its statutory obligations, assist the Districts in meeting theirs and in the overall interests of the public purse. To these ends, the Partners shall work together to achieve Statutory Targets, landfill permit levels and local targets agreed jointly in the Joint Municipal Waste Management Strategy or any future targets that have been jointly agreed, and as far as is reasonable or practicable, to reduce the detrimental impact on the Partners and council tax payers of any one of them failing to carry out its obligations under this Agreement.
- 3.2 Each Partner shall provide Relevant Information to each other in a full and timely manner.
- 3.3 The County shall provide each District with a copy of the PFI Contract, subject to commercially sensitive information being omitted to the extent required by the terms of the PFI Contract (unless and to the extent that the District provides a confidentiality undertaking in a form reasonably required by the PFI Contractor).
- 3.4 The County shall provide each District with copies of any material variations or amendments to the PFI Contract agreed between the County and the PFI Contractor from time to time.
- 3.5 The County shall consult with all Districts regarding any proposed material variations or amendments to the PFI Contract that may or will directly affect any one or more Districts or the services each provides, before agreeing any such variations or amendments with the PFI Contractor.
- 3.6 The Partners have produced a Joint Operational Protocol Agreement and agree to continue to abide by this protocol, or to amendments to the protocol as jointly agreed, for the duration of the contract.

## 4. **COUNTY OBLIGATIONS**

- 4.1. The County shall:
  - 4.1.1. Arrange for the Delivery Points to be available for the reception of Contract Waste during the hours set out in Annex 2;
  - 4.1.2. Continue to pay Recycling Credits to the Districts, as at present based on tonnage recycled, or any replacement to Recycling Credits

- as and when agreed locally by the Partners or as established in legislation; as set out in Annex 4;
- 4.1.3. Pay affected Districts promptly any Tipping Away Payments as calculated by the formula and criteria in Annex 3;
- 4.1.4. Ensure that Green and Kitchen Waste collected by the Districts and delivered to a Delivery Point is recycled in accordance with the relevant BVPI;
- 4.1.5. Carry out any negotiations with the PFI Contractor relating to a proposal by any District to vary its current recycling scheme as set out in clause 5.1.1 or vary its other services so that they are no longer consistent with the Joint Operations Protocol Agreement.

## **5. WCA OBLIGATIONS**

- 5.1 The Districts shall use their Reasonable Endeavours to:
  - 5.1.1 At least maintain their current recycling and other waste collection schemes, as set out in Annexe 1, for the duration of this Agreement;
  - 5.1.2 At least maintain their current level of awareness raising and support of other initiatives that aim to encourage greater levels of reuse, recycling and waste reduction, for the duration of this Agreement;
  - 5.1.3 Maintain the level of recycling and composting so as to ensure compliance with statutory targets (both County and District) during the period of this Agreement.
  - 5.1.4 Develop their existing recycling schemes to increase tonnages recycled where practical;
  - 5.1.5 Help improve participation rates in and yield rates from existing kerbside and bring bank collection schemes by helping to fund and run a range of public awareness campaigns, competitions and incentive schemes;
  - 5.1.6 Introduce trade waste recycling collections in all commercial waste contracts where practical and commercially viable;
  - 5.1.7 Inform the County as soon as reasonably practicable where the District anticipates changing the arrangements set out in Annex 1
- 5.2 The Districts shall deliver all Contract Waste to the Delivery Point(s) nominated to that District (this clause being a Direction pursuant to Section 48 of the EPA as amended by the WET Act) and in so doing shall:
  - 5.2.1 Comply with the PFI Contractor's reasonable and proper site rules and regulations (including access routes).
  - 5.2.2 Deliver Contract Waste during the hours relevant to the Delivery Point.

## **6. POWER OF DIRECTION**

- 6.1 The Districts acknowledge that should the County, in its best estimate, be at risk of being unable to meet its landfill allowance level, as established in the Waste Emissions Trading Act, or of breaching its obligations to the PFI Contractor or any other statutory obligation, the County may use its Powers of Direction, as set out in the Environmental Protection Act 1990 and Waste Emissions Trading Act 2003, to direct the relevant District to dispose of Municipal Waste and to

## Partnering Agreement v6.1, 01/12/06

maintain, improve or expand their recycling schemes so that the County is not in breach of its landfill allowance level or other obligations.

- 6.2 In issuing a Direction the County shall comply with guidance issued by DEFRA in 2004, *Guidance for Waste Authorities in Two-Tier Areas on the use of the Power of Direction in England* or any subsequent guidance from DEFRA or the Secretary of State.

## 7. **REVIEW**

### Reviews Generally:

- 7.1 Any Partner shall be entitled to call for a review of the Partnering Agreement or its Annexes in the event of:
- 7.1.1. The County implementing a WET Act direction; and/or
  - 7.1.2. Any District wanting to substantially change their recycling and Residual Waste collections from the position set out in their respective Annexes.

### Periodic Reviews

- 7.2. Notwithstanding the Review procedure described above, after the first 2 years from the signing of this Agreement and every 5 years thereafter, the Partners shall meet within the context of the Waste and Environment Forum or the Joint Waste Officers Group as appropriate or otherwise as they decide is appropriate at the time to discuss the success, strengths, weaknesses and issues of this Partnering Agreement (the Periodic Review). The Periodic Review dates shall be on or about the 2<sup>nd</sup> and then each 5<sup>th</sup> anniversary of the first review of this Partnering Agreement
- 7.3. Where possible Periodic Reviews shall be programmed to suit each Council's political cycle and shall be brought forward or postponed a reasonable time to allow for elections and any new Members to be in situ.
- 7.4. At least two months prior to each Periodic Review each Party shall submit to the other a written review setting out any issues that that Party wishes to discuss at the Periodic Review, the reasons and (where appropriate) suggested solutions. The written review should be in sufficient detail for the other party to take internal soundings and discuss the contents so that it is able to attend the Periodic Review fully conversant with the issues.
- 7.5. Provisions relevant to General and Periodic Reviews:
- 7.5.1. The Partners shall attend and participate in Reviews or Periodic Reviews in good faith, fairly, reasonably and having regard to each others' budgets and resources. The test of reasonableness shall be applied having regard to the County's obligation to consult the PFI Contractor on any matter which might affect the PFI Contract
  - 7.5.2. As a result of a Review or a Periodic Review the Partners may agree to vary this Partnering Agreement by way of a Deed of Variation or to terminate it in whole or in part. However, the Partners shall not vary this Partnering Agreement or terminate it without first consulting the Waste and Environment Forum and/or the Joint Waste Officers Group as appropriate (to the extent that any Periodic Review was carried out outside that forum) and, if appropriate, the PFI Contractor.

Partnering Agreement v6.1, 01/12/06

- 7.5.3. The County shall not be bound to vary this Partnering Agreement or amend its direction under the EPA or WET Act if to do so would (or is likely to) put the County in breach of the PFI Contract.

**8. WITHDRAWAL BY DISTRICTS**

- 8.1 If any District wishes to withdraw from this Partnering Agreement it may do so provided:
  - 8.1.1 its proposal has first been discussed at the Waste and Environment Forum and/or the Joint Waste Officers Group (as appropriate); and
  - 8.1.2 if following such discussion the District still wishes to withdraw it has then given 3 months written notice to all the other Partners.
- 8.2 Following the expiration of any notice given in accordance with clause 8.1.2 the relationship between the County and the District shall be governed by the statutory provisions contained in the Legislation.

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# ANNEX 1

## WCA Baseline

### 1. WCA Retained Waste

1.1 Material collected at recycling bring banks. Provision for each WCA as follows (as at October 2006):

Number of sites for	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire
Paper /Card	27	24	32	51	62
Glass	28	42	54	80	60
Cans	27	22	21	54	22
Plastics	14	62	0	0	16
Foil		9			
Tetrapak		10			
Textiles	7	17	12	15	17
Other	5 (Books)	4 (Books)	0	0	4 (Books)

1.2 Material collected by kerbside recycling schemes. Provision for each WCA as follows (as at [date]):

	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire
Frequency	Alternate weekly	Fortnightly	Alternate weekly	Alternate weekly	Alternate weekly
Container	55 Litre black box 55 Litre blue box	55 Litre black box	240 litre Blue Bin	240 litre Blue Bin/ 55 litre Green Box/ Clear Plastic Sacks/1100 Litre Containers	55 litre Green Box

	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire
% coverage	92%	100%	100%	100%	100%
Materials collected	Paper / Magazines Glass Bottles Cans (steel & aluminium) Aluminium foil Plastic bottles	Paper / Magazines Glass Bottles Cans (steel & aluminium) Yellow Pages	Paper / Magazines Cardboard Cans (steel & aluminium) Plastic bottles (grades 1,2,3 only) Tetra-Pak containers Aluminium foil	Paper / Magazines Cardboard Cans (steel & aluminium) Plastic bottles Tetra-Pak containers Aluminium foil	Paper / Magazines Glass Bottles Cans (steel & aluminium) Foil Aerosols

## 2. Contract Waste Collection Arrangements

	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire
<b>RESIDUAL WASTE</b>					
Frequency	Alternate weekly	Weekly	Alternate weekly	Alternate weekly	Alternate weekly
Container	80/120/140 / 240 litre Black Bin and white plastic sacks.	Black Sack	140/180/ 240 litre Green Bin	180 / 240 litre Grey Bins/ 1100 Litre Containers/ Blue Plastic Sacks	240 litre Black Bin
% Coverage	100%	100%	100%	100%	100%
<b>KITCHEN &amp; GARDEN WASTE</b>					
Frequency	Alternate weekly	Alternate weekly	Alternate weekly	Alternate weekly	+ Cardboard/Junk Mail Alternate weekly
Container	140 / 240 litre Green Bin and brown paper sacks	Brown Paper Sack + Cardboard	240 litre Brown Bin	180 / 240 litre Green Bin	240 litre Green Bin
% Coverage	92%	100%	100%	100%	100%

	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire
Current Plans for Expansion	Working to improve performance in flats and colleges	Contract to be re-tendered in April 2008. Could go for Alternate weekly collections	None	None	Increase Participation, especially for kitchen waste
<b>BULKY WASTE</b>					
Frequency	Paid for Service On Demand	Paid for Service Appointment	Paid for Service On Demand	Paid for Service On Demand	Paid for Service On Demand
<b>COMMERCIAL WASTE</b>					
No. of Rounds per day / frequency	2 Rounds / 7days a week. Developing trade recycling collection	None	2 rounds+trade skips (on a request basis)	No Separate Rounds	Currently 1 (2 vehicles)
Volume (2005/6)	6,680 tonnes +/- [50%] of this figure shall be considered to be within the WCA baseline range in any one contract year	0 tonnes	2,630 tonnes +/- [50%] of this figure shall be considered to be within the WCA baseline range in any one contract year	960 tonnes +/- [50%] of this figure shall be considered to be within the WCA baseline range in any one contract year	2,260 tonnes +/- [50%] of this figure shall be considered to be within the WCA baseline range in any one contract year Plans awaiting approval to double existing business within 2 years.

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**Annex 2****Delivery Points and Opening Hours*****Cambridge City Council, East Cambridgeshire District Council and South***

***Cambridgeshire District Council*** will, from a date to be notified, deliver all residual and kerbside collected green and kitchen waste to Donarbon Ltd, Waterbeach Waste Park, Ely Road, Waterbeach, Cambridgeshire CB5 9PG.

***Fenland District Council*** will, from a date to be notified, until the March Waste Transfer Station becomes available, deliver all residual and kerbside collected green and kitchen waste to Donarbon Ltd, Wisbech Recycling and Waste Transfer Station, Algores Way Industrial Estate, Wisbech, Cambridgeshire. When the March Recycling and Waste Transfer Station, Melbourne Avenue, March, Cambridgeshire, becomes available then all waste previously delivered to Wisbech will be diverted to March for the remainder of the contract term unless special arrangements are agreed between the Fenland District Council and Cambridgeshire County Council.

***Huntingdonshire District Council*** will from a date to be notified, deliver all **residual waste** to Donarbon Ltd, Alconbury Recycling and Waste Transfer Station, Stangate Business Park, Alconbury, Cambridgeshire. PE28 4JH. In addition all kerbside collected **green and kitchen waste** will also, from 31<sup>st</sup> August 2010 unless an earlier date is agreed between Huntingdonshire District Council and Cambridgeshire County Council, be delivered to Alconbury Recycling and waste Transfer Station.

The hours of availability of delivery points are as follows:

07.00 to 17.00 hrs Monday to Friday  
07.00 to 16.00 hrs Saturday  
09.00 to 16.00 hrs Sunday

In accordance with the licensing and planning conditions imposed, all reception points are **closed** on Christmas Day, Boxing Day, New Years Day and associated Bank Holidays. However, where licensing and planning conditions permit, waste can be accepted on these days by prior agreement.

**Annex 3****Tipping Away Payments Calculations**

The Tipping Away Payment for all Waste Collection Authorities shall be calculated as follows:

$$TA = (J * RCV * M) + (J * NRCV * M)$$

Where:

- TA** = the Tipping Away Payment
- J** = the Number of journeys to Contingency Sites by WCA
- RCV** = £[2.30] (indexed from 25<sup>th</sup> May 2005) for rear-end collection vehicles, indexed in accordance with the agreed indexation factor.
- M** = Distance (miles) by the most reasonable route between the relevant Delivery Point and the relevant Contingency Site
- NRCV** = £[1.00](indexed from 25<sup>th</sup> May 2005) - for non-rear-end collection vehicles, indexed in accordance with the agreed indexation factor.

**Annex 4**

Authority	2005/6 Actual Rate £/tonne	2006/7 £/tonne	2007/8 £/tonne	2008/9 £/tonne	2009/10 £/tonne
Cambridge City	30.09	32.49	34.97	37.52	38.65
East Cambridgeshire	30.09	32.49	34.97	37.52	38.65
Fenland	32.56	33.54	34.97	37.52	38.65
Huntingdonshire	34.41	35.44	36.51	37.60	38.65
South Cambridgeshire	30.09	32.49	34.97	37.52	38.65

In the years after 2009/10 the rate of recycling credit will be by agreement between the parties.

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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<b>REPORT TO:</b>	Leader and Cabinet	11 January 2007
<b>AUTHORS:</b>	Executive Director / Head of Planning	

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**EXTENSION TO HOURS OF POST D.2.32****Purpose**

1. To seek Cabinet approval to extend the hours of post D.2.32 (assistant enforcement officer) from 30 to 37 hours per week.

**Background**

2. Cabinet agreed at its meeting on 12 January 2006 to increase the hours of this post to 30 hours and advertise on an 18 month contract. The current post holder was recruited and commenced work in April 2006, working predominantly on Traveller related issues.

**Considerations**

3. Over the past year, the workload of the planning enforcement team has increased significantly. The figures below show the marked increase in cases over the past three calendar years.

2004	2005	2006 (to 20 Dec 06)
373	400	486

4. In the Audit Commission's – Environment Inspection of the Council (July 2006) it was noted that:

"Enforcement is mainly reactive rather than proactive. This means that enforcement activities are not being focused on priorities or where infringements can be prevented."

"There are a disproportionately high number of Travellers on illegal sites, requiring above average levels of enforcement activity."

"Parish council representatives in particular considered that enforcement of planning conditions was not being rigorously pursued and this has led to a frustration with planning services within their communities."

5. The inspection highlighted the fact that Traveller enforcement action was taking over the majority of resources within the team, resulting in delays with other enforcement work. The very nature of Traveller enforcement means it is quite reactive but officers are finding it difficult to balance other work with the increase in Traveller enforcement action.
6. Since the appointment to post D.2.32 in April and following the inspection in July, the workload of the enforcement team has increased further. In addition to routine enforcement, for example investigating breaches of planning control, monitoring planning conditions, producing prosecution files and gathering evidence for

statements, the team has been instrumental in achieving six injunctions across the district. These being:

- (a) North and South Injunction at Smithy Fen - 06.04.06
- (b) Pine View Injunction, Smithy Fen - 07.06.06
- (c) Plot 7 Schole Road, Willingham - 07.11.06
- (d) Plots 3 and 4 Cadwin Lane, Willingham - 18.11.06
- (e) Land off Meadow Drove, Willingham - 01.12.06
- (f) Land adjacent Moor Drove, Willingham - 06.12.06

7. If the Council intends to continue obtaining injunctions on land it feels at threat from unauthorised development it is essential that more resources be made available. The evidence gathering, photographs, production of statements and issuing of notices, take time and increasing the hours of this post will help. However in the long term there will either need to be more prioritisation of cases in order to ensure other non-Traveller enforcement action is also being dealt with effectively, or more resources will be needed within the team.

### Options

8. There are two options with regard the working hours of post D.2.32:
- (a) to increase the hours of the post to 37 hours per week, enabling more time to be spent on Traveller related enforcement issues, or
  - (b) to leave the post at 30 hours per week resulting in reduced resources and less time to respond to breaches of planning.
9. The post holder is currently employed on an 18-month contract, due to expire in October 2007. Whilst Traveller issues are a priority to the Council at present, the level of resources needed to tackle unauthorised development in the future and the changing nature of priorities in line with diminishing resources, is difficult to predict. It is therefore recommended that the post be reviewed in June/July 2007 following Members consideration of the priorities for the medium term. This would also allow enough notice to be given to the post holder if an extension/permanent position was not approved.

### Implications

10.	Financial	The post is graded at scp 19 – 26 and currently funded from the ear marked reserve for Traveller Issues (agreed at Cabinet on 12 January 2006). There are sufficient funds available in the reserve account to meet this cost should it be agreed.
	Legal	The current post holder works directly with legal services to take forward injunctions, prosecutions, and other legal proceedings. With extra resources, this work could be carried out in conjunction with the routine enforcement more effectively.
	Staffing	The enforcement team is currently staffed at 2.5 posts and this has been recognised as understaffed by the Audit Commission. If the extension is not agreed it will place further pressure on the post holder and the rest of the team who also spend time on Traveller enforcement issues.
	Risk Management	If the Council is not able to respond to reports of enforcement breaches it runs the risk of having complaints made to the ombudsman. If officers are expected to continue working under the current arrangements there is a risk of stress related illness.



Equal Opportunities	In line with statutory duties under the Race Relations Acts and Disability Discrimination Acts, the Council operates both a Race Equality Scheme and a Disability Equality Scheme. Travellers represent the biggest ethnic minority in the district (1% of the population) and suffer disproportionately high levels of ill-health and disability. This post enables a specialist officer with knowledge of all Traveller issues in the district to maintain effective working relations with this community.
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### Consultations

11. The Strategic Officer Group on Traveller Issues.

### Effect on Annual Priorities and Corporate Objectives

12.	Affordable Homes	The need to address Gypsy and Traveller issues has implications for all three Council priorities and all four corporate objectives. This is also reflected in the Council's policy on Traveller issues, agreed in July 2004 which includes a commitment to: "apply planning policy fairly and firmly in relation to Traveller sites" and "uphold the rights of all local residents and Travellers to live peacefully and safely, with mutual respect for the rights of others."
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

### Conclusions/Summary

13. The planning enforcement team is stretched and dealing with higher numbers of cases than ever before. It is important that all reports of planning control breaches are followed up within the agreed timescale in order to fulfil our statutory requirements. The increase of hours for post D.2.32 will enable prioritisation of cases equally across the team, and assist the team in responding to enquiries as quickly and effectively as possible. It is also important to note that if the current demand for enforcement action continues there is likely to be more resources needed in this area in the future.

### Recommendations

14. It is recommended to Cabinet that:
- (a) Post D.2.32 be extended to 37 hours per week, taking effect from 1 February 2007,
  - (b) The cost of this is met from the earmarked reserve on Traveller Issues, and
  - (c) The 18-month contract be reviewed in June/July 2007 following Member agreement of the medium term priorities.

**Background Papers:** the following background papers were used in the preparation of this report:

Agenda Item 12 - Report to Cabinet 12 January 2006

**Contact Officer:** Gareth Jones – Head of Planning  
Telephone: (01954) 713223

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## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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<b>REPORT TO:</b>	Leader and Cabinet	11 January 2007
<b>AUTHOR/S:</b>	Chief Executive/Best Value & Management Accountant	

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**QUARTERLY MONITORING REPORT AND PRUDENTIAL INDICATORS  
INCLUDING TRANSFORMATION PROJECT COSTS/SAVINGS**

**Purpose**

1. To provide a commentary on actual income and expenditure against budget, for the General Fund, Housing Revenue Account and Capital Programme in relation to the third quarter of the 2006-07 financial year and to monitor the indicators under the Prudential Code for Capital Finance in Local Authorities. The report also satisfies the requirement of Council to receive a three monthly report on savings arising from the Transformation Project.

**Executive Summary**

2. The information in this report indicates the following projected underspends: -
 

(a)	General Fund	£ 281,200;
(b)	Housing Revenue Account (HRA)	£ 967,600: and
(c)	Capital	£ 193,700.

**Background**

3. This report indicates the expenditure against budget to the 31<sup>st</sup> December 2006 and is the third of these regular reports for the 2006-07 financial year.
4. The information necessary for the production of the monitoring report is not available until shortly before the scheduled Cabinet meeting; faced with this situation Cabinet has indicated their willingness to have these reports tabled rather than wait for the subsequent meeting, by which time the information would be six weeks out of date. Because of the short-time scale available to Members in which to examine the information contained in these reports, Cabinet have requested the Resources, Staffing, Information & Customer Services Portfolio Holder to scrutinise the reports as part of his Portfolio Holder meetings.
5. Under the Prudential Code, the Chief Financial Officer is required to establish procedures to monitor performance against the prudential indicators and to ensure that any borrowing is for capital purposes. The indicators are primarily to show whether a local authority is entering into long-term commitments that it may not be able to afford in the future and they are, therefore, of less relevance to debt free authorities like South Cambridgeshire.
6. Council on the 23<sup>rd</sup> February 2006 agreed that three monthly reports should be prepared showing the costs/savings from the Transformation Project. This report updates the information previously reported.

## Considerations

7. This report concentrates on the largest expenditure and income budgets. The largest expenditure budgets are the departmental budgets, which, on the basis of the revised estimate for 2006/07 now total £13.8 million, excluding capital charges. Other overhead budgets include office accommodation, the depot, central expenses and central support services. The departmental and overhead budgets are recharged to the General Fund and the Housing Revenue Account. Other General Fund services that have budgeted expenditure or income in excess of £200,000 are also shown separately.
8. Presenting this report when we are part way through the estimates process has presented challenges in making meaningful comparisons; for this reason **Appendix A** attached, has been extended to make interpretation of the position easier. Figures are shown for original estimate, amended original estimate, working estimate and actual income and expenditure to date. The original estimate is the amount that was approved by Council in February 2006.
9. In compiling this position statement the following factors have been incorporated in the amended original estimate and in forecasting the projected under/overspendings:
  - (a) Agreed rollovers;
  - (b) Agreed Virements;
  - (c) Increase in Cash Limits for:
    - (i) The Local Land Charges System;
    - (ii) The State of The Nation; and
    - (iii) Costs of Restructuring 2<sup>nd</sup> Tier Officers Posts; and
  - (d) Net Underspending previously reported to Cabinet in October 2006 that has been incorporated into the Medium Term Financial Strategy (MTFS).
10. The Working estimate includes the items in paragraph 9 above, but the Staffing and Overhead Accounts are the revised estimates that were approved by Cabinet on 14<sup>th</sup> December 2006, plus other re-allocations e.g. benefit grant.
11. A brief commentary forms part of **Appendix A** and paragraph 12 below highlights the projected under/overspendings as compared to the working estimate that require Member attention.
12. Of the areas identified, the following items are likely to be significantly different from the approved estimates:

## Revenue

### *Transformation Project*

- (a) The 2006/07 estimates for the Transformation Project are part of the Corporate Management budget and include provision for the Business Process Review, Senior Management Team and Project Manager. The estimates were based on figures provided by the consultants, Mouchel Parkman, and were included in the estimates on a payments basis. In closing the accounts for 2005/06, it became apparent that, in order to comply with the Accounting Code of Practice, the cost of any definite decisions made by 31<sup>st</sup> March 2006 had to be provided for in the 2005/06 accounts. A provision was, therefore, made in last year's accounts for the cost of redundancy, early retirement and compensatory added years lump sums and the first annual

payments in respect of the former Chief Executive and the Development Services Director;

- (b) The 2006/07 estimate of £36,250 for the Senior Management Team was a net figure comprising of the leaving costs and salary savings on these two posts and enhanced salaries for the new two person Senior Management Team. The only costs which will now occur in 2006/07 are the salary savings and the salary enhancements so that the original budget of £36,250 net expenditure is revised to £135,260 net income, an underspend in 2006/07 of £171,510 solely due to timing differences. Approximately 25% of this amount will be recharged to the Housing Revenue Account. As the savings from the Transformation Project are needed to balance the Medium Term Financial Strategy, this "underspending" in 2006/07 is not included in the figures quoted in the remainder of this report;
- (c) The costs incurred in the nine month period to 31<sup>st</sup> December 2006 were costs for the Project Manager, Project Analysts, Customer Services Project Officer, redundancy costs for the three Executive/Personal Assistant posts and the costs of the Senior Management Team; and
- (d) In terms of the "steady state" position, which may be more meaningful to Members, (once redundancy, costs associated with early payment of benefits and CAY lump sums have been defrayed) the position can be summarised thus:

	£ Savings per annum
Senior Management Team Restructuring	(175,000)
PA/Secretarial Support	
Restructuring £60,000	
Less cost of post of Customer Services Project Officer £30,000	
	(30,000)
Less 2 <sup>nd</sup> Tier Re-structuring	125,000
Total Savings per annum	(80,000)

Costs in relation to the appointment of the Transformation Project Manager (one year fixed term contract), two Business Analyst posts (permanent) less part of Building Capacity East Grant, amount to £101,000 per annum for the first year and on an on-going basis £80,000 per annum thereafter.

### **General Fund**

- (a) Departmental Accounts are currently £19,100 underspent attributable to vacancies, predominately in the Development Services, Community Services & Community Development;
- (b) The approved revised estimates for the departmental & overhead accounts are £152,000 less than the amended estimate;

- (c) Planning Services expenditure is predicted to be £80,000 overspent due to additional costs of the wind farm appeal (a statutory obligation), judicial review of various planning applications and consultants employed to give planning advice due to vacancies in the development services. This may be offset by underspendings which may materialise in the revised estimates;
- (d) Income is estimated to be a net £92,400 higher than originally predicted due to additional planning fees, building control fees and land charges income, less Milton Country Park and Pest Control Income not realised;
- (e) Interest on balances is estimated to be £100,000 more than previously reported due to better deals on anticipated interest rates and more investments have been made because of higher balances;

### ***HRA***

- (a) The Housing Repairs budget is currently overspent on Change of Tenancies. This is being actively managed to ensure that the net position, offsetting any DLO trading surplus relating to this extra activity, remains within the original estimate and approved additions;
- (b) In the original estimates £350,000 of redundancy costs for the Sheltered Housing Service Re-organisation was provided for. To comply with Accounting Standards this was included for in the 2005/06 Accounts and therefore is no longer required in the estimates;
- (c) The payment to the Government into the national pool in respect of the surplus on the notional HRA has been revised; it is now £300,000 less than originally estimated because of changes made by the Department for Communities and Local Government;
- (d) The revised departmental & overhead accounts are estimated to be £213,600 less than the amended estimate;
- (e) The above were included in the HRA Overview reported to Cabinet on the 14th December 2006, which indicated that the HRA was projected to have a surplus of £563,000 compared to the original estimate of a deficit of £405,000, an underspend of £968,000: and

### ***CAPITAL***

- (a) ICT Development is predicted to underspend by £144,900 due to the contact centre integration not taking place because of 3<sup>rd</sup> party delays. This will be required to be rolled-over into 2007/08.

### ***Prudential Indicators***

- 13. Prudential Indicators are shown in **Appendix C** and the Council has remained within the set limits for Treasury Management.

### ***Implications***

- 14. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implication for the Medium Term Financial Strategy.

15.	Financial	As detailed in the report.
	Legal	None.
	Staffing	Not Relevant.
	Risk Management	As Above.
	Equal Opportunities	None.

### Consultations

16. None.

### Effect on Annual Priorities and Corporate Objectives

17.	Affordable Homes	None.
	Customer Service	None.
	Northstowe and other growth areas	None.
	Quality, Accessible Services	None.
	Village Life	None.
	Sustainability	None.
	Partnership	None.

### Conclusions/Summary

18. The figures produced at Appendix A can be summarised as:

	Projected (Under) /Overspend
<b>General Fund</b>	
	£
Departmental Accounts	(19,100)
Reductions in Revised Departmental & Central Overhead Accounts	(152,000)
Additional Planning Service Expenditure	80,000
Net Additional Income - mainly planning fees	(92,400)
Interest on Balances greater than expected	(100,000)
Recharge to HRA, Capital etc.	<u>2,300</u>
Predicted Net Underspending for 2006/07	<u>(281,200)</u>
<b>HRA</b>	
Sheltered Housing – Redundancy Costs	(350,000)
Contribution to National Pool	(300,000)
Other Reductions	(104,000)
Recharged Departmental and overhead accounts	<u>(213,600)</u>
Predicted Net Underspending for 2006/07	<u>(967,600)</u>
<b>Capital</b>	
ICT Development	(144,900)
Recharged Departmental and overhead accounts	<u>(48,800)</u>
Predicted Net Underspending for 2006/07	<u>(193,700)</u>

**Recommendations**

19. Cabinet is requested to note the projected expenditure position and the monitoring of prudential indicators and to refer the report to the next meeting of the Resources, Staffing, Information & Customer Services Portfolio Holder for more detailed consideration.

**Background Papers:** the following background papers were used in the preparation of this report:

Estimate Book 2006/07,  
Revised Estimates for the Staffing and Central Overhead Accounts,  
HRA Overview and Subsidy Report and  
Reports from the Financial Management System.

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## Significant Budget Items

## Appendix A

## Revenue

## Expenditure

	Original Estimate 2006/07	Amended Original Estimate 2006/07	Working Estimate 2006/07	Actual Income & Expenditure to 31st December as at 05/01/07	Projected (Under)/Over Spend Compared to Amended Original Estimate	Projected (Under)/ Over Spend Compared to Working Estimate	Narrative
£	£	£	£	£	£	£	
Departmental Accounts (note 1)	13,891,370	13,907,480	13,811,970	9,928,491	(206,600)	(19,100)	See Appendix B for Details
Central Overheads (note 2)	1,372,190	1,381,190	1,261,540	759,080	(100,000)	0	
Reductions in Departmental & Central Overheads Revised Budgets	0	0	152,000	0	0	(152,000)	
Provision for Associated costs of 2nd Tier Restructuring	0	65,000	65,000	0	0	0	
<b>General Fund Direct Services (note 3)</b>							
Refuse Collection & Street Cleansing	2,716,440	2,757,440	2,707,440	2,039,655	(50,000)	0	
Recycling	788,680	788,680	788,680	564,702	0	0	
Planning Services excluding Income	1,316,950	1,422,040	1,314,040	426,985	0	80,000	Additional Expenditure on Wind Farm Appeal, Judicial Review and Consultants may be offset by underspending when revised estimates completed.
Corporate Management	485,830	588,800	588,800	99,084	0	0	
Democratic Representation	404,900	405,900	405,900	298,833	0	0	
Homelessness	247,500	247,500	247,500	64,904	0	0	
Concessionary Fares	581,050	581,050	581,050	1,374	0	0	
Other	1,266,010	1,266,010	1,242,970	1,104,037	0	0	
<b>Total</b>	<b>23,070,920</b>	<b>23,411,090</b>	<b>23,166,890</b>	<b>15,287,145</b>	<b>(356,600)</b>	<b>(91,100)</b>	

## Income

## General Fund

Planning Fees and other income	(1,005,700)	(1,005,700)	(1,005,700)	(833,787)	0	(101,000)	Additional Income re Major Developments.
Planning Grants	(295,500)	(295,500)	(266,900)	(266,937)	28,600	0	
Building Control Income	(476,250)	(476,250)	(476,250)	(388,055)	0	(34,000)	Income higher than expected.
Land Charges Income	(496,620)	(496,620)	(496,620)	(394,339)	0	(34,400)	Income higher than expected.
Refuse Collection	(456,650)	(456,650)	(456,650)	(327,441)	0	0	
Recycling Credits	(321,290)	(321,290)	(321,290)	(172,917)	0	0	
Other	(1,493,820)	(1,493,820)	(1,566,020)	(665,915)	0	77,000	Milton Country Park Income Shortfall £35,000 and Pest Control Income not realised £42,000.

## Total

Total	(4,545,830)	(4,545,830)	(4,589,430)	(3,049,391)	28,600	(92,400)	
Interest on Balances	(1,250,000)	(1,250,000)	(1,800,000)	(1,567,148)	(550,000)	(100,000)	Higher rates have been achieved earlier than was expected.

## Total

Total	17,275,090	17,615,260	16,777,460	10,670,606	(878,000)	(283,500)	
Less Departmental/Overheads recharged to HRA & Capital	(3,340,400)	(3,334,530)	(3,074,490)	0	31,400	2,300	
<b>General Fund Total</b>	<b>13,934,690</b>	<b>14,280,730</b>	<b>13,702,970</b>	<b>10,670,606</b>	<b>(846,600)</b>	<b>(281,200)</b>	
Savings previously reported included in MTFS	0	(837,800)	0	0	837,800	0	
<b>Amended General Fund Total</b>	<b>13,934,690</b>	<b>13,442,930</b>	<b>13,702,970</b>	<b>10,670,606</b>	<b>(8,800)</b>	<b>(281,200)</b>	

	Original Budget 2006/07	Amended Original Budget 2006/07	Working Budget 2006/07	Payments/ Receipts to 31st December as at 05/01/07	Projected (Under)/Over Spend Compared to Original Estimate	Projected (Under)/Over Spend Compared to Working Estimate
	£	£	£	£	£	£
<b>Housing Revenue Account</b>						
Housing Repairs - Revenue	2,734,800	2,718,800	2,718,800	961,239	14,000	53,500
	(329,000)	(331,430)	(331,430)	(27,295)	(14,000)	(53,500)
Direct Labour Organisation (net less recharges)						Expenditure on Change of Tenancies more than anticipated but is offset by DLO predicted underspend below.
Sheltered Housing	841,190	841,190	841,190	469,511	0	(350,000)
Other (including Rent Income)	(5,508,370)	(5,450,070)	(5,450,070)	(2,716,884)	0	(404,000)
Recharged Departmental & Overhead Accounts	2,666,080	2,660,210	2,448,520	0	(23,300)	Contribution to National Pool £300,000 less than originally estimated
	404,700	438,700	227,010	(1,313,429)	(23,300)	(213,600)
Housing Revenue Account Total						(967,600)
<b>Capital</b>						
<b>Capital Expenditure</b>						
<b>HRA Capital</b>						
Housing Repairs - Capital	6,417,000	6,417,000	6,417,000	3,733,178	0	0
Acquisition of Existing Dwellings	3,000,000	3,000,000	3,000,000	2,701,745	0	0
Other	523,000	424,500	424,500	34,342	0	0
<b>GF Capital</b>						
ICT Development	603,750	980,750	980,750	272,166	0	(144,900)
Improvement Grants	700,000	820,000	820,000	616,259	0	100,000
Other	1,115,360	1,438,580	1,438,580	908,948	0	Additional Expenditure to be funded from increased house sales.
<b>Capital Receipts</b>						
Sale of Assets (net of transfer to DCLG pool)	(2,056,250)	(2,056,250)	(2,056,250)	(2,122,862)	0	(100,000)
<b>Recharged Departmental &amp; Overhead Accounts</b>						
	674,320	674,320	625,970	0	(8,100)	House Sales Greater than anticipated.
Capital Total	10,977,180	11,698,900	11,650,550	6,143,776	(8,100)	(193,700)

Notes:

1. This excludes sheltered housing and manual workers in the Housing and Environmental Services Department and capital charges which are reversed out in the General Fund summary.
2. This includes office accommodation at Cambourne and the depot at Landbeach but it excludes capital charges, which are reversed out in the General Fund summary and departmental recharges as the cost is already included in Departmental Accounts. It also includes Central Expenses and Central Support Services.
3. General Fund gross expenditure on services excluding recharges, capital charges and capital financing.

Analysis of Departmental Over/Underspending as at 31st December 2006

Departmental Accounts	Cost Centre Manager	Over/ (Under) Spend	Over/ (Under) Spend	Action taken/ to be taken	Over/ (Under) Spend after Action taken
		£	£		£
<b>Salaries &amp; Other Staff Related Costs</b>					
<b>Chief Executive</b>					
Chief Executive	G Harlock	3,900			3,900
Revenues & Benefits	L Phanco	(150)			(150)
Secretarial	J Garnham	(2,100)			(2,100)
ICT / Street Naming & Numbering	S Rayment	350			350
Library	S Rayment	0			0
Other		(600)			(600)
<b>Chief Executive's Total</b>			1,400		1,400
<b>Executive Director</b>					
Housing Management Services (Recharged mainly to HRA/Capital)	P Gardner	(3,200)			(3,200)
Housing Property Services (Recharged mainly to HRA/Capital)	S Annetts	300			300
Housing Strategic Services	D Lewis	(2,800)			(2,800)
Development Control	G Jones	(4,500)			(4,500)
Planning Policy	K Miles	(3,200)			(3,200)
Conservation	N Grimshaw	700			700
Community Development	P Pope	(3,400)			(3,400)
Community Services	S McIntosh	(4,500)			(4,500)
Other		100			100
<b>Executive Director Total</b>			(20,500)		(20,500)
<b>Total Underspending</b>			<b>(19,100)</b>		<b>(19,100)</b>

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## Appendix C

## Monitoring of Prudential Indicators

Estimate  
2006/07Projected  
Estimate  
2006/07

## Prudential Indicators for Affordability

- the negative figures indicate that the Authority is an investor rather than a borrower

Estimate of the ratio of financing costs to net revenue stream

General Fund (10%) (10%)

Housing Revenue Account (0%) (0%)

Estimate of the incremental impact of capital investment decisions

£ p £ p

For a Band D Council Tax (General Fund) N/A N/A

For the average weekly housing rent (Housing Revenue Account) N/A N/A

## Prudential Indicators for Prudence

Net borrowing should not be greater than the capital financing requirement  
except in the short term, i.e. no borrowing to finance revenue expenditure

Not applicable to debt free authorities

## Prudential Indicators for Capital Expenditure, External Debt and Treasury Management

Estimate  
2006/07Predicted  
Expenditure  
2006/07

## Estimate of capital expenditure

£ million

£ million

General Fund 2.419 3.146

Housing Revenue Account 10.459 10.360

Total 12.878 13.506

## Estimate of capital financing requirement

£ million

£ million

General Fund (5.694) (5.694)

Housing Revenue Account 0.000 0.000

Total (5.694) (5.694)

## External Debt

Any debt will be short term borrowing to meet unexpected cash flow requirements and will be of less than 12  
months so that debt free status is not affected

Authorised limit

£ million

£ million

Borrowing 7.5 7.5

Other Long Term Liabilities 0.0 0.0

Total 7.5 7.5

Operational limit

£ million

£ million

Borrowing 0.0 0.0

Other Long Term Liabilities 0.0 0.0

Total 0.0 0.0

## Treasury Management

Has the Authority adopted the CIPFA Code of Practice for Treasury  
Management in the Public Services?

Yes

Yes

Interest rate exposures - upper limit on gross investments

Fixed rate 100% 100%

Variable rate 20% 20%

Maturity structure of borrowing

Upper  
limitLower  
limitUpper  
limitLower  
limit

under 12 months 100% 0% 100% 0%

12 months and within 24 months Not set as the

24 months and within 5 years Authority intends

5 years and within 10 years to remain debt

10 years and above free free

Investments

Limit  
£ millionAs at 31 st December 2006  
£ million

Principal sums maturing in

Less than one year 7.5 Minimum 37.5

1-2 years 6.0 } 4.0

2-3 years 5.0 } Maximum 2.0

3-4 years 4.0 } 1.0

4-5 years 4.0 } 1.0

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