



SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

COUNCIL MEETING
THURSDAY, 26 FEBRUARY 2015

AGENDA AND REPORTS

South Cambridgeshire Hall
Cambourne Business Park
Cambourne, Cambridge
CB23 6EA

OUR LONG-TERM VISION

South Cambridgeshire will continue to be the best place to live, work and study in the country. Our district will demonstrate impressive and sustainable economic growth. Our residents will have a superb quality of life in an exceptionally beautiful, rural and green environment.

OUR VALUES

We will demonstrate our corporate values in all our actions. These are:

- Working Together
- Integrity
- Dynamism
- Innovation

EXCLUSION OF PRESS AND PUBLIC

The law allows Councils to consider a limited range of issues in private session without members of the Press and public being present. Typically, such issues relate to personal details, financial and business affairs, legal privilege and so on. In every case, the public interest in excluding the Press and Public from the meeting room must outweigh the public interest in having the information disclosed to them. The following statement will be proposed, seconded and voted upon.

"I propose that the Press and public be excluded from the meeting during the consideration of the following item number(s) in accordance with Section 100(A) (4) of the Local Government Act 1972 on the grounds that, if present, there would be disclosure to them of exempt information as defined in paragraph(s) of Part 1 of Schedule 12A of the Act (as amended)."

If exempt (confidential) information has been provided as part of the agenda, the Press and public will not be able to view it. There will be an explanation on the website however as to why the information is exempt.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

TO: The Chairman and Members of the
South Cambridgeshire District Council

NOTICE IS HEREBY GIVEN that the next meeting of the **COUNCIL** will be held in the **COUNCIL CHAMBER, FIRST FLOOR** at **2.00 P.M.** on

THURSDAY, 26 FEBRUARY 2015

and I am, therefore to summon you to attend accordingly for the transaction of the business specified below.

DATED 18 February 2015

JEAN HUNTER
Chief Executive

The Council is committed to improving, for all members of the community, access to its agendas and minutes. We try to take all circumstances into account but, if you have any specific needs, please let us know, and we will do what we can to help you.

AGENDA

- 1. APOLOGIES**
To receive any apologies for absence.
- 2. DECLARATIONS OF INTEREST**
To receive any declarations of interest.
- 3. REGISTER OF INTERESTS**
Members are requested to inform Democratic Services of any changes in their Register of Members' Financial and Other Interests form.
- 4. MINUTES**
To authorise the Chairman to sign the Minutes of the meeting held on 29 January 2015 as a correct record.

(Pages 1 - 12)
- 5. ANNOUNCEMENTS**
To receive any announcements from the Chairman, Leader, the Executive or the Head of Paid Service.
- 6. QUESTIONS FROM THE PUBLIC**
To note that no questions from the public have been received.
- 7. PETITIONS**
To note that no petitions for consideration by Full Council have been received since the last meeting.

8. TO CONSIDER THE FOLLOWING RECOMMENDATIONS:

- 8 (a) Corporate Plan Priorities 2015-2020 (Cabinet, 12 February 2015) (Key)**
Cabinet **RECOMMENDED** to Council that the Corporate Plan setting out the Council's vision, objectives and actions for 2015-2020, and incorporating key performance measures under each aim, be approved as set out at Appendix 1 of the report.

(Pages 13 - 18)

- 8 (b) Medium Term Financial Strategy (General Fund Budget 2015/16 including Council Tax Setting), Housing Revenue Account (including Housing Rents), Capital Programme 2015/16-2019/20 and Treasury Management Strategy (Revised 2014/15 and 2015/16)**

Cabinet **RECOMMENDED** to Council:

- (a) Approval of the Capital Programme and the associated funding up to the year ending 31 March 2020 as set out in Appendix A1 of the report.
- (b) Approval of the revenue estimates for 2015-16 in the General Fund summary as set out in Appendix B1 of the report.
- (c) Approval of the precautionary items for the General Fund, as set out in Appendix B2 of the report.
- (d) Approval of the Medium Term Financial Strategy for the General Fund, as set out in Appendix B3(A) of the report, based on the assumptions contained within the report.
- (e) Approval of the fees and charges proposed for 2015-16 as set out in Appendix B4 , including those relating to the planning pre-application service.
- (f) That the Executive Management Team be instructed to identify additional income or savings of £670,000 from 2015-16.
- (g) That the Council Tax requirement for 2015-16 is £7,478,550.
- (h) That the Council sets the amount of Council Tax for each of the relevant categories of dwelling in accordance with Section 30(2) of the Local Government Finance Act 1992 on the basis of a District Council Tax for general expenses on a Band D property of £125.31 plus the relevant amounts required by the precepts of Parish Councils, Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and the Cambridgeshire Fire Authority, details of those precepts and their effect to be circulated with the formal resolution required at the Council meeting.
- (i) Approval of the Housing Revenue Account estimates and the rent increase for the financial year ending 31 March 2016, as set out in Appendices C and C1 of the report, with the rent increase being in accordance with rent restructuring guidance from the Department for Communities and Local Government.

- (j) Approval of the service and other charges for housing services for the financial year ending 31 March 2016 as set out in Appendix C2 of the report.
- (k) Approval of the Housing Revenue Account business plan summary for the next 30 years to 31 March 2045 as set out in Appendix C3 of the report.
- (l) Approval of the Borrowing and Investment Strategy for the year to 31 March 2016 as set out in Appendix D1 of the report.
- (m) Approval of the prudential indicators required by the Prudential Code for Capital Finance in Local Authorities for the year to 31 March 2016 as set out in Appendix D2 of the report.
- (n) That the Executive Director (Corporate Services) be given delegated authority to issue the final version of the Estimates Book, incorporating the amendments required from the Council's decisions.

Further to recommendation (g) above, Council is **RECOMMENDED** to agree the statutory resolution in respect of the Council Tax for 2015/16, attached at Appendix 1.

Council is **RECOMMENDED** to commit a proportion of New Homes Bonus receipts in each year to the Greater Cambridge City Deal, amounting to 40% in 2015/16 and 50% from 2016-17 onwards as set out in Appendix B5 of the report. This is further to the resolution of the Greater Cambridge City Deal Executive Board at its meeting on 28 January 2015, as follows:

“The Greater Cambridge City Deal Executive Board agreed that the three local authorities be requested to make initial budgetary provisions within their respective Medium Term Financial Strategies in line with the contents of the report, subject to the on-going availability of New Homes Bonus to the levels set out in the report.”

The report considered by the Greater Cambridge City Deal Executive Board on 28 January 2015 can be viewed via the following link:

<http://scams.moderngov.co.uk/documents/s78839/Resource%20Pooling.pdf>

NOTES AND SUPPORTING INFORMATION IN RESPECT OF SETTING THE COUNCIL TAX AND BUDGET FOR 2014/15:

- (1) *Members should be aware of the provisions of the Local Government Finance Act 1992 which states that any Member who at the time of a Council meeting considering matters relating to the Council's finances is two months or more in arrears with their Council Tax, or any payment or instalment of it, must disclose that fact at the meeting and not vote on the subject. Failure to do so is a criminal offence. If you think this might apply to you, please contact the Chief Executive urgently.*

- (2) *The book of draft Revenue Estimates for the year ending 31 March 2016 and Capital Estimates to the year ending 31 March 2020 are available to view on the Council's website via the following link: <http://scamb.moderngov.co.uk/documents/s79118/Estimates%20Book%202015-16.pdf>*
Hard copies are available from Democratic Services if requested no later than 48 hours before the Council meeting via telephone (01954) 713030 or email democratic.services@scamb.gov.uk.
- (3) *Members are reminded that all votes on motions or amendments relating to the Council's budget or the setting of Council Tax will be recorded votes, in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 and Council Standing Order 16.6.*

(Pages 19 - 86)

8 (c) Swavesey Byeways Rate 2015/16

The Swavesey Byeways Advisory Committee **RECOMMENDED** to Council:

- (a) That it maintained the current level of byeway maintenance for the period 2015/16.
- (b) That it levy a rate at £1 to fund the required maintenance for the period 2015/16.

(Pages 87 - 98)

9. QUESTIONS ON JOINT MEETINGS

To receive any questions on joint meetings.

10. QUESTIONS ON THE GREATER CAMBRIDGE CITY DEAL

To receive any questions on the Greater Cambridge City Deal.

11. QUESTIONS FROM COUNCILLORS

11 (a) From Councillor Bridget Smith

"How many households require assisted bin collections and how many incidents have there been of assisted bin collections being missed since the new contracts were implemented?"

11 (b) From Councillor Aidan Van de Weyer

"As we are now seeing the larger applications for speculative developments in the wake of the Waterbeach appeals come through to the Planning Committee, what attempts has the Council been making to ensure that the impact of the policy void in so many areas, most notably transport, healthcare and education, can be mitigated?"

11 (c) From Councillor Tim Scott

"Will the Leader confirm the current situation with regard to homelessness in South Cambridgeshire?"

11 (d) From Councillor Ben Shelton

"Will the leader confirm that this Council is doing all it can to help young people with regard to employment opportunities in the District, especially with apprenticeships?"

11 (e) From Councillor Hazel Smith

"I am pleased that the senior members responsible for Planning have written to support the Judicial Review into Eric Pickles' decision to remove S106 requirements on developments of fewer than 10 houses. Please could the Leader or Planning portfolio holder explain where we are with this challenge and how it is affecting planning decisions. How many affordable houses which we expected to get on smaller sites this year will have been lost?"

11 (f) From Councillor Jonathan Chatfield

"Given the proven benefits of cycling for both personal health and the environment, what is being done to promote rural cycling between the villages of South Cambridgeshire?"

12. NOTICES OF MOTION

To note that no Notices of Motion have been received.

13. CHAIRMAN'S ENGAGEMENTS

To note engagements attended by the Chairman or Vice-Chairman since the last meeting:

Date	Event	Attended by
29 January 2015	The Cambridge Roar 2015, Cambridge Quay Mill Hotel	Chairman
2 February 2015	LGBT flag raising, South Cambridgeshire Hall	Chairman
11 February 2015	Ground breaking ceremony, Cambridge Research Park, Waterbeach	Chairman
11 February 2015	Mayor of Cambridge charity fashion show, the Guildhall, Cambridge	Vice-Chairman
12 February 2015	Re-launch of the Railway Vue public house, Impington	Chairman
16 February 2015	High Sheriff of Cambridgeshire awards ceremony, Cottenham Village College	Chairman

GUIDANCE NOTES FOR VISITORS TO SOUTH CAMBRIDGESHIRE HALL

Notes to help those people visiting the South Cambridgeshire District Council offices

While we try to make sure that you stay safe when visiting South Cambridgeshire Hall, you also have a responsibility for your own safety, and that of others.

Security

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Emergency and Evacuation

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- **Do not** use the lifts to leave the building. If you are unable to use stairs by yourself, the emergency staircase landings have fire refuge areas, which give protection for a minimum of 1.5 hours. Press the alarm button and wait for help from Council fire wardens or the fire brigade.
- **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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Toilets

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Recording of Business and Use of Mobile Phones

We are open and transparent about how we make decisions. We allow recording, filming and photography at Council, Cabinet and other meetings, which members of the public can attend, so long as proceedings at the meeting are not disrupted. We also allow the use of social media during meetings to bring Council issues to the attention of a wider audience. To minimise disturbance to others attending the meeting, please switch your phone or other mobile device to silent / vibrate mode.

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Disturbance by Public

If a member of the public interrupts proceedings at a meeting, 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. The meeting will be suspended until order has been restored.

Smoking

Since 1 July 2008, South Cambridgeshire District Council has operated a Smoke Free Policy. No one is allowed to smoke at any time within the Council offices, or in the car park or other grounds forming part of those offices.

Food and Drink

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Agenda Item 4

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Council held on
Thursday, 29 January 2015 at 2.00 p.m.

PRESENT: Councillor David Bard – Chairman

Councillors: Val Barrett, Henry Batchelor, Anna Bradnam, Francis Burkitt, Brian Burling, Nigel Cathcart, Jonathan Chatfield, Pippa Corney, Kevin Cuffley, Neil Davies, Simon Edwards, Roger Hall, Lynda Harford, Philippa Hart, Tumi Hawkins, Roger Hickford, James Hockney, Caroline Hunt, Sebastian Kindersley, Douglas de Lacey, Mervyn Loynes, Ray Manning, Mick Martin, Raymond Matthews, David McCraith, Charles Nightingale, Tony Orgee, Alex Riley, Deborah Roberts, Neil Scarr, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Jim Stewart, Edd Stonham, Peter Topping, Robert Turner, Bunty Waters, Aidan Van de Weyer, David Whiteman-Downes, John Williams, Tim Wotherspoon and Nick Wright

Officers:	Alex Colyer	Executive Director, Corporate Services
	Jean Hunter	Chief Executive
	Fiona McMillan	Legal & Democratic Services Manager and Monitoring Officer
	Graham Watts	Democratic Services Team Leader

1. APOLOGIES

Apologies for absence were received from Councillors Richard Barrett, Tom Bygott, Alison Elcox, Sue Ellington, Andrew Fraser, Jose Hales, Mark Howell, Peter Johnson, Janet Lockwood, David Morgan and Cicely Murfitt.

2. DECLARATIONS OF INTEREST

No declarations of interest were made at this stage of proceedings.

3. REGISTER OF INTERESTS

The Chairman reminded Members that they needed to update their register of interests whenever their circumstances changed.

4. MINUTES

The minutes of the previous meeting held on 27 November 2014 were confirmed and signed by the Chairman as a correct record.

5. ANNOUNCEMENTS

Councillor Ray Manning, Leader of the Council, outlined his intention to include a standing item at future meetings of Full Council to enable Members to ask questions regarding the Greater Cambridge City Deal. He welcomed any such questions at this meeting being raised under agenda item 11 'questions on joint meetings'.

6. QUESTIONS FROM THE PUBLIC

No questions from the public had been received.

7. PETITIONS

No petitions for consideration by Full Council since the previous meeting had been received.

8. TO CONSIDER THE FOLLOWING RECOMMENDATIONS:**8 (a) Localised Council Tax Support Scheme (Finance and Staffing Portfolio Holder, 15 July 2014)**

Council considered a report which reviewed the operation of the 2013/14 and 2014/15 Localised Council Tax Support Schemes and set out options for the 2015/16 Scheme.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, presented the report and proposed that Council approved the Localised Council Tax Support Scheme for 2015/16 as set out in the report.

The proposal was seconded by Councillor Lynda Harford and Council unanimously **APPROVED** the Localised Council Tax Support Scheme for 2015/16.

8 (b) Recorded Votes (Civic Affairs Committee, 15 January 2015)

The Civic Affairs Committee had considered the motion referred to it at the previous meeting of Full Council regarding a proposal to introduce recorded votes for all votes taken at meetings of Full Council, except for decisions on appointments or decisions taken by affirmation, and had recommended to Council that the motion be lost.

The Chairman asked for a vote on the recommendation of the Civic Affairs Committee, clarifying that a vote in favour of the recommendation meant voting against the introduction of recorded votes. With 31 votes in favour and 13 against the recommendation of the Civic Affairs Committee was supported and the original motion was **LOST**.

Enough Members as prescribed in the Council's Standing Orders requested a recorded vote. Votes were therefore cast as follows:

In favour

Councillors David Bard, Val Barrett, Francis Burkitt, Brian Burling, Nigel Cathcart, Pippa Corney, Kevin Cuffley, Neil Davies, Simon Edwards, Roger Hall, Lynda Harford, Roger Hickford, James Hockney, Caroline Hunt, Ray Manning, Mick Martin, Raymond Matthews, David McCraith, Charles Nightingale, Tony Orgee, Alex Riley, Deborah Roberts, Neil Scarr, Tim Scott, Ben Shelton, Edd Stonham, Peter Topping, Robert Turner, Bunty Waters, Tim Wotherspoon and Nick Wright.

Against

Councillors Henry Batchelor, Anna Bradnam, Jonathan Chatfield, Philippa Hart, Tumi Hawkins, Sebastian Kindersley, Douglas de Lacey, Bridget Smith, Hazel Smith, Jim Stewart, Aidan Van De Weyer, David Whiteman-Downes and John Williams.

(NOTE – Councillor Mervyn Loynes was not in attendance for the consideration of this item).

8 (c) Petitions Scheme (Civic Affairs Committee, 15 January 2015)

The Civic Affairs Committee considered a revised version of the Council's Petitions Scheme and recommended its approval. Councillor David Bard, Chairman of the Civic Affairs Committee, therefore proposed that the revised Petitions Scheme be approved.

Councillor Kevin Cuffley, Vice-Chairman of the Civic Affairs Committee, seconded the proposal and Council unanimously **APPROVED** the revised Petitions Scheme.

8 (d) Annual Pay Policy Statement 2015/16 (Employment Committee, 29 January 2015)

(NOTE – the Chief Executive and Executive Director, Corporate Services, left the meeting during consideration of this item).

Councillor Alex Riley reported that the Employment Committee had unanimously recommended the Pay Policy Statement to Full Council for approval, so he proposed that the Statement for 2015/16 be approved.

Councillor Francis Burkitt seconded the proposition.

Councillor John Williams acknowledged that the Statement 'had regard' to the Living Wage, but reflected on other Councils that had made more of a commitment to conform to the Living Wage as part of their Pay Policy Statements. He therefore moved an amendment to the last section of paragraph 3.1, replacing the words 'also have regard' with the word 'conform' so that it read:

"The Council will conform to the Living Wage when it agrees annual pay awards for its staff".

Councillor Chatfield seconded the amendment.

In debating the amendment, the following points were made by Members:

- South Cambridgeshire was an expensive place to live, but the amendment would not make a great deal of difference;
- the words 'having regard' actually meant you could pay more than the Living Wage, whereas the word 'conform' did not provide that flexibility;
- South Cambridgeshire District Council did not have national salary scales and had its own independent salary scales for its employees. The Council should have the freedom to continue to set its own scales;
- the Council was becoming out of line with neighbouring authorities with regard to the Living Wage and should be setting an example to other employers in the area;
- it was too much of a risk to commit to aligning the Council's salary scales with the Living Wage. If it did and the Living Wage rate increased the Council would be required to pay it without identifying where the money would come from to fund any such increase;
- the setting of the Living Wage rate was completely unregulated;
- it was more important to provide employees with opportunities to work hard, develop, progress and ultimately earn more, which was what the Organisational Development Strategy aspired to accomplish;
- if the Living Wage increased then the Council could reconsider that aspect of the Pay Policy Statement;

- the Pay Policy Statement already demonstrated a commitment to pay the Living Wage, so the amendment was unnecessary.

Voting on the amendment, with 10 votes in favour, 31 against, 2 abstentions and 1 not voting, the amendment was lost.

Enough Members as prescribed in the Council's Standing Orders requested a recorded vote. Votes were therefore cast as follows:

In favour

Councillors Henry Batchelor, Anna Bradnam, Nigel Cathcart, Jonathan Chatfield, Tumi Hawkins, Douglas de Lacey, Bridget Smith, Hazel Smith, Aidan Van de Weyer and John Williams.

Against

Councillors David Bard, Val Barrett, Francis Burkitt, Brian Burling, Kevin Cuffley, Neil Davies, Simon Edwards, Roger Hall, Lynda Harford, Roger Hickford, James Hockney, Caroline Hunt, Mervyn Loynes, Ray Manning, Mick Martin, Raymond Matthews, David McCraith, Charles Nightingale, Tony Orgee, Alex Riley, Deborah Roberts, Neil Scarr, Tim Scott, Ben Shelton, Edd Stonham, Peter Topping, Robert Turner, Bunty Waters, David Whiteman-Downes, Tim Wotherspoon and Nick Wright.

Absention

Councillors Philippa Hart and Jim Stewart.

Not voting

Councillor Pippa Corney.

(NOTE – Councillor Sebastian Kindersley was not in attendance for the consideration of this item).

Councillor Douglas de Lacey moved an amendment to remove the words “employees within the scope of this policy” where referenced throughout the document and replace them with the word “employees”.

It was noted that this would require a comprehensive review of the document as certain paragraphs, such as paragraph 1.1, would no longer make sense. The Legal and Democratic Services Manager also reported that the Localism Act 2011 stated to whom the policy specifically related to.

For those reasons, the Chairman ruled the amendment out of order.

Voting on the original motion, with 38 votes in favour, 1 against, 4 abstentions and 1 not voting, Council **APPROVED** the Annual Pay Policy Statement 2015/16.

Enough Members as prescribed in the Council's Standing Orders requested a recorded vote. Votes were therefore cast as follows:

In favour

Councillors David Bard, Val Barrett, Henry Batchelor, Francis Burkitt, Brian Burling, Nigel Cathcart, Jonathan Chatfield, Kevin Cuffley, Neil Davies, Simon Edwards, Roger Hall, Lynda Harford, Philippa Hart, Roger Hickford, James Hockney, Caroline Hunt, Mervyn Loynes, Ray Manning, Mick Martin, Raymond Matthews, David McCraith, Charles Nightingale, Tony Orgee, Alex Riley, Deborah Roberts, Neil Scarr, Tim Scott, Ben Shelton, Jim Stewart, Edd Stonham, Peter Topping, Robert Turner, Bunty Waters, Aiden Van de Weyer, David Whiteman-Downes, John Williams, Tim Wotherspoon and Nick Wright.

Against

Councillor Douglas de Lacey.

Abstention

Councillors Anna Bradnam, Tumi Hawkins, Bridget Smith and Hazel Smith.

Not voting

Councillor Pippa Corney.

(NOTE – Councillor Sebastian Kindersley was not in attendance for the consideration of this item).

9. NORTHSTOWE JOINT DEVELOPMENT CONTROL COMMITTEE MEMBERSHIP

Council considered proposed amendments to the Independent Group's membership on the Northstowe Joint Development Control Committee.

Council unanimously **APPROVED** the following changes to the Independent Group's membership on the Northstowe Joint Development Control Committee:

Councillor Douglas de Lacey to be appointed as Member of the Committee in place of Councillor Edd Stonham.

Councillor Edd Stonham to be appointed as a substitute on the Committee in place of Councillor Douglas de Lacey and be the first named substitute.

Councillor Neil Davies to retain his position as a substitute on the Committee and be the second named substitute.

10. MOTION TO RESCIND A PREVIOUS DECISION

Councillor Ray Manning, Leader of the Council, proposed the following motion with regard to the rescinding of a decision made at the previous meeting of Full Council in respect of the governance arrangements for the Greater Cambridge City Deal:

"That the decision to include the words 'subject to the deletion of the words 'at the discretion of the Chairman' at paragraph 11 of the Standing Orders set out in Annex A' in resolution (a) of the item on the Greater Cambridge City Deal Governance Arrangements be rescinded."

In moving the motion, Councillor Manning explained that Cambridgeshire County Council and Cambridge City Council had both approved a version of the Terms of Reference for the City Deal Executive Board which retained the words that this Council had agreed to remove at its previous meeting. He sought to align this Council's decision with that of the other two Councils by rescinding that aspect of the original decision so that the same governance arrangements were agreed by the three City Deal partner Councils.

A motion to rescind a previous decision of the Council required the signatures of twelve Members. Councillors Francis Burkitt, Simon Edwards, Roger Hickford, James Hockney, Mark Howell, Ray Manning, Mick Martin, David McCraith, Ben Shelton, David Whiteman-Downes, Tim Wotherspoon and Nick Wright were noted as being the twelve signatories.

Councillor Roger Hickford seconded the motion.

Discussion ensued and, in speaking against the motion, the following points were made:

- it was disappointing to receive this motion to rescind a decision that had been made so recently;
- this Council had democratically made a decision regarding this matter and to rescind that decision would be wrong;
- the motion showed a lack of leadership. The Leader should have made the case to the other two Councils to amend their decisions in respect of the governance arrangements for the City Deal;
- nothing had changed since the original decision was taken at the last meeting, so the motion should be voted down.

The following points were noted by those Members speaking in favour of the motion:

- it was disappointing that the amendment regarding the removal of the words 'at the discretion of the Chairman' regarding the public speaking protocol for the Executive Board was accepted as part of the original decision. The use of this wording was standard practice, and featured in the Standing Orders for this Council for example;
- the removal of the words 'at the discretion of the Chairman' did not change anything as further sections in the protocol still provided the Chairman with the ability to use his or her discretion;
- supporting the motion would bring this Council in line with the other two Councils, who had democratically voted in favour of the original Terms of Reference for the Executive Board. It was only right, therefore, for this Council to agree to the same set of documents when the removal of the words 'at the discretion of the Chairman' from the public speaking protocol did not necessarily change anything.

Voting on the motion, with 29 votes in favour, 13 against and 2 abstentions, Council **AGREED** the following motion:

"That the decision to include the words 'subject to the deletion of the words 'at the discretion of the Chairman' at paragraph 11 of the Standing Orders set out in Annex A' in resolution (a) of the item on the Greater Cambridge City Deal Governance Arrangements be rescinded."

Enough Members as prescribed by the Council's Standing Orders requested a recorded vote. Votes were therefore cast as follows:

In favour

Councillors David Bard, Val Barrett, Francis Burkitt, Brian Burling, Nigel Cathcart, Pippa Corney, Kevin Cuffley, Simon Edwards, Roger Hall, Lynda Harford, Roger Hickford, James Hockney, Caroline Hunt, Ray Manning, Mick Martin, Raymond Matthews, David McCraith, Charles Nightingale, Tony Orgee, Alex Riley, Tim Scott, Ben Shelton, Jim Stewart, Peter Topping, Robert Turner, Bunty Waters, David Whiteman-Downes, Tim Wotherspoon and Nick Wright.

Against

Councillors Henry Batchelor, Anna Bradnam, Jonathan Chatfield, Philippa Hart, Tumi Hawkins, Sebastian Kindersley, Douglas de Lacey, Deborah Roberts, Neil Scarr, Bridget Smith, Hazel Smith, Aidan Van de Weyer and John Williams.

Abstention

Councillors Neil Davies and Edd Stonham.

(NOTE – Councillor Mervyn Loynes was not in attendance for the consideration of this item).

11. QUESTIONS ON JOINT MEETINGS

Councillor Ray Manning, Leader of the Council, invited Members to ask questions regarding the Greater Cambridge City Deal.

Councillor Bridget Smith, as one of the Council's representatives on the City Deal Joint Assembly, reflected on what she felt was a poor meeting of the Executive Board in comparison to the significant debate that took place on priority infrastructure schemes at the meeting of the Joint Assembly on 12 January 2015. She felt that the schemes agreed for inclusion in the City Deal infrastructure programme for the first five years were very city-focussed and asked for the Leader's views, together with his views on cycle routes following a comment he made at the meeting of the Board questioning the value of cycle routes longer than two miles in length.

Councillor Manning said that his comments regarding cycle routes had been taken out of context. He acknowledged that people cycled for longer than two miles and explained that he was talking about increased Park and Ride facilities to include adequate cycling facilities, so that people would only need to cycle two miles to get into Cambridge rather than drive their private vehicles into the city.

Councillor John Williams referred to comments made by Councillor Tim Bick, Chairman of the City Deal Joint Assembly, in November 2014 who had expressed his concern that transport schemes would go ahead without adequate scrutiny. Councillor Williams suggested that this was exactly what was happening and asked the Leader for his views.

Councillor Manning explained that the Executive Board at its meeting on 28 January 2015 agreed a programme of priority infrastructure schemes, with each individual scheme now having further feasibility work undertaken to assess options and deliverability. The outcomes of this work would be reported back to the Joint Assembly and the Executive Board for further consideration.

Councillor Aidan Van de Weyer asked the Leader whether he was aware of the significant evidence available which outlined the benefits of cycle paths to aid congestion and enable journeys to be made more quickly and safely without coming into contact with other road users.

Councillor Manning was of the opinion that the only realistic way to solve the congestion problems in the centre of Cambridge was through providing Park and Ride facilities on the outskirts of the city, together with sufficient facilities for cyclists. He accepted that people wanted to cycle, but did not believe that the provision of long cycle ways would fundamentally change the way in which people travelled around the Greater Cambridge area and in and out of the city.

Councillor Manning added that the Greater Cambridge City Deal was constrained by the Government as schemes had to be identified that could be delivered in the first five years of the Deal, with evidence of their delivery being necessary in order to secure the next tranche of funding.

Councillor Francis Burkitt, as one of the Council's representatives on the City Deal Joint Assembly, asked the Leader whether he thought it was wrong to compare the deliberations of the Joint Assembly with those of the Executive Board, especially since most Members of the Board were in attendance at the meeting of the Assembly on 12 January 2015. He also asked the Leader whether he felt it was wrong to say that the schemes within the programme were city-focussed and that it was wrong to say that schemes had been given the go ahead, since they were only concepts at this stage that would be worked up into more detailed proposals for further consideration at a later stage.

Councillor Manning agreed with Councillor Burkitt's points and reiterated that the schemes put forward as priority schemes by the Executive Board at its meeting on 28 January 2015 would be worked up into much more detailed proposals, setting out options and more accurate information on anticipated deliverability and cost.

Councillor Sebastian Kindersley did not think that decisions made at the Executive Board should be based on opinion, but should be supported by evidence. He asked the Leader for evidence to support his claim made at the meeting of the Executive Board that most children in South Cambridgeshire came into Cambridge to be educated. Similarly, he asked the Leader for evidence to support his statement at the same meeting where he said that a third of the people living in Cambridge worked in South Cambridgeshire.

Councillor Manning responded by clarifying that, with regards to education, he was referring to higher education rather than education generally. He explained that he attempted at the meeting to put across the point that residents of South Cambridgeshire, or people working in or travelling through the district, had a vested interest in the City Deal, as well as a significant interest in improving Cambridge's congestion problems.

Councillor Roger Hickford, as one of the County Council's representatives on the Joint Assembly, did not think that the schemes were city-focussed and asked the Leader whether he felt they were.

Councillor Manning emphasised that the City Deal was a partnership and had attracted so much potential Government investment because of the way in which the District Council was working with Cambridge City Council, Cambridgeshire County Council, the Local Enterprise Partnership and University of Cambridge. He did not believe the schemes put forward by the Executive Board were city-focussed but acknowledged that the title 'City Deal' was perhaps slightly misleading.

Councillor Roger Hall asked what consideration had been given to those people who did not have their own private cars, but who could also not use a bicycle.

Councillor Manning reported that he and other Members of the Executive Board had recently met with senior representatives of Stagecoach, who were very keen to engage with the City Deal process and have an opportunity to provide an improved bus service across the Greater Cambridge area.

Councillor Ben Shelton, in his capacity as Chairman of the Partnerships Review Committee, informed the Leader that his Committee recently agreed to invite Members of the City Deal Executive Board to attend a future meeting and discuss the Greater Cambridge City Deal. He asked whether the Leader would be willing to take part in such a meeting.

Councillor Manning indicated that he would be willing to attend a meeting of the Partnerships Review Committee to discuss the City Deal.

Councillor Tony Orgee asked the Leader to confirm that the process followed ahead of the Executive Board's consideration of the City Deal prioritised infrastructure scheme programme commenced with an original list of schemes totalling £752 million and that a more appropriate list was recommended by the Joint Assembly which discounted approximately £400 million of schemes. He took this opportunity to emphasise that other funding sources were available for infrastructure schemes that could be embedded as part of the City Deal programme.

Councillor Manning confirmed that this was the process that had been followed in the lead up to the Executive Board meeting on 28 January 2015 and that the programme agreed by the Board at this stage totalled approximately £180 million.

Councillor Deborah Roberts was keen for money to be spent only on those schemes that would add value, and referred to a cycleway that had been introduced in her ward recently at a cost of £300,000 which she felt was hardly used. She was also of the opinion that Park and Ride facilities needed to be made more attractive, and that one way of generating more use would be to remove the parking charge.

Councillor Manning confirmed that individual proposals would be considered very closely, involving consultation with local Members and residents.

12. QUESTIONS FROM COUNCILLORS

12 (a) From Councillor Peter Topping

Councillor Peter Topping asked the following question:

“In planning the amenities for the future residents at Northstowe, is the advice and views of the Local Access Forum being taken into account in accordance with Section 95 of the Countryside Act 2000?”

I am a member of the Local Access Forum for Cambridgeshire.”

Councillor Tim Wotherspoon, Portfolio Holder for Strategic Planning and Transportation, responded by saying that the Cambridgeshire Local Access Forum had been quite proactive with regard to the proposed development at Northstowe. Officers from South Cambridgeshire District Council had been invited to attend the meeting of the Forum in August 2014 prior to the submission of the phase 2 planning application. A further

meeting between representatives of the Forum and Council officers had been held in October and the comprehensive views of the Local Access Forum were included in the report presented to and considered by the Northstowe Joint Development Control Committee on 28 January 2015, which included a number of recommendations.

Work was taking place to reconnect some severed links to public rights of way, as well as increase the number of circular routes in villages around the Northstowe area.

12 (b) From Councillor Kevin Cuffley

Councillor Kevin Cuffley asked the following question:

“Will the Leader confirm if this Council has received any complaints about the reduced waste and recycling collections over the Christmas period?”

Councillor Mick Martin, Portfolio Holder for Environmental Services, responded to the question and said that 97 complaints had been received regarding the service over the Christmas period. To put that into context, however, he reminded Members that the service currently covered 63,000 residents and over the two week period after restructuring collection rounds over 180,000 bins had been collected. The 97 complaints were in the process of being examined.

He added that no complaints had been received following changes to green bin collections, although further complaints had been received in response to the extremely heavy winds experienced in January. These complaints particularly related to paper waste whereby the caged vehicles used did not completely secure the waste and resulted in the creation of some litter. The Council’s refuse collection teams had attempted to resolve this as much as possible.

Councillor Martin also highlighted the need for the Council to make further efficiency savings and stated that the new joint working arrangement for waste collection with the City Council would deliver savings. He also reported that reductions in fuel costs had resulted in a saving in the service’s fuel bill of £90,000. In addition, it was noted that two senior officers left their positions in August and September and it had not been possible at this stage to appoint replacements. This had also resulted in savings of approximately £100,000.

Councillor Cuffley asked, as a supplementary question, what the impact had been on landfill as a result of the new arrangements for green bin collections.

Councillor Martin did not know at this stage and explained that data from 1 December through to the winter collection period, including Christmas, was in the process of being collated. This would be presented to Councillor Martin’s Portfolio Holder Meeting on 25 February 2015, and subsequently the Scrutiny and Overview Committee.

12 (c) From Councillor Ben Shelton

Councillor Ben Shelton asked the following question:

“Will the Leader clarify that if Article 4 is adopted by this Council then pubs that have already closed will qualify for this protection?”

Councillor Nick Wright, Portfolio Holder for Economic Development, answered the question by saying that pubs that had closed and had not already changed their use could, subject to the outcome of the public consultation currently being undertaken, be

included as part of an Article 4 direction should the Planning Committee decided on adoption of such a direction. The consultation opened at the beginning of the month and closed on 23 February 2015.

Councillor Shelton asked, as a supplementary question, whether pub owners or landlords would be eligible for the supporting businesses workshops facilitated by the Council.

Councillor Wright confirmed that pub owners and landlords would be eligible. He reported that the workshops had proved to be very successful and took this opportunity to ask Members to extend invitations to any representatives of local businesses in their wards to attend future workshops, the dates and subjects of which were noted as follows:

- 5 February 2015 – business planning;
- 18 March 2015 – finding new customers;
- 27 April 2015 – improving profit.

13. NOTICES OF MOTION

13 (a) Standing in the name of Councillor Robin Page

Councillor Robin Page was not in attendance to present his motion, which had been deferred for the last two meetings of Full Council.

This motion was **WITHDRAWN**.

13 (b) Standing in the name of Councillor James Hockney

Councillor James Hockney was extremely concerned about plans to close the Natwest branch in Histon and referred to other examples in South Cambridgeshire whereby branches had closed and communities had lost their banking facilities. He reflected on local businesses, the vulnerable and the elderly in particular who depended on local bank branches and moved the following motion:

"This Council has significant concerns about the proposed closure of Natwest Bank in Histon. This is due to the effect it will have on residents in the local area having to travel into Cambridge. Depriving one of the larger communities in the District and surrounding villages of a retail banking services is a regressive and unwelcome step. This motion requests that the Chairman of the Council writes to Natwest on these grounds."

Councillor Edd Stonham seconded the motion, supporting Councillor Hockney's comments, and stated that the branch at Histon was very regularly used.

Councillor Jonathan Chatfield reported that 543 people had already signed a petition against the closure of this branch and moved an amendment to include the following:

"This motion requests that the Portfolio Holder for Economic Development identifies all remaining banks in South Cambridgeshire villages and writes to them, inviting them to engage with the Council.

This motion further requests that the Chairman of the Council writes to Natwest urging them to postpone their decision and instead to engage with the local community to find a way to save the bank. The Chairman should also draw this matter to the attention of the Secretary of State for Business, Innovation and Skills who is in discussions with the main

retail banks about retaining local branches.”

The mover of the original motion accepted the amendment, which became the substantive motion.

Members spoke in support of the substantive motion, sharing Councillor Hockney's concerns.

Council unanimously **AGREED** the following motion:

“This Council has significant concerns about the proposed closure of Natwest Bank in Histon. This is due to the effect it will have on residents in the local area having to travel into Cambridge. Depriving one of the larger communities in the district and surrounding villages of a retail banking service is a regressive and unwelcome step. This motion requests that the Chairman of the Council writes to Natwest on these grounds.

This motion requests that the Portfolio Holder for Economic Development identifies all remaining banks in South Cambridgeshire villages and writes to them, inviting them to engage with the Council.

This motion further requests that the Chairman of the Council writes to Natwest urging them to postpone their decision and instead to engage with the local community to find a way to save the bank. The Chairman should also draw this matter to the attention of the Secretary of State for Business, Innovation and Skills who is in discussions with the main retail banks about retaining local branches.”

14. CHAIRMAN'S ENGAGEMENTS

Council noted those engagements attended by the Chairman and Vice-Chairman since the last meeting.

The Meeting ended at 4.20 p.m.

Agenda Item 8a

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Scrutiny and Overview Committee
Leader and Cabinet

10 February 2015
12 February 2015

AUTHOR/S: Executive Management Team

CORPORATE PLAN 2015 - 2020

Purpose

1. This report proposes changes to the Corporate Plan following consultation and requests a Cabinet recommendation to Council that the amended plan be approved.

Recommendation

2. That **Cabinet** recommend to Council that the Corporate Plan setting out the Council's vision, objectives and actions for 2015–2020, and incorporating Key Performance Measures under each aim, be approved as set out at **Appendix 1**, subject to consideration of any recommendations by the Scrutiny and Overview Committee.
3. This is a key decision as it involves the development of a revised policy framework containing actions which will affect customers throughout the district. It was first published in the October 2014 Forward Plan.

Background

4. The Corporate Plan attached at **Appendix 1** is the document that sets out the Council's vision and strategic objectives.
5. The Council's current Corporate Plan, agreed in February 2014 for 2014-2019, continued the 'Three As' approach based on:
 - Our Vision for the district;
 - Three Strategic Aims setting out how the Vision will be achieved, delivered through 12 key Objectives;
 - What we will do to achieve each objective, and what success will look like;
 - Key performance measures.
6. The Corporate Plan informed the subsequent agreement of annual service plans setting out service, team and individual objectives, aligned to the Vision and Corporate Aims. Progress against plan objectives is monitored through quarterly reports to senior management and Members.

Considerations

7. Cabinet, in November 2014, agreed a revised draft Corporate Plan for consultation, which proposed retaining the Council's Vision and strategic aims from the previous plan. The twelve objectives were subject to minor amendment, whilst the 'What we will do' and 'What success will look like' sections were updated to reflect the progress of ongoing major initiatives.

8. The Corporate Plan needs to be contemporary and continue to reflect the needs and aspirations of our communities, taking account of the local and national context of increasing demand on core services and diminishing central government funding.
9. Our objectives are intended to provide a strategic focus on the issues of greatest significance to the Council, residents and businesses in the district and key partners. They are arranged under the themes of Engagement, Partnerships and Wellbeing, and are summarised as follows:

Engagement

- Housing property company
- Efficiency, value for money and financial viability
- Support for new and existing businesses
- Facilitate and sustain successful, vibrant villages

Partnerships

- Council house building programme.
- Best use of Council assets and partnership working
- Explore a commercial, income-based approach to service delivery
- Working with waste partners to reduce costs, carbon impacts and waste sent to landfill.

Wellbeing

- Improving the health of our communities
 - Managing the impacts of the government's welfare reform programme
 - Successful and sustainable new communities with housing and employment
 - Increasing the range and supply of temporary accommodation
10. The draft Plan was developed using informal and formal feedback from residents, customers and Members together with an analysis of the district's demographic profile, the needs of the local community, performance trends and consideration of the opportunities and challenges presented by the external environment.
 11. The Corporate Plan does not exist in isolation. The Medium Term Financial Strategy (also subject to a recommendation to Council on this agenda), Strategic Risk Register (set out in the Position Report on this agenda), and People and Organisational Development Strategy (revised draft under development) also support the delivery of the Council's priorities and the allocation of resources. The significant financial constraints faced by the Council make it even more important that there is a priority-led approach to spending in order to make sure the Council focuses its resources in the right areas.

Consultation

12. The draft plan was available for comment between 1 December 2014 – 31 January 2015 on the council's website, intranet and in paper copy, publicised through press releases and an article in the Winter 2014 edition of the residents' magazine. Members of the Consultation Panel, Youth Council and Disability Forum were also contacted for their views.

13. The consultation draft was based on a robust evidence base which, in addition to the sources identified in paragraph 10 above, included major consultations on important issues for the district, most notably the South Cambridgeshire Local Plan (over 30,000 responses to the issues and draft plan consultations during 2012 and 2013). The Council's Vision and Aims have been in place for a number of years, during which time they have been subject to regular consultation and publicity and retained consistent themes of local importance.
14. Whilst many of the Corporate Plan proposals for 2015-2016 are expressed in general terms at this stage, the Council is committed to further engagement on subsequent service proposals with those who will be affected by them including, where appropriate, community-led approaches to service design and delivery.
15. Feedback received during the consultation was broadly supportive of the Council's identification of key objectives, with concerns raised around transport and housing endorsing the high priority given to these items within the draft plan. As such, it is recommended that the plan is adopted without substantial modification.
16. Concern was expressed about the clarity of objectives in terms of their deliverability and measurement. Actions and outcomes are expressed in necessarily general terms within a strategic document, but will be developed into realistic, achievable and measurable projects and actions as part of the service planning process. Delivery of key actions and performance against key indicators will be closely monitored via quarterly Position Reports to Scrutiny and Overview Committee, providing opportunities for the Council to be held publicly to account.

Options

17. Cabinet may recommend the Corporate Plan to Council as presented, or agree changes.

Implications

Financial

18. The priorities in the Corporate Plan are reflected in the Medium Term Financial Strategy 2015-2020 and Budget for 2015-16.

Legal and Staffing

19. There are no direct legal and staffing implications arising from this report and recommendations.

Risk Management

20. The risks in the Strategic Risk Register have been taken into account in developing the draft Corporate Plan. Without such a plan in place, the risk of failing to deliver for our stakeholders increases.

Equality and Diversity

21. The draft plan has been subject to an initial screen, as a precursor to updated and new impact assessments which will be required as part of the implementation of Council Actions during 2015-2016. By continuing to support more vulnerable sections of our community through initiatives such as Localised Council Tax Support and

Community Transport, it is anticipated that the plan will provide a number of positive equality impacts in pursuance of its Statutory Public Sector Equality Duty.

Climate Change

22. The plan contains specific commitments to take forward the Sustainable Parish Energy Partnership and community energy initiatives as part of the objective to sustain successful, vibrant villages. Subject to planning permission, the installation of solar panels on the Council's properties will significantly reduce carbon footprint and enhance its reputation as a community leader in addressing climate change.

Effect on Strategic Aims

23. The Corporate will enables effective delivery of the Council's Vision and strategic objectives.

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E-mail: jean.hunter@scambs.gov.uk

Background Papers:

Available from the Policy and Performance Team (01954 713366 e-mail policy.performance@scambs.gov.uk):

- (1) Strategic Risk Register
- (2) Equality Impact Assessment of the Corporate Plan: Screening Tool
- (3) People and Organisation Development Strategy
- (4) Consultation response summary

Our Long Term Vision

South Cambridgeshire will continue to be the best place to live, work and study in the country. Our district will demonstrate impressive and sustainable economic growth. Our residents will have a superb quality of life in an exceptionally beautiful, rural and green environment.



Corporate Plan 2015-2020

Corporate Plan 2015-2020												
We aim to	ENGAGEMENT Engage with residents, parishes and businesses to ensure we deliver first class services and value for money				PARTNERSHIPS Work with partners to create opportunities for employment, enterprise, education and world-leading innovation				WELLBEING Ensure that South Cambridgeshire continues to offer an outstanding quality of life for our residents			
Page 17 Objectives	(1) Develop the property company pilot scheme into full business plans to deliver a mix of high quality housing and generate income	(2) Improve efficiency and value for money within a viable financial strategy	(3) Make the district an even more attractive place to do business	(4) Work with tenants, parish councils and community groups to sustain successful, vibrant villages	(5) Build new council homes to provide affordable accommodation to meet the needs of local communities	(6) Ensure best use of Council assets and benefit from opportunities to achieve efficiencies from partnership working	(7) Move to a commercial approach to service delivery	(8) Work with RECAP waste partners to reduce costs, carbon impact and waste sent to landfill	(9) Work with GPs and partners to link health services and to improve the health of our communities	(10) Ensure the impacts of welfare reform are managed smoothly and effectively	(11) Establish successful and sustainable New Communities with housing and employment at Northstowe and the major growth sites, served by an improved A14 and A428	(12) Increase the range and supply of temporary accommodation to help minimise the use of bed & breakfast accommodation for homeless households
	Mark Howell (Housing)	Simon Edwards (Finance and Staffing) David Whiteman-Downes (Corporate and Customer Services)	Nick Wright (Economic Development) Mick Martin (Environmental Services)	Mick Martin (Liaison with Parishes) Ray Manning (Leader of the Council / Sustainability) Mark Howell (Housing)	Mark Howell (Housing)	Ray Manning (Leader of the Council) David Whiteman-Downes (Corporate and Customer Services)	Simon Edwards (Finance and Staffing) David Whiteman-Downes (Corporate and Customer Services)	Mick Martin (Environmental Services)	Mick Martin (Environmental Services) Nick Wright (Children and Young People) Tim Wotherspoon (Strategic Planning and Transportation)	Simon Edwards (Finance and Staffing)	Tim Wotherspoon (Strategic Planning and Transportation) Nick Wright (Economic Development)	Mark Howell (Housing)
	Stephen Hills Affordable Homes	Alex Colyer Corporate Services	Jo Mills Planning and New Communities	Mike Hill Health and Environmental Services	Stephen Hills Affordable Homes	Alex Colyer Corporate Services	Alex Colyer Corporate Services	Mike Hill Health and Environmental Services	Mike Hill Health and Environmental Services	Alex Colyer Corporate Services	Jo Mills Planning and New Communities	Stephen Hills Affordable Homes

What we will do to achieve these objectives

	Property Company	Efficiency and Value for Money	Business Support	Successful vibrant villages	New Council homes	Use of Assets	Commercial approach	Waste partnership	Improving health	Welfare Reform	New Communities	Temporary Accommodation
	<p>(1) Complete and evaluate pilot scheme</p> <p>Use lessons learnt to inform business plans for consultation and agreement</p>	<p>Implement recommendations and new ways of working arising from:</p> <ul style="list-style-type: none"> - Completed Business Improvement and Efficiency Programme (BIEP) projects - Digital by Default business change project. - Customer contact service improvement plan - Development Control Improvement Programme <p>Deliver Organisational and Member Development strategies</p> <p>Publish a financial strategy for 2016-2021</p>	<p>(3) Complete implementation of SCDC 'Working with Business' Plan across the Council.</p> <p>Implement a joint "Business Support Hub" with Cambridgeshire County Council and partners</p> <p>Continue targeted support for businesses in the rural economy.</p> <p>Develop action plan for the Northstowe Economic Strategy.</p> <p>Work with strategic partners to ensure effective collaboration on funding bids, allocations, and projects.</p>	<p>(4) Continue to engage and empower local communities through the:</p> <ul style="list-style-type: none"> - Sustainable Parish Energy Partnership and community energy initiatives - Community Assets Register - implementation of the SCDC Localism Plan, including locality "patch-based" working <p>Continue to work with tenants to improve estate inspections and promote the Tenants' Community Chest projects</p>	<p>(5) Develop refreshed Housing Strategy</p> <p>Deliver actions from the New Build Strategy 2015-16 and prepare updated Strategy for adoption in 2016</p> <p>Provide and refurbish Gypsy and Traveller sites</p>	<p>(6) Deliver City Deal in accordance with implementation programme.</p> <p>Implement, monitor and review shared ICT, Building Control and Legal Services.</p> <p>Review existing and explore new opportunities for shared services</p> <p>Agree accommodation strategy for South Cambs Hall</p>	<p>(7) Deliver Commercialisation Programme.</p> <p>Review current commercial activities and skills.</p> <p>Invest in further developing commercial skills.</p> <p>Implement the SCDC Trade Waste Business Plan and Strategy.</p>	<p>(8) Lead the implementation of a single, shared waste service with Cambridge City Council.</p> <p>Work with partners to ensure 65% or more of the waste we collect in your bins is diverted from landfill.</p>	<p>(9) Continue to deliver Community Transport initiatives</p> <p>Work with GPs and the Local Health Partnership to begin implementation of the SCDC Health and Wellbeing Plan</p> <p>Begin implementation of the SCDC Ageing Well and Children, Young People & Families plans.</p> <p>Investigate options for a tenure neutral service supporting older and vulnerable people within the district.</p>	<p>(10) Continuously monitor the impact of the government's welfare reform programme</p> <p>Implement Universal Credit and plan for the possible requirement to amend the Local Council Tax Support Scheme (LCTSS) for 2016/17</p>	<p>(11) Work with development partners to ensure delivery of major developments and A14, A428 and other transport improvements:</p> <ul style="list-style-type: none"> - Northstowe Phase 1 - Northstowe Phase 2 - Northstowe Delivery Vehicle - A14, A428 and other major transport upgrades - 'Wing' (Cambridge East) application - Cambourne, Darwin Green and other major sites delivery new homes and jobs. <p>Continue to progress the Local Plan through to adoption.</p>	<p>(12) Implement actions in Homelessness Strategy</p>
KPI	<p>General Fund budget variance / Contact Centre performance / Business satisfaction with regulation / Planning performance</p>				<p>Affordable Homes delivered / Satisfaction with waste services and environmental quality / % of household waste diverted from landfill</p>			<p>Housing rent collected / Benefits form processing days / Households in temporary accommodation / Number of families helped to prevent homelessness</p>				
What success will look like	<p>Delivery of high quality housing and investment</p>	<p>Programmes and projects deliver savings and service improvements</p> <p>Council agrees balanced MTFS in February 2016</p> <p>Increased staff engagement and satisfaction</p>	<p>Demonstrable examples and statistical evidence of business start-up and survival, local employment rates and business satisfaction with regulation and support workshops etc.</p> <p>Businesses report increased satisfaction with Council services.</p>	<p>SPEP and community energy initiatives deliver tangible outcomes for local communities</p> <p>Parish councils and local communities feel engaged with and report increased satisfaction with SCDC's localism approach.</p>	<p>Successful scheme completion</p> <p>Refreshed Strategy adopted</p>	<p>Financial savings and income generation from shared services and office space.</p> <p>City Deal generates local funding to secure improvements to transport infrastructure</p>	<p>Commercialisation initiatives generate targeted income levels</p>	<p>Agreed operational and financial efficiencies are delivered.</p> <p>Landfilled waste is minimised.</p> <p>Customer satisfaction is maintained.</p>	<p>Projects improve health and social inclusion amongst vulnerable groups</p>	<p>A viable fit-for-purpose LCTSS scheme for 2016/17</p> <p>Sustained performance on key indicators around Council Tax, NNDR and rent collection</p>	<p>First Northstowe residents</p> <p>Community facilities and primary school completed (Northstowe)</p> <p>A14, A428 and other transport improvements progressed</p> <p>Local Plan Adopted</p>	<p>SCDC has an increased range of temporary accommodation which eliminates the need for B&B use</p>

Agenda Item 8b



South
Cambridgeshire
District Council

REPORT TO: Council
LEAD OFFICER: Executive Management Team

26 February 2015

MEDIUM TERM FINANCIAL STRATEGY

Purpose

1. The purpose of this report is for Council to approve the Medium Term Financial Strategy (MTFS), which covers:
 - (a) the Capital Programme for the five years to 31 March 2020;
 - (b) the General Fund estimates and the resulting council tax for the financial year ending 31 March 2016;
 - (c) fees and charges for 2015-16;
 - (d) the MTFS for the General Fund for the five years to 31 March 2020;
 - (e) the list of Precautionary Items for the General Fund;
 - (f) the Housing Revenue Account (HRA) estimates and the rent increase for the financial year ending 31 March 2016;
 - (g) service and other charges for housing services for the financial year ending 31 March 2016;
 - (h) the HRA business plan for the next 30 years to 31 March 2045;
 - (i) the investment strategy for the year to 31 March 2016;
 - (j) the prudential indicators required by the Prudential Code for Capital Finance Local Authorities for the year to 31 March 2016.
2. These are key decisions because:
 - (a) they are likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
 - (b) they are likely to be significant in terms of their effects on communities living or working in an area of the District comprising two or more wards;
 - (c) they increase financial commitments (revenue and / or capital) in future years above existing budgetary approvals,and they were first published in the October 2014 Forward Plan.

Recommendations

3. That Council:
 - (a) approves the Capital Programme and the associated funding up to the year ending 31 March 2020 (**Appendix A1**) as submitted;
 - (b) approves the revenue estimates for 2015-16 as submitted in the General Fund summary (**Appendix B1**);
 - (c) approves the precautionary items for the General Fund (**Appendix B2**);
 - (d) approves the Medium Term Financial Strategy for the General Fund (**Appendix B3(A)**) based on the assumptions set out in this report;

- (e) approves the fees and charges proposed for 2015-16 (**Appendix B4**) (including those relating to the planning pre-application service, presented to the Planning Portfolio Holder on 3 February 2015; the portfolio holder endorsed the increase in fees, but as the new fees were likely to generate an annual increase in income of more than £50,000, recommended that this increase be approved);
- (f) instructs the Executive Management Team to identify additional income/savings of £670,000 from 2015-16;
- (g) sets the council tax requirement for 2015-16 as £7,478,550;
- (h) sets the amount of Council Tax for each of the relevant categories of dwelling in accordance with Section 30(2) of the Local Government Finance Act 1992 on the basis of a District Council Tax for general expenses on a Band D property of £125.31 plus the relevant amounts required by the precepts of Parish Councils, Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and the Cambridgeshire Fire Authority, details of those precepts and their effect as set out in the formal resolution required at the Council meeting;
- (i) approves the Housing Revenue Account (HRA) estimates and the rent increase for the financial year ending 31 March 2016 (**Appendices C and C1**), the rent increase being in accordance with rent restructuring guidance from the Department for Communities and Local Government;
- (j) approves the service and other charges for housing services for the financial year ending 31 March 2016 (**Appendix C2**);
- (k) approves the HRA business plan summary for the next 30 years to 31 March 2045 (**Appendix C3**);
- (l) approves the borrowing and investment strategy for the year to 31 March 2016 (**Appendix D1**);
- (m) approves the prudential indicators required by the Prudential Code for Capital Finance in Local Authorities for the year to 31 March 2016 (**Appendix D2**);
- (n) gives delegated authority to the Executive Director, Corporate Services, to issue the final version of the Estimates Book, incorporating the amendments required from Council's decisions.

Reasons for Recommendations

4. The consideration and determination of the estimates (budget), the council tax and the rent increase will provide resources for the Council to continue to provide its services over the next financial year in order to achieve the strategic aims as far as possible within the current financial constraints.
5. The consideration and determination of the five year MTFS for the General Fund and the 30 year business plan for the HRA should give the Council some reassurance that the Council will be able to continue to provide services to the public over the foreseeable future and avoid any unpredicted need for emergency cuts in services to balance its budget.
6. As reported to Cabinet in November 2014, implementation of waste and recycling initiatives has resulted in savings of £400,000 that have been built in to the General Fund Revenue estimates for 2015-16 and the MTFS. This brings the total of savings achieved by the Council over the past four years to £5.5 million.
7. The additional income/savings requirement of £670,000 from 2015-16 equates to the authority achieving a further average cost saving of over £11 per Band D property. The setting of council tax at £125.31 would be an increase of £2.45 for a Band D property.

Background

8. The draft revenue and capital estimates are published alongside this report and can be viewed via the following link:
<http://scambs.moderngov.co.uk/documents/s79118/Estimates%20Book%202015-16.pdf>
9. The report was considered by Scrutiny and Overview Committee on 10 February 2015 and Cabinet on 12 February 2015.

Considerations

10. These are set out in detail in the Appendices:
 - (a) Appendix A – Capital Programme and associated funding to 31 March 2020;
 - (b) Appendix A1 – Capital Programme Summary;
 - (c) Appendix B – General Fund Considerations;
 - (d) Appendix B1 – General Fund Summary;
 - (e) Appendix B2 – Precautionary Items;
 - (f) Appendix B3A & B – Medium Term Financial Strategy (MTFS) (General Fund);
 - (g) Appendix B4 – Fees and Charges for 2015-16;
 - (h) Appendix B4(A) – Land Charges Fees;
 - (i) Appendix B5 – New Homes Bonus (NHB) and Infrastructure Reserve Fund
 - (j) Appendix C – Housing Revenue Account (HRA);
 - (k) Appendix C1 –HRA Summary;
 - (l) Appendix C2 – HRA Charges;
 - (m) Appendix C3 – HRA Business Plan Summary;
 - (n) Appendix D – Financial Administration, Borrowing & Investment Strategy and Prudential Indicators;
 - (o) Appendix D1 – Borrowing & Investment Strategy;
 - (p) Appendix D2 – Prudential Indicators for 2015-16.
11. The underlying assumptions supporting the estimates and MTFS include:
 - (a) general provision for inflation where applicable of 2.1% in 2015-16 and 2.0% thereafter, in line with the Office of Budget Responsibility (OBR)'s forecast, or actual rates where known. This is applied to both expenditure and income (except the council tax and housing rents and charges);
 - (b) provision for an employer's pension contribution rate of 25% for 2015-16 and subsequent years. This takes account of pensions increases linked to the consumer price index (CPI). The outcome of the actuarial review concluded in December 2013 indicates that a contribution of 25% of pensionable salaries will be required for the next three years, plus a payment of £750,000 from the pension reserve. The 25% is being split into two allocations: a cash contribution towards the historic deficit, charged against the General Fund and HRA; and a percentage charge to staffing accounts to meet ongoing future costs.

Options

Council Tax

12. Council could decide to set the amount of District Council Tax for general expenses on a Band D property for 2015-16 of £125.31. **This is the recommended option.**
13. Alternatively, Council could either:
- (a) freeze council tax at its current rate of £122.86 for a Band D property. The Council would receive a grant equivalent of £77,670 for 2015-16. Indications are that this grant will be consolidated within the Council's future funding from Government; the General Fund forecast assumes that this grant would be subject to the same taper as Revenue Support Grant thereafter. The resulting council tax requirement for 2015-16 would be £7,332,330 and the savings requirement would be £815,000; or
 - (b) increase council tax by a different amount – for example, an increase of 1% would result in a Band D council tax of £124.09, a council tax requirement of £7,405,740 for 2015-16 and a savings requirement of £745,000;
 - (c) these options are summarised in the table below and the 1.99% increase and freeze options are detailed in **Appendices B3(A) and B3(B)**:

Council tax increase £ / %	Resulting council tax £	Freeze grant £	Council tax requirement £	Savings requirement £
1.99%	£125.31	£0	£7,478,550	£670,000
1%	£124.09	£0	£7,405,740	£745,000
Freeze (0%)	£122.86	£77,670	£7,332,330	£815,000

14. The Provisional Local Government Finance Settlement, announced on 18 December 2014, set the limit for council tax increases, such that any council proposing an increase of 2% or more in 2015-16 will have to hold a referendum to obtain approval. The Minister for Local Government confirmed on 3 February 2015 that the council tax referendum principle for 2015-16 will be set at 2%.

Rents

15. Council could decide to increase rents for existing tenants from the first rent week in April 2015 in line with the Department of Communities and Local Government (CLG) guidelines, based on an inflationary adjustment of 2.2%. **This is the recommended option.**
16. Alternatively, Council could either:
- (a) increase rents by less than the CLG guidelines; however, this would result in less financial resources available to invest in housing services, which could mean for example that programmed improvement, refurbishment or new build works might take longer to deliver;
 - (b) increase rents by more than the CLG guidelines; however, this would exceed the Government's limit to protect tenants from unacceptable annual increases and, as the CLG guideline level of increase has been assumed in the calculations by the Government for the purposes of the self-financing settlement, could result in future funding problems.

Implications

17. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Financial

18. As detailed in the report and appendices.

Legal

19. The pressure to reduce budgets and the continuation of a poor financial settlement could adversely affect the provision of statutory services.

Staffing

20. The restructurings and additions/reductions in staffing levels have been incorporated in the estimates.

Risk Management

21. Risks and control measures concerning financial projections in the MTFS are included in the Council's Strategic Risk Register, which is included in the Position Statement report elsewhere on this agenda. The HRA Business Plan has its own associated risk register and is also mentioned in the Strategic Risk Register.
22. Risks with regard to the 2015-16 estimates and the MTFS include:
- (a) Additional income/savings: The actual realisation of the targets which have been included in the estimates and MTFS.
 - (b) Revenue Support Grant (RSG): The MTFS takes account of the 2015-16 local government finance settlement. From 2016-17 on, reflecting the Government's continuing emphasis on reducing the national deficit, the MTFS models RSG reducing to zero on a straight line basis over the next four years. It is possible that the next budget, spending review or settlement may front load this, resulting in greater reductions and therefore savings to be found earlier than forecast.
 - (c) Retained Business Rates (RBR): Although this is the second year of the scheme, it is still very difficult to forecast future income with any certainty. Business rate collection could be reduced should the local economy experience a downturn, or if local economic growth did not meet the anticipated level. There are a large number of outstanding appeals still with the Valuation Office Agency (VOA) which the Council would have to refund if successful; there is little information from the VOA about which of these appeals might be successful and when they might be decided.
 - (d) New Homes Bonus (NHB): There is a lack of certainty over NHB, where the underlying growth in the number of dwellings may not be achieved and the next Government may make fundamental changes to the scheme, e.g. cut or cap the 80% contribution, withdraw/replace it, or bring it within RSG where it could be subject to the Government's deficit reduction measures.
 - (e) General Election 2015: The new Government may change the methodology for any of the local government funding mechanisms, including RSG, RBR or NHB.
 - (f) Localised Council Tax Support Scheme (LCTSS): The original grant for the LCTSS has been rolled into the RSG, which is subject to the Government's deficit reduction strategy, meaning that the Council would have to fund future impacts on delivery of its LCTSS.
 - (g) Council Tax: Council Tax income would be affected if the number of domestic properties does not increase by as much as profiled in housing trajectory

forecasts. It may not be possible to increase Council Tax by 3.5% per annum from 2016/17 on, as currently provided for within the MTFS.

- (h) The Council's waste and recycling RECAP contract and separate paper recycle contract are both due for renewal in October 2015. Work has started on consultations and market testing, however no assumptions on possible financial effects have been built in to the estimates or MTFS at this stage.

Consultation responses (including from the Youth Council)

23. The MTFS provides the framework within which resources can be allocated to meet the Council's service priorities. The Council's proposed Objectives and Actions for 2015-16 were the subject of public consultation until 31 January 2015. The final Corporate Plan is recommended for approval by Council elsewhere on this agenda; £50,000 has been included in the draft revenue estimates to meet the cost of implementing actions to meet Corporate Plan objectives.
24. The draft revenue and capital estimates have been published alongside this report. The report was considered by the Scrutiny and Overview Committee on 10 February 2015 and Cabinet on 12 February 2015 – feedback from those meetings will be reported to Council.

Effect on Strategic Aims

Aim 1 – We will listen to and engage with residents, parishes and businesses to ensure we deliver first class services and value for money

25. The determination of the budget, council tax and rents will provide resources for the Council to continue its services in order to achieve the strategic aims as far as possible within the current financial constraints.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Local Government Financial Settlement
Localised Council Tax Support Scheme
Estimate files in the Finance, Policy & Performance team
Draft Estimates Book

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APPENDIX A

CAPITAL PROGRAMME AND ASSOCIATED FUNDING UP TO THE YEAR ENDING 31 MARCH 2020

1. The capital programme up to the year ending 31st March 2020 is submitted for Members' approval as **Appendix A1** showing capital expenditure of around £21 million in 2015-16, £19 million in 2016-17, £20 million in 2017-18, £18 million in 2018-19 and £22 million in 2019-20, together with the associated financing and balance of capital receipts.
2. The Housing Revenue Account (HRA) self-financing reforms introduced in 2012/13 have resulted in substantial scope to finance HRA capital expenditure from revenue/ depreciation reserve.
3. Capital Expenditure can be classified as:
 - a) expenditure on fixed assets such as buildings which is accounted for on an accruals basis. A capital charge for depreciation is made to the revenue accounts to reflect the use of the asset in providing the service;
 - b) expenditure on grants to individuals and organisations which is accounted for on a cash payments basis.
4. The capital programme includes the effect of transferring 213 equity share properties, where nil rent is charged, from the HRA to the General Fund to avoid 75% of the sale proceeds being pooled, and paid to the Government, when repurchased properties on pre 1st April 2006 leases were resold. The £1.1 million, included in each year of the programme for repurchasing these properties, is to be funded from their subsequent sale receipts.
5. With regard to the pooling of capital receipts, the Council is now permitted to keep the majority of the HRA receipts from Right to Buy sales, provided the retained amount is spent on the provision of additional social housing for rent. Most HRA receipts from other sales (such as land or vacant houses) can also avoid pooling as long as they are used to fund HRA capital expenditure. It has been assumed that these rules will continue for the duration of the programme.
6. The financing policy inherent in Appendix A1 can therefore, be summarised as:
 - a) run down the balance of capital receipts available to finance both HRA and General Fund capital expenditure;
 - b) finance HRA capital expenditure from revenue/ depreciation reserve, housing capital receipts, and miscellaneous minor contributions/grants;
 - c) use of HRA capital receipts to finance General Fund capital expenditure on Disabled Facilities Grants and Travellers Site improvements;
 - d) use the remaining balance of the Housing and Planning Delivery Grant capital reserve to finance General Fund capital expenditure;
 - e) borrow to fund the housing company pilot (actually, it has been possible to fund the pilot by short term investment from cash reserves);
 - f) use the New Homes Bonus to fund the contribution to the A14 upgrade; and
 - g) in addition, earmarked capital grants received are used to finance specific capital expenditure.
7. In June 2013 Cabinet agreed to take on a Local Enterprise Partnership loan of £780,000 for the construction of the new pumping station at Webbs Hole Sluice in connection with

the Northstowe development; the funding agreement requires repayment of the loan in full by December 2018. It is anticipated that this loan repayment will be covered by S106 payments from the various phases of the Northstowe development; as such, in keeping with other S106 agreements, the loan and its repayment do not form part of the Council's capital programme. If S106 monies from future phases have not been received by the time the loan is due to be repaid, the shortfall will be met in the interim from other funding sources, which will be reported to Members.

8. In order that all significant capital items may be evaluated consistently throughout the Council, new items in the capital programme in 2015-16 or later, that are over £25,000 value in total, are subject to the completion of a proposal form for consideration alongside the capital programme. Copies of the forms are available on request.

CAPITAL PROGRAMME

(at outturn prices, with grants adjusted to commitments basis)

Actual 2013/2014 £		Estimate 2014/2015 £	Estimate 2015/2016 £	Estimate 2016/2017 £	Estimate 2017/2018 £	Estimate 2018/2019 £	Estimate 2019/2020 £
2,842,683	General Fund	11,862,500	5,663,000	3,666,000	5,283,400	3,190,700	7,744,700
10,094,997	Housing Revenue Account	3,651,770	16,365,070	14,962,000	14,636,000	14,763,000	14,691,000
<u>12,937,680</u>	Total Capital Expenditure	<u>15,514,270</u>	<u>22,028,070</u>	<u>18,628,000</u>	<u>19,919,400</u>	<u>17,953,700</u>	<u>22,435,700</u>
	Financed by :						
(3,461,840)	Capital Receipts	(3,138,000)	(3,584,080)	(3,882,150)	(3,749,650)	(3,788,650)	(3,725,400)
0	Housing & Planning Delivery Grant	(226,000)	(132,670)	(84,600)	(84,600)	(84,600)	(84,600)
(904,005)	Other Grants and Contributions	(1,856,580)	(1,950,000)	(740,000)	(740,000)	(740,000)	(740,000)
(5,548,118)	HRA Depreciation Reserve	(5,658,500)	(5,784,100)	(5,917,500)	(8,000,000)	(8,000,000)	(8,000,000)
(540,301)	Reserves	(813,420)	(820,000)	(430,000)	(409,400)	(344,700)	(444,700)
(2,549,102)	Housing Revenue Account (Revenue Contribution)	4,018,230	(8,663,220)	(6,871,750)	(4,435,750)	(4,480,750)	(4,441,000)
(42,500)	General Fund (Revenue Contribution)	0	0	0	0	0	0
(259,388)	Cash Overdrawn re Commercial vehicles	(840,000)	(1,094,000)	(702,000)	(2,500,000)	(515,000)	0
432,474	Cash Overdrawn re GF Equity Share Properties	0	0	0	0	0	0
0	Borrowing	(7,000,000)	0	0	0	0	0
0	New Homes Bonus Infrastructure Reserve	0	0	0	0	0	(5,000,000)
(64,901)	Financing Adjustment	0	0	0	0	0	0
<u>(12,937,680)</u>		<u>(15,514,270)</u>	<u>(22,028,070)</u>	<u>(18,628,000)</u>	<u>(19,919,400)</u>	<u>(17,953,700)</u>	<u>(22,435,700)</u>
	Capital Receipts						
(503,317)	brought forward	(345,810)	(601,060)	(675,330)	(470,170)	(322,830)	(211,170)
-	Brought forward adjustment	(157,510)	(235,220)	0	0	0	0
-	Adj for actuals and prior year additions etc received in year from	74,260	0	0	0	0	0
(3,449,379)	RTB sales	(2,500,000)	(3,100,000)	(3,100,000)	(3,100,000)	(3,100,000)	(3,100,000)
0	Equity Share Sales						
	HRA	(100,000)	0	0	0	0	0
(1,577,352)	General Fund	(1,400,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
(136,693)	Other	(100,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
395,851	transferred to CLG pool	470,000	480,000	480,000	480,000	480,000	480,000
3,461,840	used in year to finance expenditure	3,138,000	3,584,080	3,882,150	3,749,650	3,788,650	3,725,400
432,474	adjustment to cash overdrawn	300,000	20,000	20,000	20,000	20,000	20,000
540,301	transfer to/(from) reserve	20,000	626,870	373,010	447,690	373,010	532,160
<u>(836,276)</u>	Capital Receipts Year End Balance	<u>(601,060)</u>	<u>(675,330)</u>	<u>(470,170)</u>	<u>(322,830)</u>	<u>(211,170)</u>	<u>(3,610)</u>

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APPENDIX B

GENERAL FUND CONSIDERATIONS

PART 1 – APPROVING THE GENERAL FUND ESTIMATES

GENERAL FUND SUMMARY

1. The General Fund summary showing the cost of providing services is attached as **Appendix B1**.

LOCAL GOVERNMENT FINANCE SETTLEMENT

2. The provisional Local Government Finance Settlement for 2015-16 was published on 18 December 2014. The Minister for Local Government confirmed the proposals in the provisional 2015-16 settlement on 3 February 2015. Those figures have been used in compiling the draft Medium Term Financial Strategy (MTFS) and in preparing this report.
3. The settlement continues the Government's separation of the previous Formula Grant into two elements: Revenue Support Grant (RSG); and localised Retained Business Rates (RBR). The settlement forecasts RSG reducing by 31% from 2014-15 to 2015-16; this is in line with previous MTFS projections. The MTFS has modelled RSG reducing to approximately £ zero over the following four years, although it is possible that reductions might be higher and/or front-loaded so that most of the forecast reduction falls earlier.
4. The figures for RSG are:

Year	Revenue Support Grant	change year on year	
2014-15	£2.660m		
2015-16	£1.830m	- £0.830m	- 31%
2016-17	£1.378m	- £0.452m	- 25%

5. These figures are in cash terms; the % decrease is therefore greater in real terms.

COUNCIL TAX FREEZE GRANTS

6. Council tax freeze grants are payable to billing (i.e. districts, etc.) and major precepting authorities (i.e. counties, police and fire), but not to parish councils.
7. In 2011-12, the Government offered a freeze grant, on the condition that they did not increase their council tax in 2011-12, which all councils accepted. The grant compensated councils for foregoing an assumed 2.5% increase and was payable for the four years of the Spending Review. The settlement for 2014-15 rolled payment of that grant on into 2015-16; however, the amount of grant received is reduced in line with the Government's tapering of RSG and will be lost when the grant ends in 2016-17 unless the council tax is increased in that year by an additional 2.5%.
8. In 2012-13, the Government offered a freeze grant to all councils which did not increase their council tax in 2012-13. The grant again compensated councils for foregoing an assumed 2.5% increase, but was only payable for one year, so there would have been a

loss of income in 2013-14 unless the council tax was increased in that year by an additional 2.5%.

9. In 2013-14, the Government offered a freeze grant to all councils which did not increase their council tax in 2013-14. The grant would compensate councils for foregoing an assumed 1.0% increase. However, there would have been a loss of income in 2013-14 because the grant was based on a 1.0% increase whereas the Council was proposing a 2.0% increase and 3.5% in each subsequent year. The Council decided to not freeze council tax and accept this grant in 2013-14.
10. In 2014-15, the Government offered to pay a freeze grant, payable for two years, to all councils which did not increase their council tax in 2014-15. The proposed grant would compensate councils for foregoing an assumed 1.0% increase. However, there would have been a loss of income in 2014-15 because the grant was based on a 1.0% increase whereas the Council was proposing a 1.99% increase and 3.5% in each subsequent year. The Council decided to not freeze council tax and accept this grant.
11. In 2015-16, the Government is proposing to pay a freeze grant to all councils which do not increase their council tax in 2015-16. The proposed grant will compensate councils for foregoing an assumed 1.0% increase. The grant is calculated as:
- council tax for 2014-15 £122.86
 - multiplied by number of band D dwellings for 2015-16 * 63,219
 - equals council tax income of £7,767,100
 - multiplied by 1.0%
 - equals council tax freeze grant of £77,671
- * not taking into account the reduction in the tax base due to the council tax reduction scheme
12. However, there will be a loss of income in 2015-16 because the grant is based on a 1.0% increase, whereas the Council's MTFs noted by Cabinet in November 2014 modelled an increase in council tax of 1.99% in 2015-16:

Year	Tax base	Reject grant Increase council tax by 1.99% in 2015-16 and then by 3.5% thereafter		Accept grant in 2015-16, then increase by 3.5% thereafter		Loss of income from accepting grant
		Council tax	Council tax income	Council tax	Council tax income	
2015-16	59,680	£125.31	£7,478,550	£122.86	£7,332,330	£146,220
				grant	£77,670	- £77,670
2016-17	60,400	£129.69	£7,833,330	£127.16	£7,680,520	£152,810
2017-18	61,345	£134.22	£8,233,790	£131.61	£8,073,680	£160,110
2018-19	62,314	£138.91	£8,656,040	£136.21	£8,487,790	£168,250
2019-20	63,309	£143.77	£9,101,990	£140.97	£8,924,730	£177,260
					Total	£726,980

13. The total loss of income over the period of the MTFs from accepting the council tax freeze grant in 2015-16 would be £726,980, which is over £12 per Band D equivalent property.

COUNCIL TAX REFERENDUM PRINCIPLES

14. On 18 December 2014, the Local Government Minister said that the Council Tax referendum threshold under which principal local authorities, Police and Crime Commissioners, Fire and Rescue Authorities and bodies raising levies will be required to seek the approval of their local electorate in a referendum would be if, compared to 2014-15, they propose to set council tax increases in 2015-16 of 2% or higher. The Minister for Local Government confirmed on 3 February 2015 that the council tax referendum principle for 2015-16 will be set at 2%.
15. For this authority, "levies" means Internal Drainage Board (IDB) levies. A 1.99% increase in council tax to £125.31 for 2015-16 would result in a council tax requirement (excluding parish precepts, but including the IDB levies of £174,500) of £7,478,550.
16. The estimates for 2015-16 therefore assume that there will be a 1.99% increase in council tax in that year and that the grant of £77,671 for freezing the council tax in 2015-16 will not be accepted.

NEW HOMES BONUS

17. New Homes Bonus (NHB) is a grant from 2011-12 based on:
 - (a) Net additions to the number of dwellings (the main factor);
 - (b) Increases in affordable housing;
 - (c) Empty homes brought back in to use;
 - (d) Increase in gypsy and traveller pitches.
18. Each year's grant is payable for six years and so the grant accumulates for six years and then early years' grants fall out from year seven, as shown in the table below:

Year of grant	Financial year								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011-12	869	869	869	869	869	869			
2012-13		878	878	878	878	878	878		
2013-14			899	899	899	899	899	899	
2014-15				547	547	547	547	547	547
2015-16					961	961	961	961	961
2016-17						792	792	792	792
2017-18							1,102	1,102	1,102
2018-19								1,459	1,459
2019-20									1,508
Totals	869	1,747	2,646	3,193	4,154	4,946	5,180	5,760	6,369

19. NHB is a welcome and vital grant for this authority as Housing Planning Delivery Grant (HPDG) and housing growth funding (via Cambridgeshire Horizons) have ended. The Council received £1.841 million and £1.954 million from HPDG and housing growth funding in 2008-09 and 2009-10 respectively. Accordingly, the Council has allocated the first £1.8 million of NHB receipts in each year to offset expenditure previously covered by HPDG.
20. The Council has committed a proportion of residual NHB receipts in each year to the City Deal; 40% in 2015-16 and 50% from 2016-17 on.

REVENUE ESTIMATES

21. The General Fund summary up to the year ending 31 March 2016 is submitted for Members' approval as **Appendix B1**.
22. The figures in Appendix B1 show the 2014-15 original estimate for Net District Council General Fund Expenditure of £16.215 million decreasing to £16.099 million in the 2015-16 estimate, a decrease of £0.116 million in cash terms (0.7%).
23. **Appendix B2** sets out details of "precautionary" items of expenditure totalling £412,000. These are items of expenditure over which there is some doubt as to whether they would occur in 2015-16, but if they did, the Council would be required to meet them. It has been assumed that expenditure of £75,000 will be incurred on precautionary items in 2015-16 on the basis that there has been limited use of precautionary items in previous years, with most additional demands being met by virements from other budgets.

COLLECTION FUND BALANCE

24. The Council's Collection Fund includes transactions relating to the Council Tax.
25. Regulations provide that the balance on the Collection Fund at 31st March 2015, whether in hand or overdrawn, must be transferred to the Billing Authority and the major precepting authorities in the same ratio as their 2014-15 precepts.
26. It is estimated that the balance at 31 March 2015 will be a surplus of £1,123,739 of which £142,439 will be transferred to the District in 2015-16.

PART 2 – SETTING THE COUNCIL TAX

CALCULATION OF THE TAX

27. The Council Tax figures quoted in this report relate to the tax on a Band D property occupied by two or more adults unless otherwise indicated. Last year the process for setting the tax base changed following the introduction of major changes to the welfare system in April 2013. The principal change was the end of the council tax benefit system. In replacement, billing authorities were required to design and implement their own localised council tax support schemes (LCTSS).
28. Essentially, this is done through the granting of discounts to the council tax bill. Under the legislation, the council is required to grant the equivalent discount in cash terms as benefit for pensioners, so they will not notice any change to their bills. The Council also decided to fully protect other vulnerable groups and to limit the impact on remaining benefit claimants. To partially offset the impact of the new LCTSS, the Council ceased some discounts and exemptions granted to owners of second and empty homes.
39. As a consequence of the changes the District Council saw a reduction to the council tax base. This is because the granting of discounts is treated as a reduction to the amount chargeable as opposed to council tax benefit which is treated as a reduction to the amount payable by the claimant.

30. The figure for a Band D property is arrived at by dividing the amount of the council tax requirement by the tax base of band D equivalents. A tax base of 59,680.4 for 2015-16 has been approved by the Executive Director (Corporate Services).
31. If the Council approves the council tax requirement of £7,478,550 for 2015-16, then the tax on properties in Bands A- to H will be:

Valuation Band	Range of values as at 1 April 1991	Ratio to Band D	Council Tax 1.99% increase
A-		5/9	£69.62
A	Up to and including £40,000	6/9	£83.54
B	£40,001 - £52,000	7/9	£97.46
C	£52,001 - £68,000	8/9	£111.39
D	£68,001 - £88,000	-	£125.31
E	£88,001 - £120,000	11/9	£153.16
F	£120,001 - £160,000	13/9	£181.00
G	£160,001 - £320,000	15/9	£208.85
H	More than £320,000	18/9	£250.62

32. The full amount of the tax is arrived at by adding the requirements of the County Council, the Police and Crime Commissioner, the Fire Authority and the relevant Parish to the District figure and these figures, together with a full list of parish precepts, will be presented to the Council meeting on 26 February 2015.

PART 3 - MEDIUM TERM FINANCIAL STRATEGY (MTFS)

33. The MTFS has updated the projections for future years to incorporate the latest figures, which are shown in **Appendix B3**.
34. The Strategy is dependent on the assumptions that are built in to it and these include:
- being able to identify and implement ongoing savings of £670,000 per annum from 2015-16; this equates to an average cost saving of over £11 per Band D property;
 - the £50,000 for Council actions as recurring expenditure each year;
 - retaining sufficient contributions to maintain a Planning Enforcement Reserve of £500,000;
 - the first two years income from NHB is shown in the MTFS as used to meet General Fund expenditure, replacing previous income from HPDG and Cambridgeshire Horizons grant, with the remaining years being transferred to a reserve for non-recurring expenditure on infrastructure, community facilities, etc. Points to note about NHB are:
 - there may be a new government within the six year period which may change the bonus;
 - the 80% allocated to district councils may be reduced;
 - it is a replacement for Housing Planning Delivery Grant, which was capped so the NHB may also be capped in future years; and
 - the housing trajectory may be too optimistic;
 - a reduction in RSG in 2015-16 in line with the local government financial settlement and anticipated further reductions from 2016-17;

- (f) an allowance for income from 2013-14 onwards for RBR, which replaces an element of the previous general Formula Grant; parameters within scheme's calculation methodology increase each year in line with RPI;
- (g) an increase in council tax of 3.5% each year from 2016-17 onwards; and
- (h) an increase in the tax base (number of band D equivalent dwellings) in line with the housing trajectory in the Annual Monitoring Report that went to the Planning Portfolio Holder in November 2014.

35. The result is that by the end of the projection period, 31 March 2020, the General Fund balance is at the minimum agreed level of £2.5 million (credit balance). However, the medium term position of a £2.9 million deficit/use of balances on the General Fund in 2019-20 indicates that there can be no relaxation in the search for savings/income, or in pressing for fairer funding and more certainty over future years' New Homes Bonus.

OPTIONS

36. Options for the MTFs, which can be modelled if requested, include one or a combination of the following:
- (i) finding further revenue savings and/or capital savings financed from revenue;
 - (ii) agreeing a provision for inflation which is different to the OBR's forecast. A lower provision would save money in 2015-16 and each subsequent year assuming that the saving went into balances. There would clearly be no saving if there was a corresponding reduction in formula grant from the Government;
 - (iii) using more of NHB to meet general fund expenditure instead of non-recurring expenditure;
 - (iv) anticipating higher income from RBR on the basis that an area like South Cambridgeshire should benefit more from the scheme. However, there are significant potential risks associated with outstanding valuation appeals and with the business economy, so it is difficult in these early years of the scheme to quantify such higher income with any certainty;
 - (v) increasing the council tax by less than 1.99% in 2015-16;
 - (vi) freezing the council tax in 2015-16 and accepting the council tax freeze grant;
 - (vii) increasing the council tax by more or less than 3.5% from 2016-17 onwards; and
 - (viii) running the General Fund balance down below the recommended minimum of £2.5 million.

GENERAL FUND SUMMARY			
Actual 2013/2014 £	NET EXPENDITURE	Estimate 2014/2015 £	Estimate 2015/2016 £
474,448	Portfolio		
1,868,002	Leader	483,950	425,910
1,567,604	Finance and Staffing	2,622,470	2,474,360
108,072	Corporate and Customer Services	1,787,790	1,911,060
5,919,660	Economic Development	202,200	183,150
1,287,758	Environmental Services	6,234,840	6,179,610
1,624,796	Housing (General Fund)	1,286,750	1,305,760
1,587,573	Planning	2,082,720	1,939,950
	Strategic Planning and Transportation	1,331,650	1,608,250
14,437,913	Fully Allocated Net Portfolio Expenditure	16,032,370	16,028,050
0	Unallocated		
0	Reduction for vacancies	(450,000)	(450,000)
849,370	Departmental/Overhead Roll-overs not allocated	50,000	0
228,010	Non-recurring expenditure on infrastructure, communal facilities etc.	1,608,250	2,018,970
0	Council Tax Support Funding grant to Parish Councils	0	0
0	Savings not included in Portfolio estimates	(300,000)	(670,000)
0	Expenditure on Precautionary Items	75,000	75,000
50,000	Council Actions	50,000	50,000
15,565,293	Net Portfolio Expenditure	17,065,620	17,052,020
166,121	Internal Drainage Boards	166,850	174,500
(437,439)	Interest on Balances	(345,500)	(590,500)
(619,228)	Capital Charges, etc.	(671,790)	(537,230)
14,674,747	Net District Council General Fund Expenditure	16,215,180	16,098,790
3,647,485	Appropriation to/(from) General Fund balance	(266,450)	(473,110)
(3,189,853)	New Homes Bonus	(3,201,180)	(4,154,400)
15,132,379	General Expenses (Budget Requirement for capping purposes)	12,747,550	11,471,280
(3,425,857)	Revenue Support Grant	(2,656,520)	(1,829,920)
(4,786,184)	Retained Business Rates	(2,870,300)	(3,462,350)
13,352	(Surplus)/Deficit on Collection Fund re Council Tax	(65,050)	(142,440)
	(Surplus)/Deficit on Collection Fund re Business Rates		1,441,980
6,933,690	Demand on Collection Fund to be raised from Council taxpayers	7,155,680	7,478,550
INCOME FROM COUNCIL TAX			
Number		Number	Number
57,560.1	Tax Base for tax setting purposes (Band D equivalents)	58,242.6	59,680.4
£ p	multiplied by Basic Amount of Council Tax	£ p	£ p
120.46	for the District	122.86	125.31
£	equals	£	£
6,933,690	Income to be raised from Council taxpayers	7,155,680	7,478,550
Balances at year end (excluding Section 106 monies)			
£		£	£
(11,121,096)	Revenue		
(2,492,614)	General Fund	(6,762,110)	(9,557,310)
	Housing Revenue Account	(2,033,880)	(2,018,620)
	Capital		
(12,648,538)	Earmarked Reserves		
(3,568,492)	Usable Capital Receipts	(601,060)	(675,330)

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APPENDIX B2

PRECAUTIONARY ITEMS

These are items of expenditure over which there is some doubt as to whether they would occur, but if they did, the Council would be required to meet them. If the spending need does arise on any item, delegated authority has been given to the Finance and Staffing Portfolio Holder and the Chief Finance Officer to approve such expenditure (to be met from reserves), up to the level indicated for the relevant year:

Precautionary Items for 2014/15

	Total Approved	Used in 2014/15 to Jan 2015
	£	£
Homelessness - additional accommodation	140,000	0
Planning Appeals and Inquiries	50,000	0
Neighbourhood Planning	30,000	0
Local Plan (Expert Witnesses)	30,000	0
Total	<u>250,000</u>	<u>0</u>

Precautionary Items for 2015/16

	£
Homelessness - additional accommodation	140,000
Planning Appeals and Inquiries	75,000
Neighbourhood Planning	15,000
Awarded Watercourses - emergency works	15,000
Footway Lighting	10,000
Contaminated Land - remedial works	82,000
Clearance of Private Sewers	6,000
National Assistance Burials Act	5,000
District Emergencies	50,000
Environmental Health Legal Costs	10,000
District Elections - By-election costs	4,000
Total	<u>412,000</u>

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MEDIUM TERM FINANCIAL STRATEGY for the General Fund
February 2015 - DRAFT

Appendix B3(A)

	1.9%	2.4%	2.4%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2013/14	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General provision for Inflation									
Assuming a council tax increase of 1.99% in 2015-16									
Base Budget	16,031	15,411	15,431	15,350	15,874	16,585	16,871	17,321	
Additional income/savings to maintain working balance		(300)	0	(670)	(670)	(670)	(670)	(670)	(670)
Expenditure previously financed from Housing and Planning Delivery Grant									
Revenue	0	346	346	353	360	368	375	375	
Capital		0	0	0	0	0	0	0	
Non-recurring expenditure on infrastructure, communal facilities, etc.	849	1,608	1,183	2,019	2,945	2,966	3,977	4,656	
Financial Position Report Outturn 2014-15/November 2014	(1,315)		(959)						
Net Portfolio Expenditure	15,565	17,065	16,002	17,052	18,509	19,250	20,554	21,682	
Interest on balances	(437)	(345)	(345)	(591)	(594)	(596)	(597)	(599)	
Interest to HRA, Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(453)	(505)	(461)	(363)	(179)	19	508	637	
Net District Council General Fund Expenditure	14,675	16,215	15,195	16,099	17,736	18,673	20,464	21,719	
New Homes Bonus	(3,190)	(3,201)	(3,193)	(4,154)	(4,955)	(5,214)	(5,845)	(6,524)	
Appropriations to/(from) General Fund working balance	3,648	(266)	(1,081)	(483)	(647)	(1,131)	(2,333)	(2,936)	
General Expenses	15,133	12,748	10,921	11,461	12,134	12,328	12,286	12,260	
Revenue Support Grant	(3,426)	(2,657)	(2,660)	(1,830)	(1,378)	(926)	(475)	(23)	
Retained Business Rates	(4,786)	(2,870)	(3,271)	(3,462)	(3,522)	(3,641)	(3,771)	(3,915)	
(Surplus)/Deficit on Council Tax Collection Fund	13	(65)	(65)	(132)	0	0	0	0	
(Surplus)/Deficit on Business Rates Collection Fund			2,231	1,442					
Provision for successful business rates appeals					600	473	615	780	
Council Tax Requirement to be raised from council taxpayers	6,934	7,156	7,156	7,479	7,833	8,234	8,656	9,102	
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 57,560.1	Number 58,242.6	Number 58,242.6	Number 59,680.4	2.5% 60,400.4	1.2% 61,345.5	1.6% 62,314.0	1.6% 63,309.4	1.6% 63,309.4
Basic Amount of Council Tax District only	£ 120.46	£ 122.86	£ 122.86	£ 125.31	1.99% 129.69	3.5% 134.22	3.5% 138.91	3.5% 143.77	3.5% 143.77
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£ 117.32	£ 127.43	£ 129.26	£ 133.41	£ 140.40	£ 152.65	£ 176.34	£ 190.14	
Balances at Year End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund (recommended minimum level £2.5 million)	(11,121)	(6,762)	(10,041)	(9,557)	(8,910)	(7,780)	(5,447)	(2,511)	
Infrastructure Fund	(813)	(2,385)	(1,996)	(4,015)	(6,960)	(9,926)	(13,904)	(13,560)	
Usable Capital Receipts Reserve	(3,568)	(601)	(601)	(675)	(470)	(323)	(211)	(4)	

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MEDIUM TERM FINANCIAL STRATEGY for the General Fund
February 2015 - DRAFT

Appendix B3(B)

	1.9%	2.4%	2.4%	2.1%	2.0%	2.0%	2.0%	2.0%	
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	
	2013/14	2014/15	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£'000	£'000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
			£'000	£'000	£'000	£'000	£'000	£'000	
General provision for Inflation									
Assuming a council tax freeze in 2015-16									
Base Budget	16,031	15,411	15,431	15,350	15,874	16,585	16,871	17,321	
Additional income/savings to maintain working balance		(300)	0	(815)	(815)	(815)	(815)	(815)	
Expenditure previously financed from Housing and Planning Delivery Grant									
Revenue	0	346	346	353	360	368	375	375	
Capital		0	0	0	0	0	0	0	
Non-recurring expenditure on infrastructure, communal facilities, etc.	849	1,608	1,183	2,019	2,945	2,966	3,977	4,656	
Financial Position Report Outturn 2014-15/November 2014	(1,315)		(959)						
Net Portfolio Expenditure	15,565	17,065	16,002	16,907	18,364	19,105	20,409	21,537	
Interest on balances	(437)	(345)	(345)	(591)	(594)	(596)	(597)	(599)	
Interest to HRA, Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(453)	(505)	(461)	(363)	(179)	19	508	637	
Net District Council General Fund Expenditure	14,675	16,215	15,195	15,954	17,591	18,528	20,319	21,574	
New Homes Bonus	(3,190)	(3,201)	(3,193)	(4,154)	(4,955)	(5,214)	(5,845)	(6,524)	
Appropriations to/(from) General Fund working balance	3,648	(266)	(1,081)	(407)	(655)	(1,146)	(2,356)	(2,968)	
General Expenses	15,133	12,748	10,921	11,393	11,981	12,168	12,118	12,082	
One year grant for freezing Council Tax in 2015-16				(78)					
Revenue Support Grant	(3,426)	(2,657)	(2,660)	(1,830)	-31.1%	(1,378)	-24.7%	(926)	-32.8%
Retained Business Rates	(4,786)	(2,870)	(3,271)	(3,462)		(3,522)		(3,641)	
(Surplus)/Deficit on Council Tax Collection Fund	13	(65)	(65)	(132)		0		0	
(Surplus)/Deficit on Business Rates Collection Fund			2,231	1,442					
Provision for successful business rates appeals					600	473	615	780	
Council Tax Requirement to be raised from council taxpayers	6,934	7,156	7,156	7,332	7,681	8,074	8,488	8,925	
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 57,560.1	Number 58,242.6	Number 58,242.6	Number 59,680.4	2.5%	Number 60,400.4	1.2%	Number 61,345.5	1.6%
Basic Amount of Council Tax	£	£	£	£		£		£	
District only	120.46	122.86	122.86	122.86	0.0%	127.16	3.5%	131.61	3.5%
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£	£	£	£		£		£	
	117.32	127.43	129.26	122.83		138.00		150.29	
Balances at Year End	£'000	£'000	£'000	£'000		£'000		£'000	
General Fund (recommended minimum level £2.5 million)	(11,121)	(10,855)	(10,041)	(9,634)		(8,979)		(7,833)	
Infrastructure Fund	(813)	(2,385)	(1,996)	(4,015)		(6,960)		(9,926)	
Usable Capital Receipts Reserve	(3,568)	(346)	(346)	(601)		(591)		(515)	
								(13,904)	
								(239)	
									0

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APPENDIX B4

GENERAL FUND FEES AND CHARGES FOR 2015-16

Environmental Services Portfolio

Fees and charges relating to the Environmental Services Portfolio were presented to and agreed at the portfolio holder meeting on 12 December 2014. The report, decision sheet and draft minutes from that meeting can be accessed on the Council's website via the following link:

<http://scamb.moderngov.co.uk/ieListDocuments.aspx?CId=868&MId=6435&Ver=4>

Finance & Staffing Portfolio – Land Charges

Guidance for the setting of fees for local land charge services (Charges for Property Searches Regulations 2008) includes a requirement for the Authority to apply a methodology for assessing the costs of providing each land charge service, description of service or group of services, and the projected take-up of that service, and therefore the charge that should be made, over a period of between 1 and 3 years.

The authority is required to ensure that over a rolling period the total income does not exceed costs of unrefined information; as the guidance does not stipulate a requirement to break-even the Council could choose to support local residents and businesses by making a charge for services which recovers less than full cost.

The schedule of fees for Local Land Charges have been calculated on a cost recovery basis and accepted by the Legal Section; the revised schedule, with effect from 1 April 2015, is included as **Appendix B4(A)** for approval by Council.

Housing General Fund Portfolio – Travellers Sites

Gypsy and Traveller sites come under the legislation of the Mobile Homes Act 2011. Within this legislation, it states that pitch fees can only be raised/lowered by a maximum of the Retail Prices Index ("RPI") each year, so increases/decreases may vary year on year.

The RPI figure taken on the anniversary of the review (i.e. 2.3% as at October 2014) has been applied to the pitch fees and rounded up to the nearest 50p for ease of collection.

<u>Site</u>	<u>2014-15</u> p.w.	<u>2014-15</u> p.w.
Milton	£66.00	£68.00
Whaddon *	£58.00	£68.00

* The Whaddon pitch fee increase would only take effect once refurbishment works are completed. Until then, it is proposed to hold pitch fees at the current figure of £58.

Planning Portfolio – Planning Pre-Application Service

Proposed fees and charges relating to the Planning Portfolio were presented to the portfolio holder meeting on 3 February 2015. The portfolio holder endorsed the increase in fees, but as the new fees were likely to generate an annual increase in income of more than £50,000, recommended that the increase in fees be approved. The report and decision sheet from that meeting can be accessed on the Council's website via the following link:

<http://scams.moderngov.co.uk/ieListDocuments.aspx?CId=1059&MId=6499&Ver=4>

Planning Portfolio – Building Control

In view of the shared services initiative currently being explored with Cambridge City Council and Huntingdonshire Council, it is proposed to maintain Building Control fees at their present level for the time being. Any future proposal to change fees would be reported to Members for approval in the usual way.

APPENDIX B4(A)

LAND CHARGES FEES (currently approved 2014/15 charges)

Type of Search (Commercial Search)	Fee
LLC1 Official Search in respect of one parcel of land	146.00
CON29R	59.00
LLC1 and CON29R (Full Commercial Search)	205.00
Duplicate searches (LLC1/CON29R&O/Full Search)	5.00

LAND CHARGES FEES (proposed 2015/16 charges)

Type of Search (Commercial Search)	Fee
LLC1 Official Search in respect of one parcel of land	121.00
CON29R	61.00
LLC1 and CON29R (Full Commercial Search)	182.00
Duplicate searches (LLC1/CON29R&O/Full Search)	5.00

Type of Search (Residential Search)	Fee
LLC1 Official Search in respect of one parcel of land	38.50
CON29R	59.00
LLC1 and CON29R (Full Residential Search)	97.50
CON29O Optional enquiry 4	4.50
CON29O Optional enquiry 5 (County charge + SCDC charge)	22.50
CON29O Optional enquiry 6.1 and 6.2	2.20
CON29O Optional enquiry 6.3 (a-e)	2.30
CON29O Optional enquiry 7	4.50
CON29O Optional enquiry 8	4.50
CON29O Optional enquiry 9	4.50
CON29O Optional enquiry 10	5.00
CON29O Optional enquiry 11	6.00
CON29O Optional enquiry 12	4.50
CON29O Optional enquiry 13	4.50
CON29O Optional enquiry 14	4.50
CON29O Optional enquiry 15	4.50
CON29O Optional enquiry 16	4.50
CON29O Optional enquiry 17 (County charge + SCDC charge)	8.50
CON29O Optional enquiry 18	4.50
CON29O Optional enquiry 19	5.00
CON29O Optional enquiry 20	5.00
CON29O Optional enquiry 21	4.50
CON29O Optional enquiry 22 (County charge + SCDC charge)	8.50
Refresher Search	45.00
Additional Enquiries	15.00
Additional Parcels of Land	20.00
Duplicate searches	5.00

Type of Search (Residential Search)	Fee
LLC1 Official Search in respect of one parcel of land	25.00
CON29R	61.00
LLC1 and CON29R (Full Residential Search)	86.00
CON29O Optional enquiry 4	4.50
CON29O Optional enquiry 5 (County charge + SCDC charge)	22.50
CON29O Optional enquiry 6.1 and 6.2	2.20
CON29O Optional enquiry 6.3 (a-e)	2.30
CON29O Optional enquiry 7	4.50
CON29O Optional enquiry 8	4.50
CON29O Optional enquiry 9	4.50
CON29O Optional enquiry 10	5.00
CON29O Optional enquiry 11	6.00
CON29O Optional enquiry 12	4.50
CON29O Optional enquiry 13	4.50
CON29O Optional enquiry 14	4.50
CON29O Optional enquiry 15	4.50
CON29O Optional enquiry 16	4.50
CON29O Optional enquiry 17 (County charge + SCDC charge)	8.50
CON29O Optional enquiry 18	4.50
CON29O Optional enquiry 19	5.00
CON29O Optional enquiry 20	5.00
CON29O Optional enquiry 21	4.50
CON29O Optional enquiry 22 (County charge + SCDC charge)	8.50
Refresher Search	45.00
Additional Enquiries	15.00
Additional Parcels of Land	20.00
Duplicate searches	5.00

Cancelled searches will be charged at 50% of the applicable search fee(s)

Cancelled searches will be charged at 50% of the applicable search fee(s)

LAND CHARGES FEES (currently approved 2014/15 charges)

Con29R Selectable Type of Search	Fees (Residential)
Q1.1 a-e Planning & Building Regs	13.50
Q1.1 f-h Planning & Building Regs	3.30
Q1.2 Planning Designations & Proposals	2.10
Q2 Roads*	17.00
Q3.1 Land Required for Public Purposes	2.60
Q3.2 Land to be Acquired for Road Works (County)*	
Q3.4 Nearby Road Schemes (County)*	
Q3.5 Nearby Railway Schemes*	
Q3.6 Traffic Schemes*	
Q3.7a Outstanding Notices	2.30
Q3.7b-d & f Outstanding Notices	1.00
Q3.7e Outstanding Notices (County)*	
Q3.8 Contravention of Building Regs	2.20
Q3.9a-n Notices, Orders	7.50
Q3.10 Conservation Area	4.00
Q3.11 Compulsory Purchase	1.50
Q3.12 Contaminated Land	1.00
Q3.13 Radon Gas	1.00

* Roads Questions 2, 3.2, 3.4, 3.5, 3.6 and 3.7e can only be requested as a bundle for £19.00

LAND CHARGES FEES (proposed 2015/16 charges)

Con29R Selectable Type of Search	Fees (Residential)
Q1.1 a-e Planning & Building Regs	13.50
Q1.1 f-h Planning & Building Regs	3.30
Q1.2 Planning Designations & Proposals	2.10
Q2 Roads*	19.00
Q3.1 Land Required for Public Purposes	2.60
Q3.2 Land to be Acquired for Road Works (County)*	
Q3.4 Nearby Road Schemes (County)*	
Q3.5 Nearby Railway Schemes*	
Q3.6 Traffic Schemes*	
Q3.7a Outstanding Notices	2.30
Q3.7b-d & f Outstanding Notices	1.00
Q3.7e Outstanding Notices (County)*	
Q3.8 Contravention of Building Regs	2.20
Q3.9a-n Notices, Orders	7.50
Q3.10 Conservation Area	4.00
Q3.11 Compulsory Purchase	1.50
Q3.12 Contaminated Land	1.00
Q3.13 Radon Gas	1.00

* Roads Questions 2, 3.2, 3.4, 3.5, 3.6 and 3.7e can only be requested as a bundle for £19.00

LAND CHARGES FEES (currently approved 2014/15 charges)

Con29R Selectable Type of Search	Fees (Commercial)
Q1.1 a-e Planning & Building Regs	13.50
Q1.1 f-h Planning & Building Regs	3.30
Q1.2 Planning Designations & Proposals	2.10
Q2 Roads*	17.00
Q3.1 Land Required for Public Purposes	2.60
Q3.2 Land to be Acquired for Road Works (County)*	
Q3.4 Nearby Road Schemes (County)*	
Q3.5 Nearby Railway Schemes*	
Q3.6 Traffic Schemes*	
Q3.7a Outstanding Notices	2.30
Q3.7b-d & f Outstanding Notices	1.00
Q3.7e Outstanding Notices (County)*	
Q3.8 Contravention of Building Regs	2.20
Q3.9a-n Notices, Orders	7.50
Q3.10 Conservation Area	4.00
Q3.11 Compulsory Purchase	1.50
Q3.12 Contaminated Land	1.00
Q3.13 Radon Gas	1.00

* Roads Questions 2, 3.2, 3.4, 3.5, 3.6 and 3.7e can only be requested as a bundle for £19.00

LAND CHARGES FEES (proposed 2015/16 charges)

Con29R Selectable Type of Search	Fees (Commercial)
Q1.1 a-e Planning & Building Regs	13.50
Q1.1 f-h Planning & Building Regs	3.30
Q1.2 Planning Designations & Proposals	2.10
Q2 Roads*	19.00
Q3.1 Land Required for Public Purposes	2.60
Q3.2 Land to be Acquired for Road Works (County)*	
Q3.4 Nearby Road Schemes (County)*	
Q3.5 Nearby Railway Schemes*	
Q3.6 Traffic Schemes*	
Q3.7a Outstanding Notices	2.30
Q3.7b-d & f Outstanding Notices	1.00
Q3.7e Outstanding Notices (County)*	
Q3.8 Contravention of Building Regs	2.20
Q3.9a-n Notices, Orders	7.50
Q3.10 Conservation Area	4.00
Q3.11 Compulsory Purchase	1.50
Q3.12 Contaminated Land	1.00
Q3.13 Radon Gas	1.00

* Roads Questions 2, 3.2, 3.4, 3.5, 3.6 and 3.7e can only be requested as a bundle for £19.00

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New Homes Bonus (NHB) and Infrastructure Reserve Fund

calculated on the basis of future average national council tax increases of 2%

... from new homes in	NHB receipt arising in financial year ...								
	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011-12	869	869	869	869	869	869			
2012-13		878	878	878	878	878	878		
2013-14			899	899	899	899	899	899	
2014-15				547	547	547	547	547	547
2015-16					961	961	961	961	961
2016-17						801	801	801	801
2017-18							1,128	1,128	1,128
2018-19								1,509	1,509
2019-20									1,578
Funding adjustment			20						
Totals	869	1,747	2,666	3,193	4,154	4,955	5,214	5,845	6,524
Less: Contribution to GF			1,803	1,803	1,803	1,803	1,803	1,803	1,803
Infrastructure projects			50	207	332	207	445	64	65
A14 upgrade contribution									5,000
Surplus/(Deficit) for year			813	1,183	2,019	2,945	2,966	3,978	(344)
Infrastructure Reserve Fund									
B/fwd			0	813	1,996	4,015	6,960	9,926	13,904
Surplus/(Deficit) for year			813	1,183	2,019	2,945	2,966	3,978	(344)
C/fwd			813	1,996	4,015	6,960	9,926	13,904	13,560

The effect on the infrastructure reserve fund of allocating a proportion of NHB receipts in each year as this authority's commitment to City Deal shared funding, 40% in 2015-16 and 50% from 2016-17 on, is shown below:

B/fwd	0	813	1,996	2,353	2,820	3,179	4,234
Surplus/(Deficit) for year	813	1,183	2,019	2,945	2,966	3,978	(344)
Less:							
City Deal shared funding			1,662	2,478	2,607	2,923	3,262
C/fwd	813	1,996	2,353	2,820	3,179	4,234	628

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APPENDIX C

HOUSING REVENUE ACCOUNT (HRA) ESTIMATES AND HOUSING CHARGES FOR 2015-16

Recommendations

1. Council is requested to:
 - a) approve the Housing Revenue Account (HRA) estimates for the year 2015-16 as submitted in the HRA summary set out in **Appendix C1**;
 - b) from the first rent week in April 2015, increase rents for existing tenants by 2.2% in line with the Department of Communities and Local Government (CLG) guidelines; and
 - c) change charges for other services and facilities as outlined in **Appendix C2**.

Reasons for Recommendations

2. The final approval of the HRA estimates and the levels of rent and housing charges need to be decided by the Council on 26 February 2015.

Background

3. This report relates to HRA estimates and the setting of related rents and charges.
4. The staffing and central overhead estimates are recharged to the HRA as appropriate and reflect the current service structure.
5. Provisions for inflation have been applied to individual estimates only in cases where price increases can be justified. No automatic inflation allowance has been applied.
6. The summary draft HRA estimates are set out in **Appendix C1** with revised 30 year HRA Business Plan financial projections updated and reflecting the draft estimates shown at **Appendix C3**.

Considerations

7. A summary of the revenue estimates for the HRA is shown at **Appendix C1**. The total estimates have been analysed between direct costs and recharges (from staffing and overhead accounts), so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs, unlike the recharges, are specifically within the control of the relevant cost centre manager.
8. A fundamental change in the way in which the HRA is financed took place from 2012-13, with the new "self-financing" regime resulting in the HRA taking on a debt at the end of March 2012 of £205 million. No repayment of the debt principal is planned for some years and the 2015-16 estimates include an amount for interest of £7.2 million. Whilst this is a considerable sum it is far less than the amount that would have been payable to the government had the subsidy system remained.

9. The figure of £5.8 million for depreciation included in the 2015-16 draft estimates is based on the amount considered by the government to be needed to maintain the condition of the Council homes and incorporated in the self-financing calculation. It is acceptable to use this method of arriving at the minimum amount of depreciation chargeable to the HRA for the first five years of self-financing.
10. The government had intended that rent setting in the social housing sector should be brought onto a common system based on relative property values, local earnings levels and the number of bedrooms in individual properties. The guidance on this rent restructuring scheme provides a formula by which a target rent for each property is calculated and rents were expected to move to the target level over several years.
11. During 2014-15 the government decided to change the guidelines for 2015-16 and beyond. Although new lettings can be at the target rent, there is no longer any provision in the new guidance for moving the rents of existing tenants towards the target rent level.
12. In addition, rather than then using the Retail Price Index (RPI) figure plus 0.5% for the inflationary increase, Councils are now expected to use the Consumer Price Index (CPI) plus 1.0%. Unfortunately, whilst it was expected that the two inflationary figures would average out at more or less the same increase, the latest predictions from the government show an adverse difference of around 1% in future years. Both of these changes will have a significant cumulative detrimental impact on the rent income
13. The inflationary figure to be applied to this year's rent, in line with the government's guidance, is 2.2% (based on the September 2014 annual CPI increase of 1.2% plus 1%). The average increase is therefore 2.2% making the average rent £103.95 per week.
14. In the past the service charges for both sheltered housing tenants and leaseholders were subsidised by income from HRA rents and, as a consequence, needed to be approved by Members. This subsidy has now been phased out and because the full amount of the service charges are now due from sheltered housing residents, these are not considered in this report.
15. The estimates have been prepared on the assumption that most of the remaining HRA service charges are increased in 2015-16 by around 2% in line with the figure used in the Council's Medium Term Financial Strategy for 2015-16 inflation. The proposed charges are outlined in **Appendix C2**.
16. The financial benefits of the self-financing regime mean that in 2015-16 revenue funding of over £8 million can be used to support capital expenditure. £1 million of this is to be transferred from the investment/repayment reserve, built up since the start of the regime
17. As in previous years, the minimum level of working balance included in the estimates is £2 million and £1 million has also been set aside for the self-insurance fund reserve.

Implications

18. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Financial

19. The financial implications are contained in the body of the report.

Legal

20. There are no direct legal implications resulting from this report. The estimates show the financial effect of decisions that have already been made.

Staffing

21. There no additional staffing implications resulting from this report.

Risk Management

22. There do not appear to be any additional risk management implications resulting from this report.

Equality and Diversity

23. There are no direct equality and diversity implications resulting from this report. Equality and diversity issues will have been considered in the decisions which these estimates reflect.

Climate Change

24. There are no direct climate change implications resulting from this report. Climate change issues will have been considered in the decisions which these estimates reflect.

Consultation Responses (including from the Youth Council)

25. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure and income within them, have been consulted on the compilation of the estimate figures.
26. Tenant consultation has taken place on spending proposals. Tenants' main priority was that the Council continued to undertake works to address fuel poverty, such as new heating installations and external insulation cladding. Tenants also wanted the Council to continue the high level of disabled adaptation work. All of these are incorporated in the HRA estimates and Business Plan financial projections.

Effect on Strategic Aims

27. To determine the Housing Revenue Account budget and rents and other housing charges to provide the resources for the Council to continue its HRA services to achieve its strategic aims.

Conclusions/Summary

28. The draft HRA estimates include income from rents and charges at the levels proposed in this report. Variations to these levels may require reconsideration of the HRA budget.

29. In line with the government's recommendation it is proposed that rents for existing tenants are increased by an average of 2.2%.
30. **Appendix C2** sets out proposed variations in garage and other HRA charges for 2015-16.

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

Estimates files within the Finance, Policy and Performance team
Draft Estimate Book

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APPENDIX C1

Actual 2013/2014 £	HOUSING PORTFOLIO HOUSING REVENUE ACCOUNT	Estimate 2014/2015 £	Estimate 2015/2016 £
	EXPENDITURE		
	Premises Related Expenses		
1,252	Rents Rates etc.	5,000	4,000
2,869,608	Administration (Net Expenditure)	2,960,970	3,441,120
	Support Services (Net Expenditure)		
186,276	Sheltered Housing	339,730	477,640
310	Visiting Support	27,550	0
511	Alarms	(400)	3,360
79,006	Flats - Communal Areas	62,830	44,040
127,453	Outdoor Maintenance	123,210	99,930
3,353	Sewage	1,460	2,580
261,772	Tenant Participation	310,350	378,500
104,907	Reprovision and New Homes Programme	125,890	155,790
	Other Expenditure		
894	Registration of HRA Land	1,000	1,000
3,538,914	Contribution to Housing Repairs Account	3,994,400	4,145,200
79,870	Provision for Bad or Doubtful Debts	100,000	100,000
18,087	Discretionary Housing Benefit Payments	50,000	0
	Unallocated Recharges		
0	Unallocated Vacancy Saving	(50,000)	(50,000)
388,497	Corporate Management	383,030	372,870
75,450	Democratic Representation Charge	79,660	81,100
28,611	Treasury Management Charge	29,100	27,540
14,121	Equality and Diversity	19,000	13,810
4,000,000	Transfer to/(from) Reserves	1,000,000	(1,000,000)
	Capital Charges		
7,192,805	Interest on Self Finance Debt	7,192,800	7,192,800
2,549,102	Revenue Funding of Capital Expenditure	6,346,840	8,003,500
5,548,118	Net Depreciation	5,658,500	5,784,100
<u>27,068,916</u>	TOTAL EXPENDITURE	<u>28,760,920</u>	<u>29,278,880</u>
	INCOME		
(26,703,253)	Gross Rent Income from Dwellings	(28,000,000)	(28,600,000)
(404,006)	Other Income	(350,000)	(370,000)
<u>(27,107,259)</u>	TOTAL INCOME	<u>(28,350,000)</u>	<u>(28,970,000)</u>
(38,343)	Net Cost of Services	410,920	308,880
(26,798)	Interest Receivable	(37,000)	(54,000)
<u>(65,141)</u>	Deficit/(Surplus) for the year	<u>373,920</u>	<u>254,880</u>
(2,427,476)	Working Balance brought forward 1st April	(2,407,800)	(2,273,500)
(2,492,617)	Working Balance carried forward 31st March	(2,033,880)	(2,018,620)
(7,500,000)	Investment/Repayment Reserve at 31st March	(7,000,000)	(7,500,000)
(1,000,000)	Self Insurance Reserve at 31st March	(1,000,000)	(1,000,000)
	Analysis of Total Net Expenditure		
(3,831,941)	Net Direct Income (including recharges to/from GF)	(3,246,460)	(3,661,380)
506,679	Unallocated Recharges	460,790	445,320
3,260,121	Recharges from Staffing and Overhead Accounts	3,159,590	3,470,940
<u>(65,141)</u>		<u>373,920</u>	<u>254,880</u>

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APPENDIX C2

Proposed changes to Housing Revenue Account Charges for 2015/16

Service or Facility	Current Charge p.w. £	Proposed Charge p.w. £	Increase	
			%	£
Charges for Flats with Communal Areas				
Blocks with a door entry system	3.20	3.26	1.9	0.06
Other blocks	2.13	2.17	1.9	0.04
Community Alarm Service Charges				
- where the Council supplies the alarm*	4.34	4.43	2.0	0.09
- where the user supplies the alarm*	3.51	3.58	2.0	0.07
* plus VAT where appropriate				
Garage Rents				
Garages rented to a tenant or leaseholder*	8.09	8.25	2.0	0.16
*In excess of two garages will be subject to VAT				
Other Garages (subject to VAT)	11.16	11.38	2.0	0.22

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30 Year Summary HRA Business Plan Table

Year	2015.16	2016.17	2017.18	2018.19	2019.20	2024.25	2029.30	2034.35	2039.40	2044.45
	1	2	3	4	5	10	15	20	25	30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME:										
Rental Income	28,600	29,130	29,868	30,711	31,606	36,273	41,399	47,989	56,160	65,680
Garage Rents Sevice Charges etc	1,501	1,534	1,567	1,600	1,635	1,822	2,028	2,257	2,510	2,789
Other Income	275	267	273	289	309	527	830	1,005	763	512
Total Income	30,376	30,931	31,708	32,600	33,550	38,622	44,257	51,251	59,433	68,981
Management	6,436	6,515	6,645	6,717	6,894	7,577	8,335	9,171	10,104	10,896
Responsive & Cyclical Maintenance	4,357	4,388	4,557	4,735	4,919	5,629	6,425	7,410	8,653	10,124
Major Repairs & Improvements	9,705	8,962	9,086	9,263	9,391	13,025	18,272	18,202	17,350	25,623
Reprovision/repurchase of Existing Homes	1,500	1,500	1,050	1,000	800	1,200	1,200	1,200	1,200	1,200
New Build Programme	4,500	4,500	4,500	4,500	4,500	5,000	5,000	15,000	20,000	20,000
Bad Debt Provision	100	130	133	137	141	164	190	220	255	296
Interest Payments	7,193	7,193	7,193	7,193	7,193	7,193	7,193	7,193	6,240	4,490
Scheduled Repayment of Debt	0	0	0	0	0	0	0	0	10,000	10,000
Total Expenditure	33,791	33,188	33,164	33,545	33,838	39,788	46,615	58,396	73,802	82,629
less capital funding adjustment	2,160	2,350	2,350	2,350	2,350	2,460	2,570	2,680	2,890	3,000
(Surplus) /Deficit for year	1,255	(93)	(894)	(1,405)	(2,062)	(1,294)	(212)	4,465	11,479	10,648
HRA Reserves b/f	11,774	10,519	10,612	11,506	12,911	35,387	56,003	76,432	56,586	27,928
HRA Reserves c/f	10,519	10,612	11,506	12,911	14,973	36,681	56,215	71,967	45,107	17,280
Reserves @ 31st March										
Working Balance Reserve	2,019	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance Reserve	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Investment/Repayment Reserve	7,500	7,612	8,506	9,911	11,973	33,681	53,215	68,967	42,107	14,280

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APPENDIX D

FINANCIAL, ADMINISTRATION, BORROWING AND INVESTMENT STRATEGY AND PRUDENTIAL INDICATORS

PART 1 – FINANCIAL ADMINISTRATION

1. When a local authority is calculating its budget requirement and consequent council tax, the Chief Financial Officer is now required under Section 25 of the Local Government Act 2003 to report on:
 - (i) the robustness of the estimates made for the purposes of the calculations; and
 - (ii) the adequacy of the proposed financial reserves.
2. The emphasis is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, that there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2015-16 estimates and the reserves up to 31 March 2016.
3. At South Cambridgeshire District Council, the Executive Director (Corporate Services) as the Chief Financial Officer considers the estimates for the financial year 2015-16 to be sufficiently robust and the financial reserves up to 31 March 2016 to be adequate.
4. The main area of risk is with regard to Retained Business Rates, introduced in 2013-14. As the scheme is still quite new it is difficult to forecast future income with any certainty, a key area of uncertainty being the level and timing of outstanding appeals.
5. Other risks include the actual realisation of savings which have been included in the estimates and the lack of certainty over New Homes Bonus where the 80% contribution may be cut or capped, the underlying growth in the number of dwellings may not be achieved and the next Government may either make fundamental changes to the scheme or withdraw/replace it. There is also a risk that the new Government may revisit the balance of the local government financial settlement in other ways, e.g. adjusting the balance of funding between tiers of local government.
6. As at the end of March 2016, the estimated balances are £6.7 million and £2.0 million on the General Fund and Housing Revenue Account respectively. The minimum balance for the General Fund is normally £1.5 million but it is now considered that the minimum balance for future years should temporarily be increased to £2.5 million during the present period of local government changes and economic uncertainty. The target balance as at 31 March 2019 is £2.5 million. The minimum balance for the Housing Revenue Account has been increased to £2 million because in future years any unexpected capital works may have to be financed from revenue and to provide cover for uninsured losses in excess of the insurance reserve.

PART 2 – BORROWING AND INVESTMENT STRATEGY

Background

7. With effect from 1st April 2004, the Local Government Act 2003:

- (i) included a power for a local authority to borrow for any purpose relevant to its functions under any enactment or for the purposes of prudent management of its financial affairs;
- (ii) included a power for a local authority to invest for any purpose relevant to its functions under any enactment or for the purposes of prudent management of its financial affairs; and
- (iii) requires a local authority to have regard to any guidance the Secretary of State may issue.

Considerations

8. Revised investment guidance was issued in March 2010 by Department for Communities and Local Government (DCLG). The key points in the guidance are:
 - (i) the guidance makes even clearer that the investment priorities should be **security** and **liquidity**, rather than yield;
 - (ii) investment strategies should still go to the full council before the start of each year, but authorities are encouraged to consider submitting revised strategies at other times;
 - (iii) strategies should be published;
 - (iv) authorities should not rely just on credit ratings but also consider other information on credit risk;
 - (v) strategies should comment on the use of treasury management consultants; and
 - (vi) strategies should comment on the investment of money borrowed in advance of spending needs.

9. The Chartered Institute of Public Finance and Accountancy (CIPFA) has also issued in November 2011 a revised edition of its Treasury Management in the Public Services Code of Practice which identifies three key principles:
 - (1) public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities;
 - (2) their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds; and
 - (3) they should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practice should reflect this.

10. The proposed borrowing and investment strategy for 2015-16 is attached as **Appendix D1**. The proposed strategy does not comply with the Code which, as a minimum, stipulates for reports annually to full Council on the investment strategy and plan, a mid year position report and an end of year performance report.

11. The borrowing and investment strategy sets out the limits within which Council officers must operate. Once the strategy is approved, the Head of Finance, Policy

and Performance issues a list of approved organisations/counterparties within each category in the investment strategy, with which the Council can invest. This list is reviewed during the year to take account of:

- (i) mergers of organisations which are reducing the number of counterparties with which the Council can invest;
 - (ii) the current economic climate whereby organisations which are allowed in accordance with the investment strategy may be suspended from the list of approved organisations, and
 - (iii) the credit rating and financial standing of approved organisations which, where available, are checked before any investment decision is made.
12. The Prudential Code for Capital Finance in Local Authorities requires local authorities to set prudential indicators before the beginning of the financial year. These indicators include liquidity of investments, interest rate exposure, etc., and are shown in **Appendix D2**.

Options

13. These include:
- (i) Continuing with the present policy which has produced good results. The Council is a member of the CIPFA Treasury Management benchmarking club. The results for 2013-14 show that South Cambridgeshire achieved a return of 1.18% on combined investments (less than and more than 365 days) compared to 0.94% for its comparator group and 0.85% for the overall group. South Cambridgeshire was third highest in the comparator group of 14 other organisations and eighth highest in the overall group of 50 other organisations. These good results were achieved at minimal cost and investment risk;
 - (ii) Continuing with the present policy and extending approved counterparties.
 - (iii) Adopting a risk free strategy by investing only with the Debt Management Office which is a government agency and should be totally secure. Interest rates with this organisation are generally substantially lower than rates in the money market and this would result in substantially lower interest on balances than the figure which is in the 2015-16 estimates; and
 - (iv) Out-sourcing investment but this is probably not economic for the amounts now available when considered against the Council's capital programme.

Implications

14. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:
15. **Financial**
The Council may currently earn less interest on its investments by having a restricted range of investments but this is considered to be more than offset by the reduced risk of default by counterparties.
16. **Staffing**
The use of credit ratings requires some research by staff who deal with treasury management.
17. **Risk Management**
There is internal check with division of duties between dealing, administration and authorisation and any losses due to fraud should be covered by fidelity insurance.

Credit and counterparty risk is currently managed by restricting the range of investment organisations to the main banks, building societies, etc. The use of credit ratings places greater reliance on the credit rating agencies which do not provide any indemnities against loss.

PART 3 – PRUDENTIAL INDICATORS

18. The Prudential Code for Capital Finance in Local Authorities came in to effect from 1 April 2004, the objective being to provide a framework for capital programmes to ensure that:
 - (i) capital expenditure plans are affordable;
 - (ii) all external borrowing and other long term liabilities are within prudent and sustainable levels; and
 - (iii) treasury management decisions are taken in accordance with professional good practice.

19. Prudential indicators must be set by Council before the beginning of the financial year but can be revised at any time. 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 which it may not be able to afford in the future. The Council's main long term commitment is the £205 million debt resulting from the Government's Housing Revenue Account Self Financing reforms and the affordability and sustainability of this debt are addressed in the HRA business plan.

20. The prudential indicators are set out in **Appendix D2**.

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

Revised investment guidance from the DCLG dated 11th March 2010
Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (CIPFA) 2011 edition
Treasury Risk Management Toolkit for Local Authorities (CIPFA) 2012 edition
The Prudential Code for Capital Finance in Local Authorities (CIPFA) 2011 edition

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APPENDIX D1

BORROWING AND INVESTMENT STRATEGY, 2015-2016

1. Introduction

1.1 South Cambridgeshire District Council has adopted the Code of Practice for Treasury Management in the Public Services, 2011 edition, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and complied with the Guidance issued by the Department for Communities and Local Government (DCLG) on behalf of the Secretary of State, **with the exception of the reporting requirements to full Council.**

1.2 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- (a) increases in interest charges caused by increased borrowing to finance additional capital expenditure,
- (b) any increases in running costs from new capital projects, or
- (c) the loss of interest on balances or reserves arising from their use in financing the capital expenditure,

are limited to a level which is affordable within the projected income of the council for the foreseeable future.

2. Defined Activities

2.1 Treasury Management is defined as the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

3. Policy

3.1 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

3.2 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

- 3.3 The Council attaches a high priority to a stable and predictable revenue cost from treasury management activities. The Council's objectives in relation to debt and investment can accordingly be stated as follows:
- (a) To assist the achievement of the Council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of interest cost stability and a low risk to sums invested.
 - (b) This means the Council takes a low risk position but is not totally risk averse. Treasury management staff have the capability to actively manage treasury risk within the scope of the Council's treasury management policy and strategy.
 - (c) The following activities may be appropriate, depending on the circumstances at the time, to the extent that skills and resources are available:
 - (i) The Council will borrow at fixed or variable rate across a wide range of maturities, taking account of a liability benchmark which represents the lowest risk position
 - (ii) Within limits, however, the Council will seek to borrow more at maturities that it believes offer better value, and will consider early repayment and replacement of loans to rebalance portfolio risks as market conditions change
 - (iii) When investing surplus cash, the Council will not limit itself to making deposits with the UK Government, but may invest in other bodies including high investment grade financial institutions, or other organisations as set out in the investment policy.
 - (d) The Council will seek to limit the risk of adverse interest rate changes on the budget, and will maintain a level of treasury skills, knowledge and access to information commensurate with managing risks at this level.

4. **Governance**

- 4.1 This Council will create and maintain, as cornerstones for effective treasury management:
- (a) a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - (b) suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- 4.2 This Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. The TMP is supplemented by a systems document covering treasury management

procedures; the detail of how to apply practices for use by officers in their 'day to day' work on treasury management.

- 4.3 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Finance and Staffing Portfolio Holder, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- 4.4 This Council nominates the Corporate Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

5. **Strategy**

- 5.1 On 1st April 1996 the Council became debt-free but under the Government scheme for Housing Revenue Account (HRA) Self-financing was required to take on debt of around £205 million on 28 March 2012. The Council raised this money from the Public Works Loan Board in order to take advantage of the special (lower) rate available only to local authorities with debt under HRA Self-financing. The debt transactions were arranged on 26 March 2012 and effected on 28 March 2012.
- 5.2 The HRA Business Plan includes 41 maturity loans in tranches of £5 million each at fixed rates of interest with maturities every six months from March 2037 to March 2057 (25 to 45 years). Any Public Works Loan Board debt has to be held for at least one year before it can be prematurely repaid and, therefore, a strategy for monitoring debt with a view to debt rescheduling will be incorporated in future investment strategies.
- 5.3 Following HRA Self-financing the Council has adopted a two pool approach whereby long term loans are split between the Housing Revenue Account and General Fund, the principles to be applied are:
- (a) Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving a greater degree of independence, certainty and control
 - (b) Un-invested balance sheet resources which allow borrowing to be below the capital financing requirement (CFR) are properly identified between General Fund and HRA
- 5.4 The Chief Financial Officer will only have delegated authority to deal in investments which are denominated in sterling and any payments or repayments in respect of the investments are to be payable only in sterling.
- 5.5 Credit arrangements are forms of credit which do not involve the borrowing of money and are defined by Section 7 Local Government Act 2003. The Chief Financial Officer shall only commit the Council to credit arrangements which have been approved either specifically or as part of the financing of the capital programme by the Cabinet and/or Council.
- 5.6 The Council's policy on the minimum revenue provision, being a provision for debt repayment to be set aside each year regardless of when debt repayment is actually made, will be either the asset life method calculated by dividing the cost of an asset by its estimated useful life, or an agreed percentage. The impact on HRA Self-

financing is excluded from the calculation of the minimum revenue provision under statutory guidance issued by the Department of Communities and Local Government.

5.7 Any decision to outsource all or part of the treasury management function will require the approval of the Cabinet.

6. Operations and Prudential Indicators

6.1 The Chief Financial Officer will formulate:

- (a) a borrowing and investment strategy before the start of the financial year to be approved by Executive and Council;
- (b) a borrowing and investing plan in March of each year for the next five years which will incorporate the expenditure and income in the capital programme and capital and revenue financing decisions approved by the Council; and
- (c) short-term borrowing/investing plans at the beginning of each week for the current week.

6.2 The prudential indicators including those relating to treasury management are being approved by Council in February 2015 as part of the Medium Term Financial Strategy.

6.3 Where the planned capital programme indicates a borrowing need, other than for short term borrowing, and where investment interest rates are forecast to be below borrowing rates for the year internal borrowing will be considered; or where appropriate external borrowing with the following approved organisations:

- Public Works Loans Board or other Government appointed body
- UK Local Authorities (excluding Parish Councils) and,
- the Local Capital Finance Company (LGA Municipal Bond Agency)

6.4 Investments will only be in non-negotiable fixed time, callable and on call deposits to the following approved organisations and within the following limits:

Groups of organisations	Maximum investment limit to any one organisation within a group (£ million)	Maximum proportion which may be held by each group at any time during the financial year
The Treasury (the UK Debt Management Office's Debt Management Account)	unlimited	100%
Money Market Funds subject to the highest possible credit rating.	7.5	30%
UK Local Authorities (excluding Parish Councils) and Local Capital Finance Company (Municipal Bond Agency)	7.5	75%
UK Banks (which are also retail)	7.5	60%
South Cambs Housing Ltd	7.5	30%

Groups of organisations	Maximum investment limit to any one organisation within a group (£ million)	Maximum proportion which may be held by each group at any time during the financial year
Subsidiaries of UK Banks (provided the subsidiaries are UK-incorporated deposit takers under the Financial Services and Markets Act 2000 and provided loans are for a maximum period of three months)	1.0	10%
Other Banks, Property Funds and Financial Institutions specifically approved by the Finance and Staffing Portfolio Holder (or formerly by Cabinet or Finance, Resources and Staffing Committee)	2.5	20%
Building Societies		100%
with assets greater than £10,000 million	7.5	
with assets between £10,000 million and £5,000 million	3.0	
with assets between £1,500 million and £5,000 million	2.0	
6.5 Investment in share capital, as non-specified investments, to the following approved organisations:		
• the Local Capital Finance Company (Municipal Bond Agency)		
• South Cambs Ltd (trading as Ermine Street Housing)		
or other organisations specifically approved by Cabinet.		
7. Investment Security		
7.1 The Chief Financial Officer shall review at least annually the list of approved organisations and make appropriate amendments to individual organisations on the list, but not to the principles on which it is compiled without the approval of the Cabinet.		
7.2 The guidance (paragraph 1) determines specified investments as investments denominated in sterling, for less than twelve months, not in share or loan capital and with a high credit quality or with the Government or local authority. Non-specified investments may have greater potential risk and are any investments which are not specified. The groups of organisations set out above are restricted in order to give priority to security and will be used for both specified (less than twelve months) and non-specified investments (twelve months or more).		
8. Credit risk assessment		
8.1 The criteria for high credit quality will apply (except to public sector bodies or approved subsidiaries of public sector bodies) to both specified (less than twelve months) and non-specified investments (twelve months or more) and will apply to		

organisations as set out in paragraph 6.4 with a credit rating as set out in **Annex 1** and a bank financial strength rating greater than D+. The credit rating and bank financial strength rating of all approved organisations will be checked on a weekly basis and of a specific approved organisation immediately before an investment is made with that organisation. Ratings watch (heightened probability of rating change in the short term) and ratings outlook (credit rating may change in the next one to two years) will also be taken in to account.

9. Investment Consultants

- 9.1 External contractors offering information, advice and/or assistance are currently not used by the Council as treasury management performance is benchmarked against other organisations and a consistently good performance has been achieved for several years.

10. Investment Training

- 10.1 The needs of the Council's treasury management staff for training in investment management are reviewed as part of the annual performance and development review scheme and are addressed by attendance at seminars (usually the CIPFA Local Government Treasury Management Conference with periodic attendance at seminars offered by external organisations) and by keeping up to date with codes of practice and guidance issued by CIPFA and DCLG and information in the quality financial press.

11. Investment of money borrowed in advance of need

- 11.1 The Chief Financial Officer may undertake short term borrowing where it is associated with specific investments for longer periods and, thereby, take advantage of interest rate differentials or may undertake long term borrowing, with the approval of Finance and Staffing Portfolio Holder, where there is a clear link to the capital programme which supports the need for future borrowing.

12. Loans to approved organisations

- 12.1 Loans to organisations shall be on a secured basis funded from internal resources or from prudential borrowing following asset security, organisation and loan project appraisal, with the approval of the Chief Finance Officer and Finance and Staffing Portfolio Holder.

13. Delegation and Reporting

- 13.1 Delegation may be summarised as:

- (a) to the Chief Financial Officer and/or Head of Finance, Policy and Performance:
 - (i) temporary borrowing/investing for up to 364 days
 - (ii) investments up to five years
 - (iii) capital financing
 - (iv) credit arrangements;

- (b) to the Chief Financial Officer and Finance and Portfolio Holder:
 - (i) long term borrowing
 - (ii) loans to approved organisations

- (c) to the Cabinet:

- (i) external management / use of external consultants; and
- (d) to the Council:
 - (i) approval and any revisions to the annual investment strategy

13.2 The Chief Financial Officer shall present to:

- (a) the Finance and Staffing Portfolio Holder quarterly updates on treasury management activity; and
- (b) Corporate Governance Committee an annual report on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to them at the earliest practicable opportunity after the end of the financial year but in any case by the end of September.

To be approved by Council
26 February 2015

ANNEX 1

Long and Short Term Credit Ratings

Audit Commission grading (for the purpose of standardisation)		Fitch		Moody's			Standard & Poor's		
		Long Term	Short Term less than or equal to one year	Long Term	Short Term less than or equal to one year		Long Term	Short Term less than or equal to one year	
Investment Grade	Extremely strong Grade	AAA	F1+	Aaa	P-1		AAA	A-1+	
	Very Strong Grade	AA+	F1+	Aa1	P-1		AA+	A-1+	
		AA	F1+	Aa2	P-1		AA	A-1+	
		AA-	F1+	Aa3	P-1		AA-	A-1+	
	Strong, but susceptible to adverse conditions grade (strong grade)	A+	F1+ F1	A1	P-1		A+	A-1+ A-1	
		A	F1	A2	P-1	P-2	A	A-1+	
		A-	F1 F2	A3	P-1	P-2	A-	A-1+ A-2	
	Adequate grade	BBB+	F2	Baa1	P-2		BBB+	A-2	
		BBB	F2 F3	Baa2	P-2	P-3	BBB	A-2 A-3	
		BBB-	F3	Baa3	P-3		BBB-	A-3	
Sub-investing Grade	Speculative grade	BB+	B	Ba1	Not Prime (NP)		BB+	B-1	
		BB	B	Ba2	NP		BB	B-2	
		BB-	B	Ba3	NP		BB-	B-3	
	Very speculative grade	B+	B	B1	NP		B+	-	
		B	B	B2	NP		B	-	
		B-	B	B3	NP		B-	-	
	Vulnerable grade	CCC	C	Caa1	NP		CCC+	C	
		CCC	C	Caa2	NP		CCC	C	
		CCC	C	Caa3	NP		CCC-	C	
		CC	C	-	NP		CC	C	
C		C	Ca	NP		C	C		
Defaulting grade	D	D	C	NP		D	D		

SCDC Investment Criteria

APPENDIX D2

Prudential Code for Capital Finance in Local Authorities Prudential Indicators for 2015-16

1. Capital Expenditure

The actual capital expenditure that was incurred in 2013-14 and the estimates of capital expenditure to be incurred for the current and future years are:

	2013-14 Actual £ million	2014-15 Estimate £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million
General Fund	2.843	4.863	5.760	8.666	5.283
Housing Revenue Account	10.095	14.017	17.027	16.920	16.087
Total	12.938	18.880	22.787	25.586	21.370

2. Affordability

Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

	2013-14 Actual	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
General Fund	-2%	-1%	-1%	0%	1%
Housing Revenue Account	26%	25%	25%	24%	23%

The negative figures reflect the Authority's General Fund position as a net investor, the interest earned being used to help fund the budget.

The other affordability indicator is the incremental impact of capital investment decisions on the council tax as shown below and, on the average weekly housing rents and this is considered to be not applicable as the increase in housing rents on the HRA is based on Government guidance and not on the amount of HRA capital expenditure.

Incremental Impact of Capital Investment Decisions	2015-16 Estimate £ p	2016-17 Estimate £ p	2017-18 Estimate £ p
General Fund, increase / (decrease)	4.26	-6.49	29.31

3. Capital Financing Requirement

The capital financing requirement is capital expenditure which has not been fully financed from a local authority's own resources in the year but has been covered by raising external or internal debt. The capital requirement at 31 March 2014 is £209.083 million; thereafter:

	31/03/2014 <i>Actual</i> <i>£ million</i>	31/03/2015 <i>Estimate</i> <i>£ million</i>	31/03/2016 <i>Estimate</i> <i>£ million</i>	31/03/2017 <i>Estimate</i> <i>£ million</i>	31/03/2018 <i>Estimate</i> <i>£ million</i>
General Fund	3.960	4.722	6.824	8.090	12.913
Housing Revenue Account	205.123	205.123	205.123	205.123	205.123
Total	209.083	209.845	211.947	213.213	218.036

The General Fund capital financing requirement fluctuates due to financing internally refuse vehicles, part of the purchase of wheeled bins and cash overdrawn on equity share repurchases, but this financing is then partly repaid over the period.

4. External Debt

HRA self-financing required the Council to take on external debt of £205.123 million at the end on 2011/12.

The prudential indicators for external debt will be:

i. Authorised limit

	2014-15 <i>Estimate</i> <i>£ million</i>	2015-16 <i>Estimate</i> <i>£ million</i>	2016-17 <i>Estimate</i> <i>£ million</i>	2017-18 <i>Estimate</i> <i>£ million</i>
Borrowing	218.0	219.0	219.0	219.0
Other Long Term Liabilities	0	0	0	0
Total	218.0	219.0	219.0	219.0

The authorised limit is the maximum limit consisting of HRA debt of £205 million and £14 million to take advantage of interest rate differentials and to meet immediate cash flow requirements. The authorised limit is the statutory affordable borrowing limit under Section 3 (1) Local Government Act 2003.

Net borrowing is set out in the table below and one of the key indicators of prudence is that net debt is not in excess of the capital financing requirement.

	2014-15 Estimate £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million
Borrowing	218.0	219.0	219.0	219.0
Investments	-27.0	-40.0	-40.0	-40.0
Net debt	191.0	179.0	179.0	179.0

Another indicator to highlight where an authority may be borrowing in advance of need is the ration of the net debt to gross debt.

	2014-15	2015-16	2016-17	2017-18
Net debt to gross debt	91%	84%	84%	82%

ii. Operational boundary

The operational boundary for external debt is based on the same estimates as the authorised limit but reflects the most likely scenario and is expected to be £219 million for both borrowing and other long term liabilities for each of the four years.

iii. Actual debt

The third indicator for external debt is actual debt at the end of the last financial year and was £205.123 million.

5. Maturity Structure of Borrowing

As the Council will only undertake a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements and the HRA debt is at fixed rates, the upper limits to be set for borrowing will be:

	Under 12 Months	More than 12 months
Upper limit for fixed interest rate exposure	100%	100%
Upper limit for variable rate exposure	100%	0%

6. Treasury management

The Prudential Code requires the Authority to have adopted the CIPFA Code of Practice for Treasury Management in the Public Services: South Cambridgeshire has adopted this Code.

i. Liquidity of Investments

The procedure for determining the maximum periods for which funds may be prudently committed is to formulate the five years investing plan. No investments will be made for more than five years. The prudential indicators for principal sums invested for longer than 364 days being the maximum limit shall be:

Investment period	<i>Longer than 364 days but less than two years £ million</i>	<i>Longer than one year and 364 days but less than three years £ million</i>	<i>Longer than two years and 364 days but less than four years £ million</i>	<i>Longer than three years and 364 days but less than five years £ million</i>
Maximum Limit	7.0	7.0	4.0	3.0

ii. Interest rate Exposure

The Council will only undertake a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements; the upper limits for interest rate exposures are based on gross investments. These upper limits for the forthcoming financial year and the following two years will be:

Upper limit on gross investments	2015-16	2016-17	2017-18
Fixed Rate	100%	100%	100%
Variable rate	50%	50%	50%

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
COUNCIL MEETING – 26 February 2015**

Agenda Item 8b Council Resolution: Setting the Council Tax for 2015-16 (A)

The formal Council Resolution to be passed in order to set the Council Tax for 2015-16 is that the following amounts be now calculated by the Council for the year 2015-16 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- | | | |
|-----|--------------------|---|
| (a) | £88,348,234 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act (gross expenditure including parish precepts, the Housing Revenue Account and additions to reserves) |
| (b) | £76,315,960 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act (gross income including the Housing Revenue Account and use of reserves) |
| (c) | £12,032,274 | being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its council tax requirement for the year (net expenditure to be met from council tax) being the district amount of £7,478,550 and the parish precepts of £4,553,724 |
| (d) | £201.61 | being the amount calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (average council tax for a band D property for the District including parishes) |
| (e) | £4,553,724 | being the aggregate amount of all special items referred to in Section 34(1) of the Act (parish precepts) |
| (f) | £125.31 | being the amount calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (average council tax for a Band D property for the District excluding parishes), the amounts being for each of the categories of dwellings shown below in Table 1 |
| (h) | | In accordance with Section 34(3) of the Act, the basic amounts of council tax for the year for dwellings in those parts of its area to which a special item relates are shown by adding the amounts for band D for the District Council in Table 1 and Appendix A |

- (i) In accordance with Section 36(1) of the Act, the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands are shown by adding the amounts for each band in **Table 1** and **Appendix A**.

That it be noted that for the year 2015-16 Cambridgeshire County Council, Cambridgeshire Police and Crime Commissioner and Cambridgeshire and Peterborough Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as shown in **Table 1**:

Table 1	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
County Council	762.84	889.98	1017.12	1,144.26	1,398.54	1,652.82	1,907.10	2,288.52
Police & Crime Commissioner	120.90	141.05	161.20	181.35	221.65	261.95	302.25	362.70
District Council	83.54	97.46	111.39	125.31	153.16	181.00	208.85	250.62
Fire Authority	42.84	49.98	57.12	64.26	78.54	92.82	107.10	128.52

and

- j) That the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts set out in **Appendix B** as the amounts of council tax for the year 2015-16 for each of the categories of dwellings shown in **Appendix B**.

SUPPORTING INFORMATION IN RESPECT OF SETTING THE COUNCIL TAX

Including the precepts from the County Council, the Police and Crime Commissioner, Fire Authority and all of the parishes, the formal Council Resolution would produce a council tax for a band D property of:

		£ p	%
District Council	General Expenses	125.31	+1.99%
	Special Expenses for Parish Precepts (average)	76.30	+0.87%
County Council		1,144.26	+1.99%
Police Authority		181.35	+0%
Fire Authority		64.26	+0%
Total		1,591.48	+1.62%

On these figures the council tax would range from £1,010.12 for Band A to £3,277.24 for Band H before any discounts or benefits.

Appendix C shows the General Fund summary including Parish precepts and the final Formula Grant figure.

COUNCIL MEETING

26 February 2015

APPENDIX A

Parish Councils

APPENDIX B

County, Police, Fire, District
and Parishes

APPENDIX C

General Fund Summary
including Parish Precepts

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APPENDIX A

PARISH	Parish Council Special Expenses per dwelling							
	Valuation bands							
	A	B	C	D	E	F	G	H
£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Great Abington	22.40	26.13	29.87	33.60	41.07	48.53	56.00	67.20
Little Abington	41.73	48.68	55.64	62.59	76.50	90.41	104.32	125.18
Abington Pigotts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrington	47.37	55.27	63.16	71.06	86.85	102.64	118.43	142.12
Babraham	57.21	66.75	76.28	85.82	104.89	123.96	143.03	171.64
Balsham	43.95	51.27	58.60	65.92	80.57	95.22	109.87	131.84
Bar Hill	43.90	51.22	58.53	65.85	80.48	95.12	109.75	131.70
Barrington	48.75	56.88	65.00	73.13	89.38	105.63	121.88	146.26
Bartlow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barton	31.53	36.78	42.04	47.29	57.80	68.31	78.82	94.58
Bassingbourn	35.07	40.92	46.76	52.61	64.30	75.99	87.68	105.22
Bourn	51.27	59.81	68.36	76.90	93.99	111.08	128.17	153.80
Boxworth	16.15	18.84	21.53	24.22	29.60	34.98	40.37	48.44
Caldecote	66.66	77.77	88.88	99.99	122.21	144.43	166.65	199.98
Cambourne	80.50	93.92	107.33	120.75	147.58	174.42	201.25	241.50
Carlton	20.53	23.96	27.38	30.80	37.64	44.49	51.33	61.60
Castle Camps	25.19	29.39	33.59	37.79	46.19	54.59	62.98	75.58
Caxton	43.63	50.91	58.18	65.45	79.99	94.54	109.08	130.90
Childerley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chishill	48.57	56.67	64.76	72.86	89.05	105.24	121.43	145.72
Comberton	42.92	50.07	57.23	64.38	78.69	92.99	107.30	128.76
Conington	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Coton	43.69	50.98	58.26	65.54	80.10	94.67	109.23	131.08
Cottenham	58.87	68.68	78.49	88.30	107.92	127.54	147.17	176.60
Croxton	40.27	46.98	53.69	60.40	73.82	87.24	100.67	120.80
Croydon	14.61	17.04	19.48	21.91	26.78	31.65	36.52	43.82
Dry Drayton	22.14	25.83	29.52	33.21	40.59	47.97	55.35	66.42
Duxford	39.03	45.54	52.04	58.55	71.56	84.57	97.58	117.10
Elsworth	45.21	52.75	60.28	67.82	82.89	97.96	113.03	135.64
Eltisley	40.87	47.68	54.49	61.30	74.92	88.54	102.17	122.60
Great & Little Eversden	47.73	55.68	63.64	71.59	87.50	103.41	119.32	143.18
Fen Ditton	42.47	49.54	56.62	63.70	77.86	92.01	106.17	127.40
Fen Drayton	35.29	41.17	47.05	52.93	64.69	76.45	88.22	105.86
Fowlmere	42.59	49.68	56.78	63.88	78.08	92.27	106.47	127.76
Foxton	35.06	40.90	46.75	52.59	64.28	75.96	87.65	105.18
Fulbourn	42.03	49.04	56.04	63.05	77.06	91.07	105.08	126.10
Gamlingay	82.29	96.01	109.72	123.44	150.87	178.30	205.73	246.88
Girton	39.95	46.60	53.26	59.92	73.24	86.55	99.87	119.84
Little Gransden	25.10	29.28	33.47	37.65	46.02	54.38	62.75	75.30
Grantchester	56.67	66.12	75.56	85.01	103.90	122.79	141.68	170.02
Graveley	38.41	44.81	51.21	57.61	70.41	83.21	96.02	115.22
Hardwick	36.71	42.82	48.94	55.06	67.30	79.53	91.77	110.12
Harlton	38.84	45.31	51.79	58.26	71.21	84.15	97.10	116.52
Harston	28.28	32.99	37.71	42.42	51.85	61.27	70.70	84.84
Haslingfield	60.67	70.79	80.90	91.01	111.23	131.46	151.68	182.02
Hatley	23.65	27.59	31.53	35.47	43.35	51.23	59.12	70.94
Hauxton	40.91	47.72	54.54	61.36	75.00	88.63	102.27	122.72
Heydon	23.60	27.53	31.47	35.40	43.27	51.13	59.00	70.80
Hildersham	77.52	90.44	103.36	116.28	142.12	167.96	193.80	232.56
Hinxton	42.49	49.57	56.65	63.73	77.89	92.05	106.22	127.46
Histon	60.79	70.92	81.05	91.18	111.44	131.70	151.97	182.36

APPENDIX A

PARISH	Parish Council Special Expenses per dwelling Valuation bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Horningsea	57.01	66.52	76.02	85.52	104.52	123.53	142.53	171.04
Horseheath	32.32	37.71	43.09	48.48	59.25	70.03	80.80	96.96
Ickleton	46.79	54.59	62.39	70.19	85.79	101.39	116.98	140.38
Impington	60.79	70.92	81.05	91.18	111.44	131.70	151.97	182.36
Kingston	49.20	57.40	65.60	73.80	90.20	106.60	123.00	147.60
Knapwell	25.41	29.64	33.88	38.11	46.58	55.05	63.52	76.22
Landbeach	36.36	42.42	48.48	54.54	66.66	78.78	90.90	109.08
Linton	61.78	72.08	82.37	92.67	113.26	133.86	154.45	185.34
Litlington	40.86	47.67	54.48	61.29	74.91	88.53	102.15	122.58
Lolworth	19.66	22.94	26.21	29.49	36.04	42.60	49.15	58.98
Longstanton	67.96	79.29	90.61	101.94	124.59	147.25	169.90	203.88
Longstowe	29.93	34.91	39.90	44.89	54.87	64.84	74.82	89.78
Madingley	43.57	50.84	58.10	65.36	79.88	94.41	108.93	130.72
Melbourn	69.13	80.65	92.17	103.69	126.73	149.77	172.82	207.38
Meldreth	49.55	57.80	66.06	74.32	90.84	107.35	123.87	148.64
Milton	49.09	57.27	65.45	73.63	89.99	106.35	122.72	147.26
Guilden Morden	50.65	59.09	67.53	75.97	92.85	109.73	126.62	151.94
Steeple Morden	36.49	42.58	48.66	54.74	66.90	79.07	91.23	109.48
Newton	20.09	23.44	26.79	30.14	36.84	43.54	50.23	60.28
Oakington/Westwick	39.39	45.96	52.52	59.09	72.22	85.35	98.48	118.18
Orchard Park	58.67	68.44	78.22	88.00	107.56	127.11	146.67	176.00
Orwell	51.89	60.53	69.18	77.83	95.13	112.42	129.72	155.66
Over	21.67	25.29	28.90	32.51	39.73	46.96	54.18	65.02
Pampisford	44.14	51.50	58.85	66.21	80.92	95.64	110.35	132.42
Papworth Everard	58.67	68.44	78.22	88.00	107.56	127.11	146.67	176.00
Papworth St Agnes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rampton	46.79	54.59	62.39	70.19	85.79	101.39	116.98	140.38
Sawston	79.67	92.95	106.23	119.51	146.07	172.63	199.18	239.02
Great Shelford	43.13	50.32	57.51	64.70	79.08	93.46	107.83	129.40
Little Shelford	49.23	57.44	65.64	73.85	90.26	106.67	123.08	147.70
Shepreth	38.68	45.13	51.57	58.02	70.91	83.81	96.70	116.04
Shingay-cum-Wendy	17.64	20.58	23.52	26.46	32.34	38.22	44.10	52.92
Shudy Camps	27.78	32.41	37.04	41.67	50.93	60.19	69.45	83.34
Stapleford	46.56	54.32	62.08	69.84	85.36	100.88	116.40	139.68
Stow-cum-Quy	31.54	36.80	42.05	47.31	57.82	68.34	78.85	94.62
Swavesey	39.59	46.19	52.79	59.39	72.59	85.79	98.98	118.78
Tadlow	21.94	25.60	29.25	32.91	40.22	47.54	54.85	65.82
Teversham	46.62	54.39	62.16	69.93	85.47	101.01	116.55	139.86
Thriplow	21.53	25.11	28.70	32.29	39.47	46.64	53.82	64.58
Toft	49.02	57.19	65.36	73.53	89.87	106.21	122.55	147.06
Waterbeach	57.83	67.46	77.10	86.74	106.02	125.29	144.57	173.48
Weston Colville	27.68	32.29	36.91	41.52	50.75	59.97	69.20	83.04
West Wickham	38.58	45.01	51.44	57.87	70.73	83.59	96.45	115.74
West Wrattling	31.85	37.16	42.47	47.78	58.40	69.02	79.63	95.56
Whaddon	54.33	63.39	72.44	81.50	99.61	117.72	135.83	163.00
Whittlesford	31.87	37.19	42.50	47.81	58.43	69.06	79.68	95.62
Great Wilbraham	52.85	61.66	70.47	79.28	96.90	114.52	132.13	158.56
Little Wilbraham	32.97	38.46	43.96	49.45	60.44	71.43	82.42	98.90
Willingham	51.70	60.32	68.93	77.55	94.78	112.02	129.25	155.10
Wimpole	19.33	22.55	25.77	28.99	35.43	41.87	48.32	57.98

APPENDIX B

PARISH	County Precept, Fire Precept, Police Precept and District Council General and Special Expenses per dwelling Valuation bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Great Abington	1,032.52	1,204.60	1,376.70	1,548.78	1,892.96	2,237.12	2,581.30	3,097.56
Little Abington	1,051.85	1,227.15	1,402.47	1,577.77	1,928.39	2,279.00	2,629.62	3,155.54
Abington Pigotts	1,010.12	1,178.47	1,346.83	1,515.18	1,851.89	2,188.59	2,525.30	3,030.36
Arrington	1,057.49	1,233.74	1,409.99	1,586.24	1,938.74	2,291.23	2,643.73	3,172.48
Babraham	1,067.33	1,245.22	1,423.11	1,601.00	1,956.78	2,312.55	2,668.33	3,202.00
Balsham	1,054.07	1,229.74	1,405.43	1,581.10	1,932.46	2,283.81	2,635.17	3,162.20
Bar Hill	1,054.02	1,229.69	1,405.36	1,581.03	1,932.37	2,283.71	2,635.05	3,162.06
Barrington	1,058.87	1,235.35	1,411.83	1,588.31	1,941.27	2,294.22	2,647.18	3,176.62
Bartlow	1,010.12	1,178.47	1,346.83	1,515.18	1,851.89	2,188.59	2,525.30	3,030.36
Barton	1,041.65	1,215.25	1,388.87	1,562.47	1,909.69	2,256.90	2,604.12	3,124.94
Bassingbourn	1,045.19	1,219.39	1,393.59	1,567.79	1,916.19	2,264.58	2,612.98	3,135.58
Bourn	1,061.39	1,238.28	1,415.19	1,592.08	1,945.88	2,299.67	2,653.47	3,184.16
Boxworth	1,026.27	1,197.31	1,368.36	1,539.40	1,881.49	2,223.57	2,565.67	3,078.80
Caldecote	1,076.78	1,256.24	1,435.71	1,615.17	1,974.10	2,333.02	2,691.95	3,230.34
Cambourne	1,090.62	1,272.39	1,454.16	1,635.93	1,999.47	2,363.01	2,726.55	3,271.86
Carlton	1,030.65	1,202.43	1,374.21	1,545.98	1,889.53	2,233.08	2,576.63	3,091.96
Castle Camps	1,035.31	1,207.86	1,380.42	1,552.97	1,898.08	2,243.18	2,588.28	3,105.94
Caxton	1,053.75	1,229.38	1,405.01	1,580.63	1,931.88	2,283.13	2,634.38	3,161.26
Childerley	1,010.12	1,178.47	1,346.83	1,515.18	1,851.89	2,188.59	2,525.30	3,030.36
Chishill	1,058.69	1,235.14	1,411.59	1,588.04	1,940.94	2,293.83	2,646.73	3,176.08
Comberton	1,053.04	1,228.54	1,404.06	1,579.56	1,930.58	2,281.58	2,632.60	3,159.12
Conington	1,010.12	1,178.47	1,346.83	1,515.18	1,851.89	2,188.59	2,525.30	3,030.36
Coton	1,053.81	1,229.45	1,405.09	1,580.72	1,931.99	2,283.26	2,634.53	3,161.44
Cottenham	1,068.99	1,247.15	1,425.32	1,603.48	1,959.81	2,316.13	2,672.47	3,206.96
Croxton	1,050.39	1,225.45	1,400.52	1,575.58	1,925.71	2,275.83	2,625.97	3,151.16
Croydon	1,024.73	1,195.51	1,366.31	1,537.09	1,878.67	2,220.24	2,561.82	3,074.18
Dry Drayton	1,032.26	1,204.30	1,376.35	1,548.39	1,892.48	2,236.56	2,580.65	3,096.78
Duxford	1,049.15	1,224.01	1,398.87	1,573.73	1,923.45	2,273.16	2,622.88	3,147.46
Elsworth	1,055.33	1,231.22	1,407.11	1,583.00	1,934.78	2,286.55	2,638.33	3,166.00
Eltisley	1,050.99	1,226.15	1,401.32	1,576.48	1,926.81	2,277.13	2,627.47	3,152.96
Great & Little Eversden	1,057.85	1,234.15	1,410.47	1,586.77	1,939.39	2,292.00	2,644.62	3,173.54
Fen Ditton	1,052.59	1,228.01	1,403.45	1,578.88	1,929.75	2,280.60	2,631.47	3,157.76
Fen Drayton	1,045.41	1,219.64	1,393.88	1,568.11	1,916.58	2,265.04	2,613.52	3,136.22
Fowlmere	1,052.71	1,228.15	1,403.61	1,579.06	1,929.97	2,280.86	2,631.77	3,158.12
Foxton	1,045.18	1,219.37	1,393.58	1,567.77	1,916.17	2,264.55	2,612.95	3,135.54
Fulbourn	1,052.15	1,227.51	1,402.87	1,578.23	1,928.95	2,279.66	2,630.38	3,156.46
Gamlingay	1,092.41	1,274.48	1,456.55	1,638.62	2,002.76	2,366.89	2,731.03	3,277.24
Girton	1,050.07	1,225.07	1,400.09	1,575.10	1,925.13	2,275.14	2,625.17	3,150.20
Little Gransden	1,035.22	1,207.75	1,380.30	1,552.83	1,897.91	2,242.97	2,588.05	3,105.66
Grantchester	1,066.79	1,244.59	1,422.39	1,600.19	1,955.79	2,311.38	2,666.98	3,200.38
Graveley	1,048.53	1,223.28	1,398.04	1,572.79	1,922.30	2,271.80	2,621.32	3,145.58
Hardwick	1,046.83	1,221.29	1,395.77	1,570.24	1,919.19	2,268.12	2,617.07	3,140.48
Harlton	1,048.96	1,223.78	1,398.62	1,573.44	1,923.10	2,272.74	2,622.40	3,146.88
Harston	1,038.40	1,211.46	1,384.54	1,557.60	1,903.74	2,249.86	2,596.00	3,115.20
Haslingfield	1,070.79	1,249.26	1,427.73	1,606.19	1,963.12	2,320.05	2,676.98	3,212.38
Hatley	1,033.77	1,206.06	1,378.36	1,550.65	1,895.24	2,239.82	2,584.42	3,101.30
Hauxton	1,051.03	1,226.19	1,401.37	1,576.54	1,926.89	2,277.22	2,627.57	3,153.08
Heydon	1,033.72	1,206.00	1,378.30	1,550.58	1,895.16	2,239.72	2,584.30	3,101.16
Hildersham	1,087.64	1,268.91	1,450.19	1,631.46	1,994.01	2,356.55	2,719.10	3,262.92
Hinxton	1,052.61	1,228.04	1,403.48	1,578.91	1,929.78	2,280.64	2,631.52	3,157.82
Histon	1,070.91	1,249.39	1,427.88	1,606.36	1,963.33	2,320.29	2,677.27	3,212.72

APPENDIX B

PARISH	County Precept, Fire Precept, Police Precept and District Council General and Special Expenses per dwelling Valuation bands							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Horningsea	1,067.13	1,244.99	1,422.85	1,600.70	1,956.41	2,312.12	2,667.83	3,201.40
Horseheath	1,042.44	1,216.18	1,389.92	1,563.66	1,911.14	2,258.62	2,606.10	3,127.32
Ickleton	1,056.91	1,233.06	1,409.22	1,585.37	1,937.68	2,289.98	2,642.28	3,170.74
Impington	1,070.91	1,249.39	1,427.88	1,606.36	1,963.33	2,320.29	2,677.27	3,212.72
Kingston	1,059.32	1,235.87	1,412.43	1,588.98	1,942.09	2,295.19	2,648.30	3,177.96
Knapwell	1,035.53	1,208.11	1,380.71	1,553.29	1,898.47	2,243.64	2,588.82	3,106.58
Landbeach	1,046.48	1,220.89	1,395.31	1,569.72	1,918.55	2,267.37	2,616.20	3,139.44
Linton	1,071.90	1,250.55	1,429.20	1,607.85	1,965.15	2,322.45	2,679.75	3,215.70
Litlington	1,050.98	1,226.14	1,401.31	1,576.47	1,926.80	2,277.12	2,627.45	3,152.94
Lolworth	1,029.78	1,201.41	1,373.04	1,544.67	1,887.93	2,231.19	2,574.45	3,089.34
Longstanton	1,078.08	1,257.76	1,437.44	1,617.12	1,976.48	2,335.84	2,695.20	3,234.24
Longstowe	1,040.05	1,213.38	1,386.73	1,560.07	1,906.76	2,253.43	2,600.12	3,120.14
Madingley	1,053.69	1,229.31	1,404.93	1,580.54	1,931.77	2,283.00	2,634.23	3,161.08
Melbourn	1,079.25	1,259.12	1,439.00	1,618.87	1,978.62	2,338.36	2,698.12	3,237.74
Meldreth	1,059.67	1,236.27	1,412.89	1,589.50	1,942.73	2,295.94	2,649.17	3,179.00
Milton	1,059.21	1,235.74	1,412.28	1,588.81	1,941.88	2,294.94	2,648.02	3,177.62
Guilden Morden	1,060.77	1,237.56	1,414.36	1,591.15	1,944.74	2,298.32	2,651.92	3,182.30
Steeple Morden	1,046.61	1,221.05	1,395.49	1,569.92	1,918.79	2,267.66	2,616.53	3,139.84
Newton	1,030.21	1,201.91	1,373.62	1,545.32	1,888.73	2,232.13	2,575.53	3,090.64
Oakington/Westwick	1,049.51	1,224.43	1,399.35	1,574.27	1,924.11	2,273.94	2,623.78	3,148.54
Orchard Park	1,068.79	1,246.91	1,425.05	1,603.18	1,959.45	2,315.70	2,671.97	3,206.36
Orwell	1,062.01	1,239.00	1,416.01	1,593.01	1,947.02	2,301.01	2,655.02	3,186.02
Over	1,031.79	1,203.76	1,375.73	1,547.69	1,891.62	2,235.55	2,579.48	3,095.38
Pampisford	1,054.26	1,229.97	1,405.68	1,581.39	1,932.81	2,284.23	2,635.65	3,162.78
Papworth Everard	1,068.79	1,246.91	1,425.05	1,603.18	1,959.45	2,315.70	2,671.97	3,206.36
Papworth St Agnes	1,010.12	1,178.47	1,346.83	1,515.18	1,851.89	2,188.59	2,525.30	3,030.36
Rampton	1,056.91	1,233.06	1,409.22	1,585.37	1,937.68	2,289.98	2,642.28	3,170.74
Sawston	1,089.79	1,271.42	1,453.06	1,634.69	1,997.96	2,361.22	2,724.48	3,269.38
Great Shelford	1,053.25	1,228.79	1,404.34	1,579.88	1,930.97	2,282.05	2,633.13	3,159.76
Little Shelford	1,059.35	1,235.91	1,412.47	1,589.03	1,942.15	2,295.26	2,648.38	3,178.06
Shepreth	1,048.80	1,223.60	1,398.40	1,573.20	1,922.80	2,272.40	2,622.00	3,146.40
Shingay-cum-Wendy	1,027.76	1,199.05	1,370.35	1,541.64	1,884.23	2,226.81	2,569.40	3,083.28
Shudy Camps	1,037.90	1,210.88	1,383.87	1,556.85	1,902.82	2,248.78	2,594.75	3,113.70
Stapleford	1,056.68	1,232.79	1,408.91	1,585.02	1,937.25	2,289.47	2,641.70	3,170.04
Stow-cum-Quy	1,041.66	1,215.27	1,388.88	1,562.49	1,909.71	2,256.93	2,604.15	3,124.98
Swavesey	1,049.71	1,224.66	1,399.62	1,574.57	1,924.48	2,274.38	2,624.28	3,149.14
Tadlow	1,032.06	1,204.07	1,376.08	1,548.09	1,892.11	2,236.13	2,580.15	3,096.18
Teversham	1,056.74	1,232.86	1,408.99	1,585.11	1,937.36	2,289.60	2,641.85	3,170.22
Thriplow	1,031.65	1,203.58	1,375.53	1,547.47	1,891.36	2,235.23	2,579.12	3,094.94
Toft	1,059.14	1,235.66	1,412.19	1,588.71	1,941.76	2,294.80	2,647.85	3,177.42
Waterbeach	1,067.95	1,245.93	1,423.93	1,601.92	1,957.91	2,313.88	2,669.87	3,203.84
Weston Colville	1,037.80	1,210.76	1,383.74	1,556.70	1,902.64	2,248.56	2,594.50	3,113.40
West Wickham	1,048.70	1,223.48	1,398.27	1,573.05	1,922.62	2,272.18	2,621.75	3,146.10
West Wrattling	1,041.97	1,215.63	1,389.30	1,562.96	1,910.29	2,257.61	2,604.93	3,125.92
Whaddon	1,064.45	1,241.86	1,419.27	1,596.68	1,951.50	2,306.31	2,661.13	3,193.36
Whittlesford	1,041.99	1,215.66	1,389.33	1,562.99	1,910.32	2,257.65	2,604.98	3,125.98
Great Wilbraham	1,062.97	1,240.13	1,417.30	1,594.46	1,948.79	2,303.11	2,657.43	3,188.92
Little Wilbraham	1,043.09	1,216.93	1,390.79	1,564.63	1,912.33	2,260.02	2,607.72	3,129.26
Willingham	1,061.82	1,238.79	1,415.76	1,592.73	1,946.67	2,300.61	2,654.55	3,185.46
Wimpole	1,029.45	1,201.02	1,372.60	1,544.17	1,887.32	2,230.46	2,573.62	3,088.34

APPENDIX C

Actual 2013/2014 £	GENERAL FUND SUMMARY NET EXPENDITURE	Estimate 2014/2015 £	Estimate 2015/2016 £
	Portfolio		
474,448	Leader	483,950	425,910
1,868,002	Finance and Staffing	2,622,470	2,474,360
1,567,604	Corporate and Customer Services	1,787,790	1,911,060
108,072	Economic Development	202,200	183,150
5,919,660	Environmental Services	6,234,840	6,179,610
1,287,758	Housing (General Fund)	1,286,750	1,305,760
1,624,796	Planning	2,082,720	1,939,950
1,587,573	Strategic Planning and Transportation	1,331,650	1,608,250
14,437,913	Fully Allocated Net Portfolio Expenditure	16,032,370	16,028,050
	Unallocated		
0	Reduction for vacancies	(450,000)	(450,000)
0	Departmental/Overhead Roll-overs not allocated	50,000	0
849,370	Non-recurring expenditure on infrastructure, communal facilities etc.	1,608,250	2,018,970
228,010	Council Tax Support Funding grant to Parish Councils	0	0
0	Savings not included in Portfolio estimates	(300,000)	(670,000)
0	Expenditure on Precautionary Items	75,000	75,000
50,000	Council Actions	50,000	50,000
15,565,293	Net Portfolio Expenditure	17,065,620	17,052,020
166,121	Internal Drainage Boards	166,850	174,500
(437,439)	Interest on Balances	(345,500)	(590,500)
(619,228)	Capital Charges, etc.	(671,790)	(537,230)
14,674,747	Net District Council General Fund Expenditure	16,215,180	16,098,790
3,647,485	Appropriation to/(from) General Fund balance	(266,450)	(483,190)
(3,189,853)	New Homes Bonus	(3,201,180)	(4,154,400)
15,132,379	General Expenses	12,747,550	11,461,200
4,233,499	Special Expenses - Parish Precepts	4,405,710	4,553,724
19,365,878		17,153,260	16,014,924
(3,425,857)	Revenue Support Grant	(2,656,520)	(1,829,920)
(4,786,184)	Retained Business Rates	(2,870,300)	(3,462,350)
13,352	(Surplus)/Deficit on Collection Fund re Council Tax	(65,050)	(132,360)
0	(Surplus)/Deficit on Collection Fund re Business rates	0	1,441,980
11,167,189	Council Tax Requirement to be raised from Council taxpayers	11,561,390	12,032,274
	INCOME FROM COUNCIL TAX		
Number	Tax Base for tax setting purposes (Band D equivalents)	Number	Number
57,560.1	multiplied by Basic Amount of Council Tax	58,242.6	59,680.4
£ p	for the District	£ p	£ p
120.46	for the Parish (average)	122.86	125.31
73.55		75.64	76.30
194.01		198.50	201.61
£	equals	£	£
(11,167,189)	Income to be raised from Council taxpayers on behalf of the District and Parishes	(11,561,390)	(12,032,274)
	Balances at year end (excluding Section 106 monies)		
£	Revenue	£	£
(11,121,096)	General Fund	(6,762,110)	(9,557,310)

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Agenda Item 8c



South
Cambridgeshire
District Council

Report To: Council

26 February 2015

Lead Officer: Director, Health and Environmental Services

Swavesey Byeways Rate 2015/16

Purpose

1. To report on the annual meeting of the Swavesey Byeways Advisory Committee held on 10 February 2015 and to set the level of the Swavesey Byeways rate.

Recommendations

2. The Swavesey Byeways Advisory Committee recommends for Council:
 - (a) to maintain the current level of byeway maintenance for the period 2015/16
 - (b) to levy a rate at £1 to fund the required maintenance for the period 2015/16

Reasons for Recommendations

3. Since the enactment of the byeways legislation in 1984, local charge payers have agreed to provide labour and plant on a voluntary basis while the Council provided materials for use along the byeways. This arrangement has enabled costs to be kept to a minimum and the byeways rate to be maintained at 90 pence per hectare for land within the inclosure area. However, due to increases in the cost of materials over recent years, the Advisory Committee has recommended the rate should be increased to £1 per hectare. This is the first time the Committee has recommended an increase since the legislation was enacted in 1984.

Executive Summary

Background

4. The Swavesey Byeways' Act 1984 governs the financial provision for maintenance of the Swavesey Byeways. Under the Act the District Council is required to determine the amount of money necessary for maintenance in each financial year. It can then recover 50% of this amount from the Byeways Charge Payers at a uniform amount per hectare of land within the charge paying area.
5. The Swavesey Byeways Advisory Committee is an informal group comprising representatives of chargepayers, parishioners, the Parish and District Councils. The Advisory Committee advises the District Council on all matters relating to the discharge of its byeways responsibilities including the level of maintenance and the level of the byeways rate.

Considerations

6. The Advisory Committee met on 10 February 2015 to consider the level of maintenance required in the coming year and the level of rate required. A draft copy of the minutes of the meeting as well as the agenda and supporting documents, which were presented to the meeting, are attached as **Appendix A**.

Options

7. Council could opt to set an alternative rate for 2015/16.

Implications

8. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, there are no significant implications.

Consultation responses (including from the Youth Council)

9. No consultation has been undertaken.

Effect on Strategic Aims

Accepting the advice of and engaging with the advisory committee is in line with the Council's Aim to being a listening Council. Additionally, a reasonable level of maintenance to the byeways will help ensure the local environment is a safer and healthier place. Finally, agreeing to works on the byeways will allow the voice of the local rural community to be heard and enhance local economic activity by improvements to the local road infrastructure.

Background Papers

No background papers were relied upon in the writing of this report.

Report Author: Patrick Matthews – Drainage Manager
Telephone: (01954) 713472

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

SWAVESEY BYE-WAYS ADVISORY COMMITTEE

DRAFT MINUTES OF THE MEETING HELD IN THE MEMORIAL HALL, SWAVESEY ON

TUESDAY 10 FEBRUARY 2015 AT 7.30 PM

Present:

Councillor Mrs Ellington	South Cambridgeshire District Council
Councillor Robert Turner	South Cambridgeshire District Council
Mr J Dodson	Charge-payers' Representative
Mr G Wedd	Charge-payers' Representative
Mr J Johnson	Charge-payers' Representative
Mr A Day	Charge-payers' Representative
Mr K Wilderspin	Charge-payers' Representative
Ms S Rogers	Parish Council Representative
Ms H Parish	Parish Representative

In Attendance Mr P C Matthews – South Cambridgeshire District Council's Drainage Manager

Apologies: Mr J Shepperson, Mr D Morgan and Ms Lisa Boys

1. Introduction and Election of Chairman

1.1. It was agreed that C'llr Turner should act as chairman for the meeting.

2. Minutes of the previous meeting

2.1. The minutes of the previous meeting of 28 January 2014 had already been circulated. It was unanimously accepted that the contents should be confirmed as an accurate record of the meeting.

3. Report of the Executive Director – Corporate Services

3.1. The meeting received a report on expenditure for the year 2014/15 (to 10 February 2015).

3.2. The Executive Director had shown, in his report, that there would be a balance of £6157 in the contingency account at the end of 2014/15 and suggested that £205 is taken from the contingency account in 2015-2016.

3.3. If £2,400 was allowed for maintenance in 2015/16, then a rate of 90p per hectare could be levied.

3.4. A continuation of the current levels of maintenance would, therefore, give a breakdown of income and expenditure as indicated in the report.

4. **Report of the Corporate Manager, Health and Environmental Services**

4.1. This report indicated the current year's expenditure and the last five years' average annual expenditure per byeway (see appendix 1).

4.2. An extended discussion took place regarding the current levels of expenditure and the potential for a shortage of future funds due to increases in materials cost. It was noted that the chargepayers' rate had not increased since 1984 and the meeting agreed a recommendation by a majority of six votes to two that South Cambs Council should increase the Byeways rate from 90p per hectare to £1 per hectare.

4.3. It was reported that Councillor Ellington and the Drainage Manager carried out an inspection of all byeways on 10 February 2015 in order to assess their current condition and the likely level of maintenance for the forthcoming year. It was anticipated that the following bye-ways would require allocations of materials:

- ❖ Cow Fen/Lairstall Drove
- ❖ Hale Road
- ❖ Mow Fen
- ❖ Uttons/Tipplers Drove
- ❖ Middle Fen

4.4. It was proposed by Mr Wilderspin and seconded by Mr Dodson that the above byeways should be allocated materials and this was unanimously agreed by the meeting.

4.5. Detailed discussions took place on the condition of both Mow Fen and Middle Fen droves. The droves have deteriorated and large holes exist at a number of locations. As a result, it is likely that heavy plant will be required to reinstate the surface. The Council's Drainage Manager agreed to investigate possible low-cost methods of repair.

5. **Voluntary Maintenance**

5.1. Members were reminded that the voluntary arrangements whereby the Charge-payers provide labour and plant to spread materials enables the maximum amount to be spent on materials. All were in agreement that this approach has worked very well in the past and that the current voluntary arrangements should continue.

5.2. The Charge-payers' Representatives will undertake periodic monitoring of the Bye-ways and ordering and spreading of materials as follows:

Bye-way	Charge-payer responsible
Cow Fen/Lairstall	Mr Wilderspin
Hale/Mow Fen	Mr Johnson
Scotland Drove	Under review
Uttons/Tipplers Drove	Mr Wedd and Mr Kerley
Middle/River Fen	Ms Rogers

5.3. It was proposed by Mr Wedd and seconded by Mr Johnson that the voluntary arrangements on the spreading of materials should continue while the District Council would order and allocate these materials.

6. **Any Other Business**

- 6.1 Discussions took place on the proposed laying of the new sewer along Uttons Drove Byeway that will be associated with the Northstowe development. Great concern was expressed that the proposed sewer would cause long-term damage to the fabric of both the drove itself and the adjacent award drain. The Drainage Manager agreed to liaise with the sewerage undertaker with a view to discussing alternative routes.
- 6.2 A number of members of the committee questioned whether Cambridgeshire County Council (CCC) would be prepared to contribute towards the upkeep of the Byeways. It was pointed out in particular that most of the Byeways are also classified as CCC footpaths or bridleways. The Council's Drainage Manager agreed to approach the Public Rights of Way section at the County with a request for a contribution of either materials or finance.
- 6.3 The meeting closed at 20.45

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SWAVESEY BYEWAYS ADVISORY COMMITTEE
TUESDAY 10TH FEBRUARY 2015 AT 7.30 PM
SWAVESEY MEMORIAL HALL

A G E N D A

1. Apologies
2. Election of Chairman
3. Minutes
4. Report from Executive Director Corporate Services
5. Report of the Director, Health & Environmental Services
6. Any other business

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SOUTH CAMBRIDGESHIRE DISTRICT

REPORT OF THE EXECUTIVE DIRECTOR (CORPORATE SERVICES)

To: The Chairman and Members of the
Swavesey Byeways Advisory Committee

10th February 2015

1. The following background notes are provided as a reminder of the present position and as assistance in determining the amount to provide for maintenance.
 - 1.1 The Swavesey Bye-ways Act 1984 provides for an annual charge to be made to chargepayers' expressed as a rate per hectare. The charge for 2014-2015 was set at 90 pence. A similar charge for 2015-2016 is estimated to produce an amount of £1,228.
 - 1.2 The cost of collecting the charge in 2015-2016 is estimated at £300. The cost can be minimised only if all chargepayers' pay promptly and without the need for costly reminders.
 - 1.3 There was a credit of £660 in the chargepayers' account at 31st March 2014 which when compared with the estimated balance of £679 that was taken into account when setting the 2014-15 charge, leaves an estimated balance of £19 on the chargepayers' account as at 31st March 2015 that needs to be accounted for in the 2015-16 budgets.
 - 1.4 There will be an estimated balance of £6,157 in the contingency account at the end of 2014-2015 that is available for any emergency/special works, and it is suggested that £205 be taken from this contingency account in 2015-2016.
 - 1.5 It is recommended to provide an amount of £2,400 for maintenance in 2015-2016.
 - 1.6 The budget for 2015-16 would then be:

	£	£
Expenditure		
Maintenance	2,400	
Collection costs	300	
Contingency	<u>(205)</u>	
		<u>2,495</u>
Income		
Chargepayers'		
90 pence per hectare	(1,228)	
Balance on Chargepayers' account	<u>(19)</u>	
		(1,247) 50%
South Cambridgeshire District Council		(849) 34%
Swavesey Parish Council		<u>(399) 16%</u>
		<u>(2,495)</u>

- 1.7 The balance on the contingency account had increased in recent years as the maintenance budget had not always needed to be fully utilised and the deferred costs of the Local Act have now been paid.

A. Colyer
Executive Director – Corporate Services

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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT OF THE DIRECTOR – HEALTH & ENVIRONMENTAL SERVICES

10th February 2015

To: Chairman & Members of the Swavesey Byeways Advisory Committee

1. Expenditure for 2014/2015 and Five Year Expenditure Summary

1.1 Attached as Appendix 1 is a breakdown of the current year's expenditure, together with the last five year's average annual expenditure per Byeway.

2. Review of Maintenance and Anticipated Expenditure for 2015/2016

2.1 Councillor Ellington and the Council's Drainage Manager have planned an inspection of all the Byeways for February 2014 in order to assess their current state and the likely level of maintenance required in the coming year. As a result of the wet Autumn & Winter periods, it is expected that deterioration has taken place along the most frequently used sections. However, Cow Fen, Hale Road, Uttons Drove, Tipplers Drove and Middle Fen in particular are likely to require maintenance in the coming year.

2.2 It is recommended that the Committee advise the District Council to maintain the present level of maintenance and in view of the report of the Executive Director Corporate Services, to levy a charge of 90 pence per hectare for the period of 2015/2016.

For Discussion and Recommendation

3. Voluntary Maintenance Arrangements

3.1 At the meeting of the Advisory Committee in January 2014, it was decided to continue with the voluntary maintenance arrangements for the Byeways whereby the Chargepayers provide labour and plant to spread materials.

3.2 Under the current arrangements the District Council manages the maintenance programme and budget, ordering materials, collecting the rate etc, whilst Chargepayers voluntarily provide labour and plant to spread materials. This arrangement has worked reasonably well in the past and it is recommended that the same practices are applied for the coming year.

For Discussion and Recommendation

Mike Hill
Director – Health & Environmental Services

SWAVESEY BYEWAYS

Appendix 1

Expenditure 2014/2015			
Date	Byeway	Materials/Loads	Cost £
2014	Cow Fen	4 Loads Planings	560
2014	Uttons Drove/Tipplers	8 Loads Planings	1120
2014	Mow Fen/Hale Road	6 Loads Planings	840
2014	River Fen/Middle Fen	3 Loads Planings	420
		Total	2940

Byeway	2010/11	2011/12	2012/13	2013/14	2014/15	5 Year Average
Cow Fen	750	390	390	650	560	548
Hale/Mow	1160	390	585	780	840	751
Scotland/Boxworth	-	-	-	-	-	-
Utton/Tipplers	1420	1720	780	1170	1120	1242
Middle Fen/River Fen	125	260	265	260	420	266
Brick Kiln						
Lairstall						
Turnbridge						