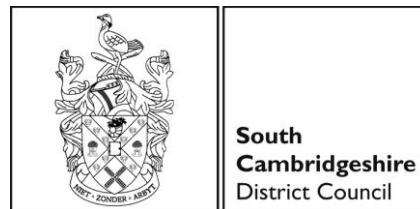


South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridge
CB23 6EA

t: 03450 450 500

f: 01954 713149

www.scambs.gov.uk



3 February 2016

To: The Leader – Councillor Ray Manning
Deputy Leader – Councillor Simon Edwards
Members of the Cabinet – Councillors Francis Burkitt, Mark Howell, Mick Martin,
Peter Topping, Robert Turner, Tim Wotherspoon and Nick Wright
Quorum: Majority of the Cabinet including the Leader or Deputy Leader

Dear Councillor

You are invited to attend the next meeting of **CABINET**, which will be held in the **COUNCIL CHAMBER, FIRST FLOOR** at South Cambridgeshire Hall on **THURSDAY, 11 FEBRUARY 2016** at **2.00 p.m.**

Yours faithfully
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

PAGES

PROCEDURAL ITEMS

- 1. Apologies for Absence**
To receive Apologies for Absence from Cabinet members.
- 2. Minutes of Previous Meeting** 1 - 8
To authorise the Leader to sign the Minutes of the meeting held on 14 January 2016 as a correct record.
- 3. Declarations of Interest**
- 4. Announcements**
- 5. Public Questions**

RECOMMENDATIONS TO COUNCIL

- 6. Corporate Plan 2016-2021 (Key)** 9 - 14

7. **Medium Term Financial Strategy (General Fund budget 2016/17 including Council Tax setting), Housing Revenue Account (including housing rents), Capital Programme 2016/17-2020/21 and Treasury Management Strategy (Revised 2015/16 and 2016/17) (Key)** **15 - 178**

INFORMATION ITEMS

8. **2015/16 Third Quarterly Position Statement on Finance, Performance and Risk** **179 - 230**

STANDING ITEMS

9. **Issues arising from the Scrutiny and Overview Committee**
10. **Issues arising from the Partnerships Review Committee**
11. **Updates from Cabinet Members Appointed to Outside Bodies**
12. **Reports from Cabinet Members attending Parish Council meetings**
13. **Reports from Member Champions**

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

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

When attending meetings in non-public areas of the Council offices you must report to Reception, sign in, and at all times wear the Visitor badge issued. Before leaving the building, please sign out and return the Visitor badge to Reception.

Public seating in meeting rooms is limited. For further details contact Democratic Services on 03450 450 500 or e-mail democratic.services@scambs.gov.uk

Emergency and Evacuation

In the event of a fire, a continuous alarm will sound. Leave the building using the nearest escape route; from the Council Chamber or Mezzanine viewing gallery this would be via the staircase just outside the door. Go to the assembly point at the far side of the staff car park opposite the staff entrance

- **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.

First Aid

If you feel unwell or need first aid, please alert a member of staff.

Access for People with Disabilities

We are committed to improving, for all members of the community, access to our 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. All meeting rooms are accessible to wheelchair users. There are disabled toilet facilities on each floor of the building. Infra-red hearing assistance systems are available in the Council Chamber and viewing gallery. To use these, you must sit in sight of the infra-red transmitter and wear a 'neck loop', which can be used with a hearing aid switched to the 'T' position. If your hearing aid does not have the 'T' position facility then earphones are also available and can be used independently. You can get both neck loops and earphones from Reception.

Toilets

Public toilets are available on each floor of the building next to the lifts.

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.

Banners, Placards and similar items

You are not allowed to bring into, or display at, any public meeting any banner, placard, poster or other similar item. Failure to do so, will result in the Chairman suspending the meeting until such items are removed.

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

Vending machines and a water dispenser are available on the ground floor near the lifts at the front of the building. You are not allowed to bring food or drink into the meeting room.

Agenda Item 2

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Cabinet held on
Thursday, 14 January 2016 at 2.00 p.m.

PRESENT: Councillor Ray Manning (Leader of the Council)
Councillor Simon Edwards (Deputy Leader of the Council & Finance and Staffing Portfolio Holder)

Councillors: Mick Martin Environmental Services Portfolio Holder
Peter Topping Corporate and Customer Services Portfolio Holder
Tim Wotherspoon Strategic Planning and Transportation Portfolio Holder
Nick Wright Economic Development Portfolio Holder

Officers in attendance for all or part of the meeting:

Gemma Barron	Sustainable Communities & Partnerships Manager
Myles Bebbington	Head of Service - Environmental Services & Licensing
Alex Colyer	Executive Director, Corporate Services
Edward Durrant	Principal Planning Officer / Team Leader (Development Management)
Jean Hunter	Chief Executive
Fiona McMillan	Legal Services Manager and Monitoring Officer
Jo Mills	Planning and New Communities Director
Caroline Ryba	Head of Finance
Graham Watts	Democratic Services Team Leader

Councillors David Bard, Anna Bradnam, Kevin Cuffley, Sue Ellington, Lynda Harford, Cicely Murfitt, Bridget Smith, Ben Shelton and Bunty Waters were in attendance, by invitation.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mark Howell and Robert Turner.

2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on 12 November 2015 were confirmed and signed by the Leader as a correct record, subject to:

- the amendment of Councillor Turner's and Councillor Wright's declaration of interest under minute number 3 to reflect that he owned rented properties in South Cambridgeshire;
- the amendment of a bullet point under minute number 8 to reflect that the Council's savings or additional income target had increased 'from' £670,000;
- the amendment of the final paragraph to reflect that the Council had to find an additional £770,000 in savings or additional income.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. ANNOUNCEMENTS

No announcements were made.

5. PUBLIC QUESTIONS

No public questions had been received.

6. FINANCE SHARED SERVICES

Cabinet considered a report which provided an update on plans to create a shared finance service between Cambridge City Council and South Cambridgeshire District Council.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, presented the report and said that the shared service proposal had taken a slightly different focus to what was originally anticipated, explaining that it would be essential to implement the new Financial Management System in the first instance. It was noted that Huntingdonshire District Council would consider sharing certain aspects of the service once the system was implemented.

Councillor Edwards reflected on posts that were already being shared between the City and District Council which had been put in place on a temporary basis using Service Level Agreements. He reported that the proposal was to now make these shared posts permanent ahead of developing the business case for the shared service, which would be submitted to Cabinet at the appropriate time following implementation of the new Financial Management System.

Councillor Peter Topping, Portfolio Holder for Corporate and Customer Services, asked whether any analysis had been done between the different Councils to understand their strengths and weaknesses in order that there was a baseline. Councillor Edwards reminded Cabinet that there was still a lot to do in embedding the new Financial Management System and developing the business case. He referred to the report submitted to Cabinet on 9 July 2015 which set out a number of risks and weaknesses associated with the proposal to share these services across the three Councils.

In answer to a question regarding the original proposals for staffing and savings as part of the shared service, Councillor Edwards referred Cabinet to paragraph 7 of the report which set out current staffing levels. He said that it was too early to suggest if staffing levels would increase or decrease as a result of the shared service, but confirmed that he would expect a general saving from overall costs of at least 10% to 15% as a result of entering into a shared service. This would be in addition to an improved way of working, as the principal objective.

Councillor Bridget Smith, Leader of the Opposition, asked whether this Council should be concerned by the perceived lack of commitment from Huntingdonshire District Council and whether it was worth including that authority if it was only interested in certain aspects of the shared service. Councillor Smith also supported making posts permanent but thought this should have been a decision that featured in the business case.

Councillor Simon Edwards responded by saying that the comments in relation to Huntingdonshire District Council were unfair and that this Council was working very well with the authority as part of other shared services. Huntingdonshire District Council was in the process of introducing its own new Financial Management System, which was the same as the system proposed as part of the shared service, with a lot of work necessary to get that put in place. He did not wish to criticise the Council for being cautious at this stage and it was noted that Huntingdonshire District Council was part of the Financial Management Service project going forward. Councillor Edwards explained that the

current system was extremely bureaucratic and the necessary infrastructure was not in place to enable the efficiency removal of the current system. He also clarified that the temporary posts were only contracted until the end of February 2016, so a decision was required at this meeting as to whether or not they should be made permanent.

Cabinet:

- (a) **NOTED** the success of the current interim arrangements to share the Head of Finance and other housing finance staff and **AGREED** to make these permanent to support the development of the shared service.
- (b) **SUPPORTED** further work to develop the finance shared service, as outlined in the report, noting that the final structure of the service will be determined after the implementation of the replacement financial management system.
- (c) **NOTED** that a further report, including a business case, will be brought back to Cabinet in due course.

7. REVIEW OF LESSONS LEARNED FROM ORCHARD PARK

Consideration was given to a report which outlined the findings of the Scrutiny Working Group set up to review the lessons learned from the Orchard Park development.

Councillor Lynda Harford, Chairman of the Working Group, reported that interim recommendations were endorsed by Cabinet on 9 July 2015 and had been subsequently presented to the Northstowe Joint Development Control Committee for consideration and endorsement prior to its meeting on 29 July 2015. Additional recommendations had been made following further work by the Group, which Councillor Harford presented to Cabinet, as set out in the report.

Councillor Harford said that the scrutiny review had highlighted the need and value of collaboration between stakeholders and confirmed that it had demonstrated excellent work ongoing in South Cambridgeshire. She added that these efforts would benefit communities and make effective use of shrinking revenues, but was of the opinion that lots more needed to be done to bring the National Health Service into the fold.

Councillor Tim Wotherspoon, Portfolio Holder for Strategic Planning and Transportation, referred to the recommendations from the original Scrutiny Task and Finish Group in 2007. Appendix 1 of the report set these out, together with comments from the 2015 scrutiny review, and he was pleased to see how many of the original recommendations had been met. He reported that Councillor Ian Bates, Chairman of Cambridgeshire County Council's Economy and Environment Committee, had outlined the County Council's support of the 2015 Working Group's recommendations and that they should apply to other districts in the county.

Councillor Lynda Harford thanked those Members on the Working Group for their time and valuable contributions, together with Gemma Barron, Sustainable Communities and Partnerships Manager, and Victoria Wallace, Democratic Services Officer, who had supported the work of the group.

Cabinet congratulated the Working Group on an excellent piece of work.

Cabinet **ENDORSED** the final recommendations of the Working Group, as set out in the report.

8. GAMBLING ACT STATEMENT OF PRINCIPLES

Consideration was given to a report which sought approval for the revised Gambling Act Licensing statement of Policy, in line with the requirements of the Gambling Act 2005.

Councillor Mick Martin, Portfolio Holder for Environmental Services, presented the report and said that it was a statutory requirement for the statement of Policy to be reviewed and published every three years. He informed Cabinet that, for the area of South Cambridgeshire, the statement of Policy was relevant to six betting shops and one gaming arcade, as well as any other Occasional Use Notices that were issued in instances such as onsite bookmakers for specific events.

Councillor Anna Bradnam referred to Parishes Councils and asked whether they could be included under the list of organisations set out in the statement of Policy as 'interested parties'. Cabinet agreed with this amendment.

Councillor Martin made reference to the formatting and size of the statement of Policy and proposed that the Director of Health and Environmental Services be asked to review this aspect of the document, from a presentation perspective and not the substance of its content. This was agreed by Cabinet and it was noted that officers would take it to the countywide licensing group in order that its format was consistent with neighbouring authorities.

Cabinet:

- (a) **APPROVED** the Gambling Act 2005 statement of Policy, as appended to the report, for ratification and adoption by the Leader of the Council, subject to the inclusion of Parish Councils under section 5 of the Policy entitled 'interested parties'.
- (b) **DELEGATED** the Director of Health and Environmental Services, in consultation with the Portfolio Holder for Environmental Services, to review the format of the statement of Policy.

9. WING: COMMUNITY INFRASTRUCTURE DELIVERY AND REQUIREMENTS

Cabinet considered a report which provided Members with an opportunity to endorse the draft requirements for a Section 106 Agreement in respect of the Wing outline planning application prior to a final decision on the planning application and overall Section 106 package being made by the Joint Development Control Committee.

Councillor Tim Wotherspoon, Portfolio Holder for Strategic Planning and Transportation, presented the report on behalf of the Portfolio Holder for Planning and provided background information relating to the Wing development as set out in the report. He presented the draft Section 106 Agreement Heads of Terms schedule, as appended to the report, and highlighted that education accounted for approximately half of the Section 106 Agreement package which was consistent with other Cambridge Fringes developments at about £22,000 per dwelling.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, was very pleased to see that household receptacles had been included, together with fibre optic broadband to the home.

Councillor Bridget Smith, Leader of the Opposition, was concerned that 40% affordable housing was referred to as a starting point for negotiations for the Wing development, rather than being referred to as the Council's policy. She referred to the review mechanism built into the 20% affordable housing allocation agreed at Northstowe, should there be any changes to viability or markets, and asked whether a similar mechanism could be added for this development. She perceived the developers of the Wing development as presenting a threat for a less attractive affordable housing allocation, as referred to in paragraph 35, so thought that a review mechanism was important.

Councillor Wotherspoon reminded Cabinet that the Council's policy in relation to affordable housing was 40%, subject to viability, and emphasised the point that this was subject to viability. He did not see the developer's position on the matter as a threat and thought that paragraph 33 of the report set out the reasons why the affordable housing provision was at the level proposed. He also reminded Cabinet that this was a brownfield site and that there were significant costs associated with making such a site ready for development. Some Members of Cabinet said that they felt reassured by the report that officers had undertaken very good negotiations with the developers in respect of affordable housing.

Cabinet:

- (a) **ENDORSED** the draft requirements of the Section 106 Agreement for the Wing outline planning application, which will be considered and a final determination made by the Joint Development Control Committee (Cambridge Fringes), including the list of items and triggers.
- (b) **DELEGATED** to the Portfolio Holder for Planning, in consultation with the Director of Planning and New Communities, the authority to make any minor changes to the draft requirements prior to inclusion in the committee report for the Wing development.

10. LOCAL GOVERNMENT FINANCE SETTLEMENT UPDATE

Cabinet gave consideration to a report which updated Members regarding the Local Government Finance Settlement and its implications for the authority for the financial years 2015-16 to 2019-20. It also sought approval for various other matters affecting the Council's revenue and capital budgets and Medium Term Financial Strategy.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, presented the report and made the following points in respect of the Local Government Finance Settlement:

- the Settlement forecasted the Revenue Support Grant reducing by 49% from 2015-16 to 2016-17, by 75% from 2016-17 to 2017-18 and to £0 thereafter, as set out in the table and graph at paragraph 9 of the report;
- the New Homes Bonus scheme would remain in place, but as a four year scheme, rather than over six years, so the Council would still receive income as part of it which it was using towards an infrastructure fund and its contributions to the Greater Cambridge City Deal. The Government was also consulting on other reforms to New Homes Bonus, including:
 - withholding new New Homes Bonus allocations in areas where no Local Plan had been produced or submitted for inspection;
 - reducing payments for homes built on appeal;
 - only making payments for delivery above baseline representing 'deadweight';

- the Settlement retained the basic principles of the Retained Business Rates system, including:
 - the proportions passed onto central Government and to local precepting authorities;
 - tariffs and baseline funding levels (uprated in line with the small business non-domestic rating multiplier for 2016-17);
 - levy rate and safety net arrangements, also uprated as above.
- in terms of Retained Business Rates, an adjustment to the tariff deduction for 2018-19 and 2019-20 would be made as set out in paragraph 19 of the report.

Councillor Edwards said that all of the relevant factors that featured in the Local Government Finance Settlement would be included in the Medium Term Financial Strategy scheduled for consideration in February. Other areas of additional funding were reported as follows:

- the refurbishment of General Fund equity share properties, with a budget of £200,000 sought to start the project off and allow time for completion and resale. The investment cost would be returned to the capital programme on resale, with any surplus generated being a contribution to the General Fund;
- additional resources required for the Local Development Plan, as considered at the extraordinary meeting of Council in June 2015;
- the creation of the new Neighbourhood Plans Project Officer post;
- the purchase and upkeep of scaffolding at Sawston Tannery and related insurance in the Capital Programme, the cost of which would be met from a grant awarded by Historic England.

In terms of the Medium Term Financial Strategy, Councillor Edwards proposed that officers be asked to produce the following models for Council Tax for inclusion in the report due for submission to Cabinet and Council in February:

- a 2% increase in Council Tax year on year;
- a £5 increase for 2016/17 followed by a 2% increase year on year;
- a £5 increase for every year of the current Parliament.

Cabinet supported this proposal.

Councillor Bridget Smith, Leader of the Opposition, supported the proposal for a new Neighbourhood Plan Project Officer post as a designated position to assist parishes in the production of their Plans. She asked whether any other Councils were proposing to freeze their Council Tax and, if so, why they would do that. Councillor Edwards understood that Huntingdonshire District Council and East Cambridgeshire District Council were proposing Council Tax freezes, but made the point that they charged higher rates of Council Tax than South Cambridgeshire District Council. It was also noted that the assumptions of the two Councils were different, as was their strategy for use of the New Homes Bonus.

Cabinet:

- (a) **NOTED** the Local Government Finance Settlement.
- (b) **REQUESTED** that the following options be modelled in the Medium Term Financial Strategy reports to Cabinet and Council in February 2016:

- a 2% increase in Council Tax year on year;
 - a £5 increase for 2016/17 followed by a 2% increase year on year;
 - a £5 increase for every year of the current Parliament.
- (c) **APPROVED** the inclusion of £200,000 in the authority's Capital Programme, as a fund to finance the refurbishment of General Fund Equity Share properties;
- (d) **APPROVED** the inclusion of an additional £160,000 in the authority's Medium Term Financial Strategy and revenue budgets to meet anticipated additional costs in respect of the Local Plan, to be funded from New Homes Bonus receipts;
- (e) **APPROVED** the creation of a new Neighbourhood Plans Project Officer post;
- (f) **APPROVED** the inclusion of works at Sawston Tannery in the Capital Programme, to be funded by grants from external organisations.

11. ISSUES ARISING FROM THE SCRUTINY AND OVERVIEW COMMITTEE

No issues arising from the Scrutiny and Overview Committee were reported.

12. ISSUES ARISING FROM THE PARTNERSHIPS REVIEW COMMITTEE

It was noted that the next meeting of the Partnerships Review Committee would be an extraordinary meeting on 18 February 2016 at 10.30am, to scrutinise Cambridgeshire County Council's budget.

13. UPDATES FROM CABINET MEMBERS APPOINTED TO OUTSIDE BODIES

Councillor Tim Wotherspoon, Portfolio Holder for Strategic Planning and Transportation, reported that he had recently attended a meeting of the West Anglia Task Force.

Councillor Nick Wright, Portfolio Holder for Economic Development, reported that the Chief Executive of Papworth Hospital was retiring.

14. REPORTS FROM CABINET MEMBERS ATTENDING PARISH COUNCIL MEETINGS

No reports from Cabinet Members attending Parish Council meetings were received.

15. REPORTS FROM MEMBER CHAMPIONS

No reports from Member Champions were received.

The Meeting ended at 3.40 p.m.

This page is left blank intentionally.

Agenda Item 6



South
Cambridgeshire
District Council

Report To: Leader and Cabinet
Lead Officer: Executive Management Team

11 February 2016

CORPORATE PLAN 2016 - 2021

Purpose

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

Recommendations

2. That Cabinet:
 - (a) recommend to Council that the Corporate Plan setting out the Council's vision, objectives and actions for 2016–2021, be approved as set out at **Appendix 1**, subject to consideration of any recommendations by the Scrutiny and Overview Committee,
 - (b) endorse the indicative performance measurements set out in the draft plan and authorise the Executive Director, in consultation with Portfolio Holders, to prepare a detailed suite of Key Performance Indicators for subsequent agreement (in April 2016), and
 - (c) Authorise the Chief Executive to make any minor wording changes required to final drafts, in consultation with the Corporate and Customer Services Portfolio Holder.
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 2015 Forward Plan.
4. This report will be submitted to the Scrutiny and Overview Committee for consideration at its meeting on 4 February 2016. The Committee's recommendations will be reported to Cabinet.

Background

5. The Corporate Plan attached at **Appendix 1** is the document that sets out the Council's vision and strategic objectives.
6. The Council's current Corporate Plan, agreed in February 2015 for 2015-2020, set out an approach to strategic delivery based around:
 - 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.

7. The Corporate Plan informs 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

8. The Corporate Plan needs 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. Cabinet, in November 2015, taking account progress towards current Corporate Plan objectives, emerging national policies, demographic trends and the anticipated financial settlement, agreed the following priority themes for consultation:

Living Well

Creating healthy, sustainable and resilient communities. To include addressing the needs created by an ageing population and early intervention to support improved mental health and emotional wellbeing.

Homes for our Future

Securing the delivery of a wide range of housing to meet the needs of existing and future communities. To include a broad range of tenures, self-build, direct delivery and more consumer choice.

Connectivity

Ensuring connectivity, collaboration and infrastructure delivery to support our world class economy. To include digital and transport infrastructure.

An Entrepreneurial Council

Adopting a commercial and business-like approach to delivering the best possible services for residents at the lowest possible cost. To incorporate maximising opportunities for external funding and income generation, whilst minimising demands on local council tax payers.

10. The priority themes have been developed into a final draft plan, which is recommended for Cabinet endorsement and subsequent Council approval, at **Appendix A attached**. The plan retains the four priority themes as objectives, refocussing 'Entrepreneurship' as 'An Innovative and Dynamic Organisation' to reflect business efficiency as well as commercialisation and income generation aims, and to align with the Council's Corporate Values.
11. We have set out key actions under each objective, intended to provide a strategic focus on the issues of greatest significance to the Council, residents and businesses in the district and key partners. Many of the priorities are ongoing but, this year, have been articulated to provide more focus on outcomes for our communities around health, transport and strategic housing. As in previous years, we have set out what success will look like under each objective, and identified indicative performance measures which, subject to Cabinet endorsement, will be worked up for presentation as a suite of strategic Key Performance Indicators for subsequent agreement and publication.

12. 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.
13. 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.
14. Due to the cross-cutting nature of plan actions, it is proposed that Cabinet and Executive Management Team (EMT) assume collective responsibility for ensuring the delivery of strategic objectives.

Consultation

15. The draft plan was available for comment between 1 December 2015 – 25 January 2016 on the council's website, intranet, councillors' bulletin and in paper copy, publicised through press releases and an article in the Winter 2015 edition of the residents' magazine. Members of the Consultation Panel, were contacted and workshop sessions held with the Youth Council to hear young people's views. We also communicated our priority themes to key partners and held an internal staff event at the monthly managers' briefing.
16. 73 completed consultation questionnaire responses were received. Feedback was broadly supportive of the proposed priority themes. Many issues raised around housing availability and affordability, congestion, public transport, local amenities and health reflect, and therefore endorse, the themes themselves, although a number of concerns were expressed about the perceived negative longer term impacts of housing, business and associated infrastructure growth upon the character and environment of the district.
17. Whilst many of the Corporate Plan proposals for 2015-2016 are expressed in general terms at this stage, the Council continues to undertake specific engagement on service proposals with communities who will be affected by them. For example, we have recently completed consultations on City Deal transport infrastructure themes and proposed modifications on our Local Plan, and have Locality 'Patch' officers in place for specific segments of the district to facilitate the identification and delivery of local priorities.

Options

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

Implications

Financial

19. The priorities in the Corporate Plan are reflected in the Medium Term Financial Strategy 2016-2021 and Budget for 2016-17.

Legal and Staffing

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

Risk Management

21. 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

22. 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 2016-2017. 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

23. The Council's Vision commits us to maintaining residents' quality of life in an exceptionally beautiful, rural and green environment. This will be delivered through a combination of strategic growth projects focussing on quality design, community-led initiatives and 'business as usual' responsibilities for environmental protection and enhancement.

Effect on Strategic Aims

24. The Corporate Plan will enable effective delivery of the Council's Vision and strategic objectives.

Contact Officer: Richard May – Policy and Performance Manager
Telephone: (01954) 713366
E-mail: richard.may@scambbs.gov.uk

Background Papers:

Available from the Contact Officer:

- (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 2016-2021

Page 13

	Corporate Plan 2016-2021			
Objectives	LIVING WELL Support our communities to remain in good health	HOMES FOR OUR FUTURE Secure the delivery of a wide range of housing to meet the needs of existing and future communities	CONNECTED COMMUNITIES Ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity	AN INNOVATIVE AND DYNAMIC ORGANISATION Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost
What we will do to achieve these objectives	<ul style="list-style-type: none"> i. Proactive intervention to improve mental health and emotional wellbeing for all ii. Support our residents to stay in good health as they grow older, with access to the services they need iii. Ensure our new and established communities provide thriving, healthy and attractive places to live iv. Support local businesses to improve the health of their employees v. Work with other councils, the NHS and public sector partners, to make sure families with the most complex needs are supported to improve their own health, prospects and prosperity vi. Improve existing private rented housing standards to ensure everyone can be safe and healthy at home 	<ul style="list-style-type: none"> i. Influence developers to increase the pace of housing and infrastructure construction ii. Increase the range of housing and tenure options for residents, including Right to Build and Starter Homes iii. Continue to progress the Local Plan to adoption iv. Help Parishes and villages wishing to shape their own futures by developing Neighbourhood Plans that address community priorities v. Find solutions for people facing homelessness vi. Secure a viable future programme for our Council houses 	<ul style="list-style-type: none"> i. Deliver the "City Deal", investing in transport, housing, technology and skills to ensure the area continues to be recognised for its economic success and world-leading innovation ii. Work with partners to bring forward strategic transport improvements, with particular regard to A14 and A428 improvement proposals, the M11 corridor and an East-West rail link iii. Continue to sell the South Cambs economic success story, leading strategic partnerships and influencing investment partners in Government and Business, both nationally and internationally iv. Support our villages to strengthen their communities and social networks, reducing isolation by improving access, delivering effective community-led services and targeted support for the rural economy 	<ul style="list-style-type: none"> i. Take forward commercial activities such as Ermine Street Housing (our ethical lettings company) ii. Reduce black-bin rubbish and increase income from selling recycled blue-bin waste and paper to keep Council Tax low and reduce waste disposal costs iii. Place greater emphasis on sharing services and information to improve resilience and customer service whilst reducing costs iv. Deliver an Organisational Development Strategy that ensures that we recruit and retain staff with the skills and behaviours required to embrace new ways of working and address the challenges ahead v. Embed a 'digital by default' approach to customer access whilst ensuring quality traditional contact channels remain for those requiring them

Page 14	What success will look like	<p>Living Well</p> <ul style="list-style-type: none"> - The district is a healthy place to live for all - New and established communities are thriving and attractive and have the facilities they need - Businesses report improved employee health outcomes and associated business benefits - Together for Families partnership initiatives contribute to positive outcomes for residents with the most complex needs 	<p>Homes for our Future</p> <ul style="list-style-type: none"> - Households have a broader choice of housing in South Cambridgeshire - Parishes adopt Neighbourhood Plans - Businesses are able to recruit and retain employees who can afford to live in the travel to work area. - Residents are helped to avoid homelessness - The Council has a viable long-term business plan for its homes - A Local Plan is adopted - The desired pace of housing delivery is met or exceeded 	<p>Connected Communities</p> <ul style="list-style-type: none"> - City Deal generates local funding to secure improvements to transport infrastructure, creating wider transport choices, leading to reduced congestion, better quality of life and enhanced economic growth. - New apprenticeships created by City Deal skills initiative - Major global organisations continue to be attracted to, and thrive within, the district - Rural businesses not only survive but prosper - Community transport provides vital links to services and amenities for isolated residents in rural communities - All residents and businesses have access to Superfast Broadband - The Cambridge Sub-Region is a super-connected 'Smart City Region' of the future. - Parish councils and local communities feel engaged with, and report increased satisfaction with, SCDC's local approach. 	<p>An Innovative and Dynamic Organisation</p> <ul style="list-style-type: none"> - Commercial activities deliver service enhancements and income surpluses for the Council - Landfill waste is minimised as residents take increasing advantage of the recycling opportunities available to them. - Shared services, the exploration of new commissioning models and business efficiency initiatives generate targeted savings, customer service enhancement and increased resilience - The Council maintains a balanced Medium Term Financial Strategy - Staff are motivated and equipped to maintain and enhance performance levels and deliver corporate objectives.
	Measurables	<p>Indicative subject areas are provided here. Specific key performance indicators and other outcome measures will be developed by Management Team (EMT) in consultation with Portfolio Holders, and presented to Scrutiny and Overview Committee and Cabinet for consideration in April 2016.</p>			
	Public health indicators	Households in temporary accommodation	Average journey and commute times	Ermine Street Housing performance	
	Families helped by partnership initiatives	No. of households helped to prevent homelessness	Public transport usage	General Fund, Capital and HRA budget variance	
	Social Value generated from family support interventions	Council Tax and Housing Rent collection rates / Benefits claims processing	Number of apprenticeships created	Shared service KPI performance and customer satisfaction	
	Satisfaction with aspects of local environmental quality	Affordable homes delivered	Number of employee jobs and other labour market health indicators	% of household waste diverted from landfill / missed bins	
		Local Plan housing delivery targets and development control performance/customer satisfaction	Business start-up and survival rates	Staff sickness, turnover and satisfaction	
		Tenant satisfaction and re-let times	Invoice payment speed	Customer feedback and complaints handling	
			NNDR collection rates and receipts	Customer Contact Service Performance	

The Cabinet and Executive Management Team (EMT) have collective responsibility for ensuring Corporate Plan delivery

Cabinet Portfolio Holders:

Leader of the Council
 Deputy Leader & Finance and Staffing Portfolio Holder
 Corporate and Customer Services Portfolio Holder
 Economic Development Portfolio Holder
 Environmental Services Portfolio Holder
 Greater Cambridge City Deal Portfolio Holder
 Housing Portfolio Holder
 Planning Portfolio Holder
 Strategic Planning and Transportation Portfolio Holder

Councillor Ray Manning
 Councillor Simon Edwards
 Councillor Peter Topping
 Councillor Nick Wright
 Councillor Mick Martin
 Councillor Francis Burkitt
 Councillor Mark Howell
 Councillor Robert Turner
 Councillor Tim Wotherspoon

Executive Management Team:

Jean Hunter Chief Executive
 Alex Colyer Executive Director (Corporate Services)
 Mike Hill Health and Environmental Services Director
 Stephen Hills Housing Director
 Jo Mills Planning and New Communities Director
 Susan Gardner Craig Head of Human Resources



Report To: Leader and Cabinet
Lead Officer: Executive Management Team

11 February 2016

MEDIUM TERM FINANCIAL STRATEGY

Purpose

1. The purpose of this report is for Cabinet to approve and recommend to Council the Medium Term Financial Strategy (MTFS), which covers:
 - (a) the Capital Programme for the five years to 31 March 2021;
 - (b) the General Fund estimates and the resulting council tax for the financial year ending 31 March 2017;
 - (c) fees and charges for 2016-17;
 - (d) the MTFS for the General Fund for the five years to 31 March 2021;
 - (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 2017;
 - (g) service and other charges for housing services for the financial year ending 31 March 2017;
 - (h) the HRA business plan for the next 30 years to 31 March 2046;
 - (i) the investment strategy for the year to 31 March 2017;
 - (j) the prudential indicators required by the Prudential Code for Capital Finance Local Authorities for the year to 31 March 2017.

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 November 2015 Forward Plan.

Recommendations

3. That Cabinet recommends to Council that:
 - (a) the General Fund Capital Programme and the associated funding up to the year ending 31 March 2021 (**Appendix A1**) is approved as submitted;
 - (b) the revenue estimates for 2016-17 are approved as submitted in the General Fund summary (**Appendix B1**);
 - (c) the precautionary items for the General Fund (**Appendix B2**) are approved;
 - (d) the Medium Term Financial Strategy for the General Fund (**Appendix B3(A)**) is approved based on the assumptions set out in this report;
 - (e) the fees and charges proposed for 2016-17 (**Appendix B4**) are approved;
 - (f) Executive Management Team be instructed to identify additional income/savings of £300,000 in 2016-17, rising to £1,030,000 from 2017-18;
 - (g) the council tax requirement for 2016-17 is £7,852.090;

- (h) 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 £130.31 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) the Housing Revenue Account (HRA) revenue budget as summarised in the HRA Summary Forecast 2015/16 to 2020/21 (**Appendix G of the HRA Budget Setting Report**), in the context of the updated 30 Year HRA Business Plan, is approved;
- (j) council dwellings rents for existing tenants be reduced by 1%, in line with legislative requirements, anticipated to be introduced as part of the Welfare Reform and Work Bill 2015, with effect from 4th April 2016, is approved;
- (k) the inclusion of an ongoing savings target for HRA services for the period from 2017/18 to 2020/21, at the initial rate of £250,000 per annum, recognising the financial constraints placed upon the HRA by changes in national housing policy, is approved;
- (l) inflationary increases of 1.4% in garage rents for 2016/17, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report, is approved;
- (m) proposed service charges for HRA services and facilities provided to both tenants and leaseholders (**Appendix B of the HRA Budget Setting Report**) is approved;
- (n) the charge for the cost of the provision of the alarm service in sheltered housing is set at £3 a week;
- (o) the latest budget, spend profile and funding mix for each of the schemes in the new build programme (**Section 5 and Appendix E of the HRA Budget Setting Report**), is approved;
- (p) the required level of additional funding for new build investment between 2016/17 and 2020/21 to ensure that commitments can be met in respect of the investment of all right to buy receipts retained by the authority, up to the end of December 2015, is approved to earmark;
- (q) the revised Housing Capital Investment Plan (**Appendix H of the HRA Budget Setting Report**), in the context of the updated 30 Year HRA Business Plan, is approved;
- (r) delegation is given to the Executive Director (Corporate Services) in consultation with the Leader, to allow the Self-Build Vanguard scheme to proceed during 2016-17, should the business case presented be financially viable for both the General Fund and the HRA;
- (s) the borrowing and investment strategy for the year to 31 March 2017 (**Appendix D1**) is approved;
- (t) the prudential indicators required by the Prudential Code for Capital Finance in Local Authorities for the year to 31 March 2017 (**Appendix D2**) are approved;
- (u) the Capital Strategy 2016-17 to 2020-21 and Corporate Asset Management Plan 2016-17 to 2020-21 (**Appendices D4 and D5**) is approved;
- (v) any unspent New Homes Bonus money allocated to the City Deal be approved to roll forward to 2017-18; and
- (w) the Executive Director, Corporate Services, be given delegated authority 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) and the council tax 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 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. The overall additional income/savings requirement of £1,030,000 from 2017-18 equates to the authority achieving an average cost saving of £16.86 per Band D property from that year. The setting of council tax at £130.31 in 2016-17 would be an increase of £5.00 for a Band D property.
7. The HRA Budget Setting Report is presented to Cabinet and Council, to allow consideration, scrutiny and approval of proposals for the review of rents and service charges, and the revenue and capital expenditure and resources, which form part of the HRA budget.
8. The charge for the cost of the provision of the alarm service in sheltered housing will no longer be subsidised by the County Council, and will be payable by residents in full, as a charge which is ineligible for housing benefit.
9. The latest budget, spend profile and funding mix for each of the schemes in the new build programme recognises the most up to date information available as each scheme progresses through the design, planning, build contract and completion process. New build investment expenditure will either take the form of HRA new build, with the 70% top up met by capital receipts anticipated from the sale of self-build plots or alternatively grants made to a registered provider, where the registered provider will provide the 70% top up to build new homes.
10. As the authority progresses the preparatory work in respect of its role as a self-build vanguard authority, there will be the need to consider and approve a business case for the activity associated with both the need to maintain a register of those interested in self-build and to consider the supply of appropriate land for the purpose of self-build. The business case is anticipated to also include the ability to provide services to prepare parcels of HRA owned land for sale, with the net receipts generated being for the benefit the HRA, and available for re-investment in new build affordable housing.

Background

11. The provisional Local Government Finance Settlement for 2016-17 (“the settlement”) was published on 17 December 2015. Information included in the settlement and figures in the accompanying “Key Information for Local Authorities” and other documents published with it have been used in preparing this report. The report will be considered by Scrutiny and Overview Committee on 4 February 2016.
12. The draft revenue and capital estimates for both the General Fund and HRA are published alongside this report and can be viewed at the following link:
<http://scamps.moderngov.co.uk/ecCatDisplay.aspx?sch=doc>

Considerations

13. These are set out in detail in the Appendices:
 - (a) Appendix A – Capital Programme and associated funding to 31 March 2021;
 - (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 B3 – Medium Term Financial Strategy (MTFS) (General Fund);
 - (g) Appendix B4 – Fees and Charges for 2016-17;
 - (h) Appendix B4(A) – Building Control Fees Summary;
 - (i) Appendix B4(B) – Building Control Fees Schedule;
 - (j) HRA Budget Setting Report (Appendix C)
 - (k) Appendix D – Financial Administration, Borrowing & Investment Strategy and Prudential Indicators;
 - (l) Appendix D1 – Borrowing & Investment Strategy 2016-17;
 - (m) Appendix D2 – Prudential Indicators for 2015-16 (revised) and 2016-17;
 - (n) Appendix D3 – Treasury Management Risk Reports (Restricted);
 - (o) Appendix D4 – Capital Strategy 2016-17 to 2020-21;
 - (p) Appendix D5 – Corporate Asset Management Plan 2016-17 to 2020-21.

14. The underlying assumptions supporting the General Fund estimates and MTFS include:
 - (a) general provision for inflation where applicable of 1.4% in 2016-17, 1.8% in 2017-18, 1.9% in 2018-19 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 2016-17 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 indicated 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 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.

15. For the HRA, as part of the 2016/17 budget process, the range of assumptions upon which the HRA Business Plan and Medium-Term Financial Review are based, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report. That report provides an overview of the review of the key assumptions, sets out the key parameters for the detailed recommendations and final budget proposals and the financial implications associated with decisions, and is the basis for the finalisation of the 2016/17 budgets. The resulting recommendations (paragraphs 3. (i) to (q) above) refer to the strategy outlined in the HRA Budget Setting Report.

16. The Strategic Risk Register, reported elsewhere on this meeting's agenda, includes a recommended increased risk score relating to the cost of managing Homelessness, because nearly all the mitigation factors previously put in place are being undermined, as set out in that report. While £250,000 has been included in precautionary items for 2016-17, it is considered prudent to include the same amount in the authority's budgets from 2017-18. Further details of demand and costs

emerging over the next year will be reported to Members and updated in future forecasts as appropriate.

Options

Council Tax

17. The settlement maintains the core referendum threshold for Band D council tax increases at 2%; however, the threshold for district councils in the lowest Band D council tax quartile in 2015-16 (which includes this authority) will be £5 a year for the next four years. The MTFs attached as **Appendix B3** has been modelled on this basis.
18. Cabinet could decide to recommend that Council sets the amount of District Council Tax for general expenses on a Band D property for 2016-17 of £130.31. This would result in a council tax requirement of £7,852,090 for 2016-17 and an additional income/savings requirement of £300,000 in 2016-17, rising to £1,030,000 from 2017-18. **This is the recommended option.**
19. Alternatively, Cabinet could recommend increasing council tax by a different amount, for example:
- (a) an increase of £5 in 2016-17 and by 2% thereafter would still result in a Band D council tax of £130.31 and a council tax requirement of £7,852,090 for 2016-17, but a savings requirement of £1,365,000 from 2017-18;
 - (b) an increase of 2% in 2016-17 and thereafter would result in a Band D council tax of £127.81 and a council tax requirement of £7,701,450 for 2016-17, and a savings requirement of £1,570,000 from 2017-18;

These options are detailed in **Appendices B3A and B3B** and, together with the recommended option, are summarised in the table below:

Council tax increase	Resulting council tax	Council tax requirement	Full year savings requirement
£5 pa to 2019-20; 2% in 2020-21 (recommended, Appendix B3)	£130.31	£7,852,090	£1,030,000
£5 in 2016-17; 2% pa to 2020-21 (Appendix B3A)	£130.31	£7,852,090	£1,365,000
2% pa to 2020-21 (Appendix B3B)	£127.81	£7,701,450	£1,570,000

20. The option to increase council tax by 2% (paragraph 19. (b) above) while keeping the additional income/savings requirement for 2016-17 at £300,000, results in a further £150,000 call on General Fund reserves in year, as well as the increased target from 2017-18 on. As a further option, Members could decide not to make the further call on reserves in 2016-17 and increase the target from 2017-18.

Rents

21. Cabinet could decide to recommend that Council reduces rents for existing tenants in line with legislative requirements, anticipated to be introduced as part of the Welfare Reform and Work Bill 2015, with effect from 4th April 2016. **This is the recommended option.**

22. Alternatively, Cabinet could recommend reducing rents by more than the expected legislative requirements; however, this would result in even less financial resources available to invest in housing services, projects and programmes.

Implications

23. 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

24. As detailed in the report and appendices.

Legal

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

Staffing

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

Risk Management

27. Risks and control measures concerning financial projections in the MTFS are included in the Council's Strategic Risk Register, which is appended to 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.
28. Risks with regard to the 2016-17 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): It is possible that the next budget, spending review or settlement may reduce RSG from 2017-18 on, resulting in savings to be found earlier than forecast.
 - (c) Retained Business Rates (RBR): The settlement introduces an "adjustment" to the tariff deduction for 2018-19 and 2019-20, reducing the amount of RBR available to the authority in those years. This adjustment could be increased, or extended beyond 2019-20. In addition:
 - (i) The settlement does not take into account any enterprise zones that have been approved, nor any devolution agreements that may be made. The financial impact of enterprise zones has yet to be clarified.
 - (ii) It is still very difficult to forecast future RBR income with any certainty. Business rate collection could be reduced if local economic growth does not meet the anticipated level. There are a large number of outstanding appeals still with the Valuation Office Agency (VOA) which the Council have to refund if successful; there is little information about which appeals might be successful and when they might be decided.
 - (iii) An assessment has been made about the potential outcome of appeals, having employed agents to help frame that assessment; final outcomes will be different to that assessment.
 - (d) New Homes Bonus (NHB): The Government is consulting on changing the number of years for which NHB payments are made. The figures for 2016-17 to 2019-20 included in the settlement are assumed to follow the Government's preferred option of reducing the number of years for which legacy payments are to be paid, from six to four years. The Government is also consulting on

other reforms to NHB, which could have adverse implications for the amount that the authority might receive.

- (e) Council Tax: Income would be affected if the number of domestic properties does not increase by as much as profiled in housing trajectory forecasts.

Consultation responses (including from the Youth Council)

29. 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 2016. 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.
30. The draft revenue and capital estimates have been published alongside this report. The report will be considered by Scrutiny and Overview Committee on 4 February 2016 – feedback from that committee will be reported to Cabinet.

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

31. 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

Report Authors: John Garnham – Principal Accountant (General Fund & Projects)
Telephone: (01954) 713101
Email: john.garnham@scambs.gov.uk

Sally Smart – Principal Accountant (Financial & Systems)
Telephone: (01954) 713076
Email: sally.smart@scambs.gov.uk

Julia Hovells – Business Manager / Principal Accountant (Housing)
Telephone: (01954) 713071
Email: julia.hovells@scambs.gov.uk

This page is left blank intentionally.

APPENDIX A

CAPITAL PROGRAMME AND ASSOCIATED FUNDING UP TO THE YEAR ENDING 31 MARCH 2021

1. The capital programme up to the year ending 31st March 2021 is submitted for Members' approval as **Appendix A1** showing capital expenditure of around £49 million in 2016-17, £40 million in 2017-18, £60 million in 2018-19, £16 million in 2019-20 and £18 million in 2020-21, 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 31 March 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 2016-17 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 2014/2015 £		Estimate 2015/2016 £	Estimate 2016/2017 £	Estimate 2017/2018 £	Estimate 2018/2019 £	Estimate 2019/2020 £	Estimate 2020/2021 £
3,368,455	General Fund	19,149,000	34,706,000	26,752,400	46,681,100	2,948,700	7,513,700
12,115,488	Housing Revenue Account	15,855,350	14,222,580	13,611,170	12,974,540	13,158,920	10,441,830
<u>15,483,943</u>	Total Capital Expenditure	<u>35,004,350</u>	<u>48,928,580</u>	<u>40,363,570</u>	<u>59,655,640</u>	<u>16,107,620</u>	<u>17,955,530</u>
	Financed by :						
(1,557,252)	Capital Receipts	(3,584,080)	(5,103,810)	(5,875,050)	(5,965,470)	(3,579,375)	(3,277,500)
	Housing & Planning Delivery Grant	(132,670)	(84,600)	(84,600)	(84,600)	(36,755)	0
	Other Grants and Contributions	(1,950,000)	(742,000)	(740,000)	(619,000)	(619,000)	(619,000)
(5,658,500)	HRA Depreciation Reserve	(5,784,100)	(5,382,970)	(9,306,520)	(8,654,470)	(11,309,040)	(8,591,830)
(856,985)	Reserves	(820,000)	(330,000)	(509,400)	(673,100)	(444,700)	(444,700)
(5,617,281)	Housing Revenue Account (Revenue Contribution)	(8,153,500)	(5,691,200)	(140,000)	(70,000)	(118,750)	(22,500)
	General Fund (Revenue Contribution)	0	(150,000)	0	0	0	0
(416,829)	Cash Overdrawn re Commercial vehicles	(1,094,000)	(712,000)	(2,502,000)	(180,000)	0	0
450,164	Cash Overdrawn re GF Equity Share Properties	0	0	0	0	0	0
0	Borrowing	(13,486,000)	(30,732,000)	(21,206,000)	(43,409,000)	0	0
0	New Homes Bonus Infrastructure Reserve	0	0	0	0	0	(5,000,000)
0	Financing Adjustment	0	0	0	0	0	0
<u>(13,656,683)</u>		<u>(35,004,350)</u>	<u>(48,928,580)</u>	<u>(40,363,570)</u>	<u>(59,655,640)</u>	<u>(16,107,620)</u>	<u>(17,955,530)</u>
	Capital Receipts						
(1,132,456)	brought forward	(3,580,864)	(3,419,914)	(1,993,094)	279,646	2,568,126	2,629,661
0	prior year adjustment	0	0	0			
0	Brought forward adjustment	0	0	0	0	0	0
0	Adj for actuals and prior year additions etc received in year from	0	0	0	0	0	0
(3,335,743)	RTB sales	(3,100,000)	(3,100,000)	(3,100,000)	(3,100,000)	(3,100,000)	(3,100,000)
	Equity Share Sales						
	HRA	0	0	0	0	0	0
(1,132,371)	General Fund	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
(1,118,676)	Other	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
429,869	transferred to CLG pool	480,000	480,000	480,000	480,000	480,000	480,000
1,557,252	used in year to finance expenditure	3,584,080	5,103,810	5,875,050	5,965,470	3,579,375	3,277,500
408,181	adjustment to cash overdrawn	20,000	20,000	20,000	20,000	20,000	20,000
743,080	transfer to/(from) reserve	626,870	373,010	447,690	373,010	532,160	532,160
<u>(3,580,864)</u>	Capital Receipts Year End Balance	<u>(3,419,914)</u>	<u>(1,993,094)</u>	<u>279,646</u>	<u>2,568,126</u>	<u>2,629,661</u>	<u>2,389,321</u>

This page is left blank intentionally.

APPENDIX B

MEDIUM TERM FINANCIAL STRATEGY (MTFS) CONSIDERATIONS

PART 1 – APPROVING THE GENERAL FUND ESTIMATES

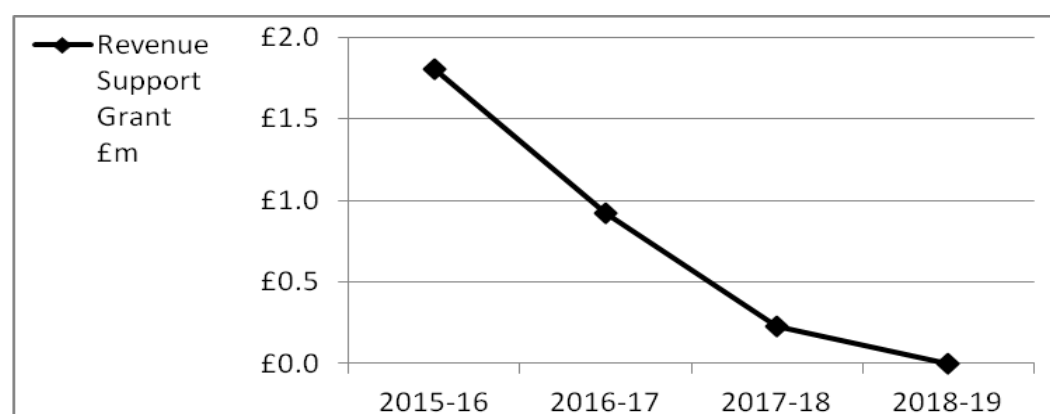
GENERAL FUND SUMMARY

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 2016-17 was published on 17 December 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 local government funding into two elements: Revenue Support Grant (RSG); and Retained Business Rates (RBR). The settlement forecasts RSG reducing by £880,000, 48.7%, from 2015-16 to 2016-17, by a further £696,000, 75.2%, in 2017-18 and to £ nil in 2018-19.
4. The figures for RSG are:

Year	Revenue Support Grant	change year on year	
2015-16	£1.806m		
2016-17	£0.926m	- £0.880m	- 48.7%
2017-18	£0.230m	- £0.696m	- 75.2%
2018-19	£ nil	- £0.230m	- 100.0%



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

COUNCIL TAX FREEZE GRANT

6. In previous years, the Government has offered council tax freeze grants, payable to billing (i.e. districts, etc.) and major precepting authorities (i.e. counties, police and fire) that did not increase their council tax. No grant has been offered for 2016-17.

COUNCIL TAX REFERENDUM PRINCIPLES

7. The settlement maintains the core referendum threshold for Band D council tax increases at 2%; however, the threshold for district councils in the lowest Band D council tax quartile in 2015-16 (which includes this authority) will be £5 a year for the next four years.
8. The core model for the 2016-17 estimates has been built on the assumption that there will be a £5 increase in council tax to £130.31, which would result in a council tax requirement (excluding parish precepts) of £7,852,090. Other options open to Members are set out in the covering report, paragraphs 19 and 20.

NEW HOMES BONUS

9. 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; and
 - (e) Increase in average national council tax rates.
10. NHB is a vital grant for this authority since Housing Planning Delivery Grant (HPDG) and housing growth funding (via Cambridgeshire Horizons) 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 allocated the first £1.8 million of NHB receipts in each year from 2013-14 on, to offset expenditure previously covered by HPDG. Additional monies have also been set aside to meet infrastructure projects including Local Plan costs.
11. In November 2014 Cabinet provisionally allocated the balance of NHB as this authority's commitment to City Deal shared funding. On 28 January 2015 the Greater Cambridge City Deal Executive Board agreed that pooled NHB between the three authorities, of 40% of receipts in 2015-16 and 50% from 2016-17 on, subject to the ratification of the respective Councils, be used to fund the non-project costs required to support the successful delivery of the City Deal programme. The Council formally approved this on 26 February 2015. City Deal budgets are being prepared on the assumption that unspent 2016-17 monies are rolled forward.
12. Sums received in excess of this have been modelled as transferred to a reserve to meet non-recurring expenditure on infrastructure etc. This authority's "local contribution" of £5m towards the cost of the A14 upgrade has been reflected as coming from this infrastructure reserve.
13. Provisional NHB allocations for 2016-17 were announced alongside the provisional 2016-17 Local Government Finance Settlement, calculated using the same methodology as in 2015-16.
14. The settlement models NHB allocations to authorities for 2017-18 to 2019-20 in line with the Government's national targets, including the top-slicing of NHB by £800m and reallocating that money into the Better Care Fund.
15. At present, 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. The Government is consulting on changing the number of years for which payments are made. The figures for NHB for 2016-17 to 2019-20 included in the settlement are assumed to follow the

Government's preferred option of reducing the number of years for which legacy NHB payments are to be paid, from six to four years.

16. The table below shows the effect:

From new homes in ...	Receipt arising in financial year ...									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2010-11	869	869	869	869	869	869				
2011-12		878	878	878	878	878				
2012-13			899	899	899	899				
2013-14				555	555	555	555			
2014-15					1,015	1,015	1,015	1,015		
2015-16						1,049	1,049	1,049	1,049	
2016-17							867	867	867	867
2017-18								1,315	1,315	1,315
2018-19									1,618	1,618
2019-20										1,725
Funding adjustment			20							
Totals	869	1,747	2,666	3,201	4,216	5,265	3,486	4,246	4,849	5,525
Less: Contribution to GF			1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803
Infrastructure projects			50	182	177	554	200	285	65	15
A14 upgrade contribution										5,000
City Deal shared funding					1,686	2,633	1,743	2,123	2,425	2,257
Surplus/(Deficit) for year			813	1,580	550	275	(260)	35	556	-3,550
Infrastructure Reserve Fund										
B/fwd			0	813	2,393	2,943	3,218	2,958	2,994	3,550
Surplus/(Deficit) for year			813	1,580	550	275	(260)	35	556	-3,550
C/fwd			813	2,393	2,943	3,218	2,958	2,994	3,550	0

17. The Government is also consulting on other reforms to NHB:

- (a) withholding new NHB allocations in areas where no Local Plan has been produced;
- (b) reducing payments for homes built on appeal; and
- (c) only making payments for delivery above a baseline representing "deadweight".

Beyond 2017-18, it is possible that some of these other reforms could have adverse implications for the amount of NHB that the authority might receive.

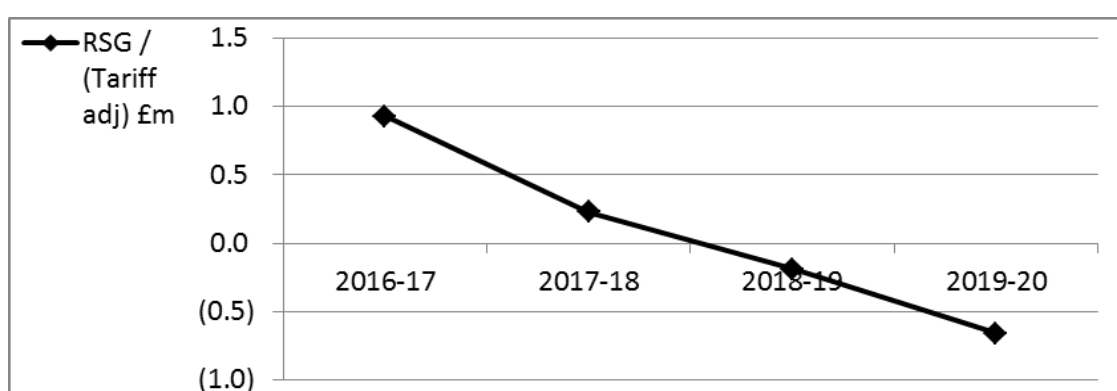
RETAINED BUSINESS RATES

18. The settlement retains the basic principles of the Retained Business Rates (RBR) system, including:

- (a) the proportions passed on to central Government and to local precepting authorities;
- (b) tariffs and baseline funding levels (uprated in line with the small business non-domestic rating multiplier for 2016-17);
- (c) levy rate and safety net arrangements (this latter, also uprated as above).

19. The “Key Information for Local Authorities” that accompanies the settlement introduces a new element into the RBR system, an additional “adjustment” to the tariff deduction for 2018-19 and 2019-20, which appears to extend the reduction in RSG (as noted in paragraph 3 above), as the table below suggests. This will reduce the amount of RBR available to the authority in those years.

Year	RSG / (Tariff adj)	Change year on year
2016-17	£0.926m	- £0.880m
2017-18	£0.230m	- £0.696m
2018-19	(£0.191m)	- £0.421m
2019-20	(£0.661m)	- £0.470m



20. With regard to RBR, the settlement does not take into account any enterprise zones that have been approved, nor any devolution agreements that may be made. In addition, the financial impact of enterprise zones has yet to be clarified.

REVENUE ESTIMATES

21. The General Fund summary up to the year ending 31 March 2017 is submitted for Members’ approval as **Appendix B1**.
22. The figures in Appendix B1 show the 2015-16 original estimate for Net District Council General Fund Expenditure of £16.099 million increasing to £17.671 million in the 2016-17 estimate, an increase of £1.572 million in cash terms (9.8%).
23. **Appendix B2** sets out details of “precautionary” items of expenditure totalling £652,000; £422,000 of which relates to revenue services and £230,000 to capital programme projects. These are items of expenditure over which there is some doubt as to whether they would occur in 2016-17, but if they did, the Council would be required to meet them. It has been assumed that revenue expenditure of £75,000 will be incurred on precautionary items in 2016-17 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 2016, whether in hand or overdrawn, must be transferred to the Billing Authority and the major precepting authorities in the same ratio as their 2015-16 precepts.
26. It is estimated that the balance at 31 March 2016 will be a surplus of £297,739 of which £37,718 will be transferred to the District in 2016-17.

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. 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.
29. 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 60,257.0 for 2016-17 has been approved by the Executive Director (Corporate Services).
31. If the Council approves the council tax requirement of £7,852,090 for 2016-17, 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 £5 increase
A-		5/9	£72.39
A	Up to and including £40,000	6/9	£86.87
B	£40,001 - £52,000	7/9	£101.35
C	£52,001 - £68,000	8/9	£115.83
D	£68,001 - £88,000	-	£130.31
E	£88,001 - £120,000	11/9	£159.27
F	£120,001 - £160,000	13/9	£188.23
G	£160,001 - £320,000	15/9	£217.18
H	More than £320,000	18/9	£260.62

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 25 February 2016.

PART 3 – GENERAL FUND FORECAST

33. The General Fund MTFFS 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:
- (a) being able to identify and implement additional income/savings of £300,000 in 2016-17 and then ongoing additional income/savings of £1,030,000 per annum from 2017-18; this equates to an average cost saving of £16.86 per Band D property;
 - (b) the £50,000 for Council actions as recurring expenditure each year;
 - (c) retaining sufficient contributions to maintain a Planning Enforcement Reserve of £500,000;
 - (d) reductions in RSG in line with the local government financial settlement;
 - (e) an allowance for RBR income; parameters within scheme's calculation methodology increase each year in line with RPI;
 - (f) an increase in council tax of £5 each year from 2016-17 to 2019-20, and by 2% in 2020-21;
 - (g) 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 as part of the Annual Monitoring Report in January 2016; and
 - (h) the first £1.8m income from NHB is shown in the MTFFS as used to meet General Fund expenditure, replacing previous income from HPDG and Cambridgeshire Horizons grant; further sums are also shown to meet estimated expenditure associated with the Local Plan; 50% of NHB income in 2016-17 is allocated to the City Deal, with any remaining income being transferred to a reserve for non-recurring expenditure on infrastructure, community facilities, etc. Points to note about NHB are:
 - the government may "sharpen the incentive" as a result of its consultation (see paragraph 17 above);
 - a new government within the period of the MTFFS may change the scheme;
 - the housing trajectory may be too optimistic.
35. The result is that by the end of the projection period, 31 March 2021, the General Fund balance is at the minimum agreed level of £2.5 million (credit balance). However, the immediate position of a £2 million deficit/use of balances on the General Fund in 2016-17 indicates that there can be no relaxation in the search for additional income/savings.

ADDITIONAL INCOME/SAVINGS REQUIREMENT

36. As stated in paragraph 34. (a) above, the MTFFS is partly dependent on additional income/savings of £300,000 in 2016-17 and then £1,030,000 per annum from 2017-18 being identified and implemented. The requirement is set out in that way, rather than £885,000 per annum from 2016-17 in recognition that, while some schemes have been identified, they make take some time to implement.

37. Areas so far identified to meet the additional income/savings target are shown in the table below, but they depend both on the areas already identified achieving the additional income/savings targets, and there are shortfalls in 2015-16 and 2016-17.

	2016 -17 £000	2017 -18 £000	2018 -19 £000	2019 -20 £000	2020 -21 £000	Note
Single Shared Waste Service: round optimisation		150	150	150	150	1
South Cambs Ltd, trading as Ermine Street Housing	250	600	600	600	600	2
Sub-totals	250	750	750	750	750	
To be identified, including:	50	280	280	280	280	
Commercialisation Programme: - In-house Bailiff Service - Business Hub						
Further shared service opportunities						
Totals	300	1,030	1,030	1,030	1,030	

- Notes
1. The figures represent SCDC's share (assumed at 50%) from the report to Cabinet of 16 October 2014.
 2. The figures represent income from the initial investment phase of the approved full project; any future growth above this is dependent on a number of factors, including:
 - (a) the national economy;
 - (b) interest rates;
 - (c) the housing market.

OPTIONS

38. 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 2016-17 and each subsequent year, assuming that the saving went into balances. There would clearly be no saving if there was a corresponding reduction in RSG or RBR 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 to quantify such higher income with any certainty;
 - (v) increasing the council tax by less than £5 in 2016-17;
 - (vi) increasing the council tax by less than £5 from 2017-18 to 2019-20; and
 - (vii) running the General Fund balance down below the recommended minimum of £2.5 million.

This page is left blank intentionally.

GENERAL FUND SUMMARY

Actual 2014/2015 £	NET EXPENDITURE	Estimate 2015/2016 £	Estimate 2016/2017 £
	Portfolio		
458,845	Leader	425,910	399,930
2,100,391	Finance and Staffing	2,474,360	2,851,990
1,644,083	Corporate and Customer Services	1,911,060	1,905,050
167,070	Economic Development	183,150	214,910
5,988,777	Environmental Services	6,179,610	6,312,330
1,189,757	Housing (General Fund)	1,305,760	1,463,380
2,055,781	Planning	2,875,290	2,672,000
626,227	Strategic Planning and Transportation	672,910	692,510
<u>14,230,931</u>	Fully Allocated Net Portfolio Expenditure	<u>16,028,050</u>	<u>16,512,100</u>
	Unallocated		
0	Reduction for vacancies	(450,000)	(450,000)
1,579,622	Non-recurring expenditure on infrastructure, communal facilities etc.	2,018,970	2,908,360
0	Expenditure not included in Portfolio estimates	0	16,500
0	Savings not included in Portfolio estimates	(670,000)	(300,000)
0	Expenditure on Precautionary Items	75,000	75,000
50,000	Council Actions	50,000	50,000
<u>15,860,553</u>	Net Portfolio Expenditure	<u>17,052,020</u>	<u>18,811,960</u>
170,769	Internal Drainage Boards	174,500	195,200
(373,697)	Interest on Balances	(590,500)	(511,400)
(638,460)	Capital Charges, etc.	(537,230)	(674,520)
<u>15,019,165</u>	Net District Council General Fund Expenditure	<u>16,098,790</u>	<u>17,821,240</u>
(934,308)	Appropriation to/(from) General Fund balance	(473,110)	(2,057,300)
(3,200,997)	New Homes Bonus	(4,154,400)	(5,265,300)
<u>10,883,860</u>	General Expenses (Budget Requirement for capping purposes)	<u>11,471,280</u>	<u>10,498,640</u>
(2,607,772)	Revenue Support Grant	(1,804,920)	(925,750)
	Rural Services Delivery Grant	(25,000)	(32,260)
(3,286,183)	Retained Business Rates	(3,462,350)	(3,604,000)
(65,047)	(Surplus)/Deficit on Collection Fund re Council Tax	(142,440)	(37,720)
2,230,818	(Surplus)/Deficit on Collection Fund re Business Rates	1,441,980	1,953,180
<u>7,155,676</u>	Demand on Collection Fund to be raised from Council taxpayers	<u>7,478,550</u>	<u>7,852,090</u>
	INCOME FROM COUNCIL TAX		
Number	Tax Base for tax setting purposes (Band D equivalents)	Number	Number
58,242.6	multiplied by Basic Amount of Council Tax	59,680.4	60,257.0
£ p	for the District	£ p	£ p
122.86	equals	125.31	130.31
£		£	£
<u>7,155,680</u>	Income to be raised from Council taxpayers	<u>7,478,550</u>	<u>7,852,090</u>
£	Balances at year end (excluding Section 106 monies)	£	£
	Revenue		
(10,253,227)	General Fund	(9,557,310)	(7,736,870)
(3,177,792)	Housing Revenue Account	(2,018,620)	(2,950,540)
	Capital		
	Earmarked Reserves		
(675,330)	Usable Capital Receipts	(675,330)	(1,993,090)

This page is left blank intentionally.

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:

<u>Precautionary Items for 2015/16</u>	Total Approved £	Used in 2015/16 to Jan 2016 £
Homelessness - additional accommodation	140,000	0
Planning Appeals and Inquiries	75,000	0
Neighbourhood Planning	15,000	0
Awarded Watercourses - emergency works	15,000	0
Footway Lighting	10,000	0
Contaminated Land - remedial works	82,000	0
Clearance of Private Sewers	6,000	0
National Assistance Burials Act	5,000	0
District Emergencies	50,000	0
Environmental Health Legal Costs	10,000	0
District Elections - By-election costs	4,000	0
Total	<u>412,000</u>	<u>0</u>

Precautionary Items for 2016/17

	£
Homelessness - additional accommodation	250,000
Awarded Watercourses - emergency works	15,000
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 (unrecoverable)	10,000
District Elections - By-election costs	4,000
ICT Capital Programme	
Fixed Wire Network Expansion	20,000
Mobile Computing Requirements	70,000
Mobile Telephony Upgrade	20,000
Data Centre Consolidation / Migration	100,000
MS Exchange Server (PSN) Compliance	20,000
Total	<u>652,000</u>

This page is left blank intentionally.

MEDIUM TERM FINANCIAL STRATEGY for the General Fund
February 2016 - DRAFT

Appendix B3

General provision for Inflation

	Actual 2014/15 £'000	2.1% Estimate 2015/16 £'000	Projected Estimate 2015/16 £'000	1.4% Projected Estimate 2016/17 £'000	1.8% Projected Estimate 2017/18 £'000	1.9% Projected Estimate 2018/19 £'000	1.9% Projected Estimate 2019/20 £'000	2.0% Projected Estimate 2020/21 £'000	
Assuming council tax increases of £5 in 2016-17 to 2019-20; 1.99% thereafter									
Base Budget	14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682	
Additional income/savings to maintain working balance	0	(670)	(670)	(300)	(1,030)	(1,030)	(1,030)	(1,030)	
Non-recurring expenditure on infrastructure, communal facilities, etc. Financial Position Report September 2015	1,580	2,019	2,236 (201)	2,908	1,483	2,158	2,981	3,707	
Net Portfolio Expenditure	<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>17,185</u>	<u>18,182</u>	<u>19,232</u>	<u>20,359</u>	
Net Interest on balances	(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)	
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)	
Net District Council General Fund Expenditure	<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>16,191</u>	<u>17,480</u>	<u>18,569</u>	<u>19,722</u>	
New Homes Bonus	(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)	
Appropriations to/(from) General Fund working balance	(934)	(483)	(483)	(2,057)	(1,352)	(1,174)	(1,322)	(1,376)	
General Expenses	<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,499</u>	<u>11,353</u>	<u>12,059</u>	<u>12,398</u>	<u>12,822</u>	
Revenue Support Grant	(2,608)	(1,830)	(1,806)	(926) -48.7%	(230) -75.2%	0	0	0	
Rural Services Delivery Grant			(25)	(32)	(56)	(81)	(105)	0	
Retained Business Rates	(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	(3,748)	(3,554)	(3,741)	
(Surplus)/Deficit on Council Tax Collection Fund	(65)	(132)	(132)	(38)	0	0	0	0	
Provision/Contingency for business rates appeals/revaluations	2,231	1,442	1,442	1,953	977	488	450	450	
Council Tax Requirement to be raised from council taxpayers	<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,852</u>	<u>8,268</u>	<u>8,719</u>	<u>9,189</u>	<u>9,531</u>	
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 58,242.6	Number 59,680.4	Number 59,680.4	Number 60,257.0	1.0% 61,101.2	1.4% 62,138.9	1.7% 63,236.7	1.8% 64,304.7	1.7%
Basic Amount of Council Tax District only	£ 122.86	£ 125.31	£ 125.31	£ 130.31	4.0% 135.31	3.8% 140.31	3.7% 145.31	3.6% 148.21	2.0%
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£ 110.30	£ 133.41	£ 133.40	£ 164.45	£ 157.44	£ 159.21	£ 166.22	£ 169.61	
Balances at Year End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
General Fund (recommended minimum level £2.5 million)	(10,277)	(9,557)	(9,794)	(7,737)	(6,385)	(5,211)	(3,888)	(2,513)	
Infrastructure Fund b/fwd			(2,393)	(2,943)	(3,218)	(2,958)	(2,994)	(3,550)	
Add: Non recurring expenditure etc			(2,236)	(2,908)	(1,483)	(2,158)	(2,981)	(3,707)	
Less: Contribution to City Deal (2019/20, A14)			1,686	2,633	1,743	2,123	2,425	7,258	
Infrastructure Fund c/fwd	(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>	<u>(2,958)</u>	<u>(2,994)</u>	<u>(3,550)</u>	<u>0</u>	

This page is left blank intentionally.

MEDIUM TERM FINANCIAL STRATEGY for the General Fund
February 2016 - DRAFT

Appendix B3A

General provision for Inflation		2.1%		1.4%		1.8%		1.9%		1.9%		2.0%	
Assuming a council tax increase of £5 in 2016-17, 1.99% thereafter		Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
		2014/15	2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
		£'000	£'000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	£'000	£'000	£'000	£'000
Base Budget		14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682				
Additional income/savings to maintain working balance		0	(670)	(670)	(300)	(1,365)	(1,365)	(1,365)	(1,365)				
Non-recurring expenditure on infrastructure, communal facilities, etc.		1,580	2,019	2,236	2,908	1,483	2,158	2,981	3,707				
Financial Position Report September 2015				(201)									
Net Portfolio Expenditure		<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>16,850</u>	<u>17,847</u>	<u>18,897</u>	<u>20,024</u>				
Net Interest on balances		(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)				
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision		(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)				
Net District Council General Fund Expenditure		<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>15,856</u>	<u>17,145</u>	<u>18,234</u>	<u>19,387</u>				
New Homes Bonus		(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)				
Appropriations to/(from) General Fund working balance		(934)	(483)	(483)	(2,057)	(1,164)	(1,134)	(1,433)	(1,503)				
General Expenses		<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,499</u>	<u>11,206</u>	<u>11,764</u>	<u>11,953</u>	<u>12,360</u>				
Revenue Support Grant		(2,608)	(1,830)	(1,806)	(926)	(230)	0	0	0				
Rural Services Delivery Grant				(25)	(32)	(56)	(81)	(105)					
Retained Business Rates		(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	(3,748)	(3,554)	(3,741)				
(Surplus)/Deficit on Council Tax Collection Fund		(65)	(132)	(132)	(38)	0	0	0	0				
Provision/Contingency for business rates appeals/revaluations		2,231	1,442	1,442	1,953	977	488	450	450				
Council Tax Requirement to be raised from council taxpayers		<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,852</u>	<u>8,121</u>	<u>8,424</u>	<u>8,744</u>	<u>9,069</u>				
Tax Base for Tax Setting Purposes including discount for localised council tax support		Number 58,242.6	Number 59,680.4	Number 59,680.4	Number 60,257.0	1.0% 61,101.2	1.4% 62,138.9	1.7% 63,236.7	1.8% 64,304.7	1.7%			
Basic Amount of Council Tax District only		£ 122.86	£ 125.31	1.99% 125.31	£ 130.31	4.0% 132.91	2.0% 135.56	2.0% 138.27	2.0% 141.03	2.0%			
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves		£ 110.30	£ 133.41	£ 133.40	£ 164.45	£ 151.95	£ 153.82	£ 160.92	£ 164.40				
Balances at Year End		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				
General Fund (recommended minimum level £2.5 million)		(10,277)	(9,557)	(9,794)	(7,737)	(6,573)	(5,439)	(4,006)	(2,504)				
Infrastructure Fund b/fwd				(2,393)	(2,943)	(3,218)	(2,958)	(2,994)	(3,550)				
Add: Non recurring expenditure etc				(2,236)	(2,908)	(1,483)	(2,158)	(2,981)	(3,707)				
Less: Contribution to City Deal (2019/20, A14)				1,686	2,633	1,743	2,123	2,425	7,258				
Infrastructure Fund c/fwd		(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>	<u>(2,958)</u>	<u>(2,994)</u>	<u>(3,550)</u>	<u>0</u>				

This page is left blank intentionally.

MEDIUM TERM FINANCIAL STRATEGY for the General Fund
February 2016 - DRAFT

Appendix B3B

	General provision for Inflation		2.1%		1.4%		1.8%		1.9%		1.9%		2.0%
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2014/15	2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Base Budget	14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682					
Additional income/savings to maintain working balance	0	(670)	(670)	(300)	(1,570)	(1,570)	(1,570)	(1,570)					
Non-recurring expenditure on infrastructure, communal facilities, etc. Financial Position Report September 2015	1,580	2,019	2,236 (201)	2,908	1,483	2,158	2,981	3,707					
Net Portfolio Expenditure	<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>16,645</u>	<u>17,642</u>	<u>18,692</u>	<u>19,819</u>					
Net Interest on balances	(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)					
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)					
Net District Council General Fund Expenditure	<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>15,651</u>	<u>16,940</u>	<u>18,029</u>	<u>19,182</u>					
New Homes Bonus	(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)					
Appropriations to/(from) General Fund working balance	(934)	(483)	(483)	(2,208)	(1,114)	(1,091)	(1,396)	(1,472)					
General Expenses	<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,348</u>	<u>11,050</u>	<u>11,603</u>	<u>11,785</u>	<u>12,186</u>					
Revenue Support Grant	(2,608)	(1,830)	(1,806)	(926) -48.7%	(230) -75.2%	0	0	0					
Rural Services Delivery Grant			(25)	(32)	(56)	(81)	(105)						
Retained Business Rates	(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	(3,748)	(3,554)	(3,741)					
(Surplus)/Deficit on Council Tax Collection Fund	(65)	(132)	(132)	(38)	0	0	0	0					
Provision/Contingency for business rates appeals/revaluations	2,231	1,442	1,442	1,953	977	488	450	450					
Council Tax Requirement to be raised from council taxpayers	<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,701</u>	<u>7,965</u>	<u>8,262</u>	<u>8,576</u>	<u>8,895</u>					
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 58,242.6	Number 59,680.4	Number 59,680.4	Number 60,257.0	1.0% 61,101.2	1.4% 62,138.9	1.7% 63,236.7	1.8% 64,304.7	1.7%				
Basic Amount of Council Tax District only	£ 122.86	£ 125.31	1.99% £ 125.31	£ 127.81	2.0% £ 130.36	2.0% £ 132.96	2.0% £ 135.61	2.0% £ 138.32	2.0%				
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£ 110.30	£ 133.41	£ 133.40	£ 164.45	£ 148.60	£ 150.52	£ 157.68	£ 161.21					
Balances at Year End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
General Fund (recommended minimum level £2.5 million)	(10,277)	(9,557)	(9,794)	(7,586)	(6,472)	(5,381)	(3,985)	(2,513)					
Infrastructure Fund b/fwd			(2,393)	(2,943)	(3,218)	(2,958)	(2,994)	(3,550)					
Add: Non recurring expenditure etc			(2,236)	(2,908)	(1,483)	(2,158)	(2,981)	(3,707)					
Less: Contribution to City Deal (2019/20, A14)			1,686	2,633	1,743	2,123	2,425	7,258					
Infrastructure Fund c/fwd	(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>	<u>(2,958)</u>	<u>(2,994)</u>	<u>(3,550)</u>	<u>0</u>					

This page is left blank intentionally.

APPENDIX B4

GENERAL FUND FEES AND CHARGES FOR 2016-17

Finance & Staffing Portfolio – Land Charges

Fees for local land charge services are expected to be subject to new legislation in the early part of 2016-17. It is therefore recommended that no changes be made to the levels of fees at present; proposals for changes to levels of fees will be brought to Members for approval once any legislation has been enacted.

Environmental Services Portfolio

Fees and charges relating to the Environmental Services Portfolio were presented to and agreed at the portfolio holder meeting on 28 January 2016. The report and decision relating to this can be viewed via this link

<http://scams.moderngov.co.uk/ieDecisionDetails.aspx?AllId=63997>

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”) plus an addition of £10 each year, so increases/decreases may vary year on year.

The RPI figure taken on the anniversary of the review (i.e. 0.0% as at October 2015) has been applied to the pitch fees and rounded up to the nearest 50p for ease of collection.

<u>Site</u>	<u>2015-16</u> p.w.	<u>2016-17</u> p.w.
Milton	£68.00	£78.00
Whaddon *	£58.00	£78.00

* Council agreed on 26 February 2015 that an increase in the Whaddon pitch fee would only take effect once refurbishment works at the site were completed. The fee was therefore held at its 2014-15 level of £58. As the refurbishment works have only recently been completed, it is proposed to retain that pitch fee for the remainder of this year and then increase it to be in line with the Milton site w.e.f. 1 April 2016.

Planning Portfolio – Planning Pre-Application Service

At his meeting on 12 January 2016, the Planning Portfolio Holder endorsed the principle of a revised fee structure for pre-application advice, with staff costs and inflationary uplifts, details of which would be reported to Cabinet in February 2016, and changes to be implemented from 1 April 2016.

The general rate of inflation allowed in the Medium Term Financial Strategy (MTFS) for 2016-17 is 1.4% in line with the Office of Budget Responsibility's forecast. Several posts in the planning service have been subject to a market supplement; in addition to this, a provision for pay increases of 1.0% has been allowed for in the MTFS for 2016-17. Accordingly, an increase of 5% has been applied to the 2015-16 pre-app fees, and rounded up where appropriate. The resulting proposed fee charging schedule for 2016-17 is attached as **Appendix B4A**, with the current schedule for 2015-16 shown for comparative purposes.

Planning Portfolio – Building Control Shared Service

The proposed single fee schedule for the 3C Building Control shared service (3CBC), to be introduced from 1 April 2016 is attached as **Appendix B4B**. It is based on rationalising upwards between previous authorities, without unreasonably increasing charges to customers, to be followed by a full review of service costs and charges on a genuine recovery basis, in Autumn 2016, with a view to revising in-year if necessary or from April 2017.

Proposed rationale

As a single business, 3CBC needs to operate a single fee schedule in order to provide clarity for customers, and to support the move to a streamlined business procedure.

The proposal is to move to a single fee structure in accordance with the principles of:

- ensuring that income does not decrease as a result (thus not reducing overall charges for any item in any one authority);
- limiting increases to the minimum necessary to achieve a single fee structure, in order to avoid unreasonably increases for customers;
- retaining a logical structure where works are charged approximately in accordance with time taken (a full review of real costs will be required during 2016-17).

Customer/commercial impact

Charge increases should have limited impact on customers. Increases vary in percentage terms – this is not a simple increase but regularisation. Most increases are 10% or below, on prices which have not been increased since 2010, however, some increases will impact in some areas more. There is a risk that increasing charges could lead to some customers considering looking at the option of using Approved Inspectors instead – who will, no doubt, increase their own charges to follow suit. Customers of Cambridge City Council (CCC) are aware charges will increase and potentially expecting steeper increases than currently proposed.

Customers attending the stakeholder forum on 25 January 2016 expressed no concern about proposed fee increases, but rather emphasised their desire to see the local authority service strengthened and developed, with charges at a realistic level to ensure that quality is maintained.

Methods of Calculation

Building Control fees should be charged on a cost recovery basis, according to legislation, and therefore there should be regular review of (a) the hourly rate charges for work done under quotation and (b) the fees set out in standard works schedules.

At present, all three Councils charge different rates, with some items charged on a consistent basis between CCC and SCDC.

It is not currently possible to calculate an exact cost recovery rate and therefore the proposed rates have been calculated by adopting the highest charge currently in place at any of the three authorities, except as follows:

- New dwellings (more than 10 dwellings) – propose to adopt the CCC rates to harmonise and allow for individual quotation on larger sites;
- Extensions, conversions and small buildings – here the proposal is to increase the plan fee to £150 in Huntingdonshire District Council (HDC) and CCC to regularise with SCDC, but to reduce the inspection fee where necessary in order that the total fee for any item of work is in line with the highest fee currently charged;
- Building Notices are charged as (plan + inspection) +10% +VAT.
- Regularisation charges will follow the SCDC charges which are set as Building Notice + 20% (no VAT – so same total payable).

The hourly rate to be adopted is that in use in CCC (£71 per hour).

Implementation Issues

Once the fee schedule has been approved, a single document will be produced for use by Building Control in advising customers (available on request), and a limited selection of fees will be published on the website. Guidance for staff will ensure consistent application of fees across the service, e.g. when calculating fees for multiple works.

The 3CBC implementation team is working to implement a single point of billing – to include at least telephone payments, ideally on-line payment as a future option. Payment-by-instalments will apply to schemes with works over £10,000 only to limit administration.

Legal status and future revisions

Legally, work should be charged at cost recovery - this means regular review of actual costs is required. Deliberately over charging could be challenged by competitors – hence proposal to limit increases.

3CBC will review costs once the service has moved to the new operating model of two teams and been collecting data for at least six months. It is intended to do this in November 2016, to inform fee setting for April 2017.

Approval of new fees

The new fees will have been approved under delegated powers at each authority.

This page is left blank intentionally.

Appendix B4A - Pre-Application Charging Schedule

Existing Pre App Charging Schedule (2015-16)

Development Type ¹	Written advice only	Single meeting with planning officer and follow-up written advice	One further written response
1 Dwellings			
1 dwelling	£165 plus VAT. Total payable = £198	£250 plus VAT Total payable = £300	£70 plus VAT Total payable = £85
2-50 dwellings	£550 plus VAT Total payable = £660	£760 plus VAT Total payable = £912	£120 plus VAT Total payable = £144
50 – 200 Dwellings	£2,235 plus VAT. Total payable = £2,682	£2,410 plus VAT. Total payable = £2,892	£160 plus VAT. Total payable = £192
201 + dwellings	£7,550 plus VAT. Total payable = £9,060	£7,725 plus VAT. Total payable = £9,280	£160 plus VAT. Total payable = £192
2 Agricultural			
466m2 plus	£235 plus VAT. Total payable = £282	£320 plus VAT. Total payable = £384	£70 plus VAT. Total payable = £84
3 Other Non-Residential			
1001-5000m2	£490 plus VAT Total payable = £588	£625 plus VAT Total payable = £750	£120 plus VAT. Total payable = £144
5001 – 10000m2	£2,235 plus VAT Total payable = £2,682	£2420 plus VAT. Total payable = £2,904	£160 plus VAT. Total payable = £192
1 hectare plus	£7,550 plus VAT. Total payable = £9,060	£7,725 plus VAT. Total payable = £9,280	£160 plus VAT. Total payable = £192

¹ Note: The Council will seek to negotiate a 'Planning Performance Agreement' for all proposals for "major" development". The charges for this will be set at an hourly rate appropriate for the level of officer dealing with the application, in agreement with the applicant. The costs are based on the complexity of the work required and the appropriate officer appointed (i.e. Planning/Senior Planning Officer £35.00 per hour; Principal Planning Officer £40.00 per hour).

Development Type	Written advice only	Single meeting with planning officer and follow-up written advice	One further written response
4 Wind/Solar Farms			
Under 1 hectare	£410 plus VAT. Total payable = £492	£530 plus VAT. Total payable = £636	£105 plus VAT. Total payable = £136
More than 1 hectare	£2,235 plus VAT Total payable = £2,682	£2,410 plus VAT. Total payable = £2,892	£160 plus VAT. Total payable = £192
5 Change of Use			
Any	£410 plus VAT. Total payable = £492	£530 plus VAT. Total payable = £636	£105 plus VAT. Total payable = £126
6 Advertisement			
Any	£130 plus VAT. Total payable = £156	£215 plus VAT. Total; payable = £258.	£70 plus VAT. Total payable = £840
7 Householder			
	£80 plus VAT. Total payable = £96	£100 plus VAT. Total; payable = £120	£35 plus VAT. Total payable = £42
8 Listed Buildings			
	£80 plus VAT. Total payable = £96	£100 plus VAT. Total; payable = £120	£35 plus VAT. Total payable = £42
9 Discharge of Conditions			
	£130 plus VAT. Total payable = £156	£215 plus VAT. Total; payable = £258	£70 plus VAT. Total payable = £84
10 Reduced Fees			
Small businesses (up to 5 employees)	£130 plus VAT. Total payable = £156.00	£215 plus VAT. Total; payable = £258.00	£70 plus VAT. Total payable = £84.00

11. Single one-off meetings at the Council's Offices – no formal written advice given

Meetings charged at £45 +VAT per officer in attendance for each hour or part thereof.
Total payable = £54 per officer in attendance for each hour or part thereof

NB: No fees are payable for the following proposals:

- Works to trees
- Proposals where an application is due to an Article 4 direction or as a result of planning conditions
- Development specifically required for the needs of disabled persons (exemption applies where planning fee would be exempt)
- Development required by and for Parish Councils
- Development required by and for a Registered Charity

Proposed Pre App Charging Schedule (2016-17)

Development Type ²	Written advice only	Single meeting with planning officer and follow-up written advice	One further written response
1 Dwellings			
1 dwelling	£175 plus VAT. Total payable = £210	£265 plus VAT Total payable = £318	£75 plus VAT Total payable = £90
2-50 dwellings	£580 plus VAT Total payable = £696	£800 plus VAT Total payable = £960	£130 plus VAT Total payable = £156
50 – 200 Dwellings	£2,350 plus VAT. Total payable = £2,820	£2,530 plus VAT. Total payable = £3,036	£170 plus VAT. Total payable = £204
201 + dwellings	£7,930 plus VAT. Total payable = £9,516	£8,115 plus VAT. Total payable = £9,738	£170 plus VAT. Total payable = £204
2 Agricultural			
466m2 plus	£250 plus VAT. Total payable = £300	£340 plus VAT. Total payable = £408	£75 plus VAT. Total payable = £90
3 Other Non-Residential			
1001-5000m2	£515 plus VAT Total payable = £618	£660 plus VAT Total payable = £792	£130 plus VAT. Total payable = £156
5001 – 10000m2	£2,350 plus VAT Total payable = £2,820	£2,530 plus VAT. Total payable = £3,036	£170 plus VAT. Total payable = £204
1 hectare plus	£7,930 plus VAT. Total payable = £9,516	£8,115 plus VAT. Total payable = £9,738	£170 plus VAT. Total payable = £204

² Note: The Council will seek to negotiate a 'Planning Performance Agreement' for all proposals for "major" development". The charges for this will be set at an hourly rate appropriate for the level of officer dealing with the application, in agreement with the applicant. The costs are based on the complexity of the work required and the appropriate officer appointed (i.e. Planning/Senior Planning Officer £35.00 per hour; Principal Planning Officer £40.00 per hour).

4 Wind/Solar Farms			
Under 1 hectare	£430 plus VAT. Total payable = £516	£560 plus VAT. Total payable = £672	£110 plus VAT. Total payable = £132
More than 1 hectare	£2,350 plus VAT Total payable = £2,820	£2,530 plus VAT. Total payable = £3,036	£170 plus VAT. Total payable = £204
5 Change of Use			
Any	£430 plus VAT. Total payable = £516	£560 plus VAT. Total payable = £672	£115 plus VAT. Total payable = £138
6 Advertisement			
Any	£140 plus VAT. Total payable = £168	£230 plus VAT. Total; payable = £276	£75 plus VAT. Total payable = £90
7 Householder			
	£85 plus VAT. Total payable = £102	£105 plus VAT. Total; payable = £126	£40 plus VAT. Total payable = £48
8 Listed Buildings			
	£85 plus VAT. Total payable = £102	£105 plus VAT. Total; payable = £126	£40 plus VAT. Total payable = £48
9 Discharge of Conditions			
	£140 plus VAT. Total payable = £168	£230 plus VAT. Total; payable = £276	£75 plus VAT. Total payable = £90
10 Reduced Fees			
Small businesses (up to 5 employees)	£140 plus VAT. Total payable = £168	£230 plus VAT. Total; payable = £276	£75 plus VAT. Total payable = £90
11. Single one-off meetings at the Council's Offices – no formal written advice given			
Meetings charged at £50 +VAT per officer in attendance for each hour or part thereof. Total payable = £60 per officer in attendance for each hour or part thereof			

NB: No fees are payable for the following proposals:

- Works to trees
- Proposals where an application is due to an Article 4 direction or as a result of planning conditions
- Development specifically required for the needs of disabled persons (exemption applies where planning fee would be exempt)
- Development required by and for Parish Councils
- Development required by and for a Registered Charity

**APPENDIX B4B
SCHEME OF BUILDING REGULATION CHARGES AND
ASSOCIATED MATTERS
FOR**

**South Cambridgeshire District Council
Cambridge City Council
Huntingdonshire District Council**

Operated by 3C Building Control

Date this Scheme came into effect: 1st April 2016

Index	Page
Purpose of the Building Regulations	2
Level of Charges	2
Definitions	3
Principles of the scheme	5
Payment by Instalment	6
Exemption from charges	7
Information required to determine charges	8
Establishing the charge	8
Other Matters	9
Reductions	9
Supplementary Charges	10
Non-Payment of Charges	10
Complaints	10
Transitional Provisions	11
Standard Charges	12
 Tables	
A - Standard charges for the creation or conversion to form new dwellings	13
B - Work on a single dwelling: New Build Extensions and Conversions Alterations	14 15
C - Alterations to Non-Domestic and Commercial Buildings (where requirements of Regulatory Reform Order apply)	16

Purpose of the Building Regulations

Building Regulation standards have evolved to secure the health and safety of those persons in and around buildings, to assist with energy conservation and to provide access and facilities for all persons.

Level of Charges

We believe that the charges, referred to in this scheme, represent genuine value for money. Local Authorities are required to recover their costs incurred over a 12 month

accounting period. Allowing a three year rolling programme to allow for workload fluctuation. If you wish to discuss, in detail, our level of service or charges, please contact us for further information.

Definitions

The following definitions apply to this Charging Scheme and should be read in conjunction with the other clauses and tables which constitute the Charging Scheme:

‘building’

means any permanent or temporary building but not any other kind of structure or erection, and a reference to a building includes a reference to part of a building.

‘building notice’

means a notice given in accordance with regulations 12(2)(a) and 13 of the Building Regulations 2010 (as amended).

‘building work’ means:

- (a) the erection or extension of a building;
- (b) the provision or extension of a controlled service or fitting in or in connection with a building;
- (c) the material alteration of a building, or a controlled service or fitting;
- (d) work required by building regulation 6 (requirements relating to material change of use);
- (e) the insertion of insulating material into the cavity wall of a building;
- (f) work involving the underpinning of a building;
- (g) work required by building regulation 22 (requirements relating to a change of energy status);
- (h) work required by building regulation 23 (requirements relating to thermal elements);
- (i) work required by building regulation 28 (consequential improvements to energy performance);

‘chargeable function’ means a function relating to the following –

(a) the passing or rejection of plans of proposed building work which has been deposited with the council in accordance with section 16 of the Building Act 1984 (as amended).

(b) the inspection of building work for which plans have been deposited with the council in accordance with the Building Regulation 2010 and with section 16 of the Building Act 1984 (as amended).

(c) the consideration of a building notice, which has been given to the council in accordance with the Building Regulations 2010 (as amended).

(d) the consideration of building work reverting to the council under the Building (Approved Inspectors etc.) Regulations 2010 (as amended)

(e) the consideration of a regularisation application submitted to the council under regulation 21 of the Building Regulations 2010 (as amended).

‘cost’

does not include any professional fees paid to an architect, quantity surveyor or any other person.

‘disabled person’

means a person who is within any of the descriptions of persons to whom Section 29(1) of the National Assistance Act 1948, as extended by virtue of Section 8(2) of the Mental Health Act 1959, applied but disregarding the amendments made by paragraph 11 of Schedule 13 to the Children Act 1989. The words in section 8(2) of the Mental Health Act 1959 which extend the meaning of disabled person in section 29(1) of the National Assistance Act 1948, are prospectively repealed by the National Health Service and Community Care Act 1990, section 66(2), Schedule 10, as from a day to be appointed

‘dwelling’

includes a dwelling house and a flat.

‘dwelling-house’

does not include a flat or a building containing a flat.

‘flat’

means a separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally.

‘floor area of a building or extension’

is the total floor area of all the storeys, which comprise that building. It is calculated by reference to the finished internal faces of the walls enclosing the area, or, if at any point there is no enclosing wall, by reference to the outermost edge of the floor.

‘relevant person’ means:

- (a) in relation to a plan charge, inspection charge, reversion charge or building notice charge, the person who carries out the building work or on whose behalf the building work is carried out;
- (b) in relation to a regularisation charge, the owner of the building; and
- (c) in relation to chargeable advice, any person requesting advice for which a charge may be made pursuant to the definition of ‘chargeable advice’

Principles of this Scheme

The set charges or method of establishing the charge have been established in this scheme for the functions prescribed in the Building (Local Authority Charges) Regulations 2010 (referred to as the chargeable functions), namely:

A plan charge, payable when plans of the building work are deposited with the Local Authority.

An inspection charge, payable on demand after the authority carry out the first inspection in respect of which the charge is payable.

A building notice charge, which is not refundable, is payable when the building notice is given to the authority.

A regularisation charge, payable at the time of the application to the authority in accordance with Regulation 21 of the Building Regulations. An application for regularisation, where unauthorised work has been commenced on, or after 11 November 1985, is entirely discretionary in relation to the submission of a retrospective application to the local authority and equally the local authority is under no obligation to accept it. Where a Regularisation application is received and accepted, the Regularisation charge is not refundable.

A reversion charge, payable for building work in relation to a building: -

1. Which has been substantially completed before plans are first deposited with the Authority in accordance with Regulation 20(2)(a)(i) of the Approved Inspectors Regulations, or

2. In respect of which plans for further building work have been deposited with the Authority in accordance with the Regulation 20(3) of the Approved Inspectors Regulations, on the first occasion on which those plans are or have been deposited.

Chargeable advice, **we will** make a charge for giving advice in anticipation of the future exercise of our chargeable functions (i.e. before an application or notice is received for a particular case), which is payable after the first hour of advice, on demand after we have given notice required by Regulation 7(7) of the

Building (Local Authority) Charges Regulations 2010 (i.e. the charge has been confirmed in writing following an individual determination).

This charge can be discounted from a subsequent application or notice received for the work in question.

The above charges are payable by the relevant person (see above for definition).

The charges are based on the principle of achieving **full cost recovery**. The charges will be calculated by using the surveyors' average hourly rate stated in the charging scheme, multiplied by the time taken to carry out the functions/advice, taking the following factors into account, as applicable, in estimating the time required by surveyors to carry out the function/advice:

1. The existing use of a building, or the proposed use of the building after completion of the building work;
2. The different kinds of building work described in regulation 3(1)(a) to (i) of the Building Regulations;
3. The floor area of the building or extension;
4. The nature of the design of the building work and whether innovative or high-risk construction techniques are to be used;
5. The estimated duration of the building work and the anticipated number of inspections to be carried out;
6. The estimated cost of the building work;
7. Whether a person who intends to carry out part of the building work is a person mentioned in regulation 12(6) or 20B(4) of the Building Regulations (i.e. related to competent person/self certification schemes);
8. Whether in respect of the building work a notification will be made in accordance with regulation 41(4) of the Building Regulations (i.e. where design details approved by Robust Details Ltd have been used);
9. Whether an application or building notice is in respect of two or more buildings or building works all of which are substantially the same as each other;
10. Whether an application or building notice is in respect of building work, which is substantially the same as building work in respect of which plans have previously been deposited or building works inspected by the same local authority;

11. Whether chargeable advice has been given which is likely to result in less time being taken by a local authority to perform that function;

12. Whether it is necessary to engage and incur the costs of a consultant to provide specialist advice in relation to a particular aspect of the building work.

Payment by Instalment

The authority may accept payment by instalment in respect of all building work detailed where the total charges exceed £10,000. The authority on request will specify the amounts payable and dates on which instalments are to be paid.

Principles of the scheme in respect of the erection of domestic buildings, garages, carports and extensions

Where the charge relates to an erection of a dwelling the charge includes for the provision of a detached or attached domestic garage or carport providing it is constructed at the same time as the dwelling.

Where any building work comprises or includes the erection of more than one extension and/or multiple types of alterations or building work the local authority may be able to reduce the charge by providing an individual assessment.

Exemption from charges

The Authority has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing dwelling that is, or is to be, occupied by a disabled person as a permanent residence; and where the whole of the building work in question is solely-

- (a) for the purpose of providing means of access for the disabled person by way of entrance or exit to or from the dwelling or any part of it, or
- (b) for the purpose of providing accommodation or facilities designed to secure the greater health, safety, welfare or convenience of the disabled person.

The council has not fixed by means of its scheme, nor intends to recover a charge for the purpose of providing accommodation or facilities designed to secure the greater health, safety, welfare or convenience of a disabled person in relation to an existing dwelling, which is, or is to be, occupied by that disabled person as a permanent residence where such work consists of-

- (a) the adaptation or extension of existing accommodation or an existing facility or the provision of alternative accommodation or an alternative facility where the existing accommodation or facility could not be used by the disabled person or could be used by the disabled person only with assistance; or
- (b) the provision of extension of a room, which is or will be, used solely-

(i) for the carrying out for the benefit of the disabled person of medical treatment which cannot reasonably be carried out in any other room in the dwelling, or

(ii) for the storage of medical equipment for the use of the disabled person, or

(iii) to provide sleeping accommodation for a carer where the disabled person requires 24-hour care.

The council has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing building to which members of the public are admitted (whether on payment or otherwise); and where the whole of the building work in question is solely-

(a) for the purpose of providing means of access for disabled persons by way of entrance or exit to or from the building or any part of it; or

(b) for the provision of facilities designed to secure the greater health, safety, welfare or disabled persons.

Information required to determine charges

If the authority requires additional information to enable it to determine the correct charge the authority can request the information under the provisions of regulation 9 of The Building (Local Authority Charges) Regulation 2010.

The standard information required for all applications is detailed on the authority's Building Regulation application forms. This includes the existing and proposed use of the building and a description of the building work

Additional information may be required in relation to –

- The floor area of the building or extension
- The estimated duration of the building work and the anticipated number of inspections to be carried out.
- The use of competent persons or Robust Details Ltd.
- Any accreditations held by the builder or other member of the design team.
- The nature of the design of the building work and whether innovative or high-risk construction is to be used.

The estimated cost of the building work. The 'estimate' is required to be such reasonable amount as would be charged by a person in business to carry out such building work (excluding the amount of any value added tax chargeable).

Establishing the Charge

The authority has established standard charges using the principles contained within The Building (Local Authority Charges) Regulation 2010. Standard charges are detailed

3C Shared Service Building Control Scheme Charges Effective from 1/04/16

in the following tables. In the tables below any reference to number of storeys includes each basement level as one-storey and floor areas are cumulative.

If the building work that you are undertaking is not listed as a standard charge it will be individually determined in accordance with the principles and relevant factors contained within The Building (Local Authority Charges) Regulation 2010. If the authority considers it necessary to engage and incur the costs of a consultant to provide specialist advice or services in relation to a particular aspect of building work, those costs shall also be included in setting the charge.

When the charge is individually determined the authority shall calculate the charge in the same way a standard charge was set by using the average hourly rate of surveyors' time, multiplied by the estimated time taken to carry out their building regulation functions in relation to that particular piece of building work and taking into account the applicable factors listed in regulation 7(5) of the charges regulations.

Individually determined charges will be confirmed in writing specifying the amount of the charge and the factors that have been taken into account in determining the charge.

The building regulation charges for the following types of building work will be individually determined and we will state which factors in regulation 7(5) of the charges regulations we have taken into account in establishing a standard or individually determined charge.

Individually determined charges will be provided for the following:

- A reversion charge, or
- The building work is in relation to more than one existing building or
- The work consists of the erection or conversion of 11 or more dwellings, or
- The work consists of the erection or conversion of dwellings where the floor area of each dwelling exceeds 300m² or
- The work consists of the erection or conversion of dwellings more than 3 storeys in height or
- The work consists of a domestic garage with a floor area over 60m² or
- The work consists of a domestic extension or annexe with a floor area over 60m² or
- The work consists of a domestic loft conversion with a floor area over 60m² or
- The work consists of a domestic garage conversion with a floor area over 60m² or
- Building work consisting of alterations to a single dwelling exceed £75,000
- Building work consisting of alterations to a non-domestic building where the estimated cost exceeds £100,000 or
- The work consists of a Material Change of Use or
- Any other works not specifically listed in Tables A, B, and C

Other matters relating to calculation of charges

- In calculating these charges, refunds or supplementary charges, a surveyor's hourly rate of £71.00 has been used.
- Any charge payable to the authority shall be paid with an amount equal to any value added tax payable in respect of that charge.
- Charges are not payable for the first hour when calculating a substantive advice charge
- The authority accepts payment by instalment in respect of all building work where the total charge exceeds £10,000. The authority on request will specify the amounts payable and dates on which instalments are to be paid.

Reductions

The authority shall make a reduction in a standard or individually determined charge when chargeable advice has been given before receipt of an application or notice for proposed building work, which is likely to result in less time being taken by the local authority to perform the chargeable function for that work.

When it is intended to carry out additional building work on a dwelling at the same time that any of the work to which Table B relates then the charge for this additional work shall be reduced by 50%.

Where in accordance with Regulation 7(5)(i) of the charges regulations one application or building notice is in respect of two or more buildings or building works all of which are substantially the same as each other a 50% reduction in the standard plan charge can be made.

Where in accordance with Regulation 7(5)(j) of the charges regulations an application or building notice is in respect of building work, which is substantially the same as building work in respect of which plans have previously been deposited or building works inspected by the same local authority, a 50% reduction in the plan charge will be made.

Supplementary charges

If the basis on which the charge has been set or determined changes, we may request a supplementary charge and provide a written statement setting out the basis of this charge and also state how this has been calculated. In the calculation of supplementary charges no account shall be taken of the first hour of an officer's time.

Non-Payment of a Charge

Your attention is drawn to Regulation 8(2) of the Building (Local Authority Charges) Regulations 2010, which explains that plans are not treated as being deposited for the purposes of Section 16 of the Building Act or building notices given unless the Council has received the correct charge. In other words, relevant timescales do not start until the agreed payment has been made. The debt recovery team of the authority will also pursue any non-payment of a charge

Complaints about Charges

If you have a complaint about the level of charges you should initially raise your concern with the Building Control team. If your complaint is not satisfactorily responded to then the council has a comprehensive complaint handling process, details of which are available on request.

Transitional Provisions

The Council's previous schemes for the recovery of charges continue to apply in relation to building work for which plans were first deposited, a building notice given, a reversion charge becoming payable, or a regularisation application was made, before 1 April 2016.

STANDARD CHARGES

These standard charges have been set by the authorities on the basis that the building work does not consist of, or include, innovative or high risk construction techniques and/or the duration of the building work from commencement to completion does not exceed 12 months

The charges have also been set on the basis that the design and building work is undertaken by a person or company that is competent to carry out the design and building work referred to in the standard charges tables that they are undertaking. If not, the work may incur supplementary charges.

If chargeable advice has been given in respect of any of the work detailed in these tables and this is likely to result in less time being taken by the authority then a reduction to the standard charge can be made.

Plan and Inspection Charges

The plan charge and inspection charge are listed in the following tables.

Building Notice Charge

With the majority of building notices the time to carry out the building regulation function is higher and the resultant additional costs of using the Building Notice procedure results in the higher charge as detailed in the following tables.

Reversion Charge

These charges will be individually determined

Regularisation Charge

Will be the equivalent of the building notice charge plus 20%

TABLE A						
Standard Charge for the creation or conversion to form a new dwelling						
Charges in £s, excluding VAT . VAT not charged on Regularisation						
Number of Dwellings	Plan Charge	Inspection Charge	Plan+ Inspection	Building Notice	Regularisation	Additional
1	180	387	567	623.7	748.44	190
2	250	770	1020	1122	1346.4	*
3	320	1065	1385	1523.5	1828.2	
4	390	1280	1670	1837	2204.4	
5	460	1380	1840	2024	2428.8	
6	530	1480	2010	2211	2653.2	
7	550	1560	2110	2321	2785.2	
8	570	1640	2210	2431	2917.2	
9	590	1720	2310	2541	3049.2	
10	620	1880	2500	2750	3300	

Note – for 11 or more dwellings or if the floor area of a dwelling exceeds 300m² or more than 3 storeys in height the charge will be individually determined.

The charge will depend on the factors referred to previously and it is the applicants interest to ensure full details of the construction, site control processes and duration of the project and expertise involved is made clear to ensure a fair charge is made.

* An additional charge is for work when the relevant building work, or part thereof, has not been carried out by a person referred to in regulation 7(5) (g) or (h) of the Building (Local Authority Charges) Regulations 2010 applies. It is additional to the inspection charge, building notice charge or regularisation charge.

Where standard charges are not applicable please contact building control on 01954 713204 or e-mail: building.control@scams.gov.uk

TABLE B : WORKS TO A SINGLE DWELLING

Charges in £s, excluding VAT . VAT not charged on Regularisation						
Description of Work	Plan	Inspection	Plan+ Inspection	Building Notice	Regularisa- tion Fee	Additional
Extensions & New Build						
Extension or annexe - with floor area not exceeding 10m2	150	225	375	412.5	495	190
- with floor area exceeding 10m2 but not exceeding 40m2	150	285	435	478.5	574.2	190
- with a floor area exceeding 40m2 but not exceeding 60m2	150	390	540	594	712.8	190
A building or extension comprising SOLELY of a garage, carport or store the total floor area of which does not exceed 60m2	150	190	340	374	448.8	190
Part P Loft and Garage Conversions – apply to buildings of one or two storeys only, not including basements.						
Loft conversions (less than 40m2)	150	285	435	478.5	574	190
Loft conversions (exceeding 40m2 but less than 60m2)	150	345	495	544.5	653	190
Garage conversion up to 40m2	150	110	260	286	343	190
Alterations						
Replacement of windows, roof lights, roof windows or external glazed doors	100	0	100	110	132	
Renewable Energy systems (up to £20,000)	140	0	140	154	184.8	
Internal alterations - up to £5,000	180	0	180	198	237.6	
- exceeding £5,000 but not exceeding £10,000	280	0	280	308	369.6	
- exceeding £10,000 but not exceeding £20,000	150	220	370	407	488.4	
- exceeding £20,000 but not exceeding £50,000	150	285	435	478.5	574.2	
- exceeding £50,000 but not exceeding £75,000	150	385				
Notifiable electrical work (where a satisfactory certificate will not be issued by a Part P registered electrician)	240	0				

Notes for Table B

* Where multiple work is covered by more than one of the above categories then the appropriate charge is calculated by paying the **full amount for the most expensive category** and only **50%** for the other applicable categories

* An additional charge is for work when the relevant building work, or part thereof, has not been carried out by a person referred to in regulation 7(5) (g) or (h) of the Building (Local Authority Charges) Regulations 2010 applies. It is additional to the inspection charge, building notice charge or regularisation charge

Where Standard Charges are not applicable please contact Building Control on 01954713203 or e-mail: building.control@scams.gov.uk

TABLE C: Alterations to non-domestic and commercial buildings

	Charges in £s, excluding VAT . VAT not charged on Regularisation			
	Plan Charge (+VAT)	Inspection Charge (+VAT)	Plan +Inspection	Regularisation Charge (NO VAT)
Renovation of a thermal element with an estimate up to £50,000	140	0	140	182
Renewable Energy systems (up to £50,000)	140	0	140	182
Replacement of windows, roof lights, roof windows or external glazed doors (up to £20,000)	110	0	110	143
Replacement of windows, roof lights, roof windows or external glazed doors (£20,000 - £100,000)	225	0	225	292.5
Internal alterations up to £5,000	200	0	200	260
Internal alterations exceeding £5,000 but not exceeding £10,000	150	160	310	403
Internal alterations exceeding £10,000 but not exceeding £20,000	150	250	400	520
Internal alterations exceeding £20,000 but not exceeding £50,000	175	350	525	682.5
Internal alterations exceeding £50,000 but not exceeding £75,000	225	450	675	877.5

Where there is a Proposed Change of Use of a building an individually determined charge will apply

Where Standard Charges are not applicable please contact Building Control

South Cambridgeshire District
Council
Housing Revenue Account
Budget Setting Report
2016/17

**February
2016**

Version Control

	Version	for :	Anticipated Content
	1	Draft	Draft content for consultation
Current	2	Cabinet	Member Scrutiny
	3	Council	The Portfolio for Housing's recommended final budget proposals
	4	FINAL	Final version for publication following Council

Contents

Section No.	Topic	Page No.
1	Introduction	1
2	Review of National and Local Policy and Context	4
3	Housing Revenue Account Resources	11
4	Housing Revenue Account Budget	16
5	Housing Capital Budget	18
6	HRA Treasury Management	23
7	Summary and Overview	25

Appendices

Reference	Topic	Page No.
A	Business Planning Assumptions	29
B	Service Charges 2016/17	31
C	HRA Ear-Marked & Specific Funds	33
D	Retained Right to Buy Receipts	34
E	New Build Cash-flow Investment Profile	35
F	Sensitivity Analysis	37
G	HRA Summary Forecast 2015/16 to 2020/21	38
H	Housing Capital Investment Plan – 2015/16 to 2020/21	39

Section 1

Introduction

Background

Decisions about the level of expenditure in the Housing Revenue Account continue to be made in the context of a 30-year business plan, which is reviewed in September / October and January / February of each year.

The resource available to invest in housing services remains wholly dependent upon anticipated income streams for the Housing Revenue Account, with the most significant of these being the rental income for the housing stock. Following legislative changes to be introduced through the Welfare Reform and Work Bill 2015, the authority no longer has discretion to set rents at a local level, but will instead be required to comply with a national approach where rents will be reduced by 1% per year, for four years, from April 2016.

This change, alongside other national changes in housing policy, removes a lot of the flexibility over longer-term decision making, which has been available at a local level since April 2012. It is vital, with diminishing resources, that the Housing Revenue Account continually reviews its priorities for investment, considering:

- The level of investment required in the existing housing stock
- The need to spend on landlord service (management and maintenance)
- The need to support, and potentially set-aside to repay, housing debt
- The aspiration to invest in new affordable housing
- The ability to invest in new initiatives or income generating activities
- The desire to deliver discretionary services (i.e. support)

To protect the future of the Council's social housing, setting a budget for the short-term, in the context of the longer-term impact on the financial viability of the Housing Revenue Account 30-Year Business Plan, is crucial.

A key feature of the 30-Year Business Plan is the requirement to support a significant level of housing debt, with external borrowing of £205,123,000 as at April 2015. To date, it has been the policy of the HRA to set-aside resource to allow the potential to repay the housing debt should the authority so chose, although this is no longer possible due to the constraints imposed or anticipated as part of the recent changes in national housing policy.

The HRA Budget Setting Report provides an update of the latest financial position for the HRA, covering both HRA revenue and capital spending, highlighting the inter-relationships between the two.

A key aspect of each review of the financial position for the HRA is consideration of risk and any potential mitigation, considering these over both the medium (5 years) and long-term (30 years).

Sensitivity analysis of key factors is also undertaken, to ensure that effective contingency plans are available to the Council and that an appropriate level of reserves can be maintained in light of changes in assumptions.

The work on the 2016/17 HRA Budget Setting Report takes as its starting point the key medium and long-term parameters set out in the HRA Medium Term Financial Strategy of October 2015.

Section 2

Review of National and Local Policy Context and External Factors

Review of National Policy Context

National Tenancy and Rent Setting Policy

Following announcements as part of the July 2015 budget, and subsequent legislation approved as part of the Welfare Reform and Work Bill 2015, both local authority landlords and registered providers are now required to apply a 1% reduction in rent levels across each of the next four years, beginning in April 2016.

It has now been confirmed that any local authorities with actual rents that are still below rent restructured target social rents levels, will be permitted to increase the rent to target at re-let. Target rent levels will of course also reduce by 1% each year for the next four years.

It is still not clear what will happen to rent levels after 2019/20, with the authority still making the assumption that rent increases can be re-introduced at the previous levels of CPI plus 1% per annum.

Proposed amendments to the Housing and Planning Bill, which was still being considered in the House of Commons in early January 2016, will also see local authorities being required to adopt fixed term tenancies of between 2 and 5 years, in respect of all new tenancies, anticipated to begin from April 2017.

Market Rents for Higher Income Households

The policy announcement that those in existing social housing with a household income in excess of £30,000 (£40,000 in London) will be charged up to market rent for living in their home, has now been subject to government consultation. The consultation, which ended on 20th November 2015, asked respondents to consider the following:

- how income thresholds might be set, for example by applying a taper that increases the rent as income rises
- whether the starting threshold should be set in line with housing benefit eligibility
- what each local authority would consider the administrative cost to them would be based upon existing systems and powers

It is impossible to accurately predict how much the change in legislation will cost the Council until more information is available. It is clear however that there will be both upfront costs associated with putting systems in place to cater for the requirement, and significant ongoing costs associated with data collection, data validation, individual rent calculations, system amendments / updates and communication. This will be compounded by an assumed increase in collection and recovery costs, where it is anticipated that households may have committed their income in other ways, and will not initially be in a position to meet the higher rents payments.

Mandatory Disposal of High Value Housing Stock

Following announcements in advance of the June 2015 elections, which suggested local authorities should be required to sell any property that is valued in the top third for the area, on the open market at the point at which it becomes void, the draft Housing and Planning Bill 2015 provides further detail as to how this policy is intended to be implemented.

A payment to the Secretary of State, under a local authority specific determination, is anticipated in respect of a sum derived from an estimate of the high value property which may become vacant in any year. It could therefore be interpreted from this that a local authority may have some discretion over which assets it chooses to dispose of to make payment to central government, but this is not explicit. Concerns exist around the timing of the payments that may fall due under any determination, particularly if this is in advance of the sale of assets to which the determination formula relates.

There is allowance in the draft bill, for the Secretary of State to enter into an agreement with a local authority to reduce the amount that the authority is required to pay in order to provide, or facilitate the provision of, housing.

In December 2015, the Department for Communities and Local Government required every stock retaining local authority to provide a large data set in respect of their housing stock holding. This included the size, type and purpose of each property, the value of each dwelling and the incidence of void in each property each year, over the last 3 years, with the reason which the property became vacant in

each instance. This data is expected to be used to arrive at the levy that each local authority will be required to pay.

For financial planning purposes, an initial assumption that approximately 1.8% of the housing stock will need to be sold each year has been made, which is representative of just under 100 properties per annum at the outset. This assumption may need to be significantly amended as further information is made available, as it is based upon early estimates of what might constitute high value, in the absence of any detail at this stage.

Universal Credit

The introduction of Universal Credit for working age tenants is still anticipated to begin from 29th February 2016. For South Cambridgeshire residents this will start with new unemployed claimants claiming out of work job benefits receiving Universal Credit with a housing costs element rather than Housing Benefit. This will affect only a small number of claims in the first instance. The timetable for rolling out to couples, those with families and those who are unable to work due to disability is still unclear.

With residents paid directly, receiving calendar monthly payments in arrears, administered centrally by the DWP, there will be a real impact on the HRA in terms of both collection costs, and potentially arrears recovery costs.

Those in specified accommodation, such as supported housing, are still anticipated to be exempt from direct payment and support will continue for these people through Housing Benefit. Pensioners will not claim Universal Credit but will continue to receive Housing Benefit, calculated locally.

The full impact of this, and other welfare benefit changes, on the Housing Revenue Account remains uncertain at present.

Right to Buy Sales

Following a number of changes in the right to buy legislation in the past three years, the increase in activity experienced initially, appears to have stabilised.

The table below highlights the activity over the last 5 years:

Status	Year	RTB Sales
Actual Sales	2010/11	6
	2011/12	5
	2012/13	24
	2013/14	28
	2014/15	29
Estimated Sales	2015/16	25
	2016/17	25
	2017/18	25
	2018/19	20
	2019/20	20

In the first 8 months of 2015/16, 16 completions have taken place, indicating that activity is remaining at the higher level experienced since the re-invigoration of the scheme from April 2012.

It is impossible to accurately predict future sales, although it is anticipated that the reduction in the qualifying period and the proposal to charge market rents for all households earning over £30,000 per annum, may cause some re-escalation in sales levels that were otherwise starting to show some signs of slowing again.

Until the direction of travel is clear, the assumption of future sales at levels of 25 in 2016/17 and 2017/18, 20 per annum from 2018/19 to 2020/21 and 15 sales per annum from 2021/22 onwards has been retained.

Right to Buy Receipts

The authority remains subject to the agreement with CLG that allows the retention of right to buy receipts, subject to a set of specific conditions.

As highlighted in the HRA Medium Term Financial Strategy, the looming deadlines for appropriate investment of these retained receipts, coupled with difficulties in identifying the required 70% top up funding in the HRA, means that active consideration is now being given to passing receipts over to a registered provider for investment in affordable housing in the district.

Appendix D summarises the latest position in terms of receipts held for re-investment, with their appropriate use key to avoiding the need to pay retained receipts over to CLG with the associated interest due.

At the end of each quarter, the Executive Director (Corporate Services), in consultation with the Director of Housing and the Housing Portfolio Holder, continue to make a decision as to whether right to buy receipts are retained or paid directly over to central government. The decision will take account of the authority's ability to identify the 70% top up funding, or alternatively the potential for the receipt to be passed to a registered provider, with both options maximising the use of the resource and creation of new homes in the locality. Payment of the sums to central government will only occur if there is a considered risk that the resource cannot be utilised appropriately within the required timeframes, thus mitigating the impact of the need to pay receipts over to central government at a later stage, alongside the interest penalty that would be incurred.

The additional capital spending required and the resulting funding sources identified, will be built into the Housing Capital Investment Plan at the next available opportunity.

Review of Local Policy Context

Housing Stock

South Cambridgeshire District Council Housing Revenue Account owns and / or manages the following properties, broken down by category of housing provided:

Housing Category	Actual Stock Numbers as at 1/4/2015	Estimated Stock Numbers as at 1/4/2016
General Housing – Social	4,188	4,130
Sheltered Housing	1,053	1,053
Sheltered Housing – Equity Share	82	82
Temporary Housing	11	29
Miscellaneous Leased Dwellings	20	11
Shared Ownership / FTB Dwellings	57	57
Awaiting Disposal / Demolition / Transfer to HA	14	25
Total Dwellings	5,425	5,387

A breakdown of the housing stock by property type, excluding shared ownership and equity share, is demonstrated in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2015	Estimated Stock Numbers as at 1/4/2016
Bedsits	31	31
1 Bed	1,028	1,013
2 Bed	2,260	2,257
3 Bed	1,887	1,867
4 Bed	75	75
5 Bed	1	1
6 Bed	4	4
Total Dwellings	5,286	5,248

Leasehold Stock

The Housing Revenue Account continues to maintain the freehold in respect of flats, sold under the right to buy process on long leases. Services continue to be provided to these properties in respect of repairs and improvements to communal areas and services for common facilities.

Support Service Contracts

South Cambridgeshire District Council continues to deliver support services to older people on a district-wide basis, within a contract which expires early in 2017/18, unless the two year extension is agreed. The service is now demand led, and includes a greater degree of signposting to other agencies for those with lower support needs due to the expanded client based encompassed under the contract. The contract value is fixed at £302,000 per annum.

Funding for the provision of alarms, and the telephone response to alarms, in sheltered housing is being terminated by the County Council from the end of March 2016. From April 2016, all residents in schemes with hard-wired alarms will be required to pay a service charge, which will not be eligible for housing benefit, for the continued provision of the alarm.

Following consultation with residents, the future of the alarm service is likely to be in the form of community lifelines, where residents will ultimately have the option as to whether they want to receive the alarm service, which will be invoiced and payable separately from rent. This approach will be rolled out across schemes in a phased manner, as the old hard-wired installations are de-commissioned over a

period of time, following installation of lifelines and separate smoke detectors in properties where they are required.

Partnership Working and Shared Services

The organisation, and therefore the HRA, continues to expand the provision of services which are delivered as shared or partnership services with other local authorities.

From a corporate perspective, the authority has entered into shared services with Cambridge City Council and Huntingdonshire District Council for the provision of ICT and Legal Services, both of which impact the HRA.

A pilot shared Head of Finance and Housing Finance Service with South Cambridgeshire District Council has been operational since March 2015, and is now set to be made permanent and expanded into a wider shared service following consolidation of financial management systems, which will begin in 2016/17.

From April 2016, the new Housing Development Agency (HDA) is anticipated to be in place, with the City Council and South Cambridgeshire District Council seconding staff into a shared service for the initial stage. The HDA will aid the delivery of new homes in the sub-region, working with multiple partner agencies, helping increase the supply of new housing in response to the investment in transport and infrastructure which the Greater Cambridge City Deal brings. There is an agreed £400,000 of pump prime funding which has been made available alongside the City Deal funding to help create the new delivery vehicle.

A shared Housing Management Service with Cambridge City Council will also be explored in 2016/17, with the potential for a wider shared strategic housing function in the future also.

External Factors

Factors outside of the direct control of the authority continue to impact strategic decision making, with judgements having to be made about the likely direction of travel for many of these. The latest assumptions in respect of inflation and interest rates are detailed at Appendix A.

Section 3

Housing Revenue Account Resources

Rent

Rent Arrears, Bad Debt Provision and Void Levels

Performance in the collection of current tenant debt was maintained during 2014/15, and in first 8 months of 2015/16, has been improved, when compared with the profile at this point in previous years. At the end of November 2015, current tenant arrears stood at £289,563 and former tenant arrears at £98,943, with the latter being marginally higher than at the start of the year.

Although staff continue to work proactively with tenants in arrears, and particularly those affected by benefit changes, the position is anticipated to become more challenging with the phased introduction of direct payment, which begins locally in February 2016.

Considering the above performance, but also taking into consideration the need to collect rent directly from more residents in 2016/17, the increased level of 0.5% of the rent due, broadly equivalent to an annual contribution to the bad debt provision of £140,000 has been maintained as part of the budget setting process.

However, recent indications from a survey carried out by the Chartered Institute of Housing and ARCH suggest that as many as 9 out of 10 direct benefit claimants could be in arrears in the early stages of implementation due to the need to wait a number of weeks before receiving their first payment, a direct impact of the transition from payment of housing benefit weekly in advance, to monthly in arrears.

At 31 March 2015, the provision for bad debt stood at £300,000, representing 70% of the total debt outstanding.

The value of rent not collected as a direct result of void dwellings in 2014/15 was approximately 1.5% of the rent due for the year.

At the time of writing this report, 1.1% of the housing stock was unoccupied, with approximately 30% of the void dwellings being intentionally held vacant pending re-development of the site.

On an ongoing basis, a base assumption of 1.1% voids in general housing is still considered appropriate for the longer-term. The proposed requirement to sell high value void properties in the future will impact this assumption in future iterations of the business plan.

Rent Restructuring

Although property specific target social rents under the rent restructuring regime still apply, the requirement to reduce all rents in social housing by 1% for the next 4 years, will mean that the target rents will also reduce in line with this.

The basic formula for the calculation of target rents remains unchanged, with 30% of a property's rent based upon historic relative property values and 70% based upon historic relative local earnings, combined with a factor for the number of bedrooms in the property. The result of the calculation is then limited by an overall rent cap for each size of property.

Although the national assumption is that local authority rents have reached target levels, the local picture is quite different, with actual rents that are still well below target levels. The ability to move rents up to the new lower target levels is only available to local authorities when a property is re-let to a new tenant.

The average weekly target rent at this point in 2015/16 across the housing stock, according to the rent system, is £109.59, with the average actual rent charged being £102.54. The average actual rent is therefore representative of 93.6% of the average target rent, with only 23.5% of the housing stock being charged at target rent levels.

Rent Setting

Rent levels continue to be set by Council in February of each year, following consideration at Cabinet.

From April 2016, the requirement, introduced through the Welfare Reform and Work Bill, to reduce rents by 1% each year for four years will be effective. The authority therefore has no option but to approve this change in rent levels, to be effective from Monday 4th April 2016.

The assumption is still being made, in respect of longer-term financial forecasts, that the authority will be able to revert to the previous policy of increasing rents by CPI (as measured at the preceding September), plus 1% each year, from April 2020.

Service Charges

Service charges continue to be levied for services that are not pure landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Some of these services are eligible for housing benefit, depending upon the nature of the service.

The approach to setting service charge levels for 2016/17 is detailed at Appendix B.

Other Sources of Income

Garages

The Housing Revenue Account currently has 1,061 residential garages, which are outside the curtilage of the dwelling, available for letting according to the rent system. Of these, 391 were vacant at the time of compiling this report.

In line with the HRA Garage Strategy, a large number of the vacant garages have been identified as needing repairs or major works prior to being ready to let, or are being considered for demolition, disposal, self-build sites or re-development, with an estimate of only 12% of the vacant dwellings being ready for immediate let.

The HRA has a two part charging structure for garages, with one rate for garages rented to tenants or leaseholders, and another for rental of garages by others, with the latter being subject to VAT at the prevailing rate. If a tenant or leaseholder holds more than two garages, VAT is also payable.

Other Property

In addition to dwellings held for rent, the HRA has a number of communal rooms and hub offices in sheltered schemes. Currently the costs of these buildings is recovered through service charges levied to residents, but in the current financial climate, consideration is being given to whether these assets could generate an income for the HRA where they are not well utilised.

Interest / Investment Income

The Housing Revenue Account receives interest on general or ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve, any unapplied capital balances and in respect of any internal lending to the General Fund.

The interest rates available to the Council generally remain low, and recovery is still anticipated to be slow.

Other External Funding

In addition to income direct from service users, the Housing Revenue Account anticipates receiving external funding in the following forms:

- Section 106 Funding – The authority has recently approved a policy in respect of spending Section 106 Commuted Sums, which includes the provision for any currently un-committed resource to be to be utilised to fund delivery of new build affordable housing in the Housing Revenue Account as the first call on the funds. At this stage, no schemes have been specifically identified as projects which will receive funding through this mechanism, but a list of suitable pipeline schemes is anticipated to be brought forward in 2016/17.
- Support Funding – The level of funding via the Supporting People Programme has reduced over the last 10 years, to a point where the authority now only receives £302,000 per annum for support provided to older people across the district.

Earmarked & Specific Funds

Earmarked Funds – Revenue Reserves

In addition to General Reserves, the Housing Revenue Account still maintains a number of earmarked or specific funds. Appendix C details the current level of funding in these reserves.

Self-Insurance Fund

This reserve is maintained to recognise the risks associated with the authority self-insuring its housing stock. The cost of any works that would otherwise be treated as insurance claims, are charged to the HRA in the year that they are incurred. The reserve exists to ensure that the authority has the funds to meet any

higher than anticipated remedial costs, allowing the HRA time to react to the additional expenditure incurred.

Major Repairs Reserve

This statutory reserve receives a sum, transferred from the revenue account, equivalent to the depreciation in respect of the housing stock each year. Any resource available in the Major Repairs Reserve can then be utilised as a source of funding in the Housing Capital Investment Plan, to meet the cost of capital works to HRA assets, or alternatively to repay housing debt. From April 2017, the transitional measures that allow the authority to limit the depreciation charged in respect of dwellings to the value of the old Major Repairs Allowance will cease, after which the full depreciation value will need to be transferred into the reserve each year, irrespective on whether the asset base requires the higher level of investment.

HRA Set-Aside for Potential Debt Repayment or Future Re-Investment

The ability to set-aside surplus revenue resource to the self-financing debt as loans mature, has been significantly impacted by the recent changes in national housing policy. This means the authority will have no alternative but to re-finance a greater proportion of the loan portfolio as each loan matures than previously planned, and reduces the flexibility to opt to reinvest the surpluses in the delivery of new homes as an alternative use of the anticipated resource. The approach of using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), will allow the HRA to retain flexibility over the use of the limited resource that is available for set aside in the future.

Earmarked Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt

The HRA retains an element from all right to buy receipts over and above those assumed in the initial self-financing settlement, in recognition of the debt which the authority holds in respect of the asset. The balance of sums retained to date, will be held in a separate ear-marked capital balance, allowing them to be utilised to repay debt should the authority so choose, or alternatively to be reinvested as deemed appropriate.

Right to Buy Retained One-for-One Ear-Marked Capital Receipt

The Right to Buy Receipt Retention Agreement remains in force. To ensure that these resources are separately identified for re-investment, and if necessary, repayment purposes, an ear-marked balance exists to record the balance at the end of each reporting period.

Section 4

Housing Revenue Account Budget

Budget - 2016/17

Overall Budget Position

The overall revenue budget position for the Housing Revenue Account for 2016/17 is presented in Appendix G. A balanced budget can be set for 2016/17, without the need to seek immediate savings, allowing the authority time to explore how to cut costs, generate efficiencies or earn additional income in the HRA, in preparation for 2017/18 and beyond.

The table below shows the budget changes proposed for 2016/17 compared to the base budget from 2015/16, highlighting a net increase in revenue costs to the HRA of £999,720. The increase, which includes the impact of a 1% rent reduction from April 2016 has resulted in the ability to make a significantly lower level of revenue contribution towards capital expenditure in 2016/17 than previously anticipated, directly impacting the authorities ability to invest in capital projects, particularly in new build housing.

Savings were not specifically sought for 2016/17, allowing officers the opportunity to plan for the need to significantly increase revenue into the HRA, or to reduce costs in the coming years. A strategic approach to delivering a balanced HRA budget will be sought, with work beginning during 2016/17, once the final details of the proposed changes in national housing policy are clear, and detailed guidance is available to ensure that the authority's assumptions are consistent with those being made nationally.

A savings target has been proposed for the next 4 years, recognising the need to deliver a balanced revenue budget over the 30 year life of the HRA Business Plan. With the current assumptions in the business model, a savings target of £250,000 per annum for each of the next 4 years would allow the HRA to set a balanced revenue budget over the longer-term, but would still require a separate review of capital expenditure, to ensure that the HRA does not breach its debt cap.

Proposal Type	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Cumulative Savings Target Proposed	0	250,000	500,000	750,000	1,000,000
2016/17 Budget Changes					
Savings	(296,330)	(296,330)	(296,330)	(296,330)	(296,330)
Increased Income	(194,350)	(194,350)	(194,350)	(194,350)	(194,350)
Unavoidable Revenue Pressures	298,450	298,450	298,450	298,450	298,450
Reduced Income	673,150	673,150	673,150	673,150	673,150
Net Savings Position above / (below) Savings Target	480,920	730,920	980,920	1,230,920	1,480,920
Non-Cash Limit Items	548,870	548,870	548,870	548,870	548,870
Net Position for the HRA compared to 2015/16	1,029,790	1,279,790	1,529,790	1,779,790	2,029,790
Reduce Revenue Funding of Capital Expenditure to offset increased costs	(1,029,790)	(1,029,790)	(1,029,790)	(1,029,790)	(1,029,790)
Net Position for the HRA above / (below) overall assumptions	0	250,000	500,000	750,000	1,000,000

Section 5

Housing Capital Budget

Stock Investment and Decent Homes

Stock condition data is continually updated in respect of the housing stock, improving the information held to inform future decision making. The authority plans to replace the software used to record and report asset management data, in a bid to further improve the information available.

The housing service reported achievement of the decent homes standard in the housing stock as at 31 March 2015 at 91.5%, with 449 properties that were considered to be non-decent (in addition to refusals), and another 155 anticipated to become non-decent during 2015/16.

During 2016/17, work will be undertaken to quantify the minimum level of future investment required to maintain the decency standard, informing future decisions about investment in our existing housing stock.

In addition to decent homes investment, the authority invests a considerable sum in respect of energy conservation initiatives, such as external wall insulation, solar energy initiatives, renewable heating sources, air source pumps and high heat retention storage systems. There is also investment, as expected nationally, in adapting the housing stock for tenants with a disability.

The level of investment in the housing stock as a whole, particularly that which falls outside of the decent homes standard, will need to be fully reviewed in 2016/17, in an attempt to ensure that the authority is able to set a balanced budget for the HRA over the longer-term, without breaching the HRA debt cap, whilst also maximising any resource available to increase the now limited supply of new affordable housing.

The latest Housing Capital Investment Plan is included at Appendix H.

New Build & Re-Development

General Approach

Following the introduction of self-financing for the HRA in April 2012, the authority was in a financial position to be able to invest a significant sum in the delivery of new build affordable housing, with an approved budget of £4,500,000 per annum.

The changes in national housing policy highlighted earlier in this report, now mean that the authority has little or no resource available for investment in new build housing in the way that was previously anticipated.

In order to continue to invest in new build housing, the authority is exploring a variety of alternative delivery models, including; mixed rented and market sale schemes, shared ownership homes and starter homes, considering leveraging in funding from assets sales, land sales, section 106 commuted sums, in addition to utilising retained right to buy receipts.

The budget for the delivery of new homes has currently been reduced to reflect completion of only the schemes below, pending the final outcome of anticipated legislative changes and the findings of the work identified above.

New Build and Re-Development Schemes in Progress or in the Pipeline

The table below details the current position in respect of schemes which have been progressed, either to the point that they are on site, are in contract, or have been through consultation and / or the planning process and are therefore committed to in some way. These schemes form the basis of the new build programme at present, with the budgeted cashflow included at Appendix E.

Scheme	Status	Estimated Social Housing Units	Indicative Scheme Composition (Subject to Change)	Indicative Scheme Cost (Net of subsidy / land receipt)
Fen Drayton Road, Swavesey	On Site	20	4 x 1 Bed House 10 x 2 Bed House 5 x 3 Bed House 1 x 4 Bed House	2,954,320
Horseheath Road, Linton	On Site	4	1 x 2 Bed Bungalow 2 x 2 Bed Flat	494,550

Scheme	Status	Estimated Social Housing Units	Indicative Scheme Composition (Subject to Change)	Indicative Scheme Cost (Net of subsidy / land receipt)
			1 x 2 Bed House	
Hill Farm, Foxton	Tender Stage	15	4 x 1 Bed House 6 x 2 Bed House 5 x 3 Bed House	2,246,660
Robinson Court, Gamlingay	Planning Submission	14	4 x 1 Bed Flat 2 x 2 Bed Flat 2 x 1 Bed House 4 x 2 Bed House 2 x 3 Bed House	2,237,370
Wilford Furlong, Willingham	Master Planning Stage	15	6 x 1 Bed Flat 4 x 2 Bed Flat 5 x 2 Bed House	659,940
Balsham	Offer Made to Developer	14	8 x 1 Bed Flat 2 x 2 Bed Flat 4 x 2 Bed House	1,734,000
Pembroke Way, Teversham	Land Acquired	5	2 x 2 Bed Flat 3 x 3 Bed House	860,230
Total		82		10,327,070

The above schemes are all still anticipated to deliver new provision of affordable housing and as such will be eligible for 30% of the scheme to be funded using retained right to buy receipts, with the exception of the Gamlingay site and one dwelling on the Teversham site, which are re-development schemes and where the some or all of the new homes will replace older housing which is no longer considered fit for purpose.

New Build – Other (including use of RTB Funding)

The new build schemes above are not sufficient to ensure that the authority can appropriately re-invest all of the right to buy receipts retained to date, with the need to identify and fund further schemes or pass the resource over to a registered provider for re-investment.

Although the current financial projections for the HRA indicate limited or no resource being available for investment in new build housing into the future, the authority continues to explore potential development opportunities, considering alternative funding models. There is a considerable amount of new build expenditure required to meet commitments against existing and anticipated future retained right to buy receipts, and although these receipts can be passed to a registered provider for investment in new homes, the authority will continue to prioritise investment through its HRA wherever possible.

Options for securing additional grant funding, for working with partner organisations and for developing sites with mixed tenure are all being explored fully in an attempt to continue to deliver a new build programme, despite the financial constraints imposed by the national housing policy changes.

As a backstop position, the Housing Capital Plan includes the assumption that if the authority is unable to identify the resource to top up right to buy funding and build for HRA stock, the receipts are instead passed to a registered provider for them to invest in new build affordable housing within the required timescales and in a way which is compliant with the retention agreement with CLG.

Land Audit and Garage Site Survey

A land audit was undertaken in 2012, identifying a large number of parcels of land across the authority area, which are owned and managed by the HRA. A follow up garage site survey completed the picture, ensuring that the authority has the information required to make strategic decisions about the disposal or retention and re-development of its land holding. This work has proven invaluable in the first stages of activity as a self-build vanguard authority.

Self-Build Vanguard

Following South Cambridgeshire District Council being awarded the status as a Self-Build Vanguard pilot authority, work is progressing well in identifying and preparing parcels of land that provide self-build opportunities.

Following approval of an initial capital budget of £150,000 as part of the Medium Term Financial Strategy considered by Council in November 2015, officers have identified 15 initial HRA sites, with the potential to provide in the region of 34 self-build plots. Planning permission is in progress in respect of 2 of the sites, with a further 3 to follow shortly.

It is anticipated that each plot may realise a gross capital receipt of up to £250,000, which after financing the costs of site preparation, could leave an estimated net receipt of £190,000 per plot available to the HRA for re-investment in the existing housing stock, or in the provision of new homes.

Capital receipts from the sale of self-build plots that have been identified on HRA land, have now been incorporated into the financial planning process. These assumed receipts, coupled with the assumption that the HRA would also apply 30% retained right to buy receipts to each development, has allowed re-inclusion of further new build housing investment in the Housing Capital Investment Plan over the next 4

years. The delivery of schemes utilising this funding stream is dependent upon the authority taking forward a Self-Build Vanguard Project, after consideration of a full business case to demonstrate the wider project's viability.

The Self Build & Custom Housebuilding Act 2015, and the imminent Housing & Planning Act 2016 will require all Local Authorities (General Fund) to hold and manage a register of self build /custom build applicants, and hold a land register of self build plots. In addition, local authorities are required to grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom housebuilding in their area. Demand for self-build and custom housebuilding is evidenced by the number of people on the register held by local authorities under the 2015 Act.

The expectation that local authorities will be expected to provide as many serviced self-build plots as they have applicants on the register, within a 3 to 5 year timeframe, is likely to prove exceptionally challenging.

Housing Development Agency and City Deal

Following agreement, that jointly with our City Deal partners Cambridge City Council and the County Council, a Housing Development Agency should be created, it is anticipated that pump-prime funding of £200,000 per annum for two years, made available through the City Deal process, will allow this to happen from April 2016.

The new company, initially taking the form of a shared service, will be led by a new post of Housing Development Agency Managing Director, and will second development staff from both Cambridge City Council and South Cambridgeshire District Council into it.

The Housing Development Agency is expected to utilise the pump-prime funding to aid the set-up of the company, with the expectation that going forward, it be fully funded from fees generated through the new build projects delivered.

Recent housing policy changes for the Housing Revenue Accounts at both local authorities will mean the agency may need to look to place work on a wider basis in the longer-term, to ensure its continued financial viability.

Asset Acquisitions & Disposals

At present, consideration continues to be given to the strategic acquisition or disposal of assets, in line with the HRA Acquisition and Disposal Policy. The capital receipt generated by a strategic disposal can currently be retained in full by the authority, subject to utilising it to invest in affordable housing. Receipts from individual asset disposals continue to be recognised in the HRA's reserves only at the point of receipt and after all relevant costs have been provided for. However, anticipated receipts are now taken into consideration as part of the quarterly decision as to whether the authority should retain right to buy receipts, pass them to a registered provider, or as a last resort pay them over to central government. There is a risk judgement that needs to be made as part of this quarterly decision making process.

The Right to Buy Retention Agreement still allows the strategic acquisition of existing dwellings, as an alternative to building new dwellings. This remains a less attractive proposition than the creation of new dwellings for the authority, but it is none the less a viable option to utilise the resource within the HRA, where new build is not possible within a quarterly deadline for the use of retained receipts.

In future, the authority expects to be compelled to sell a proportion of its vacant housing stock, or at the very least meet a significant levy in this regard, as part of the government plan to fund right to buy for housing associations, and the authority's Acquisition and Disposal Policy will need to be reviewed once further information and detailed guidance are available.

Section 6

HRA Treasury Management

Background

It is a statutory requirement for the Housing Revenue Account Council to set a balanced budget, including recognising the revenue implications that arise from capital financing decisions.

HRA Borrowing

As at 1 April 2015, the Housing Revenue Account was supporting external borrowing of £205,123,000 in the form of 41 maturity loans, (40 at £5,000,000 and 1 at £5,123,000), with the Public Works Loans Board (PWLB), with rates ranging between 3.44% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £5,000,000 due to be repaid on 28th March 2037, and the last on 28th March 2057.

The HRA Capital Financing Requirement (HRA CFR) stood at £204,429,000 due to a small amount (£694,000) of internal borrowing from the HRA by the General Fund. Other than this £694,000, the HRA has no further borrowing capacity, due to the HRA debt cap imposed as part of the implementation of self-financing for the HRA.

The General Fund is required to pay the HRA annual interest on the internal borrowing as part of the Item 8 Determination for the HRA. The interest rate payable to the HRA can be determined by the authority, but must be deemed reasonable and stand up to external scrutiny from auditors.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

The current debt repayment strategy for the HRA, has been to set-aside (informally) the resource to repay all of the housing debt, recognising that the alternative option to utilise the resource to deliver new

homes, may be considered and approved in any year of the business plan. In light of the recent changes in housing policy, there is currently little capacity to consider either debt redemption or re-investment in new affordable homes.

The current debt repayment or re-investment reserve stood at £8,500,000 at 1 April 2015, with the expectation that £1,000,000 of this will be utilised during 2015/16 to fund existing new build commitments. Consideration will need to be given, in the context of the current financial climate and the expectation that HRA stock numbers will fall significantly over the coming years, whether the authority wants to retain this sum towards debt redemption, or alternatively make a conscious decision to re-finance its debt at maturity, instead investing the sum now in the delivery of new homes.

Premature Repayment of PWLB Debt

The potential to redeem loans held with the PWLB at an earlier stage than agreed at the outset, still remains. A discount rate is used at the point of redemption to calculate whether the authority should pay a premium, or alternatively receive a discount, for repaying the principal sum early. If the discount rate applicable at the point of redemption is lower than the original loan rate, a premium is payable and if it is higher, a discount is receivable by the authority.

In the current financial climate for the HRA, with limited ability to set-aside revenue resource for the redemption of debt, it is considered unlikely that early redemption of debt will take place at this stage.

Section 7

Summary and Overview

Uncertainties and Risk

Risk Assessment

To ensure that the authority is able to sustain a financially viable Housing Revenue Account, it is imperative that consideration is given to the level of internal and external risks that the housing service is subject to.

The authority maintains a Corporate Risk Register, a Housing Risk Register and an HRA Business Plan Risk Register which incorporates specific risks affecting the Housing Revenue Account in a self-financing environment, considering the likelihood and impact associated with each risk, and the mitigation in place to counteract these.

Risk Registers are regularly updated and are considered and reviewed by the Executive Management Team a number of times each year.

HRA Reserves

Housing Revenue Account General Reserves

General reserves are held partly to help manage risks inherent in financial forecasting and budget-setting. These risks include changes in legislative and statutory requirements, inflation and interest rates, unanticipated service needs, rent and other income shortfalls and emergencies. The reserve allows the authority time to respond to unanticipated events, without an immediate and unplanned impact on service delivery.

In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

The HRA Budget Setting Report incorporates the requirements of the Local Government Act 2003, where the Chief Financial Officer is required to report on the adequacy of reserves and provisions and the robustness of budget estimates.

For the Housing Revenue Account the minimum level of reserves is currently assumed to be £2,000,000. It is not proposed to make any changes to the minimum levels as part of this report, recognising the need to continue to safeguard the Council against the higher levels of risk and uncertainty in the current financial and operational environment for housing.

Financial Assumptions and Sensitivity

The current financial assumptions, reviewed and used as part of this BSR are detailed in Appendix A, and are derived from information available at the time of preparing this report, utilising both historic trend data and specialist expert advice and opinion, where required.

In making financial assumptions, it is recognised that there will always be a number of alternative values that could have been used. To mitigate the risks associated with this, modelling of key sensitivities is undertaken to provide context to the financial impact that a change in an assumption will make.

Appendix F provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2016/17.

Options and Conclusions

Overview

The budget for 2016/17 has been constructed in the wider context of the national position for social housing. The authority still seeks to achieve a balance in investment against key housing priorities as follows, although this now proves significantly more challenging:

- Investment in the existing housing stock
- Investment in the delivery of new affordable homes

- Investment in new initiatives and income generating activities
- Spend on landlord services (i.e. housing management, responsive and void repairs)
- Support for, and potential repayment of, housing debt

Continued rent cuts for a further 3 years, and the compulsion to dispose of high value housing stock (or an equivalent proxy for) pose significant financial challenges for the HRA into the future.

As identified in the HRA Medium-Term Financial Strategy and confirmed in this report, it will be necessary to consider significant income generation or reductions in spending from 2017/18, with a target of £250,000 per annum for 4 years, incorporated into financial assumptions. The approach to this will include:

- Reviewing options for greater income generation, to include section 20 notices to ensure full cost recovery from leaseholders
- Reviewing spending on HRA revenue services
- Reviewing spending on the existing housing stock, to include both decent homes and discretionary expenditure
- Exploring the extension of shared services, to include; shared housing services with Cambridge City Council and shared Strategic Housing Services
- Exploring alternative delivery models for the provision of social housing
- Exploring alternative delivery models to maintain a new build housing programme

Summary and Conclusions

The work undertaken as part of the 2016/17 budget process to date has resulted in the development of proposals for the base budget of the Housing Revenue Account. Although savings have not specifically been sought for 2016/17 against a pre-agreed savings target, consideration has been given to the required level of spending against each and every budget heading across the HRA as a whole, arriving at the proposed budget incorporated into this report.

The overall position for the HRA for 2016/17 (including non-cash limit adjustments) is an increase in revenue spending, which has been offset by a reduction in the level of revenue resource available for transfer to fund the capital programme, having a direct impact of the amount of new build housing that could otherwise have been delivered.

It is recognised, however, that from 2017/18, taking current assumptions into consideration the HRA will need to seek to significantly increase income or reduce costs. Aspirations to continue to build new

homes in the future will result in the need to seek further efficiencies, or to work in new and creative ways to aid delivery.

During February 2016, both Cabinet and Council will consider the budget proposals for the HRA, prior to decision.

The HRA Budget Setting Report recommends, in summary:

- Approval of property rents, garage rents and service charges
- Approval of the HRA revenue budget for 2016/17 as shown in Appendix G
- Approval of the Housing Capital Programme for 2016/17 to 2020/21 as shown in Appendix H
- Agreement of the Savings Target for the HRA for the period from 2017/18 to 2020/21, and the approach outlined for delivering against these

Business Planning Assumptions

Appendix A

Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	1.4%, 1.8%, 1.9%, 1.9% then 2%	General inflation on expenditure included, rising to 2% (Based upon government projections for CPI)	Retained
Debt Repayment	Set-aside to repay debt as resource allows	Assumes set-aside to repay debt as loans reach maturity dates if resource allows, with any surplus re-invested in income generating assets.	Retained
Capital Investment	Partial Investment Standard	Base model assumes a partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed again during 2016/17.	Retained
Pay Inflation	1.3% Pay Progression plus: 2016/17 – 1.0% 2017/18 – 1.0% 2018/19 – 1.0% 2019/20 – 1.0% 2% ongoing	Assume allowance for increments at 1.3%. Pay inflation for four years from 2016/17 limited to 1% reflecting recent Government guidance, and a return to 2% thereafter, reflecting economic recovery. Increased National Insurance contribution rates have been incorporated from April 2016.	Retained
Employee Vacancy Allowance	£50,000	Employee budgets assume a vacancy allowance of £50,000 per annum.	Retained
Rent Increase Inflation	-1% from 2016/17 for 4 years, then 3%	Rent decreases of 1% per annum in line with government guidelines from 2016/17 to 2019/20, then CPI plus 1%. Assume CPI in preceding September is as above.	Retained
Rent Convergence	Voids Only	Ability to move to reduced target rent achieved only through movement of void properties directly to target rent.	Retained
External Lending Interest Rate	0.6%	Interest rates based on latest market achievement.	Retained
Internal Lending Interest Rate	0.6%	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Retained
External Borrowing Interest Rate	4%	Assumes additional PWLB borrowing at a rate of 4%. Current rate for 30 years is 3.66%. Retain 4% for prudence.	Retained
Internal Borrowing Interest Rate	4%	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Retained
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising risks in a Self-Financing environment.	Retained
Right to Buy Sales	25 for 3 years, 20 for 3 years, then 15 sales ongoing	Housing Policy changes expected to sustain a higher level of activity in the short-term. Assume 25 for 2015/16, reducing by 5 sales per annum from 2018/19, until 15 are assumed ongoing from	Retained

Key Area	Assumption	Comment	Status
		2021/22.	
Right to Buy Receipts	Settlement right to buy receipts excluded and assumed one-for-one receipts included as required.	Debt settlement receipts excluded as assumed to fund General Fund housing capital expenditure. Anticipated one-for one receipts included, but only as they are drawn down to fund budgeted eligible capital schemes. Debt repayment proportion reported as at 1/4/2015 and assumed available for future use.	Retained
Void Rates	1.1%	Assumes 1.1% per annum from 2016/17 onwards.	Retained
Bad Debts	0.35% for 2015/16, then 0.5% ongoing	Bad debt provision of 0.35% increased to 0.5% to reflect the requirement to collect 100% of rent directly for new benefit claimants, when Universal Credit begins implementation in 2016.	Retained
Debt Management Expenses	£24,370 per annum from 2016/17	Internal treasury management activity recharged to the HRA.	Amended
5-Year New Build Programme	82 Units	Assumes delivery of the existing commitments in the new build programme. If self-build plots are sold in the HRA, and new build schemes are identified to re-cycle this resource, there is potential for an additional 43 new homes over this period.	Amended
Savings Target	£250,000 per annum for 4 years	Inclusion of a savings target at £250,000 per year ongoing, for 4 years from 2017/18 to 2020/21, reducing base budgets by £1,000,000 over this period.	Amended
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Policy Space	£0	No policy space incorporated at present, but if included would recognise a desire to be able to facilitate strategic investment and respond to pressures. To be reviewed again as part of 2016/17 MTFS.	Retained
Service Reviews and Restructures	On case by case basis	Service review outcomes assumed to deliver to the HRA as indicated in the review business case, and incorporated once impact is known.	Retained

Service Charges

Appendix B

Charge Description	Charge Basis	Current Charges 2015/16 (£)	Proposed Charges 2016/17 (£)	Increase (%)	Increase (£)
General Housing					
Use and Occupation Fee	Weekly	As per Target Rent	As per Target Rent	-1%	Variable
Sewerage	Weekly	4.65 to 5.73	As per Anglian Water Standard Rates	TBC	TBC
White Goods Charge (per item)	Weekly	1.15	1.50	30%	0.35
Management Charge (Third Party)	Weekly	As per third party charge	As per third party charge	TBC	TBC
General Stock - Flats					
Blocks with Door Entry	Weekly	3.26	3.31	1.4%	0.05
Blocks without Door Entry	Weekly	2.17	2.20	1.4%	0.03
General Sheltered Schemes					
Sheltered Charge (Staffing)	Weekly	3.53 to 21.62	3.46 to 4.99	Variable	Variable
Communal Premises Charge	Weekly	Included above	0.00 to 18.86	Variable	Variable
Grounds Maintenance Charge	Weekly	Included above	0.15 to 5.67	Variable	Variable
Communal Heating / Lighting (Elm Court)	Weekly	8.67	8.83	1.85%	0.16
Water (Elm Court)	Weekly	2.00	2.76	38%	0.76
White Goods Charge (per item)	Weekly	1.15	1.20	4.30%	0.05
Alarm Charge	Weekly	3.00	3.00	0%	0.00
Elderly Equity Share (As per Sheltered Housing recovered quarterly, plus charges below)					
External Property Repairs	Quarterly		14.69 to 28.34	Variable	Variable
Management Fee (10%)	Quarterly		7.28 to 34.45	Variable	Variable
Temporary Accommodation					
Temporary Let Charge	Weekly	25.00	30.00	20%	5.00
Community Alarm Service					
Council Supplied Alarm	Weekly	4.43	4.47	0.9%	0.04
Group Alarms	Weekly	3.58	4.47	24.9%	0.89

Lifeline + - Option 1	Weekly	1.10	1.10	0%	
Lifeline + - Option 2	Weekly	4.60	4.60	0%	
Lifeline + - Option 3	Weekly	5.58 plus VAT	6.70 plus VAT	20%	1.12 plus VAT
Garage and Storage Unit Rents					
Garages or Storage Unit Rented to Tenant/Leaseholder	Weekly	8.25	8.37	1.4%	0.12
More than 2 Garages Rented to Tenant/Leaseholder	Weekly	8.25 plus VAT	8.37 plus VAT	1.4%	0.12 plus VAT
All Other Garage and Storage Unit Rentals	Weekly	11.38 plus VAT	11.54 plus VAT	1.4%	0.16 plus VAT
Leasehold Charges for Services					
Solicitors' pre-sale enquiries	One-Off	75.00	110.00	47%	35.00
Copy of lease	One-Off	20.00	30.00	50%	10.00
Re-mortgage Enquiry/Copy of Insurance schedule	One-Off	25.00	30.00	20%	5.00
Notice of Assignment/Notice of Charge/Notice of Transfer	One-Off	75.00	75.00	0%	0.00
Deed of Variations	One-Off	150.00	150.00	0%	0.00
Home Improvements – Administration Only Inclusive of Surveyor Visit	One-Off	10.00	30.00 125.00	200%	20.00
Retrospective consent for improvements	One-Off	10.00	Above + 25.00	150%	15.00
Registering sub-let details	One-Off	50.00	50.00	0%	0.00

Notes

Charges for Leasehold Services have not been reviewed for many years, and are now being brought in line with other local authority landlords. These charges are only levied when leaseholders, or their agent require the specific services listed.

HRA Earmarked & Specific Funds

Appendix C

2015/16 (£'000)

Self-Insurance Fund	Opening Balance	Contributions	Expenditure to Dec	Current Balance
Self-Insurance Fund	(925.0)	(0.0)	0.0	(925.0)

Major Repairs Reserve	Opening Balance	Contributions	Expenditure to Dec	Current Balance
MRR	(0.0)	0.0	0.0	(0.0)

Debt Set-Aside (Revenue)	Opening Balance	Contributions / Adjustments	Expenditure to Dec	Current Balance
Debt Set-Aside (Revenue)	(8,500.0)	0.0	0.0	(8,500.0)

Debt Set-Aside (Capital)	Opening Balance	Contributions	Expenditure to Dec	Current Balance
Debt Set-Aside (Capital)	(2,364.2)	(543.3)	0.0	(2,907.5)

RTB 1-4-1 Reserve	Opening Balance	Contributions / Adjustments	Expenditure to Dec	Current Balance
RTB 1-4-1 Reserve	(3,705.2)	(1,391.0)	545.3	(4,550.9)

Capital Receipts	Opening Balance	Contributions / Adjustments	Expenditure to Dec	Current Balance
Capital Receipts (Land & Other)	(1,302.0)	(314.8)	0.0	(1,616.8)

It is anticipated that the insurance reserve will be returned to the previous level of £1,000,000 as part of the year end closedown process, at the end of 2015/16.

Appendix D

Retained 1-4-1 Right to Buy Receipts

Quarter date for Receipt	Retained 1-4-1 Receipt Value (Per Quarter)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Retained 1-4-1 Receipt Spent (Cumulative)	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)
30/06/2012	273,807.59	273,807.59	912,691.97	30/06/2015	4,803,740.45	1,441,122.14	0.00	0.00
30/09/2012	110,185.59	383,993.18	1,279,977.27	30/09/2015	5,334,848.80	1,600,454.64	0.00	0.00
31/12/2012	786,867.59	1,170,860.77	3,902,869.23	31/12/2015	6,383,809.29	1,915,142.79	0.00	0.00
31/03/2013	257,177.59	1,428,038.36	4,760,127.87	31/03/2016			0.00	0.00
30/06/2013	180,159.83	1,608,198.19	5,360,660.63	30/06/2016			0.00	0.00
30/09/2013	408,259.67	2,016,457.86	6,721,526.20	30/09/2016			101,315.07	337,716.91
31/12/2013	405,074.37	2,421,532.23	8,071,774.10	31/12/2016			506,389.45	1,687,964.81
31/03/2014	1,012,895.75	3,434,427.98	11,448,093.27	31/03/2017			1,519,285.19	5,064,283.98
30/06/2014	190,149.46	3,624,577.44	12,081,924.80	30/06/2017			1,709,434.65	5,698,115.51
30/09/2014	542,412.66	4,166,990.10	13,889,967.00	30/09/2017			2,251,847.31	7,506,157.71
31/12/2014	490,971.13	4,657,961.23	15,526,537.43	31/12/2017			2,742,818.44	9,142,728.14
31/03/2015	417,089.12	5,075,050.35	16,916,834.50	31/03/2018			3,159,907.56	10,533,025.21
30/06/2015	417,483.31	5,492,533.66	18,308,445.53	30/06/2018			3,577,390.87	11,924,636.24
30/09/2015	527,469.65	6,020,003.31	20,066,677.70	30/09/2018			4,104,860.52	13,682,868.41
31/12/2015	446,035.59	6,466,038.90	21,553,463.00	31/12/2018			4,550,896.11	15,169,653.71

Page 105

New Build Investment Cashflow

Appendix E

New Build / Re-Development Scheme	Prior Year Actuals	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
New Build / Re-Development / Acquisition Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)							
Empty Homes Acquisition	3,716,646	188,685	0	0	0	0	3,905,331
Land Acquisition	386,675	0	0	0	0	0	386,675
Linton, 4D Chalklands	374,432	0	0	0	0	0	374,432
Foxton, 13D Hill Farm	38,558	169,854	2,038,246	0	0	0	2,246,658
Swavesey 20D	49,902	2,314,075	204,000	0	0	0	2,567,977
Linton, 4D Horseheath Rd	0	339,150	155,400	0	0	0	494,550
Robinson Court Re-provision	22,710	0	447,470	1,789,900	0	0	2,260,080
Balsham	0	0	1,300,500	433,500	0	0	1,734,000
Willingham, Wilford Furlong - Infill	0	0	0	0	659,940	0	659,940
Pembroke Way, Teversham	0	860,230	0	0	0	0	860,000
Total Expenditure	4,588,923	3,871,994	4,145,616	2,223,400	659,940	0	15,489,873
Retained Right to Buy Funding							
Empty Homes Acquisition	(1,114,994)	(56,605)	0	0	0	0	(1,171,599)
Land Acquisition	(116,003)	0	0	0	0	0	(116,003)
Linton, 4D Chalklands	(112,329)	0	0	0	0	0	(112,329)
Foxton, 13D Hill Farm	(11,567)	(50,956)	(611,474)	0	0	0	(673,997)
Swavesey 20D	(14,971)	(694,223)	(61,200)	0	0	0	(770,394)
Linton, 4D Horseheath Rd	0	(101,745)	(46,620)	0	0	0	(148,365)
Balsham	0	0	(390,150)	(130,050)	0	0	(520,200)
Willingham - Wilford Furlong - infill	0	0	0	0	(197,982)	0	(197,982)
Pembroke Way, Teversham	0	(206,455)	0	0	0	0	(206,4055)

Page 001 of 001

New Build / Re-Development Scheme	Prior Year Actuals	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
	£'0	£'0	£'0	£'0	£'0	£'0	£'0
Total Retained Right to Buy Funding	(1,369,864)	(1,109,984)	(1,109,444)	(130,050)	(197,982)	0	(3,917,324)
Total to be funded from HRA Resources (DRF) and Non-RTB Capital Receipts	(3,219,059)	(2,762,010)	(3,036,172)	(2,093,350)	(461,958)	0	(11,572,549)
Total HRA Borrowing	0	0	0	0	0	0	0

Key Sensitivity Analysis

Appendix F

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
General Inflation	General Inflation using CPI increasing to 2% for expenditure	Volatility in the economy could lead to an increase in external costs. 1% increase in general inflation for expenditure only for the life of the plan.	Inability to set a balanced HRA budget from 2017/18 and current plans are therefore not fully deliverable.
Rents Inflation	Reduction in real terms of 1% per annum for 4 years, then return to CPI plus 1%	Assumption that government policy only allows for a return to rent increases at CPI from 2020/21, and not CPI plus 1%.	Inability to set a balanced HRA budget from 2019/20 and current plans are therefore not fully deliverable.
Investment Income	Interest on balances at 0.6%	Rates may recover more than anticipated, or long-term lending options may prove viable. Assume ongoing rate of 2% from 2017/18.	£16.5 million additional resource over the 30 year HRA Business Plan.
Housing Rent Collection and Welfare Reforms	Costs based on historic activity.	Universal Credit results in 100% of rent being collected directly from tenants. Assume an ongoing increase in collection costs of £50,000 and in bad debt, an additional 1% per annum from 2016/17.	Inability to set a balanced HRA budget from 2017/18 and current plans are therefore not fully deliverable.

HRA Summary 2015/16 to 2020/21

Appendix G

Description	2015/16 £0	2016/17 £0	2017/18 £0	2018/19 £0	2019/20 £0	2020/21 £0
Income						
Rental Income (Dwellings)	(28,600,000)	(27,947,360)	(27,337,320)	(26,729,790)	(26,191,020)	(26,609,260)
Rental Income (Other)	(370,000)	(401,080)	(408,300)	(416,060)	(423,960)	(432,440)
Service Charges	(875,490)	(1,080,600)	(1,100,050)	(1,120,950)	(1,142,250)	(1,165,090)
Other Income	(452,240)	(502,880)	(450,550)	(453,370)	(154,240)	(157,330)
Total Income	(30,297,730)	(29,931,920)	(29,296,220)	(28,720,170)	(27,911,470)	(28,364,120)
Expenditure						
Supervision & Management	4,982,990	4,994,700	5,126,890	5,234,660	5,350,160	5,491,460
Repairs & Maintenance	5,354,890	5,470,910	5,549,600	5,624,140	5,692,820	5,773,760
Net Depreciation – t/f to Major Repairs Res.	13,851,970	6,332,970	10,796,640	10,788,140	10,774,140	10,777,570
Debt Management Expenditure	27,540	24,370	24,810	25,280	25,760	26,280
Other Expenditure	260,790	318,100	65,280	(197,180)	(468,960)	(747,270)
Total Expenditure	24,478,180	17,141,050	21,563,220	21,475,040	21,373,920	21,321,800
Net Cost of HRA Services	(5,819,550)	(12,790,870)	(7,733,000)	(7,245,130)	(6,537,550)	(7,042,320)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(53,990)	(116,960)	(133,610)	(152,240)	(159,750)	(167,710)
(Surplus) / Deficit on the HRA for the Year	(5,873,540)	(12,907,830)	(7,866,610)	(7,397,370)	(6,697,300)	(7,210,030)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance						
Loan Interest	7,192,800	7,188,990	7,188,950	7,188,950	7,188,950	7,186,380
Housing Set Aside / (Use of Reserve)	(1,000,000)	0	1,416,500	136,000	(610,800)	0
Depreciation Adjustment	(8,067,870)	0	0	0	0	0
Direct Revenue Financing of Capital	8,003,500	5,691,200	140,000	70,000	118,750	22,500
(Surplus) / Deficit for Year	254,890	(27,640)	878,840	(2,420)	(400)	(1,150)
Balance b/f	(3,177,789)	(2,847,889)	(2,875,529)	(1,996,689)	(1,999,109)	(1,999,509)
Transfer to Insurance Reserve	75,010	0	0	0	0	0
Total Balance c/f	(2,847,889)	(2,875,529)	(1,996,689)	(1,999,109)	(1,999,509)	(2,000,659)

Housing Capital Investment Plan

Appendix H

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Improvements - Existing Stock						
Water/Drainage Upgrades	75	77	78	80	81	83
Disabled Adaptations	0	500	500	500	500	500
Fire and Extreme Weather	800	816	832	849	866	883
Change of Tenancy - Capital	600	500	624	637	649	662
Rewiring	300	306	312	318	325	331
Heating Installation	2,356	2,000	2,000	2,500	2,550	2,601
Energy Conservation	1,500	1,000	1,488	1,592	1,624	1,656
Estate Roads, Paths & Lighting	80	82	84	85	87	89
Garage Refurbishment	123	50	127	130	132	135
Parking/Garages	80	15	50	85	87	89
Window Replacement	255	260	265	271	276	282
Re-Roofing	420	428	437	446	455	464
Full Refurbishments	700	200	200	243	258	273
Structural Works	200	150	150	212	216	221
Non-Traditional Refurbishment	550	872	0	0	0	0
Asbestos Removal	32	33	34	34	35	35
Kitchen Refurbishment	700	714	728	743	758	773
Bathroom Refurbishment	300	306	312	318	325	331
Wilford Furlong, Willingham Refurbishment	0	933	644	0	0	0
Assumed adjustment in spend for varying stock numbers	0	0	-300	-502	-706	-912

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Total Improvements Existing Stock	9,071	9,242	8,565	8,541	8,518	8,496
Other Improvements						
Sheltered Housing and Other Stock	600	50	50	50	50	50
Flats	30	30	30	30	30	30
Central / Departmental Investment	4	7	7	7	7	7
Total Other Improvements	634	87	87	87	87	87
Re-provision of Existing Homes						
Robinson Court, Gamlingay	0	447	1,790	0	0	0
Other Re-provision	1,200	0	0	0	0	0
Total Re-provision of Existing Homes	1,200	447	1,790	0	0	0
HRA Acquisition and New Build						
Property Acquisition	189	0	0	0	0	0
Fen Drayton Road, Swavesey	2,314	204	0	0	0	0
Horseheath Road, Linton	339	155	0	0	0	0
Hill Farm, Foxton	170	2,038	0	0	0	0
Balsham	0	1,301	434	0	0	0
Wilford Furlong, Willingham	0	0	0	660	0	0
Pembroke Way, Teversham	860	0	0	0	0	0
Unallocated New Build / Acquisition Budget	628	0	1,357	2,714	3,529	0
Grants to Registered Providers for New Homes	0	391	963	488	441	1,500
Total HRA New Build	4,500	4,089	2,754	3,862	3,970	1,500
Other HRA Capital Spend						
Shared Ownership Repurchase	300	300	300	300	300	300

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Self-Build Vanguard - Up front HRA Land Assembly Costs	150	0	0	0	0	0
HRA Share of Corporate ICT Development	243	214	140	70	119	23
Total Other HRA Capital Spend	693	514	440	370	419	323
Total HRA Capital Spend	16,098	14,379	13,636	12,860	12,994	10,406
Inflation Allowance for New Build and Other HRA Spend	0	58	115	185	283	58
Total Inflated Housing Capital Spend	16,098	14,436	13,751	13,045	13,278	10,464
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Reserve	(5,784)	(5,383)	(9,307)	(8,654)	(11,309)	(8,591)
Direct Revenue Financing of Capital	(8,004)	(5,691)	(140)	(70)	(119)	(23)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(855)	(1,300)	(2,250)	(2,820)	(350)	(350)
Retained Right to Buy Receipts	(1,298)	(1,109)	(537)	(1,012)	(1,059)	0
Retained Right to Buy Receipts (Used by Registered Provider)	0	(391)	(963)	(488)	(441)	(1,500)
HRA CFR / Prudential Borrowing	(52)	0	0	0	0	0
Total Housing Capital Resources	(15,993)	(13,874)	(13,197)	(13,044)	(13,278)	(10,464)
Net (Surplus) / Deficit of Resources	104	563	555	0	0	0
HRA Capital Balances b/f	(1,222)	(1,118)	(555)	0	0	0

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Use of / (Contribution to) Balances in Year	104	563	555	0	0	0
HRA Capital Balances c/f	(1,118)	(555)	0	0	0	0

Note: Generally available capital receipts from the sale of properties under the right to buy as assumed in the self-financing debt settlement, have been excluded on the basis that they are utilised to fund general fund housing capital expenditure, i.e.; Disabled Facilities Grants and Repairs Assistance Grants.

This page is left blank intentionally.

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 2016-17 estimates and the reserves up to 31 March 2017.
3. At South Cambridgeshire District Council, the Executive Director (Corporate Services) as the Chief Financial Officer considers the estimates for the financial year 2016/17 to be sufficiently robust and the financial reserves up to 31 March 2017 to be adequate.
4. The main areas of risk are with regard to Retained Business Rates, introduced in 2013-14. It is difficult to forecast future income with any certainty, especially with high levels of outstanding appeals and the future revaluation. On 5 October 2015 the Chancellor of the Exchequer set out plans for local government to gain new powers and retain local taxes so that, by the end of Parliament, local government will be able to retain 100% of local taxes including all revenue from business rates, detailed guidance is not yet available.
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 contribution after 2016-17, and the risk that the underlying growth in the number of dwellings may not be achieved.
6. As at the end of March 2016, the estimated balances are £9.6 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 2021 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 2016-17 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 2014-15 show that South Cambridgeshire achieved a return of 0.87% on combined investments (less than and more than 365 days) compared to 0.78% for its comparator group and 0.75% for the overall group. South Cambridgeshire was fourth highest in the comparator group of 13 other organisations and in the upper quartile in the overall group of 48 other organisations. These good results were achieved at minimal cost and investment risk;
 - (ii) Continuing with the present policy and extending approved counterparties to include suitably compliant housing associations;
 - (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 2016-17 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. General Fund borrowing to on-lend has been included within the capital programme and the impact of that borrowing assessed for affordability as part of the regular monitoring of treasury management.

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

Contact Officer: Sally Smart, Principal Accountant (Financial & Systems)
Telephone: (01954) 713076
<mailto:sally.smart@scambbs.gov.uk>

BORROWING AND INVESTMENT STRATEGY 2016-2017

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 (TMPs), 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. Where a loan is made to a

wholly owned subsidiary of the Council, the loan is deemed to be secured on the assets of the company and, supported by the business plan, evidence of the ability to repay the loan, in which case no minimum revenue provision will be made. The Council will review the loan and business plan annually, where there is evidence which suggests the full amount of the loan will not be repaid it will be necessary to reassess the charge to recover the impaired amounts from revenue. Exceptionally, where capital expenditure is part of a loan agreement to other than a wholly owned subsidiary, the Council may register a fixed and floating charge over the counterparty assets to secure the Council interest in the investment, or alternately an equity share interest in an asset with value. 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 2016 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 longer term external borrowing with the following approved organisations:

- Public Works Loans Board
- Local Capital Finance Company, and
- UK Local Authorities (excluding Parish Councils)

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:

Maximum investment limit to any one organisation within a group	Maximum proportion which may be held by each group at any time during the financial year
--	---

Groups of organisations	(£ million)	
The Treasury (the UK Debt Management Office's Debt Management Account)	unlimited	100%
Money Market Funds subject to the highest possible credit rating.	10.0	30%
UK Local Authorities (excluding Parish Councils) and LGA Municipal Bond Agency	10.0	75%
UK Banks (which are also retail)	10.0	60%
South Cambs Housing Ltd	20.0	60%
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)	3.0	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)	5.0	20%
Registered Housing Associations, subject to credit rating	5.0	20%
Building Societies:		100%
with assets greater than £10,000 million	10.0	
with assets between £10,000 million and £5,000 million	5.0	
with assets between £1,500 million and £5,000 million	3.0	

- 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 Limited (trading as Ermine Street Housing)
 - CCLA Local Authorities Property Fund
- 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) 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
 - (iv) capital financing
 - (v) 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

12.2 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
25 February 2016

Long and Short Term Credit Ratings

	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 (revised) and 2016-17

1. Capital Expenditure

The actual capital expenditure that was incurred in 2014-15 and the estimates of capital expenditure to be incurred for the current and future years are:

	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million	2018-19 Estimate £ million	2019-20 Estimate £ million	2020-21 Estimate £ million
General Fund	3.368	19.149	34.706	26.752	46.681	7.949	2.514
Housing Revenue Account	12.115	15.855	13.832	11.248	9.621	8.905	8.883
Total	15.483	35.004	48.538	38.000	56.302	16.854	11.397

2. Affordability

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

	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million	2018-19 Estimate £ million	2019-20 Estimate £ million	2020-21 Estimate £ million
General Fund	-1%	-2%	-2%	-4%	-5%	-7%	-9%
Housing Revenue Account	24%	23%	24%	24%	25%	26%	25%

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/decrease 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	2018-19 Estimate £ p	2019-20 Estimate £ p	2020-21 Estimate £ p
General Fund (increase/(decrease))	15.11	-3.85	26.68	-37.04	-2.81	0.00

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 2015 is £208.996 million; thereafter:

	31/03/2015 Actual £ million	31/03/2016 Estimate £ million	31/03/2017 Estimate £ million	31/03/2018 Estimate £ million	31/03/2019 Estimate £ million	31/03/2020 Estimate £ million
General Fund	4.567	11.820	38.600	61.780	84.880	104.000
Housing Revenue Account	204.429	204.429	204.429	204.429	204.429	204.429
Total	208.996	216.249	243.029	266.209	289.309	308.429

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. The increase in capital financing requirement during 2015-16 being due to external borrowing for on-lending to South Cambs Limited, a wholly owned subsidiary of the Council, with further borrowing phased over the period to 2018-19.

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 Council obtained 41 individual loans with maturity dates between 2037 and 2057. General Fund external debt of £107.0 million relates to external borrowing for on-lending to South Cambs Limited with borrowing phased over the period to 2018-19.

The prudential indicators for external debt will be:

i. Authorised limit

	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million	2018-19 Estimate £ million	2019-20 Estimate £ million
Borrowing	205.1	219.0	240.0	260.3	283.7	316.0
Other Long Term Liabilities	0	0	0	0	0	0
Total	205.1	219.0	240.0	260.3	283.7	316.0

The authorised limit is the maximum limit consisting of HRA debt of £205 million and General Fund £34.9 million to take advantage of interest rate differentials and to meet immediate cash flow requirements and external debt. 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 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million	2018-19 Estimate £ million	2019-20 Estimate £ million
Borrowing	205.0	219.0	240.0	260.3	284.0	316.0
Investments	-43	-53	-53	-40	-40	-40
Net debt	162.0	166.0	187.0	220.3	244.0	276.0

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	2018-19	2019-20
Net debt to gross debt	78%	77%	77%	83%	84%	89%

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 £240 million for both borrowing and other long term liabilities increasing to £316.0 million in 2019-20.

iii. Actual debt

The third indicator for external debt is actual debt at the end of the last financial year (2014-15) and was £205.123 million.

5. Maturity Structure of Borrowing

As the Council will undertake long term borrowing to on-lend and, 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	10.0	8.0	6.0	4.0

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	2016/17	2017/18	2018/19
Fixed Rate	100%	100%	100%
Variable rate	50%	50%	50%

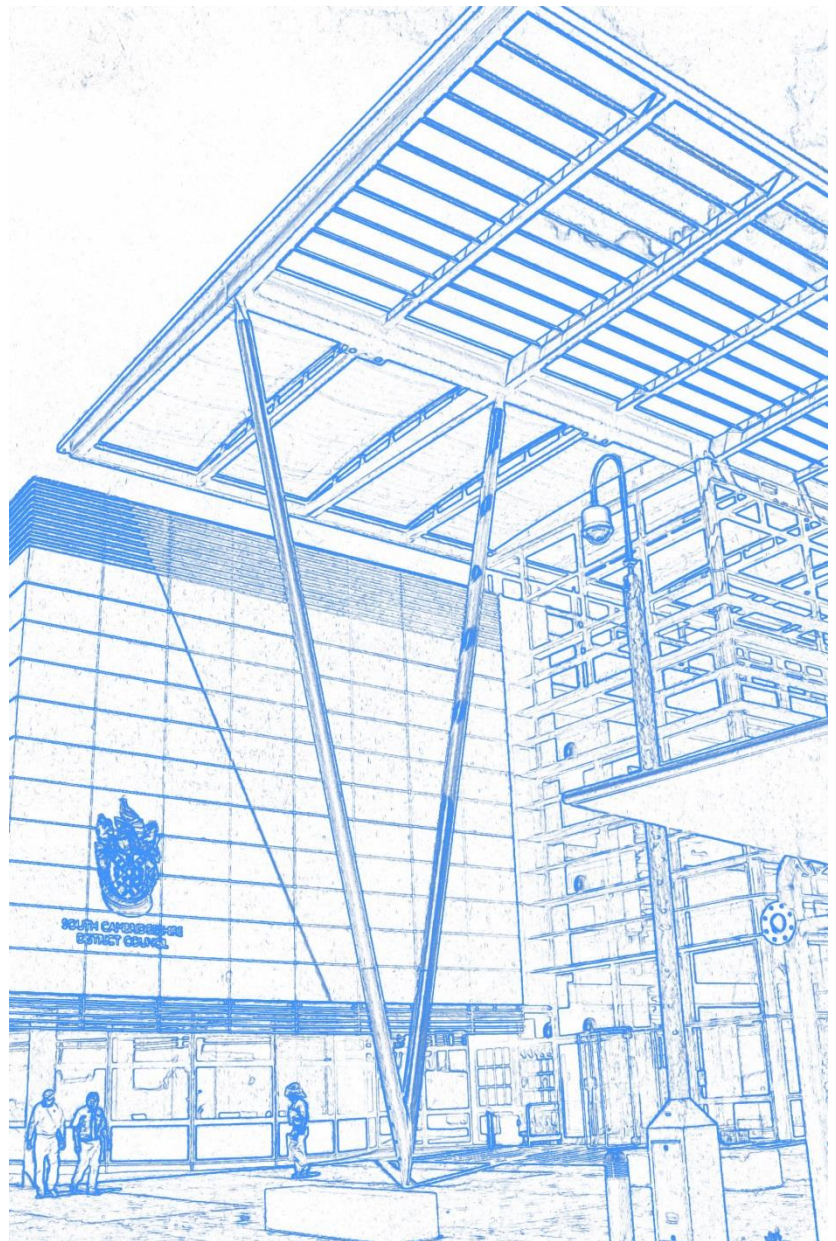
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left blank intentionally.



Appendix D4 Capital Strategy 2016/17 to 2020/21



CAPITAL STRATEGY 2016/17 – 2020/21

1. INTRODUCTION

- 1.1 The Capital Strategy forms a key part of the Council's overall corporate planning framework. It provides the mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's overarching corporate priorities and objectives over a medium term, five years, planning horizon.
- 1.2 The strategy sets the framework for all aspects of the Council's capital expenditure; including planning, prioritisation, management and funding. The strategy has direct links to the Council's Corporate Asset Management Plan and forms a key part of the Council's Medium Term Financial Strategy (MTFS).
- 1.3 The key aims of the Capital Strategy are to:
- Provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the Council's Vision, Aims, Approaches and Actions;
 - Deliver projects that focus on delivering revenue benefits in the form of spend to save, spend to earn or generate growth in revenue income;
 - Set out how the Council identifies, programmes and prioritises capital requirements and proposals arising from business plans, service plans, the Asset Management Plan (AMP) and other related strategies;
 - Consider options available for funding capital expenditure and how resources may be maximised, to generate investment in the area, to determine an affordable and sustainable funding policy framework whilst minimising the ongoing revenue implications of any such investment;
 - Identify the resources available for capital investment over the MTFS planning period; and
 - Establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of value for money.

2. CAPITAL PROGRAMME NEEDS AND PRIORITIES

- 2.1 Underlying the capital strategy is the recognition that the financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for capital investment has reduced significantly over the last few years, along with these reductions is the recognition that the Council must rely on internal resources and find ways in which investment decisions can be either self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.

- 2.2 Against the background of limited central government support the Asset Management Plan identifies the total capital investment need to support the Council's aims and objectives such as housing and economic development.
- 2.3 Significant investment in council housing over the last few years has succeeded in producing a property portfolio generally at or above the decent homes standard. Recent government proposals to reduce property rentals will impact on the Council's ability to continue this level of programme necessitating a strategic review of assets, service delivery and financing.
- 2.4 Given the majority of the Council's assets are housing there is limited opportunities to raise capital receipts through disposal of assets, therefore the limited capital resources available through grant, capital receipts and private sector contributions are prioritised to maximise outputs with minimum ongoing future revenue costs.
- 2.5 Capital investment in the Council's wholly owned subsidiary, Ermine Street Housing, offers the opportunity to realise interest receipts which will contribute to Council revenue funding.
- 2.6 Cambridgeshire is an area of growth with the Government's City Deal offering financial support, together with capital investment from the Council, to local partners to deliver additional infrastructure to facilitate the delivery of the homes and business space set out in the draft local plans for the Cambridge City and South Cambridgeshire District Council areas. This will in turn contribute towards council funding in the longer term in the form of additional council tax and business rates receipts.
- 2.7 Another opportunity under consideration is the designation of Enterprise and Development Zones which have the potential to offer incentives to enable the creation of new businesses and employment.
- Economic Investment
The Council will continue to seek investments that generate longer term growth. These projects will yield a combination of revenue generation (business rates or interest), jobs and capital infrastructure investment, based on sound business cases.
 - Housing
Significant investment has been made in recent years to raise the standard of council dwellings to above the Government's decent homes standard, planned programmes will continue but within the changed and challenging restrictions resultant from future reductions in rental income.

Housing Partnerships
 - A joint venture with Cambridgeshire County Council and Cambridge City Council to deliver a shared governance Housing Development Agency will pool resources to complement the market driven housing development process, and provide an opportunity to support delivery of an additional 1,000 dwellings on exception sites by 2031, approximately 2,000 homes through new build strategies and, to act on land and funding opportunities proposed by the County Council and the University and Colleges meeting aspirations to retain a long term stake in any development and the draw down of revenue stream incomes.
 - Corporate Property
 - To manage its maintenance liability the Council is rationalising its office accommodation through sub-let of office space so providing a contribution to ongoing revenue savings.

In addition a process of on-going reviews will identify potential alternate use of office buildings and car park for capital investment to generate long term revenue savings.

ICT

- The Council's ICT service is shared with Cambridge City and Huntingdonshire District Council, appropriate investment into ICT hardware and software will be undertaken on a case by case basis, the primary focus being improved technologies on a spend to save basis.

Refuse and Recycling Collection

- A shared trade and domestic waste collection service with Cambridge City supported by capital investment will achieve long term revenue savings through service rationalisation and vehicle efficiencies.

Community Projects

- Capital grants to other organisations where the Council incurs no staff or other recurring costs; these organisations are expected to raise additional capital resources from the National Lottery, Sports Council, etc. The Council has a funding toolkit on its website to assist organisations seeking funding.

2.8 The Council's capital investment falls within, and needs to comply with, the 'Prudential Code for Capital Finance in Local Authorities' (The Code). Under the Code local authorities have greater discretion over the funding of capital expenditure especially the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.

2.9 The Council has various mechanisms in place which seek to ensure that there is an integrated approach to addressing cross-cutting issues and developing and improving service delivery through its capital investment in pursuance of the Council's over-arching aims. These include:

- Democratic decision making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the capital programme. These processes include:
 - The Council which is ultimately responsible for approving investment and the capital programme;
 - The Cabinet which is responsible for setting the corporate framework and political priorities to be reflected in the capital programme, Cabinet receiving quarterly monitoring reports;
 - The Scrutiny and Overview Committee which is responsible for scrutiny of the Capital Strategy and capital programme.
- Officer groups which bring together a range of service interests and professional expertise. These include:
 - The Executive Management Team which has overall responsibility for the strategic development, management and monitoring of the capital programme;
 - Specific project boards with wide ranging membership, for example the City Deal Board;
 - Management teams overview of reports for investments prior to Cabinet and Executive Management Team approval;
 - Management groups are also created to oversee significant capital projects as required.

- An integrated service and financial planning process; within this framework all proposals for capital investment are required to demonstrate how they contribute to the Council's aims and objectives. The evaluation process for investment proposals aligning corporate objectives with costs and benefits ensuring delivery of efficiency and value for money.

3. FUNDING STRATEGY

- 3.1 In general terms, the major source of capital funding available to the Council has been grant approvals allocated by Central Government to specific or non-specific projects. This is a diminishing resource and where a priority is identified alternate funds need to be sourced.
- 3.2 There are a range of other potential funding sources which may be generated locally either by the Council itself or in partnership with others. Each project or programme will be subject to the approval process to include funding and lifetime costings of the asset going forward.
- 3.3 New sources of funding are being identified in partnership with neighbouring authorities and organisations, for example City Deal.
- 3.4 Unallocated capital receipts received prior to April 2012 are available for general use and as such will be used for General Fund and/or Housing Revenue Account capital expenditure. Capital receipts received after April 2012 primarily relate to HRA property and land sales, the use of which is detailed in the Housing Revenue Account Business Plan and Council capital programme.
- 3.5 **Minimum revenue provision**
 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. Where a loan is made to a wholly owned subsidiary of the Council, the loan is deemed to be secured on the assets of the company and, supported by the business plan, evidence of the ability to repay the loan, in which case no minimum revenue provision will be made. The Council will review the loan and business plan annually, where there is evidence which suggests the full amount of the loan will not be repaid it will be necessary to reassess the charge to recover the impaired amounts from revenue.
 Exceptionally, where capital expenditure is part of a loan agreement to other than a wholly owned subsidiary, the Council may register a fixed and floating charge over the counterparty assets to secure the Council interest in the investment, or alternately an equity share interest in an asset with value. 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.
- 3.6 The Capital Strategy, the outcomes of which inform the Medium Term Financial Strategy, is intended to consider all potential funding options open to the Council and to maximise the financial resources available for investment in service provision and improvement within the framework of the Medium Term Financial Strategy. The main sources of capital funding are summarised below:

4. Central Government

- 4.1 Grants are allocated in relation to specific programmes or projects and the Council would seek to maximise such allocations, developing appropriate projects which reflect government and partnership led initiatives and agendas while addressing the needs of the district. A significant amount of current funding is in the form of the New Homes Bonus part of which is allocated to fund future capital infrastructure investment and City Deal funding, any reduction in this grant will have a direct effect on the delivery of these initiatives.

5. Third Party Funding

- 5.1 Capital grants; these represent project specific funding for capital projects, in addition to that from Central Government, which is more usually received from quasi-government sources or other national organisations. In developing capital proposals the Council will seek to maximise such external contributions, subject to any related grant conditions being consistent with the Council's policy, aims and outcomes.
- 5.2 The Council will seek opportunities to bid for future resource allocations using innovative service delivery vehicles for example through enterprise zones.

6. Private Contributions

- 6.1 The Council will also seek to implement the new Community Infrastructure Levy to support on-going investment.
- 6.2 The Council will continue to work with the private sector to utilise or re-purpose redundant assets to facilitate regeneration and employment creation.

7. Locally generated funding

- 7.1 Prudential 'unsupported' borrowing: under the Prudential Code the Council has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from within Council resources as identified in the Medium Term Financial Strategy and annual budgets. This discretion is subject to compliance with the Code's regulatory framework which requires any such borrowing to be prudent, affordable and sustainable.
- 7.2 Historically, the main source of funding for local authorities has been the Public Works Loans Board; an alternate source for future funding is the Local Government Agency's vehicle the Local Capital Finance Company.
- 7.3 Given the pressure on the Council's revenue budget in future years, prudent use will be made of this discretion in cases where there is a clear financial benefit such as invest to save, spend to earn or regeneration schemes which do not increase expenditure in the longer term.
- 7.4 Such schemes will focus on the Council's Aims and Objectives with investment generating revenue benefits in future financial years, in the form of interest, income, council tax or business rate yield.
- 7.5 The Council will continue to consider on a prudent basis the extent to which prudential borrowing may be undertaken to fund new capital investment, which generates returns over and above the revenue costs of the debt.
- 7.6 Capital receipts from asset disposal; the majority of disposals relate to dwellings sold under the government right to buy scheme, the scheme allows the retention of some of the receipts subject to certain conditions i.e. used to fund the delivery of new social housing to a

maximum of 30% of any dwelling funded through this method, the balance being funded from the Council's own resources or through borrowing.

- 7.7 Government proposals suggest local authorities should be required to sell high value properties on the open market at the point the property becomes void, a payment being due to Central Government in respect of a sum derived from an estimate of the high value properties becoming vacant in the year, thereby reducing the capital receipt available to the authority.
- 7.8 Capital receipts from asset disposal are a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment as and when received.
- 7.9 Lease finance: where alternative funding is not available for vehicles or minor equipment and the revenue budget does not allow for a full capital repayment and there is a robust business case then the option of leasing may be considered. The financing of expenditure by lease needs to take into account;
- Value of expenditure
 - Residual value
 - Life span of equipment matching funding proposed
 - Equipment to be replaced is part of a rolling programme that covers the whole service area or by type of equipment
- 7.10 The Council has a programme of vehicle replacement currently funded internally, historic vehicles hire contracts are replaced as capital purchases as contracts expire.
- 7.11 Revenue: capital expenditure may be funded directly from revenue as specific budget provision, however, the general pressures on the Council's revenue budget and council tax levels limits the extent to which this may be exercised as a source of capital funding
- 7.12 REFCUS or revenue expenditure funded from capital under statute describes transactions that would not be capitalised under proper accounting practice, but are defined as capital expenditure under the Local Government Act 2003 and its associated regulations. Examples of Council REFCUS expenditure are disabled facilities grants or community grants where the asset does not belong to the Council and which are funded from external grants, capital receipts or revenue.
- 7.13 Council resources will be allocated to programmes based on asset values to manage long term yield and revenue implications. Where possible capital receipts will be focussed on those assets with short term life span, e.g. vehicles and equipment, and the unsupported borrowing on long term assets e.g. land and buildings.

8. RESOURCES

- 8.1 The Capital Programme for 2016/17 to 2020/21 is attached as Appendix A and is included in the revenue and capital estimates report to Cabinet and Council.

9. GOVERNANCE OF THE CAPITAL PROGRAMME

- 9.1 The Council reviews its capital requirements and determines its capital programme within the framework of the Medium Term Financial Strategy and as part of the annual budget process. Resource constraints mean the Council continually needs to prioritise expenditure in the light of its aims and objectives and consider alternate solutions. Investment appraisal forms and the criteria for prioritising capital bids are shown as Appendices B to D.
- 9.2 To ensure that available resources are optimally allocated capital programme planning is determined in parallel with the service and revenue budget planning process within the framework of the MTFS. The Council's budget cycle is given at Appendix E. New programmes and projects will be appraised to determine affordability and alignment with the Council's Aims and Objectives.
- 9.3 Quarterly reports will continue to be submitted to Cabinet that identify:
- New resource allocations
 - Slippage in programme delivery
 - Programmes reduced or removed
 - Virement between schemes and programmes to maximise delivery
 - Revisions to spend profile and funding to ensure minimisation of ongoing revenue costs
 - Projected outturn
- 9.4 Council assets are kept under review, valuations of land and property being undertaken by a professionally qualified valuer every five years, with an annual review at year end to ensure material changes in asset value are accounted for. The Corporate Asset Management Plan (Appendix F), Housing Revenue Account Business Plan and capital programme ensuring a comprehensive forward plan of maintenance and improvement work is maintained and delivered.

Capital Programme 2016/17 to 2020/21

Capital Programme	Estimate 2016/2017 £	Estimate 2017/2018 £	Estimate 2018/2019 £	Estimate 2019/2020 £	Estimate 2020/2021 £
General Fund	34,492,250	26,612,400	46,611,100	2,829,950	7,491,200
Housing Revenue Account	14,436,330	13,751,170	13,044,540	13,277,670	10,464,330
Total Capital Expenditure	48,928,580	40,363,570	59,655,640	16,107,620	17,955,530
Financed by :					
Capital Receipts	(3,986,353)	(3,803,337)	(3,485,129)	(3,579,495)	(3,277,500)
Housing & Planning Delivery Grant	(84,600)	(84,600)	(84,600)	(36,755)	0
Other Grants and Contributions	(742,000)	(740,000)	(619,000)	(619,000)	(619,000)
HRA Depreciation Reserve	(6,332,970)	(10,213,060)	(9,073,180)	(8,554,700)	(8,533,070)
Reserves	(330,000)	(509,400)	(673,100)	(444,700)	(444,700)
Housing Revenue Account (Revenue Contribution)	(5,691,200)	(140,000)	(70,000)	(118,750)	(22,500)
General Fund (Revenue Contribution)	(150,000)	0	0	0	0
Cash Overdrawn re Commercial vehicles	(712,000)	(2,502,000)	(180,000)	0	0
Cash Overdrawn re GF Equity Share Properties	0	0	0	0	0
Borrowing	(30,732,000)	(21,206,000)	(43,409,000)	0	0
New Homes Bonus Infrastructure Reserve	0	0	0	0	(5,000,000)
Financing Adjustment	0	0	0	0	0
Total Capital Financing	(48,761,123)	(39,198,397)	(57,594,009)	(13,353,400)	(17,896,770)

HOUSING REVENUE ACCOUNT	Estimate 2016/2017 £	Estimate 2017/2018 £	Estimate 2018/2019 £	Estimate 2019/2020 £	Estimate 2020/2021 £
Repurchase of HRA Shared Ownership Homes	300,000	300,000	300,000	300,000	300,000
Reprovision of Existing Homes	447,470	1,789,900	0	0	0
Provision of New Homes	3,756,190	1,906,120	3,549,230	3,782,100	0
Grants to Registered Providers for New Homes	390,600	962,700	487,800	441,300	1,500,000
Improvement of Housing Stock	9,328,320	8,652,450	8,637,510	8,635,520	8,641,830
HRA share of Corporate ICT Development	213,750	140,000	70,000	118,750	22,500
Housing Revenue Account Capital Expenditure	14,436,330	13,751,170	13,044,540	13,277,670	10,464,330
GENERAL FUND	Estimate 2016/2017 £	Estimate 2017/2018 £	Estimate 2018/2019 £	Estimate 2019/2020 £	Estimate 2020/2021 £
ICT Development:	580,000	235,000	340,000	525,000	90,000
less: HRA share of Corporate ICT Development	(213,750)	(140,000)	(70,000)	(118,750)	(22,500)
Communications - Website Development	25,000	25,000	0	0	0
South Cambridgeshire Hall	75,000	0	0	0	0
Advance funding for Housing Company	30,732,000	21,206,000	43,409,000	0	0
City Deal: Contribution towards A14 upgrade	0	0	0	0	5,000,000
Refuse Collection Service	687,000	2,409,400	344,100	14,700	14,700
Awarded Watercourses	0	100,000	0	0	0
Street Cleansing	75,000	197,000	179,000	0	0
Air Quality Monitoring Equipment	0	50,000	0	0	0
Housing General Fund Share of HRA Capital Expenditure	10,000	10,000	10,000	10,000	10,000
Repurchase of General Fund Sheltered Properties	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Refurbishment of General Fund Equity Share Properties	200,000	200,000	200,000	200,000	200,000
Grants for the provision of Social Housing	402,000	400,000	279,000	279,000	279,000
Empty Homes Grants	50,000	50,000	50,000	50,000	50,000
Improvement Grants/Loans	770,000	770,000	770,000	770,000	770,000
General Fund Capital Expenditure	34,492,250	26,612,400	46,611,100	2,829,950	7,491,200

Investment Appraisal: Proposals for Capital Projects less than £25,000

(For inclusion in the draft Capital Programme for the financial years 2016/17 – 2020/21)

1	Service						
2	Service Manager						
3	Brief Details of Proposal						
4. Costs (All £000s)		2016/17	2017/18	2018/19	2019/20	2020/21	Total gross cost
Financial Year in which expenditure is expected to be incurred							
5	What is the estimated life expectancy of the asset related to the proposal?						
6	What benefit will service users or residents experience as a result of the expenditure?						
7	How many individuals/properties will benefit from the expenditure?						
8	What evidence is there of public, tenant and/or user support for the proposal?						
9	Which of the 2016/17 priorities will the proposal address and how?						
10	How will performance indicators be affected?						
11	Is this expenditure required to enable the Council to meet a statutory requirement? If so, please give a description of the relevant requirement.						
12	What will be the implications for the Council of not proceeding with the proposed investment?						

13	How could the same outcome be achieved without the proposed expenditure?							
14	Is there likely to be any external funding contribution? If so, from where? (Please attach a copy of any written confirmation)							
15. Contribution (£000s)		2016/17	2017/18	2018/19	2019/20	2020/21	Total contribution	
Financial Year in which contribution is expected to be received								
16. Revenue impact (£000s)		Reason		2016/17	2017/18	2018/19	2019/20	2020/21
Estimated consequential financial impact on net revenue expenditure of the proposal		Additional: income expenditure						
		Reduction in: income expenditure						
		Total for year						
17	Are any revenue changes likely to continue after 2020/21? If so, please complete the attached schedule?							
18	Brief description of the reasons for any revenue changes shown in 16							

REVENUE IMPACT OF THE PROPOSAL FOR FINANCIAL YEARS 2021/22 to 2038/39

To be completed if appropriate

Financial Year	Estimated Addition to:		Estimated Reduction in:	
	Income £(000)	Expenditure £(000)	Income £(000)	Expenditure (£000)
2021/22				
2022/23				
2023/24				
2024/25				
2025/26				
2026/27				
2027/28				
2028/29				
2029/30				
2030/31				
2031/32				
2032/33				
2033/34				
2034/35				
2035/36				
2036/37				
2037/38				
2038/39				
2039/40				
2040/41				
2041/42				
2042/43				
2043/44				
2044/45				
2045/46				
2046/47				

Investment Appraisal: Proposals for Capital Projects Greater than £25,000

(For inclusion in the draft Capital Programme for the financial years 2016/17–2020/21)

1	Service						
2	Service Manager						
3	Brief Details of Proposal						
4. Costs (All £000s)		2016/17	2017/18	2018/19	2019/20	2020/21	Total gross cost
Financial Year in which expenditure is expected to be incurred							
5	What is the estimated life expectancy of the asset related to the proposal?						
6	What benefit will service users or residents experience as a result of the expenditure?						
7	How many individuals/properties will benefit from the expenditure?						
8	What evidence is there of public, tenant and/or user support for the proposal?						
9	Which of the 2016/17 priorities will the proposal address and how?						
10	How will performance indicators be affected?						
11	Is this expenditure required to enable the Council to meet a statutory requirement? If so, please give a description of the relevant requirement.						
12	What will be the implications for the Council of not proceeding with the proposed investment?						

13	How could the same outcome be achieved without the proposed expenditure?							
14	Is there likely to be any external funding contribution? If so, from where? (Please attach a copy of any written confirmation)							
15. Contribution (£000s)		2016/17	2017/18	2018/19	2019/20	2020/21	Total contribution	
Financial Year in which contribution is expected to be received								
16. Revenue impact (£000s)		Reason		2016/17	2017/18	2018/19	2019/20	2020/21
Estimated consequential financial impact on net revenue expenditure of the proposal		Additional: income expenditure						
		Reduction in: income expenditure						
		Total for year						
17	Are any revenue changes likely to continue after 2020/21? If so, please complete the attached schedule?							
18	Brief description of the reasons for any revenue changes shown in 16							

REVENUE IMPACT OF THE PROPOSAL FOR FINANCIAL YEARS 2021/22 to 2038/39

To be completed if appropriate

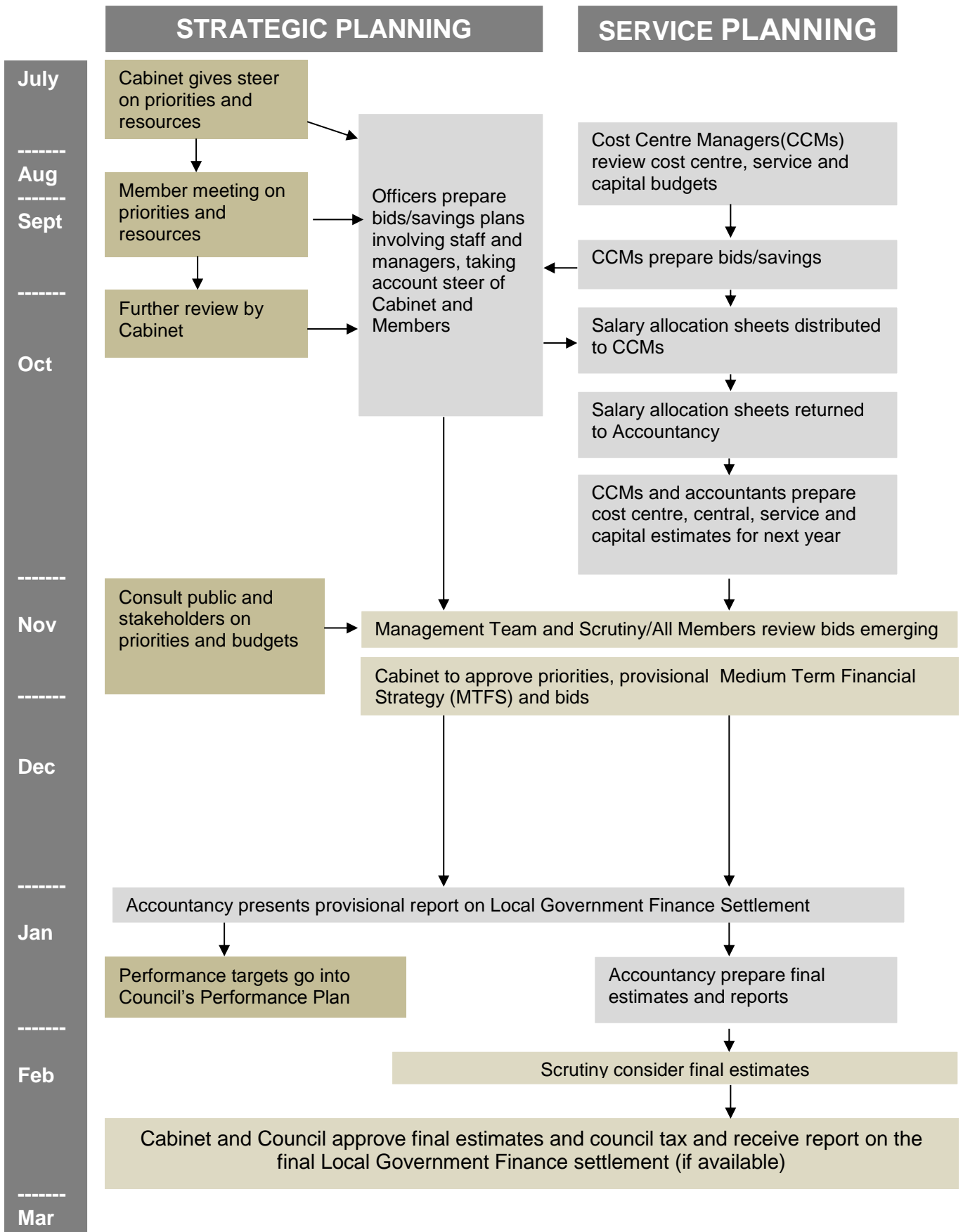
Financial Year	Estimated Addition to:		Estimated Reduction in:	
	Income £(000)	Expenditure £(000)	Income £(000)	Expenditure (£000)
2021/22				
2022/23				
2023/24				
2024/25				
2025/26				
2026/27				
2027/28				
2028/29				
2029/30				
2030/31				
2031/32				
2032/33				
2033/34				
2034/35				
2035/36				
2036/37				
2037/38				
2038/39				
2039/40				
2040/41				
2041/42				
2042/43				
2043/44				
2044/45				
2045/46				
2046/47				

Investment Appraisal: Criteria for Prioritising Financial Bids

The following are suggested

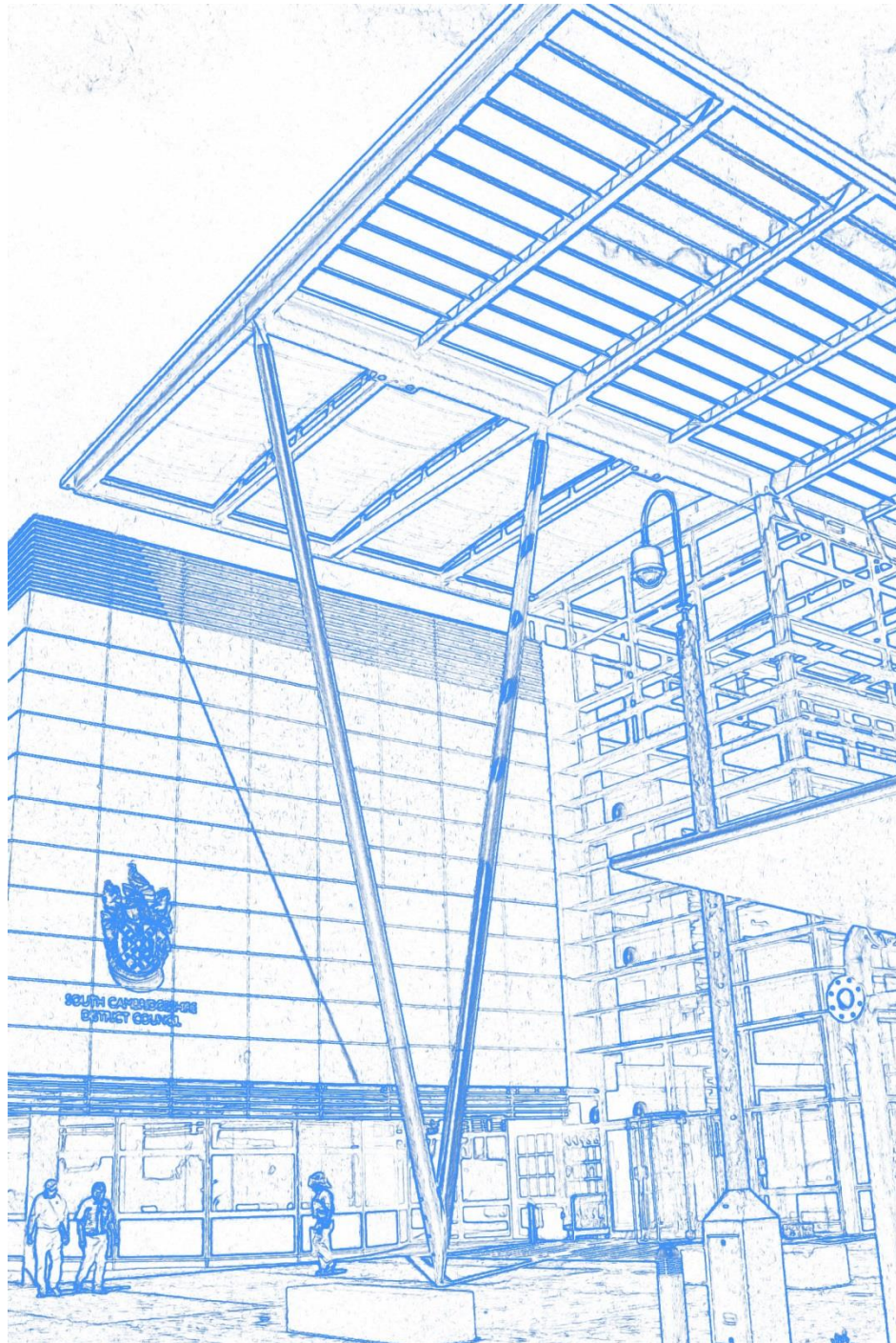
		Score	Scoring Guide
1	Statutory Requirement?	8	Statutory requirement – high risk that non-compliance will have substantial legal or reputational implications
		5	Statutory requirement – medium risk from non-compliance
		3	Statutory requirement – low risk from non-compliance
		3	Not statutory – but high expectation from KLOEs/audit etc.
		0	Non statutory
2	Support for Corporate Aims	6	High relevance/essential to one of service priorities – will have substantial quantifiable impact on a key performance indicator
		3	Relevant to one of service priorities, with quantifiable impact – but not measurable by PI
		2	Will have some impact on a service priority – but not measurable
		1	Relevance to one of Corporate Aims
		0	Not related to Corporate Aims
3	Impact on the public - number	3	Bid will benefit all or most people in the district
		2	Bid will benefit a significant number of people across the district
		1	Effect of bid is confined to relatively small number of people or a particular locality
		0	No impact on public
4	Impact on public – extent of impact	3	Will make major impact on the lives of public who benefit
		2	Will make moderate impact on people's lives
		1	Will make relatively small impact on people's lives and their quality of life
		0	No direct impact on people's lives or quality of life
5	Value for money		Divide the cost of the bid (2016/17 cost in thousands) by the total from questions 1-4 – then score as follows:-
		4	If the result is <1
		3	If the result is 1-2
		2	If the result is 2.1 –5
		1	If the result is 6-10
		0	If the result is > 10

SOUTH CAMBS DISTRICT COUNCIL BUDGET CYCLE



SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL CORPORATE ASSET MANAGEMENT PLAN

2016/17 – 2020/21



Corporate Asset Management Plan

CONTENTS

1. Introduction
2. Role of Assets
3. Key Challenges
4. Strategic Investment Priorities
5. Funding and Delivery Options
6. Managing and Monitoring

CORPORATE ASSET MANAGEMENT PLAN

1. INTRODUCTION

After its staff the Council's land and property is the next biggest resource. It is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

The continued pressure on local authority finances makes it more critical that the authority has a robust strategic approach to ensure the correct decisions are taken regarding its asset base.

The plan forms part of a suite of documents, including the Capital Strategy and Capital Programme, supporting and informing the Medium Term Financial Strategy and its budget for 2016/17 to 2020/21.

The Council will continue to challenge how assets are used, looking at other alternate options for asset use and service delivery to maintain front line services within the constrained budgetary framework which local authorities continue to operate within.

2. ROLE OF ASSETS

The use and management of the authority's assets can play a key role in the delivery of corporate and local priorities, as well as shape and influence the quality of life and sustainable economic growth for local people and businesses.

It is critical that the assets the Council retains are fit for purpose, provide value for money and meet and support the needs of both community and businesses. Decisions to invest and improve the asset base are made on the same robust and transparent basis. Assets will be retained where it can be clearly demonstrated they

- Contribute to the effective delivery of business provision, i.e. the condition and performance of the asset does not impede service delivery;
- Support and meet the social, economic and environmental well-being objectives of the community;
- Assist in the delivery of the Council's objective to deliver quality housing, economic growth and to benefit from partnership working opportunities
- Provide value for money in respect of current and future investment

2.1 The Council's largest asset group are housing dwellings, approximately 5,500, of which equity share properties account for about 370 of the total. These properties are rented, or in the case of equity shares sold, as they become vacant realising revenue income and capital receipts to the Council.

2.2 Other significant assets include land and buildings. The Council's purpose built office (completed in 2004) serves as an accommodation hub for the majority of the Council's services, the exception being the Shared Waste and Recycling Service based at leased offices in Landbeach. Two smaller hub offices are sited in villages within the district, approximately 180 smaller parcels of land and 45 communal rooms on sheltered housing schemes complete the land and building assets.

- 2.3 The third group of assets include vehicles and equipment, these include waste and recycling vehicles, various vehicles used as part of the awarded watercourses service and equipment, being primarily related to information and communications technology.
- 2.4 Infrastructure assets, primarily related to awarded watercourses, and Heritage assets constitute the final groups, the latter including civic regalia, vases and other small items which require little or no revenue cost in their maintenance.

3. KEY CHALLENGES

In developing a rolling 5 year plan the Council will need to have a flexible approach to take account and accommodate a variety of factors and challenges which will impact on the future of the asset base. In summary these include:

National view

Local Government settlement will continue to result in year on year reductions in available revenue and traditional forms of grant funding, all of which place increased pressure on how the Council uses and manages its assets in support of service delivery. This will continue to place greater pressure on the Council to improve the revenue it can generate whilst at the same time make revenue savings through disposals and improved usage of assets.

Housing Rents - from 2016/17 and beyond, a Government requirement to reduce rents by 1% for four years, initially from April 2016, will lead to an estimated loss of £1.1m income in 2016/17. Previous housing strategy assumed annual rent increases allowing for set aside for the repayment of debt and revenue funding support of revenue and capital expenditure.

Right to Buy receipts - the Council is subject to the revised agreement with the Department for Communities and Local Government (CLG) allowing the retention of some right to buy receipts, subject to a set of specific conditions. The agreement requires a maximum of 30% of receipts to be used to fund delivery of new social housing, the reduction of rental income has reduced the Council's ability to fund the remaining 70% from its own resources or borrowing. If retained receipts are not used appropriately on social housing they can be passed to registered providers or paid to central government.

Mandatory disposal of high value stock – government proposals issued in 2015 suggest local authorities should be required to sell any property that is valued in the top third for the area, on an open market at the point at which it becomes void; the proceeds from the sale of these assets being intended to fund the ability for right to buy to be extended to tenants of all registered housing providers.

Local Government Transparency Code 2014 – places a requirement on local authorities to publish and make available to local people data held and managed by the authorities, this includes data regarding the local authorities' assets. Details of South Cambridgeshire's assets are available to view on the Council's website and the information is updated on a regular basis.

<https://www.scambs.gov.uk/content/lists-and-registers>

Corporate view

Protection of key front line services; which will require the alignment of asset provision to service delivery to reduce operational costs and achieve necessary savings. This will necessitate greater shared use of premises, both within the Council and with other organisations and targeted investment to improve retained space, where it will result in demonstrable improvements in service delivery.

Housing stock condition and investment; in addition to investment to meet the housing stock decency standard, the Council invests in works over and above this for example in energy conservation initiatives and disabled facility adaptations. In view of the expected reduction in revenue and capital income from 2016 the level and type of investment in housing stock will be kept under review.

Local Plan; this strategic document sets out the policies and proposals which will lead the development and use of land in the district and provides an opportunity for the Council to consider its asset base and seek to ensure those assets support the district's sustainable economic growth.

Capital investment; details of the planned capital investment in the Council's assets are set out in the Capital Programme. Opportunities for future investment and access to external funding in support of the Council's assets and housing and community initiatives will be sought where appropriate, capital bids being considered on a case by case basis.

4. STRATEGIC INVESTMENT PRIORITIES

The Council is committed to use its asset base to deliver key strategic priorities, partnerships (*Appendix A*) with businesses, authorities and other organisations being integral to that process.

Office accommodation, Cambourne; investment in assets has enabled greater sharing of office space with partner authorities paving the way for future collaborations to assess service delivery for reduced operational costs.

Hub offices; change in asset use to align with service needs and delivery. The establishment of offices in the district to enable staff and partner organisations working remotely, on site or visiting residents to work from fully IT enabled business hubs.

City Deal; the partnership investment will see the delivery of local and government funding to secure improvements to transport infrastructure, the Council having committed to a £5.0m contribution in 2020/21.

Housing

New build schemes on six sites across the district are at offer, planning or development stages and will deliver an estimated 82 social housing units

Self Build Vanguard pilot authority will identify and prepare parcels of land that provide self-build opportunities.

Housing Development Agency; a local authority partnership initiative to deliver additional affordable housing, including working proactively with development companies.

Ermine Street Housing, a wholly owned subsidiary of the Council, will provide quality market rent housing to meet the recognised housing need in and outside the district, with a planned portfolio of 500 properties within five years.

Detail of housing projects and expenditure are included in the Housing Revenue Account Medium Term Financial Strategy and the Housing Strategy, and quarterly General Fund and HRA performance and monitoring reports are presented to Cabinet and the Executive Management Team.

New developments and growth; the Council is delivering sustainable new housing and communities at new settlements such as Northstowe through partnership working with various organisations including developers and local authorities.

5. FUNDING AND DELIVERY OPTIONS

For future investment in the asset base the Council will consider alternative and innovative solutions to supplement more traditional funding sources as part of the district sourcing strategy. All of the options below will continue to be looked at and where appropriate business cases will be prepared to develop these further.

- Use of specific grant and contributions e.g. in relation to infrastructure projects such as the Webbs Hole Sluice scheme
- Capital Receipts are projected to be £22.8m over five years to 2020/21, part of which is allocated to finance internal borrowing. Receipts are primarily from Right to Buy and equity share sales, with lesser receipts being realised from land sales.
- Invest to save, where there is a robust economic case and a realistic payback period using unsupported borrowing.
- Asset transfer to third parties such as housing associations, where organisations can take over and continue to deliver services previously provided by the Council.
- Shared accommodation and/or joint development with local partners
- New Government Funding and initiatives such as the Community Infrastructure Levy.

6. MANAGING AND MONITORING

The Council maintains an asset register of property, plant and equipment, including land and property held for sale and heritage assets. Land and property values are reviewed annually with a full revaluation every five years. Housing systems record planned and response maintenance against individual properties, works being contracted through a formal tender process in accordance with the Council's Contract and Procurement Policy, a 30 year Housing Revenue Account Business Plan forms the basis for managing and funding both capital and revenue programmes. Housing performance against the decent homes standard is shown in Appendix B.

Asset performance will be monitored through performance indicators some of which are reported through the Council's Strategic Performance Management System (CorVu), others, such as building performance, are reported to Executive Management Team and Cabinet as part of the Asset Management Plan, five year revenue and capital estimates enable planning for operational management and asset enhancements, see Appendix C.

Operational management of assets is undertaken as follows:

Housing Management Service;

- council dwellings
- equity share properties (General Fund & HRA)
- Ermine Street Housing
- land assets

Facilities Management Service;

- main office accommodation
- hub offices
- refuse & recycling depot
- heritage assets (Civic)

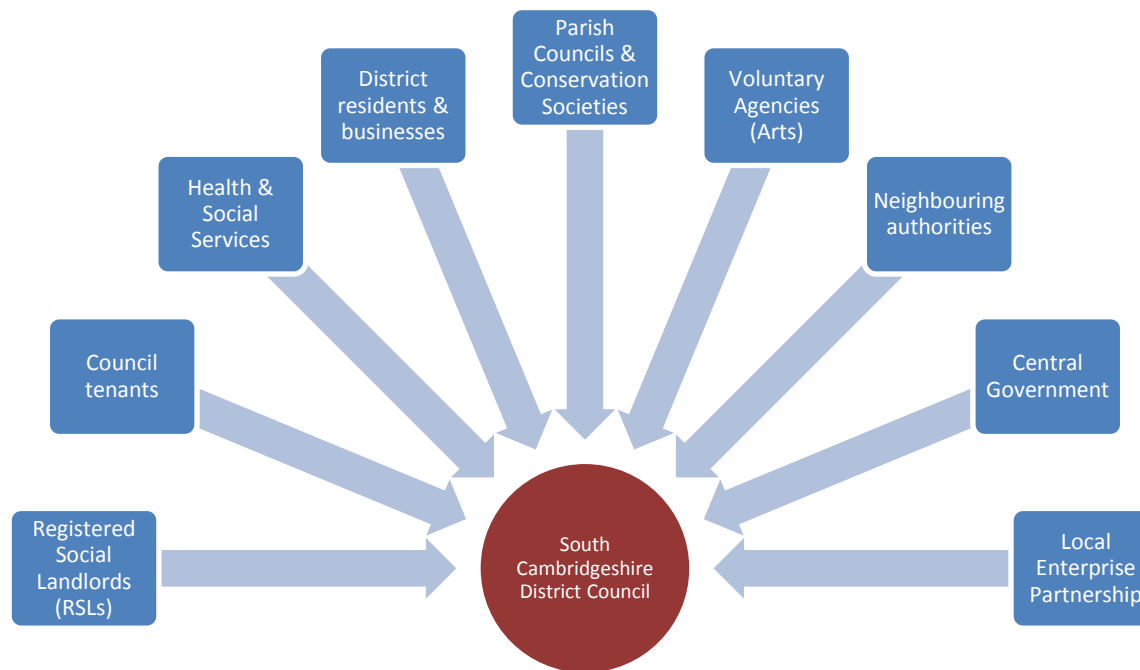
Health & Environmental Services;

- refuse & recycling vehicles
- street cleansing vehicles
- awarded watercourses equipment & vehicles
- air monitoring equipment etc.

Information & Communications Technology Service (shared service)

- ICT equipment and software
- Communications technology

South Cambridgeshire District Council – partnership working



How are the Council's assets performing?

Operational buildings stock condition survey

Housing	31 March 2016	31 March 2015	31 March 2014	
Dwellings at decent homes standard	-	91.5%	98.3%	
No. of home considered non-decent	-	449	90	
Asset Category	Condition Category 2015/16			
	A	B	C	D
Operational- Cambourne office	100%	-	-	-
Operational – hub offices	100%	-	-	-

Key

Category A: Good – performing as intended and operating efficiently

Category B: Satisfactory – performing as intended but showing minor deterioration

Category C: Poor – showing major defects and/or not operating as intended

Category D: Bad – life expired and/or serious risk of imminent failure

Office Accommodation- Cambourne & district office hubs	Estimate 2016/17 £	Cost per Sq.m ² (5,800 m ²) Estimate 2016/17 £	Estimate 2015/16 £	Cost per Sq.m ² (5,800 m ²) Estimate 2015/16 £	Actual 2014/15 £	Cost per Sq.m ² (5,800 m ²) Estimate 2014/15 £
Repair & Maintenance	152,990	26.38	133,000	22.93	51,811	8.93
Energy costs	116,490	20.08	110,940	19.13	71,942	12.40
Water costs	5,230	0.90	5,100	0.88	4,292	0.74

Cambourne office and district office hubs Revenue and Capital (five year projections)

Revenue Programme

Description	2015/16 £`000	2016/17 £`000	2017/18 £`000	2018/19 £`000	2019/20 £`000	2020/21 £`000
Income						
Rental income (office space)	(60)	(89)	(90)	(92)	(94)	(95)
Other income	0	0	(1)	(1)	(1)	(1)
Total Income	(60)	(89)	(91)	(93)	(95)	(96)
Expenditure						
Repair & Maintenance	133	153	157	160	164	168
Energy Costs	111	116	122	128	135	142
Water Services	5	5	5	5	6	6
Rent, Rates & Service Charges	425	425	433	440	447	455
Cleaning & Domestic Supplies	81	83	85	87	89	90
Insurance	10	16	16	17	17	18
Communications & Computing	59	73	74	76	77	78
Miscellaneous	1	3	3	3	3	3
Transfer to Reserves	0	5	5	5	5	5
Direct Expenditure	825	879	900	921	943	965
Central, Departmental & Support Services	139	158	161	165	168	171
Capital Charges	231	245	245	245	245	245
Total Expenditure	1,195	1,282	1,306	1,331	1,356	1,381
Net Expenditure	1,135	1,193	1,215	1,238	1,261	1,285

Capital programme

Description	2015/16 £`000	2016/17 £`000	2017/18 £`000	2018/19 £`000	2019/20 £`000	2020/21 £`000
Cambourne: Installation of LED lighting systems	25	0	0	0	0	0
Cambourne: fixed wiring improvements	30	0	0	0	0	0
Cambourne: Data Centre environmental controls	40	0	0	0	0	0
Cambourne: secure door access system	0	25	0	0	0	0
Cambourne: Meeting room relocation	0	50	0	0	0	0
Total	95	75	0	0	0	0

Administrative Buildings Maintenance & Improvement Cycle

Item/ area	2015/16	2016/17	2017/18	2018/19	2019/2020
Carpet ground floor (10 year cycle)	Housing area	Catering/ dining area	Call centre/ HIA areas	Meeting room / utility areas	Rec room
Redecoration (5 year cycle)	Public areas	Meeting rooms	Kitchen/ dining areas	Utility areas	Rec room/ washroom areas
First floor carpets (10 years)		Planning areas	Chief exec/ Comms areas	Meeting room/ members lounge	Chamber
Redecoration (5 Years)	Public areas	Meeting rooms	General office areas	Chamber	Washrooms
Second floor carpets (10 years)	IT/ HR/ Accounts areas	Public area	Trading standards area	EH areas	Mezzanine room
Stairwells (2 Years)		✓		✓	
External Annual	✓	✓	✓	✓	✓
Replace ground floor lighting (15 year cycle)		LED replacements			
Make good pavements (2 year cycle)	✓		✓		✓
Steam clean all external walkways annually	✓	✓	✓	✓	✓
Clean sandstone chamber cladding (10 year cycle)	✓			✓	

Replace public area cycle shed roof 20 year cycle		✓			
Replace Bin store area roof 20 year cycle		✓			
Re surface car park 10 year cycle	✓				
Re apply site white lining 10 year cycle	✓				
Repair exit equipment 10 year cycle	✓				
Upgrade car park lighting to LED 10 Year cycle				✓	
Upgrade access system 10 year cycle		✓			
Service access system		✓	✓	✓	✓
Service security cameras	✓	✓	✓	✓	✓
Replace/ upgrade heating/ cooling pumps 10 year cycle	✓		✓		✓
Replace comms room a/c unit 15 year cycle			✓		
Replace supply/ extract fan units 10 year cycle		✓		✓	
Service smoke detection system	✓	✓	✓	✓	✓
New A/V equipment for meeting rooms	✓				

Replace chamber projectors 5 year cycle		✓			✓
Kitchen equipment replacement 10 year cycle		✓			✓
Washroom equipment upgrade 10 year cycle		✓			✓
Meeting room furniture replacement 20 year cycle		✓			
Reception area furniture replacement 10 year cycle			✓		
Replace task chairs 10 year cycle		✓	✓	✓	✓

Housing Revenue Account Revenue and Capital (five year projections)

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Repairs & Maintenance	5,471	5,550	5,624	5,693	5,774
Total Responsive and Cyclical	5,471	5,550	5,624	5,693	5,774

Capital Improvements, Acquisition and Re-provision of housing

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Improvements - Existing Stock:					
Water/Drainage Upgrades	77	78	80	81	83
Disabled Adaptations	500	500	500	500	500
Fire and Extreme Weather	816	832	849	866	883
Change of Tenancy - Capital	500	624	637	649	662
Rewiring	306	312	318	325	331
Heating Installation	2,000	2,000	2,500	2,550	2,601
Energy Conservation	1,000	1,488	1,592	1,624	1,656
Estate Roads, Paths & Lighting	82	84	85	87	89
Garage Refurbishment	50	127	130	132	135
Parking/Garages	15	50	85	87	89
Window Replacement	260	265	271	276	282
Re-Roofing	428	437	446	455	464
Full Refurbishments	200	200	243	258	273
Structural Works	150	150	212	216	221
Non-Traditional Refurbishment	872	0	0	0	0
Asbestos Removal	33	34	34	35	35
Kitchen Refurbishment	714	728	743	758	773
Bathroom Refurbishment	306	312	318	325	331
Wilford Furlong, Willingham Refurbishment	933	644	0	0	0
Assumed adjustment in spend for varying stock numbers	0	(300)	(502)	(706)	(912)

Other Improvements:					
Sheltered Housing and Other Stock	50	50	50	50	50
Flats	30	30	30	30	30
Central / Departmental Investment	7	7	7	7	7
Re-provision of Existing Homes	447	1790	0	0	0
HRA Acquisition and New Build	4089	2754	3862	3970	1500
Other HRA Capital Spend	571	555	555	703	381

Total Housing Capital Spend	14,436	13,751	13,045	13,278	10,464
------------------------------------	---------------	---------------	---------------	---------------	---------------

Further information is detailed in the HRA Business Plan and Five Year Maintenance Plan.

Agenda Item 8



South
Cambridgeshire
District Council

Report To: Leader and Cabinet

11 February 2016

Lead Officer: Alex Colyer – Executive Director, Corporate Services

2015-16 THIRD QUARTERLY POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

Purpose

1. To provide Cabinet with a statement on the Council's position with regard to its General Fund, Housing Revenue Account (HRA) and Capital budgets, corporate objectives, performance indicators and strategic risks. Integrated reporting in this way gives EMT and Members the opportunity to examine any areas of concern and decide on the appropriate action.
2. To approve the Strategic Risk Register.

Recommendations

3. Cabinet is invited to:
 - (a) consider, comment on and note the Council's provisional financial outturn position, together with the performance and risk matters and contextual information set out in the report and appendices A-D, and:
 - (b) approve the Strategic Risk Register and Matrix set out in Appendices E-F.

Reasons for Recommendations

4. These recommendations are required to enable Members to maintain a sound understanding of the organisation's financial position, performance and risk, and the local context in which it operates. This contributes to the evidence base for the ongoing review of priorities and enables, where appropriate, redirection of resources to reflect emerging priorities and address areas of concern.

Background

5. This is the third quarterly position statement for 2015/16, providing updates in respect of:
 - The Financial Position at 31 October 2015, showing variance between 2015/16 original budgets and the provisional Outturn;
 - The Corporate Plan 2015-2020, agreed by Council in February 2015;
 - Key monthly, quarterly and annual Performance Indicators at 31 December 2015; agreed by EMT in consultation with Portfolio Holders, and
 - The Strategic Risk Register.
6. The Strategic Risk Register and Matrix form the record of corporate risks the Council currently faces in the achievement of strategic aims delivery of services, together with control measures to address / sources of assurance over the risks.

Corporate Plan 2015-2020

7. The Corporate Plan 2015-2020 sets out the following Vision for the Council:

'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.'

8. We are working to attain our Vision through three Strategic Aims around the themes of Engagement, Partnerships and Well-being. Detailed commentary on progress and achievements with each of the actions, bringing together relevant finance and performance information, is set out in **Appendix A** attached. Whilst many of the aims and objectives within the plan reflect ongoing long-term priorities, we have reached significant milestones during the year to date, including:
 - Launched an on-line form for benefits applications and a new public website;
 - Completed a consultation on bus priority measures along the A428/A1303 corridor as part of the Greater Cambridge City Deal;
 - Begun work on the construction of new Council homes at Swavesey, Foxton and Linton.
 - Completed, and agreed to extend, a successful housing company trial, providing much-needed local housing for rent whilst generating financial returns;
 - Completed, and began consultation upon, modifications to our draft Local Development Plan
 - Agreed 'Primary Authority' arrangements to provide regulatory support and advice to Aldi and John West Tuna
 - Roll-out of Key Account Management arrangements with major businesses and organisations in the district;
 - Obtaining the Gold Award of the Investors in People standard
 - The Joint Development Control Committee resolved to grant planning permission for 3,500 homes and associated infrastructure at Northstowe (Phase 2);
 - Submitted a successful application for an Enterprise Zone including key sites in the district, which would further stimulate the local economy.
 - Co-located Cambridge City Council waste operations at the Waterbeach Depot;
 - Launched shared ICT, Building Control and Legal Services;

Key Performance Indicators (KPI)

9. Cabinet has agreed a suite of 36 key performance indicators (KPIs) to provide a strategic overview of organisational health. Of these, 12 have been identified as outcome measures of success linked to the principal Corporate Plan themes of Engagement, Partnerships and Wellbeing. Performance against these indicators is set out in **Appendix B** attached.

10. The data in Appendix B shows actual performance against target and intervention levels, which were agreed at the beginning of the year by directors in consultation with Portfolio Holders. The Council uses a 'traffic light' system to denote performance, whereby:

- **Green** signifies performance targets which have been met or surpassed;
- **Amber** denotes performance below target but above intervention level. It is the responsibility of service managers to monitor such performance closely, putting in place remedial actions at the operational level to raise standards as required.
- **Red** denotes performance below the intervention level. This represents underperformance of concern, and should prompt interventions at the strategic level which are likely to involve the reallocation of resources and proposals to redesign how services are provided.

Finance: General Fund, HRA and Capital

11. This position statement is reporting on the variance between the 2015/16 working budgets and the projected Outturn at the end of October 2015. Below is a summary of the provisional outturns. September's figures are included for comparison purposes

	September's Projected Outturn		October's Projected Outturn		Movement
	Compared to Working Budget		Compared to Working Budget		Appendix C
	£	%	£	%	£
General Fund	(413,090)	(2.54)	(231,490)	(1.43)	161,600
Housing Revenue Account (HRA)	(13,200)	(0.05)	15,500	0.06	28,700
Capital	(4,460,000)	(20.87)	(4,460,000)	(20.87)	0

12. The General Fund projected outturn as at October 2015 is mainly because of additional Planning Fee Income; the movement from the previous month is because of delays in receiving an outline planning application and in a development.
13. The HRA movement relates to changes in Administration and Rent Income projected outturn.
14. The Capital outturn relates to Housing Capital spending that will not occur this year as programmes have had to be delayed because of factors outside SCDC control.
15. A summary position statement is provided at **Appendix C**. Significant items are listed in **Appendix D**.

Income

16. With declining resources from Government funding, ensuring that income targets are met becomes more important. Itemised below is the current position on major income sources and where appropriate further details are provided in **Appendix D**.

	Budget 2015/16	Budget to 30.10.15	Actual	Forecast Outturn Variance
	£	£	£	£
Refuse Recycling – Credits	(660,000)	(165,000)	(173,060)	0
Trade Waste – Income	(635,000)	(635,000)	(682,326)	(44,090)
Paper Recycling – Credits	(384,000)	(160,000)	(169,479)	0
Development Control – Fees	(900,000)	(525,000)	(1,018,123)	(500,000)
Development Control - Pre-App Fees	(160,000)	(93,330)	(103,025)	0
Building Control – Fees	(340,000)	(190,000)	(195,042)	0
Land Charges – Fees	(297,360)	(183,500)	(188,946)	0
New Communities - Charges for Services	(195,000)	(120,000)	(48,440)	115,000
Taxi Licensing - Fees & Charges	(155,230)	(95,370)	(98,110)	0
Licences under Acts - Fees & Charges	(113,650)	(26,330)	(62,247)	0
Travellers Sites – Rents	(109,420)	(58,400)	(40,281)	0
Cambourne Offices – Rent	(60,000)	(45,000)	(32,152)	0

Risk Management

17. The Strategic Risk Register has been reviewed with the nominated risk owners and other members of EMT, and considered at EMT's meeting on 27 January 2016. Changes proposed to risk descriptions, control measures / sources of assurance or timescales to progress are shown as highlighted text in the draft Strategic Risk Register, attached as **Appendix E**. The draft Strategic Risk Matrix, attached as **Appendix F**, shows risk impact and likelihood scores in tabular form.
18. A particular risk to note is:
- (a) **STR25, Increase in cost of managing Homelessness**. None of the potential causes seem to be going away, and nearly all of our mitigation factors are being undermined by national policy developments:
- King St is not taking on any more private landlords and there is a real prospect of losing those we do have – Local Housing Allowance (LHA) rates do not match rents that landlords can achieve in the market;
 - Our new build programme is essentially over following the 1% rent cut;
 - New affordable housing coming through the system from providers will slow right down and Starter Homes are unusable for our homeless cases;
 - The rent deposit scheme is essentially redundant as private sector rents are so high compared with the LHA rate;
 - Forced council house sales will reduce our stock further – possibly 40% of all relets each year;
 - The proposed introduction of LHA rate only for supported housing could see the closure of our newly built hostel (it would revert to general needs tenancies).

- (b) The only two measures we have left are an ever stretched Discretionary Housing Payment and the ability to use our new relets only for homeless households at the expense of everyone else, which in turn may have an impact on some of our preventative work;
 - (c) It is therefore recommended that the Likelihood score is increased from 4 (Likely) to 5 (Almost certain).
19. In reviewing the Strategic Risk Register and Matrix Cabinet could:
- (a) add to, delete from, or make other changes to risks, in terms of either the title or detail of the risks or control measures / sources of assurance;
 - (b) alter the assessment scores of risks, in terms of either their impact or likelihood.

Implications

20. 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

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

Risk Management

22. The Council's Strategic Risks continue to be proactively managed through control measures to reduce their likelihood and mitigate their impact.

Consultation responses (including from the Youth Council)

23. Corporate Plan aims and actions, and the allocation of resources to deliver them, are based on assessed need and priorities and are subject to consultation each year prior to adoption.
24. This report was considered by Executive Management Team on 27 January 2016 and will be considered by Scrutiny and Overview Committee on 4 February 2016. Any recommendations by the committee will be reported at the Cabinet meeting.

Effect on Strategic Aims

25. Timely and robust consideration of the Council's budgets and corporate plan is vital to ensure corporate priorities are met and strategic risks involved in delivering these identified and managed proactively.

Conclusion

26. The Council has reached further important milestones against Corporate Plan objectives during the third quarter of 2015-2016, and its revenue and HRA budgets are projected to remain within acceptable variation levels at the mid-point of the financial year. Strong performance has been maintained in key frontline and support areas of the business, (Council Tax and housing rent collection, percentage of waste diverted from landfill, Customer Contact Service), whilst improvement measures within the Development Control service, have begun to show positive impacts on performance. We have reviewed the impact of recent government announcements and legislation on the future delivery of key objectives, and are reflecting these in concurrent reviews of our corporate and financial strategies, as well as within the Strategic Risk Register.

Contact Officer: Richard May – Policy and Performance Manager
Telephone: (01954) 713366
Richard.may@scambs.gov.uk

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
AIM A – We will listen to and engage with residents, parishes and businesses to ensure we deliver first class services and value for money			
Objective (1) - Develop the property company pilot scheme into a full business plan to deliver affordable housing and generate income			
Complete and evaluate pilot scheme	The pilot scheme is complete and an evaluation report, recommendations and future Business Plan reported to Cabinet in November 2015.	Much-needed housing provided, with local families prioritised. ESH has acquired 41 properties on the open market. During the course of the pilot, the Council received interest payments from the company providing returns over £100,000.	Cabinet agreed the expansion of the company to invest £100 million over five years to buy up to 500 additional properties in accordance with the agreed Business Plan. Handover for the lease of 92 properties at Brampton is 1 March 2016 (reduced from 104 properties following surveys and negotiations).
Use lessons learnt to inform business plans for consultation and agreement	As above	Viable business case agreed by Cabinet	Undertake review meetings to capture lessons learnt from pilot scheme.
Objective (2) - Improve efficiency and value for money within a viable financial strategy			
Implement recommendations and new ways of working arising from:			
Completed Business Improvement and Efficiency Programme (BIEP) projects	Discussions are ongoing with Huntingdonshire District Council to discuss a pilot postal service using Council Tax post in the first instance. We are gathering business intelligence to inform ICT installation work. The Document and Space Management hot-desking pilot scheme in Health and Environmental Services is complete and	Revised waste collection working arrangements launched in September 2014, have delivered annual ongoing savings of £400k and also reduced the number of bin lorries on the road and consequent emissions. A new e-form, developed to enable missed bins	Audio and visual delivery of Corporate Brief will be trialled as a result of the Internal Communications review. The Financial Management Transformation project has been incorporated into work to develop a Finance Shared Service – see Objective (6) below.

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>subject to evaluation. We are developing a 'Working Smarter' programme to bring together related projects to achieve co-ordinated business change – see Objective (6) below.</p> <p>Key Account Management and Business-Friendly projects: See Objective (3) below.</p> <p>A Recruitment Co-ordinator is in post to support for recruitment and selection.</p> <p>A review is underway of the Graphics Team, identifying work currently undertaken and that currently outsourced which could be done in-house.</p>	<p>and assisted collections to be reported, has been completed over 900 times since its launch (updated figures will be reported when they are received)</p> <p>The Open for Business Project has overseen the launch of a bi-monthly newsletter and development of a Key Account Management framework – see objective (3) below</p>	<p>Agility through Empowerment work will be taken forward by the Organisation Development / Investors in People Steering Group.</p> <p>Any savings accruing from the Systems Contract Terminus Review will be incorporated as part of the ICT shared service (see objective 6 below).</p> <p>We will be undertaking a strategic view of the programme to assess the extent to which business benefits have been achieved.</p>
<p>Digital by Default business change project</p>	<p>With a new supplier in place, the Benefits Application form has gone live successfully.</p> <p>The new external website has launched in December 2015, initial feedback to which has been very positive. 60 staff have received training on updating the new site.</p> <p>The Facilities Management service desk will be tested following training, and we have successfully integrated the meeting room bookings facility with Microsoft Outlook.</p>	<p>302 benefits new claim forms and 135 change in circumstances forms were submitted between October – December 2015.</p> <p>The Missed Bin form was completed 443 times during this period.</p>	<p>We are establishing a more detailed programme to exploit new technology through, using our new and improved website and aligned with Customer Contact Service improvement work (see below).</p> <p>A review of web content will be undertaken over the next year.</p> <p>The HR team has reviewed its internal forms with a view to digitisation.</p>
<p>Customer Contact Service improvement plan</p>	<p>We have implemented a new staffing rota providing more flexible capacity to manage periods of peak demand, and have also introduced arrangements whereby 'back office' staff in the Revenues and Benefits Section are able to receive calls, following the dispatch of periodic billing and payment</p>	<p>The percentage of all calls handled increased from 76% in 2014 to 84% in 2015.</p> <p>87% of all calls were handled during the last four monitoring periods (7 September – 25 December 2015).</p>	<p>The next phase of the improvement plan is focussing on improving the Reception area at South Cambridgeshire Hall, including exploring automation options and optimising meeting room and public space. We are also exploring the potential for the new website to</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>letters.</p> <p>Other improvements include:</p> <ul style="list-style-type: none"> - dedicated payment option added to general, revenues and rents lines to reduce the volume of calls requiring to be dealt with by handling agents. - three generic roles are providing flexible support to the Contact Centre, Revenues and Benefits Teams. These roles will enable performance to be maintained during periods of peak demand. - Improving the flexibility of our software to enable auto-messages to notify customers of key service messages without requiring them to speak to an agent. - Participation in corporate induction events to communicate the work of the contact service and the support and engagement expected from back office staff. 	<p>Average call answer time was 2 minutes 13 seconds during this period.</p>	<p>increase demand for self-service portals.</p>
<p>Development Control Improvement Programme</p>	<p>We have completed a review of resource and support arrangements and implemented a new structure for support staff.</p> <p>We transferred the duty planner service to an appointment system to help manage customer expectations, provide tracking of enquiries and reduce the number of lost and repeat calls.</p>	<p>Planning income is forecast to be £500k more than originally budgeted because of a number of large fees received.</p> <p>Pre-application fee income is anticipated to meet target levels of £160k for 2015/16. Actual income at 31 October 2015 was £103,025.</p>	<p>We are consulting on potential changes to the system of delegation of planning decisions to officers, with a view to putting in place a simpler and more efficient scheme.</p> <p>This should increase the percentage of delegated decisions from approximately 90% to 95% and assist Planning Committee in</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>A permanent Head of Development Management has taken up post.</p> <p>A successful recruitment campaign has enabled us to appoint five Planning Project Officers; a two-year training programme is underway.</p> <p>During October 2015 we introduced a series of process and system upgrades resulting in planning data moving to an external, 'cloud-based' solution. This will assist work towards a paperless planning office and bring considerable productivity gains and efficiencies in the processing of pre-applications and applications as well as providing enhanced shared service capabilities.</p>		<p>taking more strategic decisions. Consultation outcomes will be reported to the Planning Portfolio Holder on 14 March 2016.</p> <p>We are preparing the next phase for the paperless planning office project, informed by learning from the recent upgrade.</p>
<p>Deliver Organisational and Member Development Strategies</p>	<p>We have completed the latest staff survey seeking feedback on leadership and management.</p> <p>Third tranche of Leadership Development Programme completed – delegates undertook forward Action Learning projects exploring reward and recognition, remote working and employee protection. Recommendations were presented to EMT in June 2015.</p> <p>The 2015/16 Member Development Programme is underway; we have carried out general induction for new Members elected in May 2015, and specific training for</p>	<p>We have achieved the Gold Standard of the Investors in People (IIP) accreditation.</p> <p>74% of all employees responded to the first survey. Overall job satisfaction was 64% and dissatisfaction 23%. Contributing factors to job satisfaction included management support, opportunities for training and development and being able to achieve positive outcomes for customers.</p> <p>The response rate to the second</p>	<p>The IIP assessment identified three key opportunities for future development:</p> <ul style="list-style-type: none"> - Developing management capabilities. - Extending values and behaviours into all parts of the Council - Consolidating the improvements being made at Waterbeach. <p>These recommendations are being progressed by a staff working group, which is developing a refreshed Organisational Development Strategy which also takes account of staff survey results around</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Members sitting on planning and licensing committees. Recent events have included Member briefings on Welfare Reform, and a risk management workshop.</p> <p>We have extended the coaching programme and now have 3 trainee Level 7 Executive coaches going through the programme.</p> <p>We have introduced measures to recruit and train HGV drivers to address the shortages across this sector.</p>	<p>survey was 48%. 59% of respondents said they had a good understanding of the benefits offered to staff. Overall satisfaction with the benefits package was 78%.</p> <p>72% of respondents to the latest survey were satisfied with their line manager. 44% were extremely satisfied. Only 16% were dissatisfied.</p> <p>A number of employees have benefitted from workplace coaching by a team of trained staff, helping them to explore new goals, improve performance and achieve their potential.</p>	<p>general satisfaction, staff benefits, leadership and management, and the emerging commercialisation agenda.</p>
<p>Publish a financial strategy for 2016-2021</p>	<p>Cabinet agreed a draft revised Medium Term Financial Strategy in November 2015, receiving a further update in January 2016 to reflect the implications of the Autumn Settlement from central government.</p>	<p>Outturn for 2014-15 showed a favourable General Fund variance of £1,196,000 (7.38%).</p>	<p>A final draft revised Medium Term Financial Strategy will be submitted to Cabinet and Council in February 2016.</p>
<p>Objective (3) Make the district an even more attractive place to do business</p>			
<p>Complete implementation of SCDC 'Working with Business' Plan across the Council.</p>	<p>We have established an internal task group to ensure that all services apply the Corporate Enforcement, Inspection and Better Regulation Policy consistently, reviewing detailed enforcement procedures by directorate as required. The policy provides for a proportionate approach to</p>	<p>Positive feedback on success of Key Account trial with IWM Duxford, and support to businesses accessing rural rate relief.</p> <p>Positive feedback on the Open for Business newsletter received from the Cambridge and Peterborough</p>	<p>Key account managers will continue to build relationships with key businesses across SCDC. We will analyse and learn lessons from feedback with a view to expanding this approach. We will promote the Sharepoint website strongly, showing who the key account managers are, and which businesses they cover.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>these activities, focussing on prevention and risk, so as to minimise the burden on businesses.</p> <p>Key Account Management (KAM) arrangements have been launched to deliver a joined-up approach to regulation and communication. We have key account managers in place for a number of local businesses and organisations, and have trained account managers from across directorates to provide a single point of contact for services, advice and partnership with SCDC.</p> <p>The Business Register and Newsletter continue to be supported by SCDC. There are 460 businesses on our register. Membership of the register enables businesses to access a variety of information around funding, support and promotion.</p>	<p>Local Enterprise Partnership.</p>	<p>We will continue to improve and promote the bi-monthly Business Newsletter in order to increase the value of the Business Register as an information and support tool for local firms.</p>
<p>Implement a joint “Business Support Hub” with Cambridgeshire County Council and partners</p>	<p>Cabinet endorsed work towards developing a joint ‘Business Hub’ partnership with the County Council (Supporting Businesses and Communities) and Fire and Rescue Service. The 12-month pilot is underway, drawing together key business advice services across the partners to promote joint Primary Authority Arrangements and associated commercial activities.</p> <p>We are working with the Local Enterprise</p>	<p>Primary authority arrangements have been agreed with Aldi and John West Tuna.</p>	<p>The pilot Business Hub service review is underway and will be complete by April 2016. The service is actively seeking new business opportunities as the pilot continues – negotiations with three major national companies are underway.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	Partnership to ensure alignment with the Signpost to Growth initiative.		
Continue targeted support for businesses in the rural economy.	<p>We held a community pub event at The Plough, Shepreth (10 June 2015). The event was attended by both landlords and parishes interested in setting up their own community pub and protecting it through the community asset register.</p> <p>There has been a recent increase in the number of public houses being nominated as ACVs in the district. Feedback from the last community pubs event we hosted suggested that working more closely with the British Institute of Innkeeping (BII) would likely attract more engagement from existing publicans who could benefit from hearing about the positive changes other pubs have made to improve their viability.</p> <p>The 'Visit Cambridge and Beyond' official tourism service for Cambridge City and South Cambridgeshire district launched, in collaboration with public and private partners, in January 2016.</p> <p>The Council is promoting the 'Women and Broadband' initiative through which financial support has been made available by government to continue providing practical help for women-led businesses to make the most of technology through the Destination Digital project. As part of our work to promote the initiative, we will be hosting a</p>	<p>The District Place Profile showed South Cambridgeshire continuing to perform strongly on all economic indicators (Cabinet report on 9 July 2015 refers)</p> <p>The Council has supported TWI, located on Granta Business Park, secure an award of £60m growth funding. SCDC supported the funding bid and has facilitated the planning process for the delivery of new headquarters and a training academy for the company.</p> <p>Positive feedback from attendees of community pub event.</p> <p>Feedback from attendees of previous business support workshops has been very positive; they have been described as 'a valuable opportunity for any potential business' and 'a fantastic opportunity to learn.'</p> <p>One of the businesses participating in the workshop programme has grown to employ 15 people.</p> <p>One hundred South</p>	<p>We will refresh our Economic Strategy to ensure that it underpins Corporate Plan objectives and takes into account strategic partnerships and delivery arrangements.</p> <p>The tourism service will commence trading as Visit Cambridge and Beyond from 1 February 2016. This will be a public/private partnership aimed at maximising the benefits of business and leisure tourism to the area.</p> <p>The Economic Development Portfolio Holder has requested a report to Planning Committee identifying specific pubs to which Article 4 legislation could usefully be applied, though recent changes to the rules around Assets of Community Value may reduce the requirement for this option.</p> <p>Officers will work to develop relationships with the BII, with a view to holding further engagement events with local publications</p> <p>The business support programme will run from January – April 2016 and consist of 28 workshops, including the offer of free follow-up 1-2-1 advice with a specialist business advisor. Around 50 have already signed up to attend.</p> <p>The Council will continue to work in close partnership with 'Connecting Cambridgeshire' to achieve the best</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>working on 5 February 2016.</p> <p>Following the success of the previous workshop series and the need for further support, the Council has entered into partnership delivery of Business Support workshops with Huntingdonshire District Council, procuring services of NWES, an Enterprise Agency with over 30 years' experience.</p> <p>Following engagement work with local businesses in Gamlingay, the first facilitated specialist workshop took place on 21 January 2016, aimed at helping businesses become part of local supply chains and set up local networks.</p>	<p>Cambridgeshire businesses have received Destination Digital grants for equipment and training and 126 have been awarded connection vouchers up to £3,000 to install superfast broadband.</p> <p>Through the Connecting Cambridgeshire initiative, more than 27,000 residents and businesses are now able to access high speed fibre broadband, which they would otherwise have been unable to do.</p>	<p>superfast broadband delivery for the District.</p> <p>A further facilitated session will be held with Gamlingay businesses.</p>
<p>Develop action plan for the Northstowe Economic Strategy.</p>	<p>The Northstowe Economic Strategy was submitted with the planning application for Phase 2, which the Joint Development Control Committee recently resolved to grant permission (see objective 11 below).</p>		<p>The Economic Strategy will be developed as part of the town centre strategy, funded by, and in partnership with, the Homes and Communities Agency and aligned to the timetable for Phase 2 delivery.</p>
<p>Work with strategic partners to ensure effective collaboration on funding bids, allocations, and projects.</p>	<p>The 'Cambridge Compass' bid for Enterprise Zone status was announced as successful in the government's Comprehensive Spending Review in November 2015. South Cambridgeshire sites make up three fifths of the Enterprise Zone: Cambourne Business Park, Northstowe and Cambridge Research Park.</p> <p>The London Stansted Cambridge</p>		<p>Council officers are working in partnership with the Local Enterprise Partnership (LEP) and other stakeholders to develop the Enterprise Zone towards a start date on 1 April 2016. A report will be submitted to Cabinet to discuss a Memorandum of Understanding, Investment Plans, governance and business rate retention issues.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Consortium (LSCC) launched a Growth Commission in December 2015, outlining a 30-year vision for the area, to which stakeholders, partners and interest groups have been invited to submit evidence.</p> <p>The LSCC has agreed a draft three-year operations plan setting out key objectives to promote the corridor, make the case for infrastructure and support key sectors, identifying growth spaces for expansion, supporting labour mobility and encouraging skills development.</p>		<p>LSCC enquiry events focussing on Understanding and Building the Potential will be held during January-February 2016. It is anticipated that the final report will be issued in June 2016.</p> <p>Subject to consultation, the LSCC operations plan will be agreed in March 2016.</p>
<p>Objective (4) Work with tenants, parish councils and community groups to sustain successful, vibrant villages</p>			
<p>Continue to engage and empower local communities through the:</p>			
<p>Sustainable Parish Energy Partnership (SPEP) and community energy initiatives</p>	<p>We continue to deliver solid wall insulation (SWI) to privately owned homes through the cross county Action on Energy scheme using funding from DECC’s Green Deal Communities. As reported previously, our procured delivery partner on the scheme, Climate Energy Ltd, went into administration in October 2015. We have worked to minimise the impact of this to the 81 residents in the district who had entered into contracts for SWI with Climate Energy and where work had not been completed. Most residents affected have made arrangements with one of the companies originally working for Climate Energy as subcontractors.</p>	<p>Work has been completed on 42 properties in S Cambs under the new arrangements, bringing the total number of completed installations under the scheme to 108.</p> <p>Properties with installation complete benefiting from warmer homes, fewer draughts and lower fuel bills.</p> <p>The eCoton group discount scheme supplier also completed a cost-price installation of solar panels for Oakington Primary School.</p> <p>We have installed solar panels on</p>	<p>The SWI scheme reopened for new applications on 18 January, (having been suspended in October) and will remain open until 31 March 2016, or until all funds have been allocated if earlier.</p> <p>Following the presentation of a review report to the Leader’s Portfolio Meeting in September 2015, we continue to work with groups actively involved in SPEP to reflect the outcomes of the public consultation, including working with the SPEP network to empower communities to run their own initiatives.</p> <p>We are promoting a scheme run by the eCoton Solar Savers Group for South Cambs</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>We are negotiating with DECC with the aim of reimbursing deposits from Green Deal Communities funding to a small number of residents where it will not be possible to complete work at the price originally agreed, and who have decided not to go ahead.</p> <p>Two training sessions have been held on the use of thermal imaging equipment to monitor residents' energy usage, with a third scheduled, and we are taking bookings for hire of the equipment.</p> <p>An SPEP Facebook group has been set up to facilitate networking amongst those interested in local sustainability. Interest has been good with 28 members joining in the first 10 days.</p>	<p>over 2,000 Council homes, cutting fuel bills for tenants by up to half.</p>	<p>home owners to have their properties assessed for suitability to install solar panels, and then have them installed at a lower price that has been negotiated by the SPEP solar savers scheme; 85 residents have registered their interest.</p> <p>1,000 more Council homes will be fitted with solar panels.</p>
Community Assets Register	<p>Officers continue to work closely with local pubs and communities to encourage their inclusion on the list of Assets of Community Value (ACV) where appropriate and also to support communities to enable them to bid for assets should this become an option.</p> <p>We have put in place an updated protocol for listing local amenities as Assets of Community Value to provide a single point of clarification for staff, Members and local communities around the process.</p> <p>15 assets were nominated by communities between 1 October and 31 December 2015 (11 accepted, one refused and three yet to be determined). The assets listed include public houses and a village shop/post office.</p>		<p>Continue to promote the scheme through regular communication channels and work with local communities to maximise opportunities to use the Community Right to Bid to protect important local amenities.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	The patch-based Development Officers have been supporting various parish councils in understanding their community rights.		
Implementation of the SCDC Localism Action Plan, including locality 'patch-based' working	Locality Development Officers for the district are in place and the Locality patch working model, aligned to partners' delivery arrangements, is now in operation.	Examples of early successes include supporting Hardwick to establish a village plan steering group and host a well-attended meeting about developing a plan, and information gathering and signposting for Cottenham Parish Council regarding drainage issues.	Continue to develop and implement the Localism Action Plan, rolling out and embedding the patch working model. We are working with Hardwick and Gamlingay Parish Councils to provide mechanical sweeping equipment.
Work with tenants to improve estate inspections and promote the Tenants' Community Chest project	As a result of the Grounds Maintenance Scrutiny review we have made available an Environmental Improvement Grant of £50,000 for 2015/16 and intended for this to be repeated for future years, enabling tenants more say towards how the funds are spent on schemes in their communities.	Funded local improvement projects, including planting at Barton and Cottenham, and additional tools and materials for a residents' association to carry out voluntary gardening work in Impington.	Continue to promote the scheme through our regular communications such as at Tenant Participation Group meetings and Tenant Newsletters.
AIM B - We will work with partners to create opportunities for employment, enterprise, education and world-leading innovation			
Objective (5) Build new council homes to provide affordable accommodation to meet the needs of local communities			
Develop refreshed Housing Strategy	Given the continuing uncertainty brought about by government policy and subsequent legislation, it would be premature to commit to a full strategy refresh at this stage.		A Housing Strategy Statement will be submitted to the Housing Portfolio Holder for agreement in March 2016, setting out key policy challenges for the next five years.
Deliver actions from the New Build Strategy 2015-16 and prepare	We are currently on site building 20 new council homes at Swavesey, 15 at Foxton	New tenant on the Chalklands, Linton, scheme, Katy Lester, said:	Future schemes within the SCDC New Build Strategy will be difficult to finance following

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
updated Strategy for adoption in 2016	<p>and a further four in Linton.</p> <p>In addition, we have funds available for one more exception site scheme under the HRA funded development programme as yet to be allocated although we have a site in mind. We are redeveloping a non-traditional property site to create five new homes and we are looking to redevelop a site at Gamlingay.</p> <p>Work continues to develop a joint Housing Development Agency (HDA) with the City and County Councils to bring together land in public ownership, expertise in delivering and managing housing and the skills needed to secure investment.</p>	<p>'It's great to have a place to call home. Everything in the house is brand new and finished to a high standard. I feel very lucky and look forward to building a new life for myself here.'</p>	<p>the Government's cut in social rents and at this stage are unlikely to progress as planned.</p> <p>The ambition is for the HDA to find suitable sites and take them through every step from planning and consultation, to construction and handing over the keys.</p> <p>We are leading Right to Build Vanguard work to promote self-build and custom build and are working on making a sub-regional self-build/custom build offer to other local authorities ahead of the new requirements that will be embedded within the Housing & Planning Act. This sub-regional self-build hub would meet statutory requirements and generate potential returns and ensure we have a self-sustaining self-build function. HRA plots to be sold with receipts reinvested in affordable housing.</p>
Provide and refurbish Gypsy and Traveller sites	A revised Gypsy and Traveller Accommodation Needs Assessment is underway.	Refurbishment work at the Whaddon site is complete.	Negotiations with the landowner for an additional site were unsuccessful; however, we have employed a new officer to a Gypsy and Traveller role within the Affordable Homes directorate who is identifying potential new sites.
Objective (6) Ensure best use of Council assets and benefit from opportunities to achieve efficiencies from partnership working			
Deliver City Deal in accordance with	The City Deal Executive Board, at its meetings in December 2015 and 15 January	The first tranche of government grant funding of £20 million was	From now until March, the Assembly and

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
<p>implementation programme</p>	<p>2016, has:</p> <ul style="list-style-type: none"> - Approved the process and timescales for agreeing the Tranche 2 prioritised infrastructure investment programme. - supported, in principle, the production of an Environmental Design Guide for City Deal City transport infrastructure schemes, as recommended by the Joint Assembly - considered a report on the call for evidence on tackling congestion in the City Deal area, agreeing criteria for assessing proposals, which is scheduled to be brought back to the Board in June <p>Consultation is underway on cross-Cambridge cycle improvements, and Histon Road and Milton Road bus priorities.</p> <p>SCDC's Cabinet agreed the establishment of a Housing Development Agency to pool City Deal partners' skills and resources to deliver 4,000 new homes.</p> <p>The HDA Shadow Board held its inaugural meeting in September.</p>	<p>received in April 2015.</p> <p>City Deal grant funding has helped to create a Chief Executive post for the Cambridge Promotions Agency, which will promote the Greater Cambridge area to attract inward investment. The post has been filled.</p>	<p>Board will:</p> <ul style="list-style-type: none"> - agree the 2016/17 City Deal budget - review the outcome of options development work for the A1307 corridor for faster and more reliable bus journeys between Haverhill and Cambridge - consider public consultation outcomes for A428/M11 bus route options and the proposed Chisholm Trail cycle route. - establish a group to produce a 2016/17 business plan for the Housing Development Agency - review progress of the Skills Service - consider the business case for investment into the Smarter Cambridge programme, including key companies giving presentations on how technology could benefit people <p>During 2016, the City Deal will move from consultation and planning to on the ground practicalities</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>The Skills Service was launched in September 2015.</p>		
<p>Implement, monitor and review shared ICT, Building Control and Legal Services.</p>	<p>Shared ICT, Building Control and Legal Services, to be known and branded as 3C Shared Services, commenced on 1 October 2015.</p> <p>Full Business Plans for 2016/17 are being prepared.</p> <p>A brand identity and logo has been developed and we are now working on how these will work for the range of communication channels, including web and e-mail.</p> <p>Consultation has taken place on a proposed management structure and workplace locations for Building Control and on a proposed structure for ICT.</p> <p>A case management system for the shared legal service is in place, with training being carried out.</p>		<p>Finalise and adopt business plans for 2016/17.</p> <p>Complete organisational restructuring exercises, informed by feedback received during consultations.</p> <p>A consultation on the management structure for Legal Services concludes on 8 February 2016.</p> <p>Appointment processes for shared Heads of Service post are progressing.</p> <p>These shared services will collectively save SCDC, Cambridge City and Huntingdonshire councils £1.1 million, provide a seamless transition for customers and improve performance and resilience.</p>
<p>Review existing and explore new opportunities for shared services</p>	<p>We are working towards a shared waste service with Cambridge City Council (see item (8) below).</p> <p>Cabinet has agreed to make the interim arrangements of sharing the Head of Finance and other housing finance staff</p>	<p>Existing shared service arrangements, including Payroll and the Home Improvement Agency (HIA), have increased service resilience and generated savings for the council and partners, whilst</p>	<p>The commercialisation programme and shared services initiatives are required to deliver savings of £50k in 2015/16 and £150k ongoing from 2016/17. 2015/16 savings have yet to be identified.</p> <p>Implement shared waste service with</p>

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>permanent, to support the development of a future shared service.</p> <p>A number of other services have potential for future collaboration and are being explored:</p> <ul style="list-style-type: none"> - Growth and planning - Internal Audit - Procurement - Strategic Housing - Regulatory Services. <p>Cabinet approved the renewal of the shared services agreement for the Cambridgeshire Home Improvement Agency for three years from 2016/17 to 2018/19.</p>	<p>maintaining service levels.</p> <p>The shared HIA service has reduced the average time for requests by service users to be completed and implemented from 42 to 18 weeks. Annual revenue savings of £40,000 have also been achieved.</p>	<p>Cambridge City Council – see objective (8) below.</p> <p>The final structure of any finance shared service will be determined after the implementation of a replacement financial management system.</p>
<p>Agree accommodation strategy for South Cambs Hall</p>	<p>The accommodation strategy is being developed through a 'Working Smarter' programme, which will oversee co-ordinated business change. The programme, which is currently being defined, brings together a number of current and planned initiatives relating to office accommodation, space sharing with partners, remote working and car park management.</p>	<p>Existing partnership office space rental agreements are generating income and reducing overheads for the Council whilst improving collaboration between partners.</p>	<p>Cabinet will be requested to endorse detailed Blueprint and programme plans.</p>
<p>Objective (7) Move to a commercial approach to service delivery</p>			

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
<p>Deliver commercialisation programme</p> <p>Review current commercial activities and skills.</p> <p>Invest in further developing commercial skills.</p>	<p>EMT approved business cases for six commercialisation projects:</p> <ul style="list-style-type: none"> - Business Hub: see objective (3) above - In-house enforcement agents: initial cost projection completed. Further models to be explored include self-employed Agents, shared and hosted services. Two staff members have become Certified Bailiffs. - Trade waste expansion – see objective (8) below. - Housing Development Vehicle – Reshaped as a shared service with city and county councils as a result of City Deal funding – see objective (6) above. - Specialist Housing Support – see Objective (9) below. <p>Due to changes in the Feed-in Tariff, the Energy Company project is no longer viable and has been closed.</p>	<p>Increased Trade Waste surplus – see below.</p>	<p>The commercialisation programme and shared services initiatives are required to deliver savings of £50k in 2015/16 and £150k ongoing from 2016/17.</p> <p>Take forward commercialisation opportunities using a programme approach. Programme Vision Statement, Mandate and Brief have been endorsed by EMT.</p> <p>The draft Organisational Development Strategy contains actions to ensure staff are equipped with the skills to deliver a commercial approach. To this end we are preparing a training proposal, linked to our Leadership Development Programme, to introduce commercial principles and explore how they can be reflected in everyday behaviours.</p>
<p>Implement the SCDC Trade Waste Business Plan and Strategy</p>	<p>Cabinet agreed to the creation of a shared Trade Waste service with Cambridge City Council at its meeting in November 2015. Work is progressing to put in place a shared</p>	<p>The Trade Waste service is projected to generate annual income of £682k, a surplus of £44k.</p>	<p>The shared service will be implemented from 1 April 2016.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	team and take advantage of growth opportunities.		
Objective (8) Work with RECAP waste partners to reduce costs, carbon impact and waste sent to landfill			
Lead the implementation of a single, shared waste service with Cambridge City Council	<p>A Single Shared Waste Service based at Waterbeach, with a single management structure and workforce, aims to cut costs by 15% over three years.</p> <p>The shared management team structure is in place, with the Head of Service taking up post on 15 February 2016.</p> <p>The City Council successfully moved all vehicles to the Waterbeach depot from Monday 9 November.</p>	The single shared waste service and other waste initiatives have identified £52k savings during 2015/16.	Operational level structuring and round reviews are underway as part of the next stage of the shared service programme
Work with partners to ensure 65% or more of the waste we collect in your bins is diverted from landfill.	<p>We have developed a single Waste Education Team and associated communications strategy as part of the developing shared service with Cambridge City Council.</p> <p>We launched a New Year pledge in our Winter 2015 residents' magazine, asking residents and businesses to commit to do more recycling during 2016.</p>	<p>Overall recycling and composting performance has been maintained – see Appendix B for details.</p> <p>140 residents have signed the pledge.</p>	<p>We will continue to promote recycling through the residents' magazine and other initiatives.</p> <p>We will review the pledge initiative to achieve higher take-up in future years.</p>
AIM C - We will make sure that South Cambridgeshire continues to offer an outstanding quality of life for our residents			
Objective (9) Work with GPs and partners to link health services and to improve the health of our communities			
Continue to deliver	In spite of additional publicity, growth in	In the last year, car schemes in the	Parishes will be offered the opportunities to

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
Community Transport initiatives	ridership has not continued to grow at a rate adequate to justify continued subsidy, therefore it is proposed not to extend the pilot beyond the current last day of operation of 27 March 2016.	<p>district made 30,000 journeys possible for local people, travelling over 215,000 miles.</p> <p>Since 2012, the number of journeys made by community car schemes has increased by 20 per cent.</p> <p>There are currently 55 car scheme co-ordinators running 28 schemes across the district and 337 volunteer drivers.</p>	buy further days of Bikebus service.
Work with GPs and the Local Health Partnership to begin implementation of the SCDC Health & Well-being Plan.	<p>Work has continued to develop the Active & Healthy 4 Life exercise referral scheme, which operates in sports centres across the district, providing tailored exercise programmes for patients referred by health professionals registered with the scheme. Regular communication has been developed with centres through meetings, site visits, GP presentations, phone calls and emails.</p> <p>All 20 GP surgeries in the district have been contacted and updated on the scheme. A guide for health professionals has been produced, which incorporates the Annual Report 2014/15 and has been distributed to GP surgeries.</p> <p>A presentation toolkit has been developed for delivery to health professionals.</p> <p>63 additional health professionals have</p>	<p>More than 100 young people, aged 7-15, participated in our October half-term holiday camps. The annual programme has generated an additional £16k income above that originally estimated.</p> <p>We have awarded elite athlete funding to eight individuals totalling £3,300.</p> <p>Feedback from a resident benefiting from the GP referral scheme explained how it had 'given me the motivation to improve my health'.</p> <p>Eight schools and 70 students (aged 7-19) took part the Indoor Athletics Plus event at Cambourne Village College on 17 November 2015, for children and young people</p>	Continue work to deliver and review action plans.

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>registered with the scheme since April 2015.</p> <p>In response to demand, new evening sessions have been added at Melbourn and Sawston sports centres.</p> <p>We hosted a Leadership Event on Mental Health on 20 October 2015 on behalf of the Local Health Partnership. At the event, the Chairman of Council signed the Cambridgeshire and Peterborough Mental Health Crisis Concordat Declaration, setting out how we will work together with partners to support people experiencing mental health crisis.</p>	<p>with disabilities.</p>	
<p>Begin implementation of the SCDC Ageing Well and Children, Young People & Families plans.</p>	<p>Our Youth Council recently led the co-ordination of the UK Youth Parliament's national Make Your Mark campaign in Cambridgeshire, an annual ballot to determine issues for Members of the Youth Parliament to debate in the House of Commons.</p> <p>Youth councillors used a recent engagement event to provide input into the Council's draft Corporate Plan.</p> <p>The lead provider contract for older people's services in the county has been terminated. We await briefings on the next steps from the Clinical Commissioning Group (CCG).</p>		<p>The ballot showed the top three issues for young people in our county to be the living wage, transport and mental health. These and other issues will be explored in detail by the council.</p> <p>The council will help judge the forthcoming Community Awards and plan our annual Parklife event, and will continue to be involved in development and delivery of Corporate Plan objectives.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>SCDC has funded the Cambridgeshire Celebrates Age organisation which has produced updates listings of regular activities available for older people in the district.</p>		
<p>Investigate options for a tenure neutral service supporting older and vulnerable people within the district.</p>	<p>Following appraisal work this is not considered a viable commercial opportunity.</p>		<p>Further work will take place to explore how valued current services can be delivered in an efficient and cost-effective manner.</p>
<p>Objective (10) Ensure the impacts of welfare reform are managed smoothly and effectively</p>			
<p>Continuously monitor the impact of the government's welfare reform programme Implement Universal Credit and plan for the possible requirement to amend the Local Council Tax Support Scheme (LCTS) for 2016/17</p>	<p>The Finance and Staffing Portfolio Holder considered a report on the operation of the LCTS during 2014/2015 and has recommended to Council that the scheme be continued for 2016/17.</p> <p>The Housing and Benefits teams continue to analyse the implications for the council and its customers of the Welfare Bill, and subsequent announcements arising from the Autumn Statement, having facilitated a Member briefing in September 2015.</p> <p>We are submitted a response to the government's consultation paper on the administration of the 'Pay to Stay' scheme</p>	<p>The amount of Council Tax support has reduced in each year of the LCTS's operation and has been consistently below estimate. The scheme is working well and is considered to be financially viable for 2016/2017.</p> <p>The Benefits Team has received an unqualified audit report. Of £30 million paid in housing benefit to around 7,000 households last year, the adjustment required to the return was below £200.</p> <p>The Council maintained performance in respect of key</p>	<p>Council will consider a recommend to retain the current LCTS scheme at its meeting in January 2016.</p> <p>Monthly monitoring of the tax base and collection rates will continue, seeking assurance that the scheme continues to be affordable.</p> <p>Universal Credit (UC) is due to be implemented for working age residents from the end of February 2016. Implementation is presently restricted to job-seeking single claimants and couples without children, and it remains unclear as to the date UC will be fully implemented.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	for social tenants on higher incomes.	indicators relating to rent and Council Tax collection between October - December 2015 – see Appendix B for details.	Implementation of the Pay to Stay scheme is anticipated from 2017.
Objective (11) Establish successful and sustainable New Communities with housing and employment at Northstowe and the major growth sites, served by an improved A14			
Work with development partners to ensure delivery of major developments and A14, A428 and other transport improvements:			
Northstowe Phase 1	<p>Phase 1 earth works, improvements to the B1050 and construction of the first Primary School are progressing well.</p> <p>The landowner is seeking housebuilders to build out the first plots. We expect to provide pre-application advice in March 2016.</p> <p>Reserved matters applications have been received for the Greenways and Water Park. A reserved matters application is expected shortly for the Local Square.</p>		<p>We have received the Discharge of Conditions schedule for key elements of Phase 1 including the local centre, green separation, sports strategy and signage.</p> <p>The Primary School and Sports Hub will be completed in 2016/17 and 2017/18 respectively, and we anticipate 195 cumulative occupations during this period.</p>
Northstowe Phase 2	The joint development control committee resolved to grant Outline planning application for Northstowe Phase 2 on 24 June 2015 and agreed Section 106 Heads of Terms on 29 July 2015. The legal agreement will ensure the delivery of essential items of community infrastructure totalling £75.5 million, with provision for 20% affordable housing.		<p>The Homes and Communities Agency is seeking to include starter homes within the Phase 2 application.</p> <p>We are hoping to issue a planning consent in April 2016. Construction of Phase 2 is expected to commence in 2018.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
Northstowe Delivery Vehicle proposal	This proposal is not being taken forward.		Northstowe will be developed using alternative models other than a Joint Delivery Vehicle.
'Wing' (Cambridge East) application Cambourne, Darwin Green and other major sites: delivery of new homes and jobs.	<p>Development of sections of the Trumpington Road site within South Cambridgeshire is underway. Walking and cycling routes are in place across the southern fringe sites.</p> <p>Cabinet has agreed Section 106 priorities for the Cambridge East (Wing) development.</p> <p>The primary school on the North West University site opened in September 2015. The first residential market housing application was received in August 2015 for 240 units (119 houses in South Cambridgeshire).</p> <p>Subject to final agreement on the upgrading of the maintenance track to a pedestrian/cycle route, planning permission will be granted for the new Chesterton Interchange Station in the very near future to allow the station to be constructed and opened in May 2017 (delayed due to funding issues, now secured by Network Rail).</p>	<p>There were 240 housing completions at Cambourne during 2014-2015, 75 at Orchard Park, 68 dwellings at land south of Station Road, Gamlingay, 80 dwellings at the former EDF Energy Depot & Training Centre, Milton, and 121 dwellings at Summersfield, Papworth Everard.</p>	<p>We will negotiate a new Planning Performance Agreement for the Darwin Green 2 development.</p> <p>An outline planning application for the Cambridge East (Wing) development is expected to be determined in early 2016, subject to issues around the viability of the site being addressed.</p> <p>We have received an Outline planning application for up to 2,350 dwellings, employment areas, schools, sports and community facilities, retail and associated infrastructure on land to the west of Cambourne, which we expect to determine in Spring 2016. Section 106 priorities for this development will be submitted to Cabinet in March 2016.</p>
Continue to progress the Local Plan to adoption	Following approval by Council, a consultation is underway on a series of limited modifications to the Local Plan, following the additional work requested by	869 net additional dwellings were completed over the last monitoring period (2014-2015).	Consultation on Local Plan modifications finishes on 25 January 2016, following which outcomes will be submitted to Council, and subsequently the Inspector in March 2016.

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>the Inspector.</p> <p>We have received independent advice on how we can best manage the speculative planning applications which we are likely to continue to have to deal with following a previous Inspector's view that the council cannot demonstrate a five-year housing supply and subsequent suspension of the Local Plan process. Information on actions the Council is undertaking in response to this issue is set out in a report to the <u>Planning Portfolio Holder</u>.</p> <p>Following an Issues and Options consultation for the future development of the Cambridge Northern Fringe (East) site, we are developing a Vision for an employment-led, mixed-use neighbourhood.</p>		<p>The Inspector has agreed the Councils' proposed timetable but has yet to publish an outline timetable for the remainder of the Local Plan examinations, anticipated in autumn 2015 with a full programme to follow as soon as possible after February 2016.</p> <p>We have commissioned a revised Gypsy and Travellers Accommodation Needs Assessment with adjoining authorities, which will be completed in Spring 2016.</p>
A14 and A428 upgrades	<p>Examination of the A14 Cambridge to Huntingdon improvement scheme Development Consent Order (DCO) application ended on 13 November 2015.</p> <p>The Department for Transport Road Investment Strategy includes an A428 Black Cat to Caxton Gibbet improvement scheme, linking the A421 to Milton Keynes with the existing dual carriageway section of the A428 to Cambridge. It envisages that the scheme would commence late in the period 2015 to 2020.</p>		<p>Following examination, the examining authority, appointed by the planning inspectorate, now has three months to make its recommendation on the application to the Secretary of State. The Secretary of State will then have up to three months to review the recommendation and make a decision by 13 May 2016.</p>

APPENDIX A – CORPORATE PLAN 2015-2020 – PROGRESS REPORT, QUARTER THREE 2015-16

Action	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Through the City Deal programme, a consultation on enhanced bus routes into Cambridge from the A428 has been undertaken (see Objective (6) above).</p>		
<p>Objective (12) Increase the range and supply of temporary accommodation to help minimise the use of bed & breakfast accommodation for homeless households</p>			
<p>Implement actions in Homelessness Strategy</p>	<p>As part of this Position Report, EMT will be invited to review the strategic risk around homelessness and the cost of temporary accommodation due to concerns that mitigation measures in place have been undermined by government policy.</p> <p>Performance has been affected by the closure of the Homefinder Scheme, which assisted single homeless people not in priority need. The sub-regional Single Homeless Service is being used to assist single homeless applicants and work is ongoing to ensure this meets the needs of the district, which will help us to prevent homelessness amongst this group.</p> <p>Joint training event with Cambridgeshire Social Care and Cambridge City Council regarding homeless young people.</p> <p>We have reviewed implications for the private sector leasing scheme, as a result of changes to government policy.</p>	<p>The Council helped 124 households to prevent homelessness between April – December 2015. 50 households were in temporary accommodation at 31 December 2015.</p> <p>Average monthly expenditure on Bed & Breakfast accommodation has risen to £1,777 so far this year.</p>	<p>Review the strategy once the full impacts of the government’s legislative programme relating to planning, housing and welfare reform are clarified and understood, including the impact on temporary accommodation and access to the private rented sector.</p> <p>The Gold Standard self-assessment indicated some continuous improvement that we could make, including changing the way we provide written information to clients and improvements to web pages.</p>

Appendix B - Key Performance Information

Corporate Key Performance Indicators (organised by link to Corporate Objective)		
Engagement	Partnerships	Wellbeing
FS101 - General Fund variance %	AH207 - Affordable homes started on exception sites	FS102 - % of rent collected
ES401 - % business satisfaction with regulation		FS112 - Days to process new HB/CTS claims
PNC501 - % Major planning applications determined in 13 weeks or PPA term	ES402 - % satisfaction with waste services	FS113 - Days to process HB/CTS change events
CCS302 - % first time resolutions	ES403 - % satisfaction with environmental quality	
CCS303 - % calls to contact centre not abandoned	ES404 - % household waste diverted from landfill	AH201 - Number of households helped to prevent homelessness
		AH203 - Households in temporary accom.

Key Performance Indicators by Portfolio									
KPI reference and description (C) = Cumulative (L) = Low is good	T&I Period	Target	Intervention	Quarter 3			Previous quarter RAG	Lead Officer	Points of note
				Oct	Nov	Dec			
Finance and Staffing Portfolio - Simon Edwards									
FS101 - % General Fund variance (C,L)		3	4	-1.43	-	-	G	John Garnham	Favourable variance was mostly due to additional Planning Fees (see main report). Nov and Dec not yet available.
FS102 - % rent collected	Oct	97.2	87.5	98.1	98.5	98.4	G	Katie Brown	Monthly collection rates have been consistently higher than those in 2014/15, with the exception of April only.
	Nov	97.3	87.5						
	Dec	97.7	87.9						
FS104 - % NNDR collected (C)	Oct	72.2	65	68.4	77.9	86.3	A	Katie Brown	Performance is -0.3% on last year, when year end actual was +0.3% on target. Impact continues from introduction of 12 monthly payment causing greater spread. Gap between actual and intervention increases monthly, showing improvement.
	Nov	81.5	73.4						
	Dec	90.2	81.2						
FS105 - % Council Tax collected (C)	Oct	69.3	62.4	71.0	80.1	89.1	G	Katie Brown	Performance is +1.2% on last year, during which SCDC achieved highest collection rates regionally and 5th highest nationally.
	Nov	79	71.1						
	Dec	88.5	79.7						
FS106 - % HRA variance (C,L)		3	4	0.06	-	-	G	John Garnham	Movement from Sep (-0.05) relates to changes in Administration and Rent Income projected outturn. Nov & Dec not yet available.
FS107 - % Capital variance (C,L)		3	4	-20.87	-	-	G	John Garnham	Outturn relates to Housing spending that has been delayed due to factors outside SCDC control. Nov & Dec not yet available.
FS108 - % invoices paid in 10 days		80	70	78.7	67.2	77.8	G	Sally Smart	Directors informed of Q3 invoice payment performance in their areas to allow discussions around processes where necessary. Local PIs around directorate invoice payment times is suggested.

Appendix B - Key Performance Information

KPI reference and description (C) = Cumulative (L) = Low is good	T&I Period	Target	Intervention	Quarter 3			Previous period RAG	Lead Officer	Points of note
				Oct	Nov	Dec			
FS109 - % invoices paid in 30 days		98.5	96.5	96.5	94.4	97.7	A	Sally Smart	See comment re FS108 on previous page.
FS110 - Staff sickness days per employee (C,L)	Q3	5	7.1	6.6			R	Susan Gardner Craig	Sickness figures are 1 day higher than at end of Q3 in 2014-15. Non-cumulative figures for Q3 (2.38) are 0.05 days higher than during the equivalent period last year and 0.48 days higher than in Q2.
	Year End	7	10						
FS111 - % Staff turnover (C,L)	Q3	7.5	11.25	9.7			A	Susan Gardner Craig	Staff turnover is 2.14% higher than at end of Q3 in 14-15. Non-cumulative figures for Q3 (3.39%) are 1.84% higher than during the equivalent period last year and 0.09% higher than in Q2.
	Year End	10	15						
FS112 - Days to process new HB and CTS claims (L)		20	27	19	14	14	A	Dawn Graham	New claim times have improved since the 22 days registered in Aug and Sep. Change events have started to follow this trend. This is due to a range of factors, including 3 generic Revenues and Benefits roles becoming increasingly established since recruitment in June, the appointment in Oct of a new Benefits Team Leader and broad efficiencies as a result of E-forms.
FS113 - Days to process HB and CTS change events (L)		10	15	17	12	11	R	Dawn Graham	
FS114 - HB overpayments recovered as % of recoverable overpayments created		100	80	86	81	91	A	Dawn Graham	
FS115 - % Sundry (other) Debts in arrears (L)	Oct	14.5	21.8	6.5	5.6	6.0	G	Katie Brown	Target and intervention are currently being trialled based on trends over the past 4 years. Natural fluctuations occur until stabilisation at year end.
	Nov	9	13.5						
	Dec	8.2	12.3						
Housing Portfolio - Mark Howell									
AH201 - Number of households helped to prevent homelessness (C)	Q3	150	135	124			R	Sue Carter / Heather Wood	44 households were helped to prevent homelessness in Q3, matching Q2's figures. Target and intervention increased following high numbers in 14/15, however figures are lower this year due to transition from the Homefinder Scheme to the Single Homeless Service and difficulties accessing private accommodation. Had target remained unchanged, performance would be green.
	Year End	200	180						

Appendix B - Key Performance Information

KPI reference and description (C) = Cumulative (L) = Low is good	T&I Period	Target	Intervention	Quarter 3			Previous period RAG	Lead Officer	Points of note	
				Oct	Nov	Dec				
AH203 - Number of households in temporary accommodation (L)		50	60	50			A	Sue Carter / Heather Wood	High rents and welfare reform create on-going challenges for Homeless Prevention.	
AH204 - % satisfaction with responsive repairs		95	90	97.5			G	Anita Goddard		
AH205 - Ave. General Needs re-let days (L)		17	25	15	15	15	G	Anita Goddard		
AH206 - Council new-build homes started on site	Q3	20	15	20			G	Julie Fletcher	20 council new-builds were started on site in Swavesey during Q2. Another 15 are planned to start on site in Foxton by the end of the year, with start dates anticipated for Q4.	
	Year End	35	25							
AH207 - Affordable homes started on exception sites	Q3	46	38	28			A	Julie Fletcher	No affordable homes were started on exception sites in Q3. Deviations from original projections due to planning and legal issues are not untypical of early phases of development and 63 homes are nevertheless anticipated to have started on site by year end	
	Year End	61	50							
Corporate and Customer Services Portfolio - Peter Topping										
CCS302 - % first time resolutions		80	70	4-weekly Period				G	Dawn Graham	418 fewer calls were received in period 37 than in period 36, before a further significant decrease in period 38 due to the start of the Christmas period. First time resolutions target was met in these periods, with the average for over quarter also meeting target. Calls not abandoned figures have remained above target throughout Q3. Work towards digital by default continues with the aim of increasing efficiency and reducing pressure on the contact centre. CCS304 data remains unavailable from the BT Cloud. Average call times are included in their place.
				35	36	37	38			
				79	78	80	82			
				80						
CCS303 - % contact centre calls not abandoned		85	80	86	87	86	92	G	Dawn Graham	
				87						
CCS304 - % contact centre calls answered in 2 mins		-	-	2:15	1:54	2:11	1:05	2m13s	Dawn Graham	
Environmental Services Portfolio - Mick Martin										
ES401 - % satisfaction with regulation service		90	80	-				Myles Bebbington	92.86% were satisfied during Q2, exceeding the target. Q3 data will be available at next EMT meeting.	
ES404 - % household waste diverted from landfill (C)		58	56	62.2	61.5	60.2*	G	Paul Quigley	Figures by end of Nov are approx. +0.2% on last year. *Dec figures are estimated based on the previous 2 year's. The rate will reduce before year-end due to reduced green waste; however based on 14/15 we're on course to achieve year end target.	

Appendix B - Key Performance Information

KPI reference and description (C) = Cumulative (L) = Low is good	T&I Period	Target	Intervention	Quarter 3			Previous period RAG	Lead Officer	Points of note
				Oct	Nov	Dec			
ES406 - % major non-compliances resolved		90	80	78.6			A	Myles Bebbington	Q3 figures were below intervention for the first time since Q2 in 13/14. This was due to 3 incidents which were unresolvable by end of quarter. The first is pending prosecution, another was resolved 19/01/16 following appeal and a third commenced 11/12/15 and is subject to a 28 day appeal period.
ES407 - Missed bins per 100,000 (L)		50	55	63.9	76.8	84.8	R	Paul Quigley	85 per 100,000 equates to 99.92% collected on time. Target will be reviewed at year end to better represent success and change in calculation which now counts bins missed due to customer error.
Planning Portfolio - Robert Turner									
PNC501 - % 'Major' applications determined within 13 wks or PPA term		60	50	0	0	50	R	Julie Baird	Performance has improved during Dec through the agreement with applicants of extensions of time, allowing applications to be counted as having satisfied the appropriate time period provided the agreed extension is adhered to. This mechanism is being embedded within processes to improve processing time stats going forward. Had extensions of time not been agreed and adhered to, Dec figures would have been as follows: PNC501 - 0%, PNC502 - 61%, PNC503 - 56%, PNC504 - 100%. In addition to extensions of time, recruitment has taken place to clear the backlog in validating applications.
PNC502 - % 'Minor' applications determined in 8 wks or within PPA term		65	55	35	43	77	R	Julie Baird	
PNC503 - % 'Other' applications determined in 8 wks or within PPA term		80	70	53	38	73	R	Julie Baird	
PNC504 - % 'Major major' applications determined in 16 wks or within PPA term		60	50	100	0	100	R	Julie Baird	
PNC505 - % satisfaction with P&NC		70	60	56	54	53	A	Julie Baird	
PNC506 - % appeals allowed against refusal of planning permission (L)		35	45	33			R	Julie Baird	

Key

	Performance met or exceeded target
	Performance did not meet the target, but exceeded the intervention point
	Performance was below intervention point
	- Performance information not currently available for this period

APPENDIX C

Previously Reported (Favourable)/ Adverse Variance Compared to Original Estimate £		Original Budget 2015/16 £	Working Budget 2015/16 £	Actual Income & Expenditure £	Projected (Favourable)/ Adverse Variance Compared to Working Budget £	Movement from Previous Month's Position £
	General Fund					
	Portfolio					
(8,000)	Leader	425,910	432,290	224,987	(8,000)	0
30,000	Finance & Staffing	2,474,360	2,690,660	18,028,372	30,000	0 b
(136,200)	Corporate & Customer Services	1,911,060	1,917,690	776,924	(158,400)	(22,200) a
0	Economic Development	183,150	181,300	68,581	0	0
(147,890)	Environmental Services	6,179,610	6,037,630	2,227,970	(171,690)	(23,800) a,c,d
(30,900)	Housing (General Fund)	1,305,760	1,285,670	278,758	(23,000)	7,900 a
(690,200)	Planning	1,939,950	1,788,020	(572,297)	(625,200)	65,000 a,e,f
6,600	Strategic Planning & Transport Un-Allocated	1,608,250	1,731,490	291,756	147,500	140,900 a,g,h
(41,500)	Other	1,781,240	1,735,240	190,724	(47,700)	(6,200) i,j
704,500	Savings	(1,120,000)	(970,000)	0	724,500	20,000 a,k
(313,590)	Total	16,689,290	16,829,990	21,515,775	(131,990)	181,600
(99,500)	Interest on Balances	(590,500)	(590,500)	(404,014)	(99,500)	0 l
(413,090)	Net District Council General Fund Expenditure	16,098,790	16,239,490	21,111,761	(231,490)	181,600
	Funding					
0	Council Tax	(7,478,550)	(7,478,550)	0	0	0
0	Retained Business Rates	(3,462,350)	(3,462,350)	0	0	0
0	Revenue Support Grant	(1,829,920)	(1,829,920)	(1,275,328)	0	0
0	New Homes Bonus	(4,154,400)	(4,154,400)	(3,163,856)	0	0
0	Collection Fund Surplu[s]/Deficit[s]	1,299,540	1,299,540	0	0	0
0	Funding Total	(15,625,680)	(15,625,680)	(4,439,184)	0	0
(413,090)	Appropriation to/(from) General Fund Balance	(473,110)	(613,810)	16,672,577	(231,490)	181,600
	Usuable Reserves (at year end)		31 March 2015		31 March 2016	
	General Fund		(12,121,844)		(11,739,524)	
	Earmarked Reserves		(5,703,851)		(5,692,150)	m

Previously Reported (Favourable)/ Adverse Variance Compared to Original Estimate £		Original Budget 2015/16 £	Working Budget 2015/16 £	Actual Income & Expenditure £	Projected (Favourable)/ Adverse Variance Compared to Working Budget £	Movement from Previous Month's Position £
	Housing Revenue Account					
0	Housing Repairs - Revenue	4,145,200	4,145,200	1,646,656	0	0 n
0	Sheltered Housing	477,640	461,530	368,122	0	0
0	Administration	3,441,120	3,399,920	718,704	(150,000)	(150,000) o
0	Other Alarm Systems	3,360	1,150	(86,556)	0	0
0	Flats - Communal Areas	44,040	43,300	23,766	0	0
0	Outdoor Maintenance	99,930	99,060	101,369	0	0
0	Sewage	2,580	2,500	39,624	0	0
(10,000)	Tenant Participation	378,500	375,440	72,768	(20,000)	(10,000) p
0	Reprovision & New Homes Programme	155,790	154,390	89,215	0	0
(3,200)	Other [including Transfer to Reserves & Capital Charges]	20,476,720	20,542,390	3,539,619	65,500	68,700 a
0	Income	(28,970,000)	(28,970,000)	(16,738,500)	120,000	120,000 q
	=====	=====	=====	=====	=====	=====
(13,200)	Housing Revenue Account Total	254,880	254,880	(10,225,213)	15,500	28,700
	=====	=====	=====	=====	=====	=====
	HRA Working Balance					
			31 March 2015		31 March 2016	
			(2,495,159)		(2,224,779)	

Projected (Under)/ Over Spend Compared to Original Estimate £		Original Budget 2015/16 £	Working Budget 2015/16 £	Actual Income & Expenditure £	Projected (Under)/ Over Spend Compared to Working Budget £	Movement from Previous Month's Position £
	Capital					
	Capital Expenditure					
	HRA Capital					
(1,485,000)	New Homes Programme	4,500,000	4,500,000	1,126,930	(1,485,000)	0 r
(1,200,000)	Reprovision of Existing Homes	1,200,000	1,200,000	0	(1,200,000)	0 s
0	Repurchase of HRA Shared Ownership Homes	300,000	300,000	0	0	0 t
(1,775,000)	Housing Repairs - Capital	9,074,970	9,074,910	2,907,558	(1,775,000)	0 u
0	Other	630,380	630,380	8,220	0	0
	GF Capital					
0	Housing Company Advanced Funding	0	0	0	0	0
0	Cambourne Offices	545,000	545,000	5,223	0	
0	ICT Development	674,000	649,000	152,125	0	0
0	Waste Collection & Street Cleansing	544,000	544,000	430,128	0	0
0	Repurchase of GF Sheltered Properties	1,100,000	1,100,000	348,750	0	0
0	Travellers Sites	1,400,000	1,900,000	1,295,137	0	0
0	Improvement Grants	770,000	770,000	290,663	0	0
0	Other	630,000	655,000	78,780	0	0
	=====	=====	=====	=====	=====	=====
(4,460,000)	Capital Expenditure Total	21,368,350	21,868,290	6,643,514	(4,460,000)	0
	=====	=====	=====	=====	=====	=====
	Capital Receipts					
(2,400)	Right to Buy Sales	(3,100,000)	(3,100,520)	(1,307,247)	(1,800)	600 a
0	HRA Equity Share & Other Sales	0	0	(47,515)	0	0
0	GF Equity Share & Other Sales	(1,100,000)	(1,100,090)	(652,804)	0	0
(314,800)	Other Capital Receipts	(350,000)	(350,350)	(314,755)	(314,800)	0 v
0	Other Grants & Allowances	(16,657,400)	(16,657,400)	(420,971)	0	0
0	Borrowing	0	0	0	0	0
	=====	=====	=====	=====	=====	=====
(317,200)	Capital Receipts Total	(21,207,400)	(21,208,360)	(2,743,292)	(316,600)	600
	=====	=====	=====	=====	=====	=====
(4,777,200)	Capital Net Receipts	160,950	659,930	3,900,222	(4,776,600)	600
			31 March 2015		31 March 2016	
	Usuable Capital Receipts Reserve		(7,046,911)		(11,163,581)	
	Usuable Earmarked Reserves		(441,781)		(441,781)	
	Capital Grants Unapplied		(432,722)		(471,070)	

This page is left blank intentionally.

Appendix D Significant items of variances

Listed below are significant items covering the variances identified in **Appendix C**.

General Fund

- a. An analysis of **Departmental & Overhead Accounts** compared to the original budgets currently indicates an adverse position of £106,200. This figure is arrived at after allowing for a reduction of £500,000 for vacancies which was included in the budgets and after taking into account the use of temporary staff to manage turnover and cover vacancies. The £106,200 has been allocated to Portfolios, the HRA and Capital in **Appendix C**.

Finance & Staffing Portfolio

- b. Additional costs of £30,000 are estimated to be incurred because of a change in the way Debit Card Charges are calculated. The majority of this will fall on **Council Tax Collection**.

Environmental Services Portfolio

- c. **Refuse Collection & Recycling Service** Successful over-achievement of trade waste income is anticipated to generate an additional surplus of £44,090.
- d. **Sports Development** has generated £16,000 extra income from activities.

Housing Portfolio (General Fund)

Planning Portfolio

- e. **Planning Income** is projected to be £500,000 more than originally budgeted because of a number of large fees received relating to large applications that take up a considerable amount of staff time, which unfortunately has an adverse impact on performance indicators.
- f. **S106 Administration fees** are expected to generate £38,600 more than originally estimated.

Strategic Planning & Transport Portfolio

- g. Planning Fee income for **Growth Agenda/New Communities** is likely to be in the region of £80,000 for 2015/16 as compared to the £195,000 income budget. This reduced income level is because an outline planning application for Darwin Green had been expected, but has been delayed.
- h. **Northstowe** Planning Fee income is likely to be around £4,500 for 2015/16, as opposed to a budgeted £40,000. This is because an expected development has been delayed.

Unallocated

- i. Budget provision of £50,000 was included in the original budgets to support **Council Actions**. £36,000 of this has been used on an invest to save basis to facilitate the re-organisation of the 2nd Floor at the Cambourne Offices and so release space to

generate rental income in the future, and £10,000 has been used for additional Community Chest Grants. This leaves a balance of £4,000.

- j. When the budget was set £75,000 was included for **Precautionary Items**. A pro-rated sum of £43,700 has been assumed to not be required in the projected spending position.
- k. An **Additional Income/Savings Target** of £670,000 was included in the budget of which £295,000 was not allocated. Savings so far identified total £340,500 which leaves £329,500 still to find (see table below). It is now anticipated that savings from the Systems Contract Terminus Review will be delivered indirectly through the ICT shared service.

Areas identified to meet additional income/savings target	Savings Target	Savings Identified
Single Shared Waste Service and other waste initiatives	£125,000	£52,000
Increased Planning Pre-App fee income	£100,000	£100,000
Supplies & Services procurement	£50,000	£50,000
Systems Contract Terminus Review	£25,000	£0
Office Space Management	£25,000	£37,000
Shared Services/ Commercialisation Programme	50,000	£0
Sub-total	£375,000	£239,500
Other income/savings to be identified	£295,000	£101,500
Total	£670,000	£340,500

- l. **Interest on Balances** is predicted to be £99,500 more than the budget. This is mainly because of increased balances. This could be used to offset the unidentified additional income/savings.
- m. Amounts in Usable Earmarked Reserves include the following major items; there are plans in place for each of these over the period of the Medium Term Financial Strategy:
- New Homes Bonus Infrastructure Reserve £2,247,437;
 - Pension Deficit Reserve £1,433,168;
 - Parish Liaison & Site Development Reserve £580,305;
 - Planning Enforcement Reserve £500,000 (Capped);
 - Business Efficiency Reserve £240,000;
 - Northstowe Reserve £181,365;
 - Major Developments Fees Reserve £179,461; and
 - Shared Waste Service £126,000.

Housing Revenue Account (HRA)

- n. **Responsive Repairs** – There is an underspend of £430,000 against the profiled budget to date; however, as the impact of the winter weather is yet to be realised, and expenditure demands and patterns can be hugely variable from year to year, no adjustment has been made to the projected outturn figure at this stage.
- o. **Administration** – A net underspend / over-achievement in income of £150,000 possible due to reduced take up for the under-occupation incentive scheme, receipt of costs associated with decant of Fairview from the registered provider, where costs were incurred by SCDC in prior years, and other areas of minor underspending.
- p. **Tenant Participation** is now expected to generate savings of £20,000.

- q. **Rent Income** – Under-achievement of approximately £120,000 is anticipated due to void levels, no new build completions in 2015/16 and holding both Robinson Court and Fairview vacant when tenants moved out in anticipation of demolition and transfer to a registered provider respectively.

Capital

Capital Expenditure

- r. **Provision of New Homes** – Budget of £4.5 million, has anticipated spend of approximately £3 million in 2015/16, with the need to rollover £860,000 of the balance to meet the costs of a scheme in Pembroke Way, Teversham.
- s. **Re-provision of Existing Homes** – Budget of £1.2 million will not be used in 2015/16, but will be utilised in part in 2016/17 to meet the costs of the Robinson Court, Gamlingay scheme, subject to rollover.
- t. **Repurchase-HRA Shared Ownership** - £300,000 budget not expected to be fully utilised in 2015/16. This will be offset by an under-achievement in anticipated capital receipts, where reduced activity overall means that little recycling of properties has taken place.
- u. **Improvement of Housing Stock** – Underspending of £1.7 million across energy conservation, full refurbishments and improvements to non-traditional houses is anticipated, with the expectation that this will need to be rolled over in full unless alternative decisions are made as part of the year end / strategic financial planning processes.

Capital Receipts

- v. Three parcels of land have been sold which has generated receipts of £314,800. These receipts are ring-fenced for the HRA but will add to the resources available to fund capital expenditure.

This page is left blank intentionally.

**Appendix E
Strategic Risk Register
January 2016 - Draft**

The Strategic Risk Register reported to EMT and Cabinet only shows risks with a total score of 5 or more. (Risks scoring 4 or less are still on the Strategic Risk Register, but are not included in the report.) Proposed changes are shown as highlighted text.



Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR25 - Increase in cost of managing homelessness (January 2013) Potential impacts of combined welfare benefit changes, <i>leading to</i> an increase in the number of homelessness acceptances, <i>resulting in</i> significant increase in costs to the Council to meet its statutory obligations.</p> <p>Aims, Objectives: 10, 12</p>	<p>Cllr Mark Howell</p> <p>Stephen Hills</p>	<p>9</p>	<p>25</p>	<p>SCORES - IMPACT: 5; LIKELIHOOD: 5</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Close working partnership with King Street Housing who provide private sector leasing options. Use of Rent Deposit Scheme, Empty Homes Initiative, other homelessness prevention measures and New Build Programme. Improved supply of temporary accommodation achieved during 2013/14 and 2014/15 helped to alleviate the pressure. New hostel opened in April 2015 with increased capacity.</p> <p>However:</p> <ul style="list-style-type: none"> King St are not taking on any more PSL landlords and there is a real prospect of losing those we do have – LHA rates do not match rents landlords can achieve in market; Our new build programme is essentially over following the 1% rent cut; New affordable housing coming through the system from RPs will slow right down and Starter Homes are unusable for our homeless cases; The rent deposit scheme is essentially redundant as PRS rents are so high compared with the LHA rate; Forced council house sales will reduce our stock further – possibly 40% of all relets each year; The proposed introduction of LHA rate only for supported housing could see the closure of our newly built hostel (it would revert to general needs tenancies). <p>The only two measures we have left are an ever stretched DHP and the ability to use our new relets only for homeless households at the expense of everyone else, which in turn may have an impact on some of our preventative work.</p> <p>TIMESCALE TO PROGRESS: The combined effects of the welfare benefit changes will now impact upon this. The authority needs to prepare for an increase in homeless applications with the potential risk of paying out £500k to £1m in Temporary Accommodation / B&B costs. Review of temporary accommodation portfolio now underway to rationalise the supply held.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR08 - Medium Term Financial Strategy (MTFS) (June 2007)</p> <p>Risks concerning the financial projections include:</p> <ul style="list-style-type: none"> not achieving delivery of additional income / savings to meet targets, including from Business Improvement & Efficiency and Commercialisation Programmes projects (and see STR26 below), shared services initiatives and the housing company; inflation exceeds assumptions; interest rates do not meet forecasts; employer's pension contributions increases exceed projections; changes in demand for some service areas could lead to pressures in the related budgets, especially Housing; unforeseen restructuring costs; retained business rates scheme – volatility of outstanding valuation appeals; retained business rates scheme does not meet forecast; retained business rates scheme tariff adjustments continue from 2020/21; major developments do not meet housing trajectory forecast; cost of supporting development and meeting demand from growth; impact of welfare reform (and see STR15 below); availability of budget for Cabinet priorities; council tax strategy (Government change rules); material error or omission in MTFS forecasts; outcome of New Homes Bonus scheme consultation leads to less resources than anticipated; increased uncertainty in budget setting due to commercial activities exposure to market competition and commodity price trends, leads to reduced income / increased costs above those forecast in MTFS, <p>leading to the Council needing to take action to cut its budgets, resulting in cuts in services, public dissatisfaction, audit and inspection criticism.</p> <p>Aims, Objectives: 1, 2, 6, 10</p>	<p>Cllr Simon Edwards</p> <p>Alex Colyer</p>	<p>10</p>	<p>20</p>	<p>SCORES - IMPACT: 5; LIKELIHOOD: 4.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Revised MTFS incorporates updated assumptions; approved by Cabinet in November 2015. Implement plans to deliver Council's programme in line with latest General Fund income and savings targets. Comparisons between MTFS, financial position statements and General Fund, HRA and Capital Programme estimates. Monitor inflation factors, effect of current economic climate on demand led services and budgets. Monthly financial report to Executive Management Team (EMT); EMT reviews progress in achieving budget targets. Treasury management reports to Finance & Staffing PFH. Monitoring of business rates income, collection rates and appeals. Monitoring of council taxbase to identify financial implications of growth. Additional income/savings targets built in to Business Improvement & Efficiency and Commercialisation Programmes projects, shared services and other initiatives. Report to Cabinet on shared service principles and business cases in July 2015. Spending Review / Autumn Statement and provisional Local Government Finance Settlement: implications to be modelled for February 2016 Cabinet report (2016/17 figures due to be confirmed in February 2016). Quarterly reports on commercial projects and market price trends to Cabinet. Use of reserves.</p> <p>TIMESCALE TO PROGRESS: Continue to explore opportunities for further savings beyond those in the MTFS. Commercialisation Programme being progressed. Review potential implications of the new Government's policy changes on RTB, social rents, and welfare reform. Report to Cabinet and Council on MTFS, council tax and housing rents, etc in February 2016.</p> <p>Relevant PI(s): FS 101 - % General Fund Budget variance FS 107 - % Capital variance FS 106 - % HRA variance</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR05 - Lack of land supply (June 2007)</p> <p>While there is good progress on the Cambridge fringe sites and at Cambourne, the delay in bringing forward major sites (eg Northstowe) has led to slow down in rate of progress against trajectory. In addition, the Council has lost two planning appeals for sites at Waterbeach based on the lack of 5 year land supply, <i>leading to</i> the authority being unable to deliver its housing needs, <i>resulting in</i> the Council having to meet the shortfall in the short term from developments that are not in the submitted Local Plan.</p> <p>Aims, Objectives: 11</p>	<p>Cllr Robert Turner</p> <p>Jo Mills</p>	10	20	<p>SCORES - IMPACT: 4; LIKELIHOOD: 5</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: A14 – Funding package for the major scheme is progressing and six-month examination of the Development Consent Order for the scheme finished in November 2015. Work on site due to start 2016. Northstowe Phase 1 reserved matters housing applications due spring 2016. Committee resolved to grant Northstowe Phase 2 Planning Application approval in July 2015. Planning Policy produce an Annual Monitoring Report (forecasts housebuilding levels) and the latest update shows an improved position. The AMR is being updated more regularly for the Local Plan, and completions monitored quarterly for City Deal. Planning applications submitted for Wing (land north of Newmarket Road, Cambridge) and Cambourne West. Pre-application discussions continuing on NIAB 2 and commenced for Waterbeach and Bourn Airfield. Construction for Cambourne 950 underway. Application for 220 homes granted consent at Barrington. Local Plan public examination started November 2014. Memorandum of Understanding on Five Year Land Supply agreed with Cambridge City Council on 9 September 2014. Fortnightly list of 'significant cases' is updated and circulated to departmental management team, listing informal enquiries, pre-applications, planning applications and appeals received each week. The departmental management team oversees major cases, with enhanced consultation with local and lead members and County Council officers. Management of major applications benefits from Site Delivery Fund award of £50,000 over two years, and a Business Excellence Manager appointed May 2015.</p> <p>TIMESCALE TO PROGRESS: Local Plan Hearings commenced on 4 November 2014. Inspectors' letter received May 2015, timescale for further work presented to PFH on 9 July 2015 and response from the Inspector received 29 July. Local Plan Modifications Consultation scheduled Dec-Jan 2016, with submission of modifications March 2016. Northstowe Phase 2 planning permission was due to be issued by December 2015, but will now be 2016.</p>
<p>STR15 - Welfare Reform (December 2010)</p> <p>Radical changes to benefits, including localised council tax support scheme and introduction of a universal credit system, <i>leading to</i> possible:</p> <ul style="list-style-type: none"> increased IT cost due to required system changes; implementation costs not fully reimbursed by Government grant; increased workload for Benefits and Homelessness teams, <p><i>resulting in</i> potential for:</p> <ul style="list-style-type: none"> adverse effect on service provision due to the number of changes; 	<p>Cllr Simon Edwards</p> <p>Alex Colyer</p>	10	16	<p>SCORES - IMPACT: 4; LIKELIHOOD: 4.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Scoping work currently being undertaken by the Benefits Manager to assess the impact of the latest changes to welfare announced as part of the Summer 2015 budget. Amended Discretionary Housing Payments (DHP) policy for July 2015 Finance and Staff Portfolio Holder meeting; likely that a second revision of the policy will be required before start of the 2016/17 financial year following on from passing of the Welfare to Work Bill 2015.</p> <p>Department for Work & Pensions (DWP) have confirmed increased DHP budget for 2016/17 following the announcement of the reduction in the level of the Benefit Cap</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<ul style="list-style-type: none"> increased dissatisfaction with the service due to reduced amounts of benefit payable; impact on Medium Term Financial Strategy; devastating effect on people with mental health problems; and dislocation of private sector housing market. <p>Aims, Objectives: 10</p> <p>Relevant PI(s): FS 112 – Days to process new HB and CTS claims FS 113 – Days to process HB and CTS change events FS 114 – HB overpayments recovered as % of recoverable overpayments created</p>				<p>(£20k). Local Council Tax Support (LCTS) scoping being undertaken to work out impact of changes to Tax Credits in 2016, tax threshold changes and Living Wage on the level of estimated level of LCTS for 2016/17. Scoping complete; suggests impact of Tax Credit changes will not currently affect the financial viability of the scheme as current spend is less than estimate. Welfare reform workshop for members was held in October 2015 following some more detailed analysis of the impacts. Possible changes to LCTS may be required and if this is the case, modelling of revised schemes will be undertaken to consult with members, preceptors and public. Modelling of impact of welfare reforms suggests that current LCTS scheme is still financially viable for 2016/17.</p> <p>Monthly ongoing monitoring of current LCTS scheme to assess current expenditure. Monitoring of roll out of Universal Credit (UC) to ensure lessons learnt are implemented at SCDC. Information currently available indicates the rollout of UC will be a slow process during this current parliament with all new working age claims processing not available until 2020-21. .As yet pensioners not being considered for any change to DWP administering their housing costs.</p> <p>Regular meetings with colleagues in housing advice and housing to assess impact of pay to stay proposals as well as the introduction of the £20k cap for those on out of work benefits. Cipfa Revenues and Benefit Service training undertaken October 2015: Welfare reforms and Universal Credit implementation. Working together with Housing Team to look at impact of pay to stay proposals and working on response to consultation.</p> <p>TIMESCALE TO PROGRESS: Remainder fraud requirement to be tied into the Enforcement and Inspection Review outcomes to ensure solution can be found. Looking at options for remainder fraud during summer 2015; implement temporary solution prior to final decision being made in autumn 2015. DWP notified us of the intention to implement Universal Credit in February 2015 for single people. The DWP have indicated that the implementation date for Universal Credit within South Cambs is likely to be Autumn 2016. There are around 120 people who could claim Universal Credit. Monitoring of cases which would be universal credit cases is being undertaken to assess the impact of the impending changes.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR24 - HRA Business Plan (March 2012) The HRA Business Plan has its own associated risk register.</p> <p>The score of the risk in this Strategic Risk Register is a composite score from the HRA Business Plan risk register, and reflects changes announced in the Government's July 2015 Budget on:</p> <ul style="list-style-type: none"> • 1% rent reduction for 4 years, • loss of relets to fund the extension of the RTB scheme to Registered Providers, • tenants earning over £30k required to pay market rents. <p>Aims, Objectives: 1, 2, 4, 5, 6, 9, 12</p>	<p>Cllr Mark Howell</p> <p>Stephen Hills</p>	8	16	<p>SCORES - IMPACT: 4; LIKELIHOOD: 4</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Capacity had been built into the Housing Revenue Account (HRA) business plan to absorb some future changes if they were required; however, the 1% rent cut announced in the Government's July 2015 Budget is the same as reopening the debt settlement - it takes £134m out of the HRA Business Plan and has a significant impact on the Council's build programme.</p> <p>TIMESCALE TO PROGRESS: Possible consultation response to budget ? Monitor progress of Budget through Parliament. Monitor Government policy including utilising our partnership arrangements with the Chartered Institute of Housing. Annual review of business plan, programme and resources; possible earlier report on Budget impacts to Cabinet or Council ?</p>
<p>STR28 – Recruitment & Retention (September 2015) Reduced staffing capacity due to difficulties in recruitment and retention, especially in some professions, leading to loss of resources / experience / expertise in key services, increased workload and pressure on remaining staff to deliver services, increased sickness absence and stress, increased costs (including of repeat recruitment), resulting in lack of capacity to meet service delivery needs, loss of effectiveness/productivity, disruption to, or lower quality of, services provided, either internally or to the public, failure to comply with statutory processes or meet statutory deadlines; damage to the Council's reputation; legal challenge.</p> <p>Aims, Objectives: All</p>	<p>Cllr Simon Edwards</p> <p>Susan Gardner Craig</p>	9	15	<p>SCORES - IMPACT: 3; LIKELIHOOD: 5.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Variety of actions in place, appropriate to service areas, including:</p> <ul style="list-style-type: none"> • Internal development opportunities • Funded professional development & qualifications • Secondments, both internally and with partnering authorities • Shared services with partnering authorities • Market supplements on a fixed term basis • Use of temporary workers • Changes to recruitment approaches, new jobs page on website, use of different media <p>TIMESCALE TO PROGRESS: Ongoing: Additional actions being considered in some service areas.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR26 – Business Improvement & Efficiency, Development Control Improvement, Working Smarter and Commercialisation Programmes (November 2013)</p> <p>The Business Improvement Efficiency Programme (BIEP), Development Control Improvement Programme (DCIP), Working Smarter and Commercialisation Programmes have their own associated risk registers. The risks included are summarised as follows:</p> <p>The Projects on the programmes are not completed in a timely fashion due to</p> <ul style="list-style-type: none"> • inadequate stakeholder engagement, • conflicting operational, programme and project priorities, or • long term unavailability of relevant and crucial staff, <p>leading to inadequate programme and project resources and support, resulting in a delay or failure to deliver the outputs, associated benefits, and required income and savings targets.</p> <p>Aims, Objectives: 2, 7</p>	<p>Cllr Simon Edwards</p> <p>Alex Colyer</p>	9	9	<p>SCORES, IMPACT: 3; LIKELIHOOD: 3</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE:</p> <p>The Programme Manager identified programme and project resource requirements before the start of the tranches. The level of resource required is continually monitored by the Programme Manager as projects progress, close and new ones commence. The Senior Responsible Owner is responsible for securing the required resources. Regular 1:1s with Executive Director (Senior Responsible Owner). Monthly Highlight Reports from each Project Manager to the Programme Manager. Monthly Highlight Reports to EMT from the Programme Manager. Regular update meetings with Project Managers & Project Sponsors used to assess required resource levels. A Stakeholder Engagement Strategy and detailed stakeholder analysis has been developed. Stakeholder engagement activities place regularly throughout the programme. Increasing emphasis on Lessons Learned from other projects will help the Sponsoring Group, Programme Manager and Project Managers mitigate this risk.</p> <p>TIMESCALE TO PROGRESS: Throughout 2012-2017.</p>
<p>STR27 – Shared Services initiatives with other authorities (November 2014)</p> <p>Shared services initiatives are not completed in a timely fashion due to</p> <ul style="list-style-type: none"> • inadequate stakeholder engagement, • conflicting priorities, or • unavailability of key staff, <p>leading to inadequate resources and support, resulting in a delay or failure in delivering the outputs, required additional income and savings targets, and associated benefits for the district's residents and businesses, including possible dilution in service levels initially.</p> <p>Aims, Objectives: 2, 6, 8</p>	<p>Cllr Ray Manning</p> <p>Jean Hunter</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE:</p> <p>Progress to be overseen by a joint steering group including Leaders and relevant portfolio holders. For SCDC, reports to Cabinet in October 2014 (re ICT, Legal and Waste) November 2014 (re Building Control) and July 2015 (re Building Control, ICT and Legal). Strong programme and project management provided by an overall programme Shared Services Board comprising senior managers from each authority, supported by individual project boards of lead officers and relevant support services officers from each authority. Prioritisation of projects within workloads. Dedicated external resources obtained for each project, funded from Transformation Challenge Award grant, and additional resources allocated to ensure improved co-ordination and delivery. A dedicated risk register is overseen and monitored by the Shared Services Board and progress will be reported through Corporate Plan monitoring.</p> <p>TIMESCALE TO PROGRESS: A Joint Committee to be established to oversee the delivery of shared services, to endorse shared business plans, to monitor performance and report through to Cabinet.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR20 – Partnership working with Cambridgeshire County Council (September 2011) The failure of partnership arrangements (e.g. health & wellbeing, economic development, transport, City Deal) with the County Council, <i>leading to</i> the needs of district residents and businesses not being adequately met or reflected in County Council resource allocation decisions, <i>together with potential reputational impact, resulting in</i> adverse effects on the district's residents and businesses.</p> <p>Aims, Objectives: 3, 6, 8, 11</p>	<p>Cllr Ray Manning Jean Hunter</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Active engagement of officers and Members in partnerships, to ensure the district's residents' and businesses' needs are articulated.</p> <p>TIMESCALE TO PROGRESS: Progress being monitored via Corporate Plan. Dependent on the timeframe/milestones for each partnership.</p>
<p>STR03 - Illegal Traveller encampments or developments (June 2007) Failure to find required number of sites, or sites identified do not meet the needs of local Travellers, <i>leading to</i> illegal encampments or developments in the district, <i>resulting in</i> community tensions; cost and workload of enforcement action, including provision of alternative sites and/or housing; poor public perception and damage to reputation.</p> <p>Aims, Objectives: 5</p>	<p>Cllr Robert Turner Jo Mills</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Ongoing routine monitoring of all district development. New Government guidance issued in August 2015. County wide needs assessment endorsed by PFH in 2012. Updated needs assessment is being commissioned, for completion Spring 2016. Monthly report on position regarding temporary expiries and applications circulated to managers and key Members for coordination and oversight. Gypsy & Traveller planning policies included in draft Local Plan. In 2014 a total of 67 Gypsy and Traveller pitches gained permanent planning permission (three were granted on appeal). Between January and October 2015 six pitches have gained permanent planning permission and temporary planning permission for 1 pitch was granted on appeal at Wimpole. There are three other pitches with temporary planning permission, which expire between 2016 and 2018. At October 2015 there is one outstanding planning appeal. The Affordable Homes departmental risk register includes delivering HCA funded projects, to ensure the supply of Gypsy & Traveller pitches and sufficient investment in existing pitches.</p> <p>TIMESCALE TO PROGRESS: New applications – ongoing. Local Plan due for completion 2016. Gypsy & Traveller Area Needs Assessment to be updated, led by Housing Directorate, for completion in Spring 2016.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR19 - Demands on services from an ageing population (September 2011)</p> <p>The district's demography changes, with significant growth in the over 65 year old population, <i>leading to</i> additional demands on health and social care services, including to the Council's sheltered housing and benefits services, <i>resulting in</i> adverse impact on service standards; increased customer dissatisfaction with services; increased levels of social isolation.</p> <p>Aims, Objectives: 1, 4, 5, 9</p>	<p>Cllr Mick Martin</p> <p>Mike Hill / Stephen Hills</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Following "Ageing Well" workshops, Cabinet agreed an "Ageing Well" plan in July 2014 following a Joint Portfolio Holder Task & Finish Group. SCDC Housing leading on development of sub-regional Older People's Housing Strategy and refresh of County Older People Strategy. SCDC Housing staff contributing to Cambridgeshire Executive Partnership Board projects including Data Sharing, 7-Day Working, Person-Centre System, and Ageing Healthily & Prevention. Issue and impact discussed by Cabinet / EMT.</p> <p>TIMESCALE TO PROGRESS: Ageing Well implementation plan under development September 2015 – March 2016 to deliver Cabinet-agreed Ageing Well Plan. Take account of demographic change in the corporate and financial planning cycle. Redesign services to address demands.</p>
<p>STR22 - Safeguarding the Council's services against climate change (March 2012)</p> <p>The Council fails to develop measures to safeguard its services against climate change, <i>leading to</i> unacceptable vulnerability to the impact of climate shifts and other weather-related events, <i>resulting in</i> a degradation or breakdown of service delivery and damage to property, increasing costs and impact on the Council's reputation.</p> <p>Aims, Objectives: 4</p>	<p>Cllr Peter Topping</p> <p>Mike Hill</p>	8	8	<p>SCORES - IMPACT: 4; LIKELIHOOD: 2.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Effective drainage plans required for planning consents. A range of Climate Change related policies have been included in the Submission Local Plan. Response to Flood Events reviewed by EMT in October 2014. Agreed emergency planning exercises and learning are focused on flooding response and recovery (February 2015 and November 2015).</p> <p>TIMESCALE TO PROGRESS: SCDC Service Business Continuity Plans to be reviewed jointly with Cambridge City by March 2016.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR02 – Equalities (June 2007)</p> <p>The Council is successfully challenged over not complying with general equalities legislation or legislation specific to public and local authority bodies, leading to decisions relating to service delivery being overturned and possible Commission for Human Rights and Equalities inspection, resulting in delays to the implementation of new service proposals causing detriment to customer service, preventing the timely delivery of policy and financial objectives, reduction in reserves available to support balanced MTFS, adverse publicity and effect on reputation.</p> <p>Aims, Objectives: 2</p>	<p>Cllr Mark Howell</p> <p>Alex Colyer</p>	8	8	<p>SCORES - IMPACT: 4; LIKELIHOOD: 2.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE:</p> <p>The Council has met its legal requirements to publish equality information and equality objectives on an annual basis. This information is incorporated into a new Equality Scheme 2015-2020, which was endorsed by EMT on 14 October 2015.</p> <p>The Council has embedded equality monitoring arrangements whereby new and revised policies and service delivery proposals are subject to screening for their likely equality implications. Where appropriate, timescales are agreed for full subsequent assessment prior to adoption of the new proposals, or as part of implementation, monitoring and review arrangements.</p> <p>EMT designed Stephen Hills, Director of Housing, to lead a self-assessment against the 'Excellent' standard of the government's equality framework in 2013. The assessment found evidence of broad compliance across the council's activities. The development and improvement areas identified will be incorporated in normal business activity through the new Equality Scheme 2015-2020.</p> <p>EMT approved the Annual Equality Report 2014 on 10 December 2014.</p> <p>TIMESCALE TO PROGRESS:</p> <p>The new Equality Scheme will be presented to the lead Portfolio Holder (Cllr Mark Howell) on 21 October 2015 for formal adoption. In the meantime, work on the 2015-17 priorities and commitments identified in the scheme is underway.</p>

Red / Amber / Green shading in the Actual Column indicates the following movement in risk scores:

	Red	Amber	Green
for risks previously above the line:	<ul style="list-style-type: none"> the score has increased 	<ul style="list-style-type: none"> the score has not changed, or has decreased but stays above the line 	<ul style="list-style-type: none"> the score has decreased to below the line
for risks previously below the line:	<ul style="list-style-type: none"> the score has increased to above the line 	<ul style="list-style-type: none"> the score has increased but stays below the line 	<ul style="list-style-type: none"> the score has not changed, or has decreased

Notes

- The "Reference" is unique and retained by the risk throughout the period of its inclusion in the risk register.
- Risks are cross referenced to the relevant 2015/16 Aims and Objectives adopted by Council on 26 February 2015.
- Criteria and guidelines for assessing 'Impact' and 'Likelihood' are shown below.
- The "Actual" risk score is obtained by multiplying the Impact score by the Likelihood score.
- The dotted line (- - - - -) shows the Council's risk tolerance line.
- The "Timescale to progress" is the date by which it is planned that the risk will be mitigated to below the line.

Impact

- 5 Extreme
- 4 High
- 3 Medium
- 2 Low
- 1 Insignificant

Likelihood

- 5 Almost certain
- 4 Likely
- 3 Possible
- 2 Unlikely
- 1 Rare

Direction of Travel

- ↓ Priority reduced from last review (give the previous Total score in the brackets)
- Priority equal to last review
- ↑ Priority increased from last review (give the previous Total score in the brackets)
- new Risk included in the risk register for the first time

Impact

Giving rise to one or more of the following:

Likelihood

	Service disruption	People	Financial loss *	Environment	Statutory service/legal obligations	Management	Reputation	Score
Extreme	Serious disruption to services (loss of services for more than 7 days)	Loss of life	Financial loss over £500k	Major regional / national environmental damage	<ul style="list-style-type: none"> Central government intervention; or Multiple civil or criminal suits 	Could lead to resignation of Leader or Chief Executive	Extensive adverse coverage in national press and/or television	5
High	Major disruption to services (loss of services for up to 7 days)	Extensive multiple injuries	Financial loss between £251k - £500k	Major local environmental damage	<ul style="list-style-type: none"> Strong regulatory sanctions; or Litigation 	Could lead to resignation of Member or Executive Director	Adverse coverage in national press and/or television	4
Medium	Noticeable disruption to services (loss of services for up to 48 hours)	Serious injury (medical treatment required)	Financial loss between £51k - £250k	Moderate environmental damage	<ul style="list-style-type: none"> Regulatory sanctions, interventions, public interest reports; or Litigation 	Disciplinary / capability procedures invoked	Extensive adverse front page local press coverage	3
Low	Some disruption to internal services; no impact on customers	Minor injury (first aid)	Financial loss of between £6k - £50k	Minor environmental damage	<ul style="list-style-type: none"> Minor regulatory consequences; or Litigation 	Formal HR procedure invoked	Some local press coverage; or, adverse internal comment	2
Insignificant	Insignificant disruption to internal services; no impact on customers	No injuries	Financial loss of up to £5k	Insignificant environmental damage	<ul style="list-style-type: none"> No regulatory consequences; or Litigation 	Informal HR procedure invoked	No reputational damage	1

** including claim or fine*

	Guidelines	Score
Almost certain	<ul style="list-style-type: none"> Is expected to occur in most circumstances (more than 90%), or Could happen in the next year, or More than 90% likely to occur in the next 12 months 	5
Likely	<ul style="list-style-type: none"> Will probably occur at some time, or in some circumstances (66% - 90%), or Could happen in the next 2 years, or 66% to 90% likely to occur in the next 12 months 	4
Possible	<ul style="list-style-type: none"> Fairly likely to occur at some time, or in some circumstances (36% - 65%), or Could happen in the next 3 years, or 36% to 65% likely to occur in the next 12 months 	3
Unlikely	<ul style="list-style-type: none"> Is unlikely to occur, but could, at some time (11% - 35%), or Could happen in the next 10 years, or 11% to 35% likely to occur in the next 12 months 	2
Rare	<ul style="list-style-type: none"> May only occur in exceptional circumstances (up to 10%), or Unlikely to happen in the next 10 years, or Up to 10% likely to occur in the next 12 months 	1