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6 July 2016

To: The Leader – Councillor Peter Topping
Members of the Cabinet – Councillors Francis Burkitt, Mark Howell,
Lynda Harford, Mick Martin, Peter Topping, Robert Turner and Tim Wotherspoon
Quorum: Majority of the Cabinet including the 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, 14 JULY 2016** at **6.00 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 - 2
To authorise the Leader to sign the Minutes of the meeting held on 11 February 2016 as a correct record.
3. **Minutes of Extraordinary Meeting** 3 - 4
To authorise the Leader to sign the Minutes of the extraordinary meeting held on 28 June 2016 as a correct record.
4. **Declarations of Interest**
5. **Announcements**
6. **Public Questions**

DECISION ITEMS

- | | | |
|-----|---|------------------|
| 7. | Position Statement 2015/16: Finance, Performance and Risk | 5 - 70 |
| 8. | Approval of UK Municipal Bonds Agency's Framework Agreement
Appendix 1 of the report is available on the Council's website www.scambs.gov.uk . On the homepage select 'The Council' and the Cabinet agenda in which Appendix 1 can be viewed, can be found in the 'Councillors, minutes and agendas' section of the website. | 71 - 84 |
| 9. | Cambridge Compass Enterprise Zone | 85 - 120 |
| | Confidential Items - Members Only
The press and public are likely to be excluded from the meeting during consideration of the following three agenda items in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in paragraph 3 of Schedule 12A of the Act). | |
| 10. | Private Sector Leasing Options (Key) | 121 - 128 |
| 11. | Self/Custom Build Service | 129 - 150 |
| 12. | Cambridge Ice Arena | 151 - 178 |

STANDING ITEMS

- | | | |
|-----|---|--|
| 13. | Issues arising from the Scrutiny and Overview Committee | |
| 14. | Issues arising from the Partnerships Review Committee | |
| 15. | Updates from Cabinet Members Appointed to Outside Bodies | |
| 16. | Reports from Cabinet Members attending Parish Council meetings | |
| 17. | 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

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Agenda Item 2

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Cabinet held on
Tuesday, 28 June 2016 at 9.03 p.m.

PRESENT: Councillor Peter Topping (Leader of the Council)

Councillors:	Francis Burkitt	Greater Cambridge City Deal Portfolio Holder
	Simon Edwards	Finance and Staffing Portfolio Holder
	Lynda Harford	Housing Portfolio Holder
	Mark Howell	Environmental Services Portfolio Holder
	Mick Martin	Corporate & Customer Services Portfolio Holder
	Robert Turner	Planning Portfolio Holder
	Tim Wotherspoon	Strategic Planning Portfolio Holder

Officers in attendance for all or part of the meeting:

Jean Hunter	Chief Executive
Alex Colyer	Executive Director, Corporate Services
Simon Pugh	Head of Legal, Cambridge City Council
Graham Watts	Democratic Services Team Leader

Councillors David Bard, Val Barrett, Henry Batchelor, John Batchelor, Anna Bradnam, Tom Bygott, Nigel Cathcart, Doug Cattermole, Grenville Chamberlain, Graham Cone, Pippa Corney, Christopher Cross, Kevin Cuffley, Sue Ellington, Andrew Fraser, Jose Hales, Roger Hall, Philippa Hart, Tumi Hawkins, Peter Johnson, Sebastian Kindersley, Douglas de Lacey, Janet Lockwood, Mervyn Loynes, Ray Manning, Raymond Matthews, David McCraith, Cicely Murfitt, Charles Nightingale, Des O'Brien, Tony Orgee, Deborah Roberts, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Edd Stonham, Ingrid Tregoing, Richard Turner, Aidan Van de Weyer, John Williams and Nick Wright were in attendance, by invitation.

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. THE EAST ANGLIA DEVOLUTION PROPOSAL

Further to debate and endorsement at the meeting of Full Council immediately prior to this meeting, Cabinet:

- (a) Considered and **ENDORSED** the conclusions and outcome of the Governance Review (attached to the Council report at Appendix A) that the establishment of a Combined Authority with a Mayor for the Cambridgeshire and Peterborough area will improve the exercise of statutory functions in that area.
- (b) **APPROVED** the content of the Devolution Deal proposal (attached to the Council report at Appendix B) and formally confirmed that this replaces in its entirety the East Anglia Devolution Agreement signed in March 2016.

- (c) **APPROVED** the Governance Scheme (attached to the Council report at Appendix C) and requested the Chief Executive undertakes appropriate consultation on its content.
- (d) **APPROVED** the arrangements for public consultation on the Governance Scheme and authorised the Chief Executive in consultation with the Leader of the Council to provide the Secretary of State with a summary of the consultation responses in due course.
- (e) **RESOLVED** to convene a further meeting of Cabinet to take place in October 2016 to consider whether to give consent for the Secretary of State to bring forward such an Order to establish a Mayoral/Combined Authority covering the area of Cambridgeshire and Peterborough.
- (f) **REQUESTED** that the Civic Affairs Committee examines and makes recommendations on the methods for this Council to be able to scrutinise the decisions taken by the Combined Authority and the actions of the Council's representative(s) on the Combined Authority.

The Meeting ended at 9.04 p.m.

Agenda Item 3

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Cabinet held on
Tuesday, 28 June 2016 at 9.03 p.m.

PRESENT: Councillor Peter Topping (Leader of the Council)

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	Simon Edwards	Finance and Staffing Portfolio Holder
	Lynda Harford	Housing Portfolio Holder
	Mark Howell	Environmental Services Portfolio Holder
	Mick Martin	Corporate & Customer Services Portfolio Holder
	Robert Turner	Planning Portfolio Holder
	Tim Wotherspoon	Strategic Planning Portfolio Holder

Officers in attendance for all or part of the meeting:

Jean Hunter	Chief Executive
Alex Colyer	Executive Director, Corporate Services
Simon Pugh	Head of Legal, Cambridge City Council
Graham Watts	Democratic Services Team Leader

Councillors David Bard, Val Barrett, Henry Batchelor, John Batchelor, Anna Bradnam, Tom Bygott, Nigel Cathcart, Doug Cattermole, Grenville Chamberlain, Graham Cone, Pippa Corney, Christopher Cross, Kevin Cuffley, Sue Ellington, Andrew Fraser, Jose Hales, Roger Hall, Philippa Hart, Tumi Hawkins, Peter Johnson, Sebastian Kindersley, Douglas de Lacey, Janet Lockwood, Mervyn Loynes, Ray Manning, Raymond Matthews, David McCraith, Cicely Murfitt, Charles Nightingale, Des O'Brien, Tony Orgee, Deborah Roberts, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Edd Stonham, Ingrid Tregoing, Richard Turner, Aidan Van de Weyer, John Williams and Nick Wright were in attendance, by invitation.

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- (f) **REQUESTED** that the Civic Affairs Committee examines and makes recommendations on the methods for this Council to be able to scrutinise the decisions taken by the Combined Authority and the actions of the Council's representative(s) on the Combined Authority.

The Meeting ended at 9.04 p.m.

Agenda Item 7



South
Cambridgeshire
District Council

Report To: Leader and Cabinet

14 July 2016

Lead Officer: Alex Colyer – Executive Director, Corporate Services

2015-16 YEAR-END POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

Purpose

1. To provide Cabinet with:

- A provisional 2015-16 outturn position statement on General Fund, Housing Revenue Account (HRA) and Capital expenditure and income, including requests for budget rollovers from 2015-16 to 2016-17;
- a statement on the 2015-16 year-end position with regard to the Council's corporate objectives and performance indicators, and
- the Strategic Risk Register.

Integrated reporting in this way gives EMT and Members the opportunity to examine any areas of concern and decide on the appropriate action.

Approval of capital and revenue budget rollovers constitutes a key decision, notice of which was first published in the March 2016 Forward Plan.

Recommendations

2. Cabinet is requested to;

- (a) Consider, comment on and note the Council's provisional financial outturn position, together with the overview of Corporate Plan 2015-2020 achievements and performance against key performance indicators set out in the report and **appendices A-E** attached;
- (b) approve the capital and revenue budget rollovers totalling £9,370,180 (including approval for £3,869,485 of revenue resource required to finance rephrased capital expenditure), as listed in **Appendices E(1) General Fund Revenue, E(2) HRA Revenue and E(3) Capital**, to be carried forward into the 2016-17 financial year, and
- (c) Approve the Strategic Risk Register at **Appendix F** attached.

Reasons for Recommendations

3. These recommendations are required to enable Cabinet to understand the organisation's financial position and performance. 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.
4. Rollovers are required to be submitted to Cabinet as, subject to approval, they will result in increases in 2016-17 budget estimates for specific, exceptional items that were originally included in the 2015-16 estimates but will now fall in 2016-17. Rolling over revenue and capital budgets will allow the re-phasing of specific expenditure into 2016-2017 as stated in the proposal forms, summarised in **Appendices E(1), E(2) and E(3)** attached.

5. 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.

Background

6. This is the final position statement for 2015/16, providing updates in respect of:
 - The financial position at 31 March 2016, showing the original budget for 2015/16, and variance between the working budgets and the provisional outturn;
 - The Corporate Plan 2015-2020, agreed by Council in February 2015;
 - Key Performance Indicators at 31 March 2016; endorsed by Cabinet in September 2015, and
 - The Strategic Risk Register.

Corporate Plan 2015-2020

7. The Corporate Plan 2015-2020 set 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 worked to attain our Vision through three Strategic Aims around the themes of Engagement, Partnerships and Well-being. Detailed commentary on achievements and outcomes against each of the 12 objectives, 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 a number of significant milestones during the year. For example, we:
 - Launched an on-line form for benefits applications and a new public website;
 - Completed major consultations on transport improvements schemes 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 modifications to our draft Local Development Plan within a challenging timescale, submitting modifications for Public Examination in March 2016
 - Agreed ‘Primary Authority’ arrangements to provide regulatory support and advice to Aldi and John West Tuna Co.
 - Introduced Key Account Management arrangements with major businesses and organisations in the district;
 - Obtained the Gold Award of the Investors in People standard
 - Resolved to grant planning permission for 3,500 homes and associated infrastructure at Northstowe (Phase 2); we have since received a planning application for 92 units from the first housebuilder seeking to develop the site.
 - 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 and put in place a shared management team, which will save £140k per annum;
- Launched shared ICT, Building Control and Legal Services.

Key Performance Indicators (KPI)

9. Cabinet has endorsed 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 Outturn

11. This position statement is reporting on the variance between the 2015/16 working budgets and the provisional outturn at the end of March 2016. A summary is below; October 2015’s figures are included for comparative purposes, with the HRA October 2015 position restated to reflect that a projected favourable capital variance directly impacts the use of revenue resources as funding*:

Projected / Provisional Outturn compared to Working Budget	October 2015		March 2016		Movement (Appendix C)
	Adverse (Favourable)				
	£	%	£	%	£
General Fund	(231,490)	(1.43)	(357,778)	(2.20)	(126,288)
Housing Revenue Account (HRA)*	(3,999,000)	(13.68)	(5,149,964)	(17.62)	(1,150,964)
Capital	(4,460,000)	(20.87)	(8,161,152)	(37.07)	(3,701,152)

12. The favourable variance in the provisional General Fund outturn as at March 2016 is mainly because of additional Planning Fee Income, which was higher than had previously been forecast. It should be noted that budget holders actively manage costs down, leading to favourable variances, either one-off in-year, or that continue to have an ongoing effect in future years. Services continue to be delivered and performance maintained, as described elsewhere in this report.

13. The Council delivered savings of £408,270 during 2015/2016. The resulting shortfall of £261,730 partially offset the favourable variance in respect of planning fee income. The overall target of £670,000 will be met and surpassed in a full year from 2016-2017, as shown in the table below and reflected in the current MTFS agreed by Council in February 2016.

Areas identified to meet additional income/savings target	Savings Target £	Savings in 2015-16 £	Full-year income / savings £
Single Shared Waste Service and other waste initiatives	125,000	125,000	125,000
Increased Planning Pre-App fee income	100,000	102,880	100,000
Supplies & Services procurement	50,000	50,000	50,000
Systems Contract Terminus Review *	25,000	0	0
Office Space Management	25,000	28,890	25,000
Shared Services / Commercialisation Programme **	50,000	0	150,000
Ermine Street Housing			250,000
Sub-total	375,000	306,770	700,000
Other income/savings to be identified	295,000		
Fuel savings in Refuse and Street Cleaning		100,000	100,000
Recruitment portal fee		1,500	1,500
Total	670,000	408,270	801,500

* It is now anticipated that savings previously expected from the Systems Contract Terminus Review will be delivered indirectly through the ICT shared service.

** Figures included within relevant portfolios.

14. The provisional HRA outturn is predominantly due to a reduced requirement for revenue funding of capital expenditure, which was £5,652,600 lower than estimated, due to:
- The need to re-profile expenditure in respect of new build activity, as schemes progress through the design, planning and delivery phases. The authority is developing a new build pipeline programme with the new Housing Development Agency, which should enable greater throughput of new build schemes should funding allow.
 - The need to reschedule expenditure in respect of the provision of existing homes, particularly in respect of a scheme in Gamlingay, where it has taken time to relocate residents and identify a scheme which the authority can afford to deliver on the site in light of the financial pressures facing the HRA at present.
 - Challenges faced in the delivery of improvements to the housing stock due to internal and contractor staffing capacity, coupled with a specialist contractor ceasing to trade part way through the year.

Any resources not utilised in 2015/16, or required to fund rollovers into 2016/17 have been transferred into HRA reserves, and will be available for reinvestment in future years, to offset some of the financial pressures currently facing the HRA.

15. The provisional Capital outturn relates to a combination of the Housing Capital spending that did not occur in the year, as identified above, combined with a number of General Fund capital schemes which were deferred or withdrawn in 2015/16. Investment in potential photovoltaic projects at the Cambourne offices is not anticipated to go forward as originally planned, grants for the provision of social housing were not awarded as anticipated in 2015/16, whilst investment in ICT has been deferred as a result of the introduction of the 3C ICT Shared Service to allow a consolidated approach to future ICT investment.
16. A summary position statement is provided at **Appendix C**. Significant items of variance against the working budget are listed in **Appendices D(1)** in respect of General Fund Revenue, **D(2)** in respect of HRA Revenue and **D(3)** for the Capital position for the authority as a whole.

Rollovers

17. Budget rollover rules are governed by the budget and policy framework rules, as follows:

“Rollover of unspent budget provision from the previous financial year to the current year will only be permitted in exceptional cases (excluding employees). A list of rollovers will be completed and reported for approval to the Finance (and Staffing) Portfolio Holder by 31 July each year. Rollovers may then only be used with the approval of the Section 151 Officer, approval being on an individual basis during the year, when the director/cost centre manager can demonstrate that the current year’s budget is fully spent/ committed and that there are no other sources of funding, including virement. Rollovers are for specific items and cannot be vired.”
18. The items in the 2015-16 budget, listed in **Appendices E(1), E(2) and E(3)**, were underspent at the end of the 2015-16 financial year, but the expenditure will now fall within 2016-17. If approved by the Finance and Staffing Portfolio Holder, the relevant estimate provisions will be rolled forward into 2016-17, only if, or when the S151 Officer is satisfied that the relevant 2016-17 budget has been fully committed. Each of these rollovers will have been approved by the relevant Director and Portfolio Holder before being presented to the Finance and Staffing Portfolio Holder.
19. The March 2016 provisional outturn figures need to be adjusted for rollovers requested. In addition to the rollover requests listed in **Appendices E(1), E(2) and E(3)**, which total £123,130 on General Fund revenue budgets, £3,968,345 on Housing Revenue Account revenue budgets (including £3,869,485 for revenue funding of capital rollovers) and £5,278,705 on the Capital Programme, Cabinet *is asked to note the following*:
 - (a) The 2015/16 Finance, Policy & Performance staffing budget was underspent by £127,000 (net of the cost of staff seconded from Cambridge City Council). The unused staffing budget will effectively have been returned to General Fund Reserves at the end of 2015/16 and the money is therefore available for Council use from 2016/17. The amount of the underspend is required to fund expected financial management system implementation costs in 2016/17. While not a rollover in the strict sense (unspent employee budgets cannot be rolled forward), it is considered appropriate to formally record it in this report.

(b) Following the implementation of the new 3C ICT Shared Service, there is a collective approach to streamlining ICT investment to generate shared savings. Expenditure planned for 2015/16 has therefore prudently been deferred to ensure appropriate investment with our shared service partners. In addition, the Housing Management IT System will be fully re-tendered, as opposed to upgrading the existing application. This has resulted in £497,900 of expenditure not being incurred during 2015/16, of which £472,000 has been included as a rollover. The headline variances in 2015/16 were:

- £100k - Network Infrastructure Upgrade
- £ 35k - Windows Server Replacement
- £ 25k - Creation of 20TB Storage Array re Information at Work
- £180k - Replace VM Server Environment
- £ 20k - Active Directory Server Environment
- £ 20k - Wi-fi Network Expansion
- £ 92k - Replacement Housing Management System

20. The March 2016 provisional outturn figures need to be adjusted for rollovers and additional budget approvals requested. The table below shows the adjusted net March 2016 provisional outturn figures, taking rollover requests and the additional approval for finance system implementation costs into account:

Outturn compared to working budget	Provisional Outturn March 2016		Rollover requests and new approvals	Adjusted Outturn March 2016	
	£	%		£	£
General Fund	(357,778)	(2.20)	*250,130	(107,648)	(0.66)
Housing Revenue Account (HRA)	(5,149,964)	(17.62)	3,968,345	(1,181,619)	(4.04)
Capital	(8,161,152)	(37.07)	5,278,705	(2,882,447)	(13.09)

* Includes £127,000 additional approval request for finance system implementation costs

Income

21. 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(1)**.

	Budget 2015/16 £	Provisional Actual £	Variance £
Refuse Recycling – Credits	(660,000)	(745,817)	(85,817)
Trade Waste – Income	(635,000)	(677,447)	(42,447)
Paper Recycling – Credits	(384,000)	(345,368)	38,632
Development Control – Fees	(900,000)	(1,531,222)	(631,222)
Development Control - Pre-App Fees	(160,000)	(162,877)	(2,877)
Building Control – Fees	(340,000)	(307,116)	32,884
Land Charges – Fees	(297,360)	(293,337)	4,023
New Communities - Charges for Services	(195,000)	(83,159)	111,841
Taxi Licensing - Fees & Charges	(155,230)	(168,312)	(13,082)
Licences under Acts - Fees & Charges	(113,650)	(121,955)	(8,305)
Travellers Sites – Rents	(109,420)	(80,766)	28,654
Cambourne Offices – Rent	(60,000)	(88,891)	(28,891)

Risk Management

22. The Strategic Risk Register has been updated for the new Cabinet Members and responsibilities and reviewed with the nominated officer risk owners and other members of EMT. Changes proposed to risk descriptions, control measures / sources of assurance, timescales to progress or likelihood / impact scores are highlighted in the draft Strategic Risk Register, attached as **Appendix F**. The draft Strategic Risk Matrix, attached as **Appendix G**, shows risk impact and likelihood scores in tabular form.
23. A particular risk to note is:
- **STR02, Consultation and Engagement.** It is proposed to re-designate this risk from the previous Equalities risk. This risk was originally included in the Register to reflect corporate governance concerns at the time around policy gaps in this area. Following the embedding of a corporate framework to enable the potential equality impacts of the Council's policies, both as an employer and service provider, to be proactively assessed, it is felt that the corporate risk has now reached a very low level.

It is recommended that the risk is re-designated to reflect the wider likelihood of key decisions being challenged on the grounds of insufficient or inadequate consultation, against which proactive equality impact assessment of policies and service delivery decisions provides an important mitigation.

24. EMT considered that following potential risk areas were reflected adequately in service and programme risk registers and therefore did not warrant inclusion in the Strategic Risk Register at this stage; Cabinet is invited to consider these recommendations:
- Increasing commercial / entrepreneurial working covering business planning, securing income / cost management, sales & marketing skills, commercial Terms & Conditions / contracts for commercial staff / ICT support for on-line transactions.
 - ICT delivery risks to the Corporate Plan 2016-2021 Action D(v) 'Embed a 'digital by default' approach to customer access whilst ensuring quality traditional contact channels remain for those requiring them'.
 - Personal and commercial cyber-security in a digital world.
25. 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

26. 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

27. 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

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

EU Referendum

29. The result of the EU Referendum is likely to have implications for the Council's finance, performance and risk projections. These will be taken into account as part of review processes for the Corporate Plan, MTFs and Strategic Risk Register.

Consultation responses (including from the Youth Council)

30. 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.
31. The comments of the cost centre managers and directors were requested on the financial position and projected out-turn. Council Action and Performance Indicator updates have been prepared in liaison with lead officers in each directorate.
32. Risk owners and members of EMT have been consulted regarding the draft Strategic Risk Register and Matrix and their responses have been reflected and incorporated where appropriate.

Effect on Strategic Aims

33. 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.

Background Papers: None

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Action	What we did to achieve this objective	Outcomes – What we achieved	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.	<p>Much-needed housing provided, with local families prioritised.</p> <p>Ermine Street Housing (ESH) has acquired 41 properties on the open market.</p> <p>During the course of the pilot, the Council received interest payments from the company providing returns over £100,000.</p>	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.
Use lessons learnt to inform business plans for consultation and agreement	<p>Since the business expansion decision in November ESH has continued to acquire additional properties to grow the portfolio and the position at 31 May 2016 was:</p> <ul style="list-style-type: none"> - 86 Acquired - 81 actual properties for rent - Four resold, one more on the market - 39 more in the pipeline <p>ESH has also commenced another 5 year arrangement with the MoD at Brampton and is</p>	<p>It is estimated that income stream for the Council for 2016-17 will be in the region of £250,000 in addition to the appreciation of the capital asset.</p> <p>The profits generated from the MOD deals and the sold properties will ensure that ESH continues as a viable concern without short term loans from the Council.</p>	Continue delivery of business plan in pursuance of Corporate Plan Action D(i) 'Take forward commercial activities such as Ermine Street Housing (our ethical lettings company).

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	leasing 101 further properties, in addition to the 28 in Waterbeach and 14 in Bassingbourn.		
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	<p>Document and Space Management Review – 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 recruitment and selection.</p>	<p>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.</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>	The Corporate Plan 2016-2021 sets out a strategic objective to adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost.
Digital by Default business change project	<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>We have successfully integrated the meeting room bookings facility with Microsoft Outlook and launched an internal self-service facility for the Graphics Team.</p>	<p>622 benefits new claim forms and 219 change in circumstances forms were submitted between October 2015 – March 2016.</p> <p>The Housing Benefit calculator was used 247 times between 1 January – 31 March 2016.</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>
Customer Contact Service improvement	The service has introduced a number of key improvements this year, including:	The percentage of all calls handled increased from 76% in 2014 to 84%	There are a number of actions included in the improvement plan which will enable

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
plan	<ul style="list-style-type: none"> • Improved Corporate Induction to build awareness and relationships with the back office • Additional back office support being provided by the Rents team. • Call messages can now be recorded and uploaded to the system by members of the customer contact service management team e.g. to advise of green bin collection dates for December 2016-February 2016. • Offering residents direct payment options without the need to speak to an advisor. • Implementation of new dedicated specific service line for Rents to help monitor and manage customer expectations during peak demand. • Introduction of electronic forms via our website for Benefits and issues relating to change of circumstances. • Improved information is available on the website. 	<p>in 2015. Performance remained above 80% in January-February 2016 (monitoring periods 39-41), before slipping to 73% during period 42 (see Appendix B for commentary).</p>	<p>continuing improvement in the performance of the customer contact service to be sustained; these actions will be completed during the 2016/17 financial year. These include:</p> <ul style="list-style-type: none"> • Working with high volume users of customer contact service to reduce the number of calls being presented and to look at options to reduce customer contact further or self-serve e.g. new e-forms and automatic caller messages. • Extending the back office support for the customer contact service by expanding the back office teams who are able to provide staff to answer/handle calls during periods of peak demand. • Review of current staffing structure to continue the improvement in the operational performance of the customer contact service, taking into consideration succession planning, training and development opportunities for existing staff.
Development Control Improvement Programme	<p>A number of significant improvements have been implemented:</p> <ul style="list-style-type: none"> • Review of resource and support arrangements and implemented a new structure for support staff. • Transfer of duty planner service to an 	<p>Planning application fee income was £631k more than originally budgeted because of a number of large fees received.</p> <p>Pre-application fee income of £162k exceeded the £160k target.</p>	<p>Key elements of the next phases of the improvement programme include:</p> <ul style="list-style-type: none"> • Introducing Development Delivery Agreements to take major developments from inception stage

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>appointment system to help manage customer expectations, provide tracking of enquiries and reduce the number of lost and repeat calls.</p> <ul style="list-style-type: none"> • Permanent Head of Development Management in post. • Successful recruitment campaign to appoint five Planning Project Officers; a two-year training programme underway. • Process and system upgrades resulting in planning data moving to an external, 'cloud-based' solution and improved planning application workflow. • A simpler and more efficient Delegation scheme for planning applications. This should increase the percentage of delegated decisions from approximately 90% to 95% and assist Planning Committee in taking more strategic decisions. 	<p>The volume and size of applications has continued to impact determination performance during the year; however, recent signs of improvement have seen the percentage of householder applications determined within eight weeks increase from 57% in January to 70% in March 2016.</p>	<p>through to delivery.</p> <ul style="list-style-type: none"> • Review and improve departmental training and customer service procedures. • Complete closedown of out of time applications. • Implement the Planning Advisory Service's Quality Framework. <p>Stephen Kelly took up post as Shared Head of Planning and Economic Development (with Cambridge City Council) in June 2016.</p>
<p>Deliver Organisational and Member Development Strategies</p>	<p>We have completed the latest staff survey seeking feedback on learning and development. Very positive feedback was received from staff and some good ideas and suggestions submitted on how we can improve.</p> <p>Third tranche of Leadership Development</p>	<p>We achieved the Gold Standard of the Investors in People (IIP) accreditation.</p> <p>Staff surveys have been carried out over a range of themes including communication, job satisfaction, leadership and learning and</p>	<p>Corporate Plan 2016-2021 action D(iv) commits us to delivering 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.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>Programme completed – delegates undertook forward Action Learning projects exploring reward and recognition, remote working and employee protection. Recommendations were presented to EMT, several of which have been implemented. Discussions are now taking place to review and revise the programme in readiness for a new cohort of managers and aspiring managers</p> <p>As part of the Member Development Programme we carried out general induction for new Members, technical training for Members sitting on planning and licensing committees and briefings on major initiatives including Devolution and the City Deal.</p> <p>We have extended the coaching programme and now have three trainee Level 7 Executive coaches going through the programme. The internal coaching pool has proved to be successful and we are now considering joining the regional pool to extend experience.</p> <p>We have introduced measures to recruit and train HGV drivers to address the shortages across this sector.</p> <p>We have delivered a wide-ranging Corporate training programme including: safeguarding, IT Bitesize skills, performance and attendance management; managing your own career; project management and, financial awareness.</p>	<p>development, flexible working. Good response rates (circa 70%), although more needs to be done to encourage submissions from the Depot. Generally high levels of satisfaction from staff. Contributing factors to job satisfaction included management support, opportunities for training and development, flexible working and being able to achieve positive outcomes for customers.</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>Successful recruitment of trainee HGV drivers.</p>	<p>The Strategy and Action Plan has been updated to; reflect the council's ambition to achieve IIP Platinum status; reflect the Council's Vision; incorporate Member Development; employee feedback and, the emerging commercialisation agenda.</p>
<p>Publish a financial strategy for 2016-2021</p>	<p>Council agreed a revised Medium Term Financial Strategy (MTFS) in February 2016.</p>	<p>Subject to the approval of Rollovers, we achieved an underspend of 0.66% (£107,648) against the original General Fund</p>	<p>A revised draft MTFS for 2017-2022 will be submitted to Cabinet in November 2016.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
		estimate.	
Objective (3) Make the district an even more attractive place to do business			
<p>Complete implementation of SCDC 'Working with Business' Plan across the Council.</p>	<p>We have established an internal tasking and coordination 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 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 over 500 businesses on our register. Membership of the register enables businesses to access a variety of information around funding, support and promotion.</p>	<p>A consistent approach to enforcement crossing departmental and partner agency boundaries.</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 Local Enterprise Partnership.</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> <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>The Tasking & Coordination group will continue to meet monthly to identify and address corporate enforcement issues and will contribute to multi agency locality panel groups.</p>
Implement a joint	We carried out a pilot 'Business Hub'	Primary authority arrangements	The pilot Business Hub service was

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
<p>“Business Support Hub” with Cambridgeshire County Council and partners</p>	<p>partnership with the County Council trading standards (Supporting Businesses and Communities) and Fire and Rescue Service, providing comprehensive and detailed regulatory advice and consultancy services to businesses.</p> <p>We are working with the Local Enterprise Partnership to ensure alignment with the ‘signpost2grow’ initiative.</p>	<p>have been agreed with Aldi and John West Tuna and Food Co.</p>	<p>completed in April 2016. We will build on key lessons from the pilot to explore the development of a commercial model for the service.</p> <p>Primary authority negotiations are underway with a further three national companies.</p>
<p>Continue targeted support for businesses in the rural economy.</p>	<p>We held a community pub event at The Plough, Shepreth. 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>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>We promoted 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.</p> <p>We have delivered a further series of Business Support workshops with Huntingdonshire District Council, procuring services of NWES, an Enterprise Agency with</p>	<p>District Place Profiles showed South Cambridgeshire continuing to perform strongly on all economic indicators.</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 and an increase in the number of public houses being nominated as ACVs in the district.</p> <p>77 businesses across SCDC and Huntingdonshire have so far attended the latest round of workshops. Feedback has</p>	<p>Corporate Plan 2016-2021 Action C (iv) commits us to continuing targeted support for the rural economy.</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 Council will continue to work in close partnership with ‘Connecting Cambridgeshire’ to achieve the best superfast broadband delivery for the District.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>over 30 years' experience.</p> <p>Following engagement work with local businesses in Gamlingay, we facilitated specialist workshops aimed at helping businesses become part of local supply chains and set up local networks.</p>	<p>continued to be very positive; a recent delegate said 'I could not have asked for better help.'</p> <p>One of the businesses participating in the workshop programme has grown to employ 15 people.</p> <p>One hundred South 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 113,000 premises are now able to access high speed fibre broadband.</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 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 approved by the Government in November 2015 and officially launched in April 2016. South Cambridgeshire sites make up three fifths of the Enterprise Zone: Cambourne Business Park, Northstowe and Cambridge Research Park.</p>		<p>Corporate Plan 2016-2021 Action C(iii) commits us to continuing to sell the South Cambs economic success story, influencing strategic partners in Government and Business, both nationally and internationally.</p> <p>Council officers are working in partnership</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>We have continued to participate in the London Stansted Cambridge Consortium (LSCC), which 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>with the Local Enterprise Partnership (LEP) and other stakeholders to develop governance, business and investment plans for the Enterprise Zone. A report will be submitted to Cabinet in July 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>DECC has further extended the Green Deal Communities funded project to install solid wall insulation to privately owned properties in Cambridgeshire, and through the cross-county project board we have continued to manage the programme and provide grants for works. With permission from DECC we have set up an additional project targeting fuel poverty, installing fully funded solid wall insulation and other energy saving measures for low income households.</p> <p>Training sessions have been held on the use of thermal imaging equipment to monitor residents' energy usage, 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; the group currently has 40 members. We are working with SPEP volunteers and in partnership with a local charity, Cambridge Carbon Footprint, to set up</p>	<p>As of 24 May 2016, 129 solid wall installations had been completed, with 48 in progress.</p> <p>Properties with installation complete benefitting 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 over 2,000 Council homes, cutting fuel bills for tenants by up to half.</p>	<p>Work towards final completion of both the solid wall insulation project and the fuel poverty project (October 2016).</p> <p>Continue to work with SPEP volunteers to set up Repair Café events.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>networks of Repair Cafes north and south of Cambridge. The first Repair Café event will take place on 18 June at Histon.</p>		
<p>Community Assets Register</p>	<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>We produced a social media animation to explain about what qualifies as an ACV, and how the process works.</p>	<p>Seven assets were nominated by communities between 1 January – 31 March (all were initially accepted, although one was later refused following an internal review). Assets listed this year included 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>
<p>Implementation of the SCDC Localism Action Plan, including locality 'patch-based' working</p>	<p>Locality Development Officers for the district are in place and the Locality patch working model, aligned to partners' delivery arrangements, is now in operation.</p> <p>We have supported Melbourn, Meldreth, Shepreth, Foxton and Fowlmere to develop a Service Level Agreement governing joint youth work initiatives.</p>	<p>Examples of recent 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.</p> <p>We hosted the annual Community Awards celebration of individuals' outstanding contributions to their communities.</p>	<p>Corporate Plan 2016-2021 Objective C(iv) commits us to supporting 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.</p> <p>We are working with Hardwick and Gamlingay Parish Councils to provide mechanical sweeping equipment, and with Hardwick, Cambourne and Croydon to develop and implement community-led plans.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
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.		<p>The Corporate Plan 2016-2021 sets out a strategic objective to 'Secure the delivery of a wide range of housing to meet the needs of existing and future communities.'</p> <p>A Housing Strategy Statement will be submitted to the Housing Portfolio Holder for agreement in September 2016, setting out key policy challenges for the next five years.</p>
Deliver actions from the New Build Strategy 2015-16 and prepare updated Strategy for adoption in 2016	<p>We have taken handover of 20 new council homes at Swavesey in May 2016 as well as a further four Council new build in Linton. We are now on site with 15 new homes for affordable rent in Foxton and expect completion on these by Christmas 2016.</p> <p>We have funds available through the existing HRA committed programme for one large or</p>	The keys to a total of 39 new affordable council homes will be handed over to new occupants in 2016.	<p>Corporate Plan 2016-2021 Action B(ii) commits us to 'increase the range of housing and tenure options for residents, including Right to Build and Starter Homes.'</p> <p>Further schemes within the SCDC New Build Strategy will be difficult to finance following the Government's cut in social rents and at this stage are unlikely to</p>

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	<p>two smaller additional exception site/ windfall site schemes. An offer on 8 new council homes has been accepted by the developer (STC and STP) and we are seeking a further opportunity. We are about to submit a planning application to redevelop a non-traditional property site to create five new homes and we are looking to redevelop a site at Gamlingay to provide a further 14 new council homes, including some shared ownership housing.</p> <p>Work continues to develop a joint Housing Development Agency (HDA) with the City, South Cambs and County Council to bring together land in public ownership, expertise in delivering and managing housing and the skills needed to secure investment. The HDA is working on eight County owned sites, as well as a programme of HRA and General Fund sites. The HDA Managing Director is in post (April 2016) and the staff team is now working together to create and present an updated business plan for approval. The H DA is part of the joint offer the councils are making on devolution in respect of driving additional housing in the districts.</p>		<p>progress as planned. However a further income stream has been identified through the Self/Custom Build service hub business case. One key element of this is the sale of HRA owned land plots to facilitate our legal requirement to hold and promote a Land Register to energise self build. The receipt will go into the HRA and fund new build housing affordable schemes at 70% funding HRA receipt and 30% right to buy receipt. This should by year 3 finance additional 20-30 new affordable council homes per year.</p> <p>A business case to promote self-build and custom build and making a sub-regional self-build/custom build offer to other local authorities has been recommended to Cabinet by EMT and will be presented to Cabinet in July 2016. A regional manager is being recruited and a project officer is expected to follow.</p>
<p>Provide and refurbish Gypsy and Traveller sites</p>	<p>A revised Gypsy and Traveller Accommodation Needs Assessment has been prepared – see Objective (11) below.</p>	<p>Refurbishment work at the Whaddon site is complete.</p>	<p>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</p>

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			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 implementation programme	<p>Significant progress has been made with the development stages of City Deal transport, housing and skills workstreams during the year, including:</p> <ul style="list-style-type: none"> • Consultations on transport infrastructure improvements options: A428/A1303 bus priority, Chisholm Trail cycle route, Histon Road and Milton Road bus priorities, M11 western corridor (initial options). • Establishment of Housing Development Agency (HDA) to pool City Deal partners' skills and resources to deliver 4,000 new homes. • Skills service 'Form the Future' launched in September 2015. • Exploration of 'Smart Cambridge' solutions such better travel planning tools and digital screens for visitors, making better use of data to improve people's daily lives <p>Following extensive negotiations with</p>	<p>The Cambridge Promotions Agency has handled over 100 enquiries. Evidence shows at least 12 direct investments as a result, as well as a number of 'heads of terms' with start-ups and direct corporate collaborations with universities.</p>	<p>Corporate Plan 2016-2021 Objective C(i) commits us to 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.</p> <p>During 2016, the City Deal will move from consultation and planning to on the ground practicalities, including:</p> <ul style="list-style-type: none"> - Selection of preferred options for improvements to the A428/M11 corridor; - Submission of planning application for Chisholm Trail cycle link and construction of other cross-city cycle improvements - Approval and delivery of Business Plan for the HDA, identifying specific schemes - Complete the £300k first stage 'smart technology city management platform' for Greater Cambridge.

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	<p>government, a deal for the devolution of central powers and responsibilities to East Anglia was announced. Local partners, including the County Council, agreed that these proposals were not acceptable, consequently a revision has been put forward for a Cambridgeshire and Peterborough Combined Authority with a directly-elected Mayor.</p>		<p>Further development work will include:</p> <ul style="list-style-type: none"> - Public consultation on the A1307 corridor transport improvement proposals (16 June – 1 August), - Assessment of ‘Tranche 2’ infrastructure investment options (for deliver between 2020-2025) - Award of contract to deliver a payment by results mechanism where Greater Cambridge is rewarded for prioritising and investing in projects that deliver the greatest economic benefit over 15 years. <p>The main features of the revised Devolution deal include £20 million per year for 30 years to support economic growth, local infrastructure development and jobs, and £170 million for affordable housing.. Council and Cabinet will consider the deal and agree a response to Government on 28 June 2016.</p>
<p>Implement, monitor and review shared ICT, Building Control and Legal Services.</p>	<p>Shared ICT, Building Control and Legal Services, branded as 3C Shared Services, commenced on 1 October 2015. Full Business Plans for 2016/17 are in place.</p> <p>A case management system for the shared</p>	<p>A shared ICT management team is now in place following successful recruitment from within the three councils.</p> <p>A Head of Legal Practice, Principal</p>	<p>A new single service desk system was launched on 22 June 2016. Other ICT priorities include the development of a service catalogue outlining key functions available to partners, a new resource booking system, 3C partnership website</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>legal service is in place, with training being carried out.</p> <p>Building Control teams are now working from office hubs in Cambridge and Huntingdon. Recruitment for a permanent Building Control Manager is underway.</p>	<p>Lawyer and Business Support Manager have been appointed.</p> <p>A Technical Support Manager for Building Control is in post.</p>	<p>and server room consolidation to reduce five data centres to two.</p> <p>Recruitment will take place to the remaining Principal Lawyer posts, and consultation on the final tier of the Shared Legal Practice. The 'Go Live' date for the final structure will be 1 September 2016. .</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 have launched a shared waste service with Cambridge City Council (see item (8) below).</p> <p>Cabinet agreed to make the interim arrangements of sharing the Head of Finance and other housing finance staff 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 	<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 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>Corporate Plan 2016-2021 Action D(iii) commits us to placing greater emphasis on sharing services and information to improve resilience and customer service whilst reducing costs.</p> <p>The successful delivery of this objective will be crucial to delivering ongoing MTFS savings targets.</p> <p>Continue to implement the shared waste service with 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. We have selected a</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<ul style="list-style-type: none"> - 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>preferred supplier following procurement and have begun the implementation phase.</p>
<p>Agree accommodation strategy for South Cambs Hall</p>	<p>During the year, we successfully completed space management reviews in the Finance, Revenues and Benefits teams, enabling more efficient use of space and creating additional 'hot-desking' capacity.</p> <p>The Shared Services Partnership Board has agreed accommodation principles setting staff:desks ratios for our offices and identifying which services should be located where.</p> <p>Modernised MFD printer/photocopiers were successfully introduced at South Cambridgeshire Hall. These have immediately improved flexibility and information security and are projected to reduce costs.</p>	<p>Existing partnership office space rental agreements are generating income and reducing overheads for the Council whilst improving collaboration between partners.</p>	<p>Detailed business cases and project plans for strategic accommodation options will be brought forward in alignment with the shared services, and individual partners', transformation programmes.</p> <p>We will review business benefits arising from the installation of new MFD devices.</p>
<p>Objective (7) Move to a commercial approach to service delivery</p>			
<p>Deliver commercialisation programme</p>	<p>EMT approved business cases for six commercialisation projects:</p>	<p>Increased Trade Waste income and surplus – see below.</p>	<p>The Corporate Plan 2016-2021 Action D(i) commits us to taking forward commercial activities. The success of such initiatives will be crucial to delivering MTFS savings</p>
<p>Review current commercial activities</p>	<ul style="list-style-type: none"> - Business Hub: see objective (3) above 		

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
<p>and skills.</p> <p>Invest in further developing commercial skills.</p>	<ul style="list-style-type: none"> - In-house enforcement agents: Two staff members have become Certified Bailiffs. Preparatory work completed to a point where we can start to identify cases and send the first Notice of Enforcement to debtors. - 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>targets.</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>The SCDC commercial collection service continued to demonstrate modest year-on-year growth.</p> <p>The buildings blocks are in place for closer integration between the SCDC and City Council commercial services.</p>	<p>The SCDC trade waste collection service delivered a reasonable return in 2015/16 and provided a surplus to support other important SCDC services.</p>	<p>For 2016/17 the focus is on securing efficiencies, and improving operating surpluses, from the two councils trade waste services working together. This includes better use of vehicles on a cross-border basis, marketing interventions, sharing staff experience and capacity, and customer support.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
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>The co-location of the two councils' vehicle fleets and staff at Waterbeach became effective on 9th November 2016.</p> <p>The senior management team for the Single Shared Waste Service (SSWS) was finalised with the Head of Waste Resources (in post Feb 2016) and the Operations Manager, and Policy, Change & Innovation Manager (in post July 2015).</p>	<p>Creation of a shared management team saved £120k in 2015/16.</p> <p>On target to achieve further savings of £300k in 2016/17 and again in 2017/18.</p> <p>Sharing experience, resources and capacity improved service resilience.</p>	<p>Continue delivery of the Single Shared Waste Service Programme and achieve full service integration and savings by October 2017. This includes: -</p> <ul style="list-style-type: none"> • Modelling cross-boundary working. • Restructure of Operations Management and the Policy Team. <p>The SSWS has been awarded around £40k to explore service issues and consistency.</p>
Work with partners to ensure 65% or more of the waste we collect in your bins is diverted from landfill.	<p>The SCDC recycling rate (57%) is a major contribution towards meeting this target. Higher landfill diversion requires closer working with Cambridgeshire County Council (CCC) in its role as the Waste Disposal Authority.</p> <p>Note: As CCC does not have access to energy from waste, as many other counties do, achieving 60%+ is extremely challenging. Counties with access to a combination of recycling and energy from waste often achieve diversion from landfill of 90%+ whilst ensuring recycling is their primary treatment option.</p>	<p>SCDC continued to achieve top quartile recycling performance comparable to all other Waste Collection Authorities in England.</p> <p>SCDC has exceeded the national target of 50% recycling by 2020 several years early.</p>	<p>Corporate Plan 2016-2021 Action D(ii) commits us to reducing black-bin rubbish and increasing income from selling recycled blue-bin waste and paper to keep Council Tax low and reduce waste disposal costs.</p> <p>Recycling performance for England as a whole has plateaued for some years around 44% and may actually decrease. As performance is based on mass, the following combination of factors nationally may impact locally, including:</p> <ul style="list-style-type: none"> • light-weighting of packaging products; • changes in packaging materials from

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
			glass to plastic; <ul style="list-style-type: none"> seasonal impacts e.g. an especially wet or dry summer may reduce garden waste arising.
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 Community Transport initiatives	We trialled a Bikebus scheme to encourage visits to local attractions by public transport. The pilot concluded in March 2016.	In the last year, car schemes in the district made 30,000 journeys possible for local people, travelling over 215,000 miles. Since 2012, the number of journeys made by community car schemes has increased by 20 per cent. There are currently 55 car scheme co-ordinators running 28 schemes across the district and 337 volunteer drivers.	Corporate Plan 2016-2021 objective C (Connected Communities) commits us to work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity. We are working with Hauxton Parish Council to progress plans for a shuttle bus service between Hauxton Meadows and the Park and Ride service.
Work with GPs and the Local Health Partnership to begin implementation of the SCDC Health & Well-being Plan.	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. All 20 GP surgeries in the district have been	Around 5,000 people took part in a wide range of free activities at the 2015 Parklife event. 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.	Corporate Plan Objective A (Living Well) commits us to supporting our communities to remain in good health whilst continuing to protect the natural and built environment. Produce Annual Report for Active and Healthy 4 Life scheme. Deliver Healthy New Town initiative at Northstowe. Plan and deliver Parklife 2016, our free

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>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 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 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>We have awarded elite athlete funding to 16 individuals totalling £10,050.</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 with disabilities.</p>	<p>family fun day and sporting festival.</p>
<p>Begin implementation of the SCDC Ageing Well and Children, Young People & Families plans.</p>	<p>Youth councillors used an engagement event to provide input into the Council's draft Corporate Plan.</p> <p>The Youth Council participated in a consultation by UK Power Networks.</p> <p>The lead provider contract for older people's</p>	<p>The Our Youth Council 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</p>	<p>Corporate Plan Objective A (Living Well) commits us to supporting our communities to remain in good health whilst continuing to protect the natural and built environment.</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
	<p>services in the county has been terminated. We await briefings on the next steps from the Clinical Commissioning Group (CCG).</p> <p>SCDC has worked with the Cambridgeshire Celebrates Age organisation to produce listings of regular activities available for older people in the district.</p>	<p>of Commons.</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 taken forward as part of Corporate Plan 2016-2021 objectives.</p> <p>Youth Council input into the ‘Stress Less’ campaign led to some councillors volunteering as school champions.</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</p> <p>Implement Universal Credit and plan for the possible requirement to amend the Local Council Tax Support Scheme</p>	<p>Council agreed to retain the current LCTS scheme at its meeting in January 2016.</p> <p>The Housing and Benefits teams have continued to analyse the implications for the council and its customers of the Welfare Bill, and subsequent announcements arising from</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>Monthly monitoring of the tax base and collection rates will continue, seeking assurance that the scheme continues to be affordable.</p> <p>Implementation of the revised Benefits Cap is anticipated in Autumn 2016 and Pay to Stay from 2017. Pay to Stay is likely to have</p>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
(LCTS) for 2016/17	<p>the Government’s financial settlement.</p> <p>Universal Credit (UC) was implemented for working age residents from the end of February 2016. Implementation is presently restricted to job-seeking single claimants and couples without children, consequently only a limited number of residents are currently affected. It remains unclear as to the date UC will be fully implemented.</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 surpassed its targets again for rent and Council Tax collection during the year – see Appendix B for details.</p>	<p>the largest implications for SCDC residents due to higher employment rates, wage levels and market housing rents in the district.</p> <p>Corporate Plan 2016-2021 Objectives B(v) and (vi) commit us to finding solutions for people facing homelessness, and to securing a viable future programme for our Council homes.</p>
<p>Objective (11) Establish successful and sustainable New Communities with housing and employment at Northstowe and the major growth sites, served by an improved A14</p>			
<p>Work with development partners to ensure delivery of major developments and A14, A428 and other transport improvements:</p>			
Northstowe Phase 1	<p>Bloor Homes is the first housebuilder at Northstowe after an agreement was confirmed with developers Gallagher Estates. A planning application for the 92-home site has been received, and consultation underway.</p>		<p>Corporate Plan 2016-2021 objective B(i) commits us to influencing developers to increase the pace of housing and infrastructure construction, including the delivery of affordable housing.</p> <p>Subject to planning permission, building work on the 92-home site could start in Autumn 2016, with the first residents moving in during 2017.</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>

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
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.		We will issue a planning consent for the Phase 2 development following the conclusion of negotiations around the inclusion of starter homes within the proposal.
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 Meadows site within South Cambridgeshire is underway. Walking and cycling routes are in place across the southern fringe sites.</p> <p>The Joint Development Control Committee delegated authority to officers to approve the outline planning application for 1,300 homes on 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>Construction of the new Chesterton Interchange Station has begun.</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>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 Autumn 2016.</p> <p>Continue pre-application discussions regarding the Waterbeach and Bourn Airfield sites, prior to the submission of planning applications.</p>
Continue to progress the	We carried out extensive additional work and	869 net additional dwellings were	Corporate Plan 2016-2021 objective B(iii)

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Action	What we did to achieve this objective	Outcomes – What we achieved	What is still left to do
Local Plan to adoption	<p>consultation (over 1,000 responses were received) on a series of limited modifications to the Local Plan, in response to feedback from the Inspector. Council subsequently approved proposed modifications, which have been submitted to the Examination.</p> <p>A range of actions have been undertaken to 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. This includes obtaining legal advice regarding weight that can be given to plan policies.</p> <p>Following an Issues and Options consultation for the future development of the Cambridge Northern Fringe (East) site, we are developing an Area Action Plan for an employment-led, mixed-use neighbourhood.</p>	completed over the last monitoring period (2014-2015).	<p>commits us to progressing the Local Plan to adoption.</p> <p>Joint Local Plan examination hearings for SCDC and Cambridge City recommenced on 7 June 2016 and will run until 14 September 2016. Further hearings are likely to follow and the final Plan unlikely to be ready for adoption until late 2017.</p> <p>A revised new Gypsy and Travellers Accommodation Needs Assessment has been commissioned with adjoining authorities; it will be completed later in 2016.</p>
A14 and A428 upgrades	<p>The Secretary of State has granted development consent for the A14 Cambridge to Huntingdon Improvement Scheme.</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</p>		<p>Corporate Plan 2016-2021 objective C(ii) commits us to bringing forward strategic transport improvements.</p> <p>The A14 improvement scheme will open to traffic in 2020. SCDC has committed a £5 million to the upgrade as part of an overall contribution of £100 million by local partners.</p>

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	<p>2020. 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>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>Cabinet has increased of the strategic risk around homelessness and the cost of temporary accommodation materialising due to concerns that mitigation measures in place have been undermined by government policy.</p> <p>We participated in a 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>At 31 March 2016, there were 55 households in temporary accommodation and 26 cases of successful homeless prevention. A total of 150 successful preventions were achieved through the year.</p> <p>Expenditure on B&B totalled £4,481 for the final quarter of 2015-2016, with an estimated annual spend of £20K</p>	<p>The Corporate Plan 2016-2021 Action B(v) commits us to finding solutions for people facing homelessness.</p> <p>Review the Homelessness 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> <p>A project has been initiated to identify different work strands and will be led by the Heads of Housing Advice and Options.</p>

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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 4			Previous period result (RAG)	Lead Officer	Points of note
				Jan	Feb	Mar			
Finance and Staffing Portfolio - Simon Edwards									
FS101 - % General Fund variance (C,L)		3	4			-0.7	G	John Garnham	Variance at Jan and Feb unavailable. Favourable variance mainly due to greater than anticipated Planning Fee income.
FS102 - % rent collected	Jan	97.3	87.6	98.5	98.8	98.9	G	Katie Brown	2015/16 collection rates have been consistently higher than those in 2014/15.
	Feb	97.9	88.2						
	Mar	98	90						
FS104 - % NNDR collected (C)	Jan	98.1	88.3	95.5	98.4	99.4	A	Katie Brown	Year-end performance is +0.6% on last year. Performance has been amber until March due to greater payment spread following introduction of 12 monthly payment. 16/17 in-year target and intervention levels have been adjusted to account for this.
	Feb	98.5	88.7						
	Mar	99	90						
FS105 - % Council Tax collected (C)	Jan	97.8	88	98.1	99.2	99.4	G	Katie Brown	Year-end performance is +1.5% on last year, during which SCDC achieved highest rates regionally and 5th highest nationally.
	Feb	98.6	88.7						
	Mar	99.1	90						
FS106 - % HRA variance (C,L)		3	4			-4.0	G	John Garnham	Jan and Feb unavailable. Variance is due to maintenance and improvement works being deferred for various reasons.
FS107 - % Capital variance (C,L)		3	4			-13.1	G	John Garnham	Variance at Jan and Feb unavailable. Variance due to Housing Capital spending that did not occur for uncontrollable reasons.
FS108 - % invoices paid in 10 days		80	70	72.7	81.1	83.1	A	Sally Smart	Performance has been largely amber in 15/16, with improvement at year-end. Local PIs have been introduced for 16/17 breaking down by Directorate to allow improved monitoring.

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KPI reference and description (C) = Cumulative (L) =Low is good	T&I Period	Target	Interv- ention	Quarter 4			Previous period RAG	Lead Officer	Points of note
				Jan	Feb	Mar			
FS109 - % invoices paid in 30 days		98.5	96.5	97.3	99.4	98.2	A	Sally Smart	See comment re FS108 on previous page.
FS110 - Staff sickness days per employee (C,L)		7	10	8.8			A	Susan Gardner Craig	The total number of staff sickness days per FTE in 15/16 was 1 day higher than in 2014/15. Sickness levels have been consistently amber throughout the year. Local PIs breaking down sickness by Directorate to be introduced for 16/17.
FS111 - % Staff turnover (C,L)		10	15	11.8			A	Susan Gardner Craig	A reduction in staff turnover during Q4 (2%) compared within Q3 (3.4%) has ensured that staff turnover remains firmly within intervention and is not seen to be cause for major concern.
FS112 - Days to process new HB and CTS claims (L)		20	27	19	12	9	A	Dawn Graham	Whilst improvement since Q1 and 2 conforms with the usual trend of reduced times towards year-end, Q4 figures are particularly strong, comparing with 28 (new claims) and 13 (change events) days in March 15/16 . Figures have been assisted by 3 Revenues and Benefits roles becoming increasingly established and broad efficiencies as a result of E-forms.
FS113 - Days to process HB and CTS change events (L)		10	15	11	7	7	R	Dawn Graham	
FS114 - HB overpayments recovered as % of recoverable overpayments created		100	80	95	100	115	A	Dawn Graham	Impacted throughout the year by high overpayment creation due to growing historic change events through 'Real-time Information' from HMRC. Whilst overpayment creation has increased, use of fixed recovery rates continue in the main. Relegated to Local PI for 16/17 - not a key indicator of performance.
FS115 - % Sundry (other) Debts in arrears (L)		Jan	13.7	23.1	9.3	5.7	2.5	G	Katie Brown
	Feb	9.4	16.6						
	Mar	5	10						
Housing Portfolio - Mark Howell / Lynda Harford									
AH201 - Number of households helped to prevent homelessness (C)	Year end	200	180	150			R	Sue Carter / Heather Wood	Target and intervention increased after high 14/15 results. 15/16 results are lower due to transition from the Homefinder Scheme to the Single Homeless Service and difficulties accessing private rent market. Had target not changed, performance would be green. 16/17 target has been set based on the anticipation of continuing difficulties.

Appendix B - Key Performance Information

KPI reference and description (C) = Cumulative (L) = Low is good	T&I Period	Target	Intervention	Quarter 4			Previous period RAG	Lead Officer	Points of note	
				Jan	Feb	Mar				
AH203 - Households in temporary accom. (L)		50	60	55			A	Sue Carter	Amber throughout most of the year. High rents and welfare reform create on-going challenges for Homeless Prevention.	
AH204 - % satisfaction with responsive repairs		95	90	97			G	Anita Goddard	Green throughout 15/16. Target and Intervention increase for 16/17 to 97 and 92 in line with revised Mears targets.	
AH205 - Ave. General Needs re-let days (L)		17	25	15	16	16	G	Anita Goddard	Green throughout 15/16. Target has decreased to 17 for 16/17.	
AH206 - Council new-build homes started on site	Year End	35	25	35			G	Julie Fletcher	15 started in Foxton in Q4. This KPI is being discontinued for 16/17 due to reduced ability to invest in new-build council homes.	
AH207 - Affordable homes started on exception sites	Year End	61	50	63			A	Julie Fletcher	This KPI will be replaced by a new Housing Development PI for 16/17 - details to be confirmed in time for first 16/17 report.	
Corporate and Customer Services Portfolio - Peter Topping / Mick Martin										
CCS302 - % first time resolutions		80	70	4-weekly Period				G	Dawn Graham	High period 42 call volumes (+3254 on period 41) resulting from year-end events and elections, were planned for through magazine articles aimed at reducing calls and back office support; however, performance dropped, with call numbers exacerbated by staff vacancies and school holidays falling over year-end, meaning some staff leave. Whilst performance dropped compared to rest of 15/16, 5% fewer calls were abandoned than last year, despite comparable call numbers. A review of lessons learned from 15/16 will take place as part of the CC improvement plan whilst work continues towards digital by default and call reduction.
				39	40	41	42			
				83	83	83	79			
CCS303 - % contact centre calls not abandoned		85	80	81	82	83	73	G	Dawn Graham	
Ave. call answer time in place of unavailable CCS304 (% of calls answered within 2 minutes)				2.51	3.06	2.47	5.03		Dawn Graham	
Environmental Services Portfolio - Mick Martin / Mark Howell										
ES401 - % satisfaction with regulation service		90	80	90			A	Myles Bebbington	26 of 29 indicated satisfaction in Q4. There was a reduction in responses from previous quarters - to be monitored.	
ES402 - % satisfaction with waste services		90	80	82			A	Paul Quigley	1818 waste and 558 environmental responses received - an increase on 14/15. We are working with the Shared Waste Service to identify priority actions to address concerns and improve satisfaction. 57% saw dog fouling, 53% litter and 34% fly tipping as issues.	
ES403 - % satisfaction with environmental quality		85	75	75			A	Paul Quigley		
ES404 - % household waste sent for reuse, recycling and composting		58	56	58.8	57.9	56.7	A	Paul Vanston	Reduced green waste during the winter resulted in lower cumulative percentage at year-end. Performance for the year as a whole remains top quartile compared to all English councils.	

Appendix B - Key Performance Information

KPI reference and description (C) = Cumulative (L) =Low is good	T&I Period	Target	Intervention	Quarter 4			Previous period RAG	Lead Officer	Points of note
				Jan	Feb	Mar			
ES406 - % major non-compliances resolved (rolling year)		90	80	84			R	Myles Bebbington	Q4 figures have recovered from the drop below intervention seen in Q3, and show that 31 Major non-compliances were raised and 5 were still to be resolved by end of the quarter 4 rolling year period (01 April 2015 - 31 March 2016).
ES407 - Missed bins per 100,000 (L)		50	55	113.4	77.2	82.3	R	Paul Vanston	82 per 100,000 equates to 99.92% collected on time. Indicator has been adjusted for 16/17 to better represent the effectiveness of service delivery; we will report the '% of all bins collected on due date.'
Planning Portfolio - Robert Turner									
PNC501 - % 'Major' applications determined within 13 wks or PPA term		60	50	20	0	33	R	Julie Baird	<p>Figures continue to be impacted by the large backlog that developed as a result of recruitment difficulties. A number of measures have been introduced to support quality and timely decisions, including case management meetings and validations being undertaken by TSOs. Validation training has been time consuming, but this is almost complete and should have a positive impact in the long term. A backlog team is also in place, with weekly targets being set and 50 applications a month being completed. It is anticipated that the backlog will be completed by Sept and management are confident that 2016/17 will see marked a improvement on performance.</p> <p>No Major Major applications were determined during January.</p> <p>No Jan and Feb results due to transition to new arrangements for distribution of surveys. Responses have increased since March.</p>
PNC502 - % 'Minor' applications determined in 8 wks or within PPA term		65	55	49	45	88	R	Julie Baird	
PNC503 - % 'Other' applications determined in 8 wks or within PPA term		80	70	50	57	83	R	Julie Baird	
PNC504 - % 'Major major' applications determined in 16 wks or within PPA term		60	50		50	33	R	Julie Baird	
PNC505 - % satisfaction with P&NC		70	60			76	A	Julie Baird	
PNC506 - % appeals allowed against refusal of planning permission (L)		35	45	41			G	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 £	Outturn (Favourable) / Adverse Variance Compared to Working Budget £	Movement from Previous Month's Position £	Rollovers and New Approvals Requested £	Resulting (Favourable) / Adverse Variance Compared to Working Budget £	Key to Significant Variance Explanations (Appendix D)	
General Fund										
Portfolio										
±	(8,000)		425,910	432,290	378,083	(54,207)	(46,207)	0	(54,207)	A
	30,000		2,474,360	2,690,660	3,105,092	414,432	384,432	127,000	541,432	A, B
	(158,400)		1,911,060	1,917,690	2,040,373	122,683	281,083	0	122,683	A
	0		183,150	181,300	144,239	(37,061)	(37,061)	0	(37,061)	A
	(171,690)		6,179,610	6,037,630	5,515,600	(522,030)	(350,340)	0	(522,030)	A, C
	(23,000)		1,305,760	1,285,670	1,524,670	239,000	262,000	0	239,000	A, D
	(625,200)		2,875,290	2,873,360	1,388,968	(1,484,392)	(859,192)	123,130	(1,361,262)	A, E
	147,500		672,910	646,150	728,733	82,583	(64,917)	0	82,583	A, F
			Un-Allocated							
	(47,700)		1,781,240	1,735,240	1,782,461	47,221	94,921	0	47,221	G
	724,500		(1,120,000)	(970,000)	(106,475)	863,525	139,025	0	863,525	A, H
	(131,990)		16,689,290	16,829,990	16,501,744	(328,246)	(196,256)	250,130	(78,116)	
	(99,500)		(590,500)	(590,500)	(620,032)	(29,532)	69,968	0	(29,532)	I
	(231,490)		16,098,790	16,239,490	15,881,712	(357,778)	(126,288)	250,130	(107,648)	
Funding										
	0		(7,478,550)	(7,478,550)	(7,478,551)	(1)	(1)	0	(1)	
	0		(3,462,350)	(3,462,350)	(4,019,645)	(557,295)	(557,295)	0	(557,295)	J
	0		(1,829,920)	(1,829,920)	(1,801,508)	28,412	28,412	0	28,412	
	0		(4,154,400)	(4,154,400)	(4,215,896)	(61,496)	(61,496)	0	(61,496)	
	0		1,299,540	1,299,540	1,299,544	4	4	0	4	
	0		(15,625,680)	(15,625,680)	(16,216,056)	(590,376)	(590,376)	0	(590,376)	
	(231,490)		(473,110)	(613,810)	334,344	(948,154)	(716,664)	250,130	(698,024)	
Usable Reserves (at year end)										
			31 March 2015		31 March 2016					
			(10,253,227)		(10,587,571)					
			(5,721,753)		(10,144,251)					K

Previously Reported (Favourable)/ Adverse Variance Compared to Original Estimate £		Original Budget 2015/16 £	Working Budget 2015/16 £	Actual Income & Expenditure £	Outturn (Favourable) / Adverse Variance Compared to Working Budget £	Movement from Previous Month's Position £	Rollovers and New Approvals Requested £	Resulting (Favourable) / Adverse Variance Compared to Working Budget £	Key to Significant Variance Explanations (Appendix D)
	Housing Revenue Account								
0	Housing Repairs - Revenue	4,145,200	4,145,200	3,641,344	(503,856)	(503,856)	0	(503,856)	A, L
0	Sheltered Housing	477,640	461,530	418,297	(43,233)	(43,233)	0	(43,233)	A
(150,000)	Administration	3,441,120	3,399,920	2,952,373	(447,547)	(297,547)	17,500	(430,047)	A, M
0	Other Alarm Systems	3,360	1,150	0	(1,150)	(1,150)	0	(1,150)	
0	Flats - Communal Areas	44,040	43,300	60,237	16,937	16,937	0	16,937	A
0	Outdoor Maintenance	99,930	99,060	86,457	(12,603)	(12,603)	31,360	18,757	A
0	Sewage	2,580	2,500	23,352	20,852	20,852	0	20,852	A
(20,000)	Tenant Participation	378,500	375,440	282,809	(92,631)	(72,631)	50,000	(42,631)	A, N
0	Reprovision & New Homes Programme	155,790	154,390	103,726	(50,664)	(50,664)	0	(50,664)	A
(3,949,000) *	Other [including Transfer to Reserves & Capital Charges]	20,476,720	20,542,390	16,501,920	(4,040,470)	(91,470)	3,869,485	(170,985)	O
120,000	Income	(28,970,000)	(28,970,000)	(28,965,599)	4,401	(115,599)	0	4,401	
	Housing Revenue Account Total	254,880	254,880	(4,895,084)	(5,149,964)	(1,150,964)	3,968,345	(1,181,619)	

* Restated to reflect that projected favourable capital variance directly impacts the use of revenue resources as funding

		31 March 2015 (3,177,792)			31 March 2016 (8,072,874)				
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 £	Rollovers and New Approvals Requested £	Resulting (Favourable) / Adverse Variance Compared to Working Budget £	Key to Significant Variance Explanations (Appendix D)
	HRA Working Balance								
	Capital								
	Capital Expenditure								
	HRA Capital								
(1,485,000)	New Homes Programme	4,500,000	4,500,000	3,228,789	(1,271,211)	213,789	1,271,210	(1)	P
(1,200,000)	Reprovision of Existing Homes	1,200,000	1,200,000	7,321	(1,192,679)	7,321	1,192,680	1	Q
0	Repurchase of HRA Shared Ownership Homes	300,000	300,000	143,000	(157,000)	(157,000)	0	(157,000)	R
(1,775,000)	Housing Repairs - Capital	9,074,970	9,224,970	6,273,130	(2,951,840)	(1,176,840)	1,957,815	(994,025)	A, S
0	Other	630,380	630,380	47,575	(582,805)	(582,805)	105,000	(477,805)	T
	GF Capital								
0	Cambourne Offices	545,000	545,000	0	(545,000)	(545,000)	70,000	(475,000)	U
0	ICT Development	674,000	649,000	176,081	(472,919)	(472,919)	479,000	6,081	V
0	Waste Collection & Street Cleansing	544,000	544,000	455,249	(88,751)	(88,751)	90,000	1,249	
0	Repurchase of GF Sheltered Properties	1,100,000	1,100,000	951,000	(149,000)	(149,000)	0	(149,000)	W
0	Travellers Sites	1,400,000	1,900,000	1,790,275	(109,725)	(109,725)	10,000	(99,725)	X
0	Improvement Grants	770,000	770,000	735,548	(34,452)	(34,452)	0	(34,452)	
0	Other	630,000	655,000	49,230	(605,770)	(605,770)	103,000	(502,770)	Y
	Capital Expenditure Total	21,368,350	22,018,350	13,857,198	(8,161,152)	(3,701,152)	5,278,705	(2,882,447)	

Significant Items of Variance from Working Budget

General Fund Budget 2015/16 - Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £	Key to Appendix C
General Fund Revenue - Overheads			
Departmental & Overhead Accounts	An analysis of all recharges from Departmental Staffing & Overhead Accounts compared to the working budget shows a favourable position of £287,502 for General Fund revenue services. After allowing for a reduction of £450,000 for vacancies which was included in the budgets and taking into account the use of temporary staff to manage turnover and cover vacancies, the net position for the General Fund is an adverse variance of £162,498. The net variance is allocated across all of the General Fund portfolios.	162,498	A
Finance & Staffing Portfolio			
Benefits Holding Account	A lower than estimated need for payments out, offset by reduced government grant received, resulting in a net favourable variance of £162,751.	(162,751)	B
Corporate Management	The recharge of corporate management costs to the HRA was greater than anticipated in 2015/16.	(91,298)	B
Environmental Services Portfolio			
Refuse Collection & Recycling Service	Successful over-achievement of trade waste income generated an additional surplus of £42,450.	(42,450)	C
Sports Development	Sports Development has generated £13,920 extra income from activities.	(13,920)	C
Housing Portfolio (General Fund)			
Improvement Grants	Improvement grants reported as revenue expenditure in the accounts, but budgeted for and funded from the capital programme. Variance is therefore a presentational item only in 2015/16.	423,307	D
Planning Portfolio			
Planning Income	Planning Income is £631,220 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..	(631,220)	E
Pre-App Fees	Pre-App Fees are £102,880 more than originally budgeted following the portfolio holder's agreement to change the charging schedule from 1 April 2015; this additional amount is in line with projected and targeted additional income.	(102,880)	E
Housing and Planning Delivery Grant Reserves	Funding of £214,661 was transferred from the HPDG reserve in 2015/16.	(214,661)	E

Significant Items of Variance from Working Budget

General Fund Budget 2015/16 - Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £	Key to Appendix C
Strategic Planning & Transport Portfolio			
Growth Agenda / New Communities	Planning Fee income for Growth Agenda/New Communities was £83,160 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 this has been delayed.	111,840	F
Northstowe	Planning Fee income was £4,450 for 2015/16, as opposed to a budgeted £40,000. This is because an expected development has been delayed.	35,550	F
Unallocated Areas			
Precautionary Items	When the budget was set £75,000 was included for Precautionary Items. None of this has been requested and so the provisional outturn position has assumed that none of it is required.	(75,000)	G
Additional Income Generation / Savings Target	The Council delivered savings of £408,270 during 2015/2016. The resulting shortfall of £261,730 partially offset the favourable variance in respect of planning fee income. The overall target of £670k will be met and surpassed in a full year from 2016-2017	261,730	H
Interest on Balances	Interest of £29,530 more than the budget was realised in 2015/16. This was mainly due to increased balances. This could be used to offset the unidentified additional income / savings.	(29,530)	I
Retained Business Rates	Additional funding was retainable in 2015/16 in respect of renewables, which was the main reason for the favourable variance:	(557,300)	J
	Other Net Variations	(22,069)	
Total for General Fund Revenue		(948,154)	

Notes

Council Actions	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. The balance of £4,000 has been transferred to the reserve.	G
Usable Earmarked Reserves	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: <ul style="list-style-type: none"> • New Homes Bonus Infrastructure Reserve £4,501,672; • Pension Deficit Reserve £1,048,584; • Planning Enforcement Reserve £500,000 (Capped); • Business Efficiency Reserve £290,000; • Parish Liaison & Site Development Reserve £251,067; • Major Developments Fees Reserve £179,461; and • Northstowe Reserve £127,505. 	K

Significant Items of Variance from Working Budget

Housing Revenue Account Budget 2015/16 - Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £	Key to Appendix C
Housing Repairs - Revenue			
Responsive Repairs	A favourable variance of £381,425 against the budget for responsive repairs was reported by the year end, as a result of a lower level of spend at change of tenancy coupled with underspending in respect of internal response repair works. This is partially due to a reduction in the number of voids being experienced and a mild winter.	(381,425)	L
Cyclical Repairs	In respect of cyclical and planned revenue repairs, a favourable variance of £122,431 is reported for 2015/16, predominantly due to underspending in asbestos survey activity and resulting removal works and specialist investigations, where both of these are demand led budgets, with the levels of expenditure in any one year being difficult to predict.	(122,431)	L
Housing Administration			
Repairs Administration	Repairs administration expenditure was £138,805 lower than anticipated due to recharges from affordable homes as a direct result of staff vacancies and underspending in employee related expenditure across the service.	(138,865)	M
General Administration	A lower level of spending, combined with additional income, results in a favourable variance of £308,682 in general administration. This was due to lower than anticipated recharges from affordable homes, reduced take up for the under-occupation incentive scheme, receipt of costs associated with the transfer of Fairview to a registered provider, where costs were incurred by SCDC in prior years, and other areas of minor reduced spending. The net position also includes additional costs in respect of the recharge from corporate services for 2015/16.	(308,682)	M
Tenant Participation			
Tenant Participation	Tenant Participation reported a £92,631 favourable variance at year end due to a combination of lower spending in tenant led estate investment and in support for tenant groups in 2015/16, coupled with lower than anticipated staffing and overhead recharges. £50,000 of this resource has been included as a rollover into 2016/17 to allow for ongoing tenant led estate investment.	(92,631)	N
Other HRA Budgets			
Revenue Financing of Capital Expenditure	Slippage in the delivery of the housing capital programme resulted in the demand for revenue funding to meet capital expenditure being significantly lower than anticipated, giving rise to a £5,652,600 underspend in 2015/16.	(5,652,600)	O
Depreciation	Depreciation of the housing stock for 2015/16 was £476,400 greater than budgeted, due in part to the need to depreciate shared ownership accommodation and other HRA non-dwelling assets without the ability to negate changes in this in the accounts using transitional arrangements (as is the case for the remainder of the housing stock). The value of the housing stock was also increased significantly as part of the year end revaluation exercise which included a review of asset lives, resulting in the need to charge the full level of notional Major Repairs Allowance (MRA) to the HRA in 2015/16.	476,400	O
Corporate Management Recharges	This recharge was £91,298 higher than anticipated in 2015/16, due predominantly to an increase in the contribution required from the HRA to meet the cost of pensions for employees with prior service.	91,298	O

Interest on Balances	Interest of £66,253 more than the budget was realised in 2015/16. This is due to a combination of increased revenue balances and capital receipts, the latter of which the HRA is now entitled to receive interest upon.	(66,253)	0
Transfer to / (from) Reserves	The planned use of £1,000,000 of reserves earmarked for reinvestment in the housing stock was not required in 2015/16 to fund new homes, but will instead be available for reinvestment in future years. £75,006 was transferred into the insurance reserve, making good the call on the fund in 2014/15.	1,075,006	0
	Other Net Variations	(29,781)	
Total for Housing Revenue Account		(5,149,964)	

Significant Items of Variance from Working Budget

Capital Budget 2015/16 - Major Variances from Budget

Service Grouping	Reason for Variance	Actual (Favourable) / Adverse Variance £	Key to Appendix C
Housing Revenue Account - New Homes Programme			
New Homes - On Site	Activity in respect of the new build schemes at Swavesey, Foxton and Linton has progressed well in 2015/16, with the Foxton scheme spending ahead of profile. There is the need to recognise that rollover to meet the balance of costs for the Swavesey and Linton schemes, will be more than offset by the earlier than anticipated spending at Foxton.	205,819	P
New Homes - Schemes Not Yet On Site	The new build scheme identified in Teversham was still at pre-planning stage in 2015/16, and as such only feasibility, site preparation and planning costs were incurred in 2015/16. The scheme is anticipated to be on site in 2016/17, with resource subject to rollover to facilitate this.	(848,789)	P
New Homes Programme	Resource was included in the capital plan for schemes under investigation in order that they could proceed as soon as possible to meet retained right to buy receipt deadlines for new build homes. No further schemes were progressed to approval stage in 2015/16, and this resource will be subject to rollover to allow appropriate investment in future years.	(628,241)	P
Housing Revenue Account - Reprovision of Existing Homes			
Reprovision of Existing Homes	The budget of £1.2 million was not used in 2015/16, but has been requested as a rollover into 2016/17 to meet the costs of the Robinson Court, Gamlingay scheme and to replace other life expired HRA dwellings.	(1,192,679)	Q
Housing Revenue Account - Repurchase of Shared Ownership Homes			
Repurchase of Shared Ownership Homes	The budget of £300,000 for the potential repurchase of shared ownership dwellings was not required in full in 2016/17, with £157,000 less spent than budgeted in 2015/16. This will be offset by an under-achievement in anticipated capital receipts, where reduced activity overall means that less recycling of properties has taken place.	(157,000)	R
Housing Revenue Account - Improvement of Housing Stock			
Heating Installations and Replacements	In respect of heating installations and replacement systems, the current contractors were unable to deliver the full programme in 2015/16 due to a lack of labour capacity. This, coupled with a milder winter which resulted in fewer boiler failures being reported meant that the budget was not spent in full in year. This will be added to the 2016/17 programme with a new contractor, by virtue of rollover of resource.	(508,915)	S
Energy Conservation	The anticipated programme of external wall insulation was not delivered in 2015/16 as the incumbent contractor ceased trading. A new contractor is now in place and will deliver £500,000 of the 2015/16 programme alongside that for the new year.	(1,108,282)	S
Improvements to Non-Traditional Houses	Staffing capacity meant that planned projects for improving non-traditional homes were not fully delivered in 2015/16. The programme will be picked up and delivered in 2016/17, with the resource rolled over to fulfil this.	(568,938)	S
UPVC Windows and Doors	There was no single contract in place for the delivery of UPVC window and door installations in 2015/16. Mears are now contracted to deliver this programme and will complete the works in 2016/17.	(150,485)	S

Full Property Refurbishment	This budget is subject to the condition of properties presented as void in any one year, with the decision to spend weighed up against potential disposal of the asset, if the investment need is considered too great. The demand against this provision was lower than anticipated in 2015/16, reflecting a smaller number of properties being returned in particularly poor condition.	(540,274)	S
Self Build	Activity in respect of the preparation of HRA sites as potential self build plots was in the very early stages in 2015/16, with the majority of the budget of £150,000 approved mid-year, being required as a rollover to meet site preparation costs in 2016/17, for the first round of sites identified.	(118,154)	S
	Other Net Variations	43,208	
Housing Revenue Account - Other Capital Spend			
Other HRA Capital Spend	Capital budgets of £600,000 for sheltered housing and £30,000 for improvements to flats were not fully spent in 2015/16. The funding for sheltered housing was ear-marked originally for the replacement of hard-wired emergency alarm systems, but a subsequent decision to decommission these and replace with a telephone based service where required results in a saving against the original allocation, with resource of £105,000 rolled over into 2016/17 to meet the cost these and replacement smoke alarms.	(582,805)	T
General Fund			
Cambourne Offices	£450,000 had been included in the capital programme for potential photovoltaic projects at South Cambs Hall, which did not go ahead in the year. Other projects at the Cambourne offices totalling £95,000 in respect of LED lighting, wiring and data centre improvements did not go ahead in year.	(545,000)	U
ICT Development	Investment in ICT has been deferred in a number of areas, recognising the creation of the new 3C ICT Shared Service and resulting desire to streamline ICT investment coupled with the decision to fully tender the Housing Management IT System, as opposed to upgrading the existing application.	(472,919)	V
Repurchase of General Fund Sheltered Properties	A budget of £1,100,000 is ear-marked for the repurchase of any general fund equity share properties where owner occupiers opt to sell in any year. In 2015/16, the demand on this budget was slightly lower than estimated.	(149,000)	W
Travellers Site	Budget for the redevelopment of the travellers site at Whaddon was increased during 2015/16. The final scheme costs came in marginally lower than the increased budget of £1,900,000, with a rollover of £10,000 for residual site office / community facility costs on the site reducing the reported saving of £109,725 to £99,725.	(109,725)	X
Other General Fund Capital Spend	Grants for the provision of social housing and for empty homes were not awarded as anticipated in 2015/16, with unallocated resource of £400,770, of which £103,000 will be rolled over to meet existing commitments. £80,000 had been included in the capital programme for potential photovoltaic projects at Waterbeach Depot, which did not go ahead in the year. Investment of £90,000 in respect of watercourses did not take place in 2015/16 as anticipated.	(570,770)	Y
	Other Net Variations	(158,203)	
Total for Housing Revenue Account		(8,161,152)	

Details of rollovers from 2015/16 into 2016/17

General Fund Revenue Budgets

Item		Rollover Value £
	Planning Portfolio (Cllr R Turner):	
	Consultancy Services	
1	Disused Churchyard Maintenance The team has completed an initial of built structures within the three closed churchyards that it manages. The rollover money was committed to be spent towards a detailed survey to be carried out on the specific elements identified to assess their structural integrity and repair works necessary to make them safe; the money to be spent in the next six months.	3,515
2	Consultancy - Other EMT approved the business case for making the Landscape Officer (Grade 4) and the Urban Design and Historic Buildings Officer (Grade 5) posts permanent on 9 March 2016. The business case committed the use of the Consultancy underspend in 2015-16 towards covering part of the cost of the two posts in 2016-17; the rest of the cost would be covered within the Consultancy budget for the year 2016-17.	37,975
	Planning Policy: Local Plan	
3	Planning Consultancy Budget for the Local Plan Inspectors, where costs incurred in 2015-16 are less than anticipated following the suspension of the examination after the Inspectors' letter of 20 May 2015 requesting additional work, and will be spent in 2016-17 for the resumed examination.	59,470
4	Consultancy Other Budget for the Local Plan Programme Officer, where costs incurred in 2015-16 are less than anticipated following the suspension of the examination after the Inspectors' letter of 20 May 2015 requesting additional work, and will be spent in 2016-17 for the resumed examination.	22,170
	Total General Fund revenue budget rollovers from 2015-16 to 2016-17:	123,130

Details of rollovers from 2015/16 into 2016/17

Housing Revenue Account Revenue Budgets

Item		Rollover Value £
Housing Portfolio (Cllr L Harford):		
General Administration		
1	Tenant Moves for Redevelopment Balance of budget required to meet the costs of relocating the remaining residents at Robinson Court, Gamlingay, to allow scheme redevelopment.	17,500
Outdoor Maintenance		
2	Grounds Maintenance Committed to works from 2015/16 budget but could only be completed later in year	25,360
3	Grass cutting Grass cutting budget, final cut 2015/16	6,000
Tenant Participation		
4	Premises Related Expenditure Underspending across the Tenant Participation budget in 2015/16 is requested as a rollover into 2016/17 to meet the costs of agreed tenant led estate improvement activities, recognising that provision has not currently been made for this in the 2016/17 HRA budget.	19,500
5	Support for Tenant Groups Underspending across the Tenant Participation budget in 2015/16 is requested as a rollover into 2016/17 to meet the costs of agreed tenant led estate improvement activities, recognising that provision has not currently been made for this in the 2016/17 HRA budget.	30,500
Other HRA Expenditure		
6	Direct Revenue Funding of Capital Expenditure Although not a formal rollover, as a direct result of approval of rollovers in respect of the HRA in the capital programme, there is a need to recognise that the revenue funding of this expenditure will also need to be carried forward into 2016/17 to finance the reprofiled spending.	3,869,485
Total Housing Revenue Account revenue budget rollovers from 2015-16 to 2016-17:		3,968,345

Details of rollovers from 2015/16 into 2016/17

Capital Revenue Budgets

Item		Rollover Value £
	Leader's Portfolio (Cllr P Topping):	
	Website Development	
1	Software Development / Consultancy Costs To enable the current supplier to further develop the software in respect to the e-forms development programme on the SCDC website and to roll this out across all relevant Council services.	7,000
	Corporate & Customer Service Portfolio (Cllr M Martin):	
	Cambourne Offices	
2	Building Works / Renovations To improve officer safety, whilst also upgarding facilities funding was approved to relocate the suite of interview rooms to integrate them into the main building and at the same time move the Swansley Meeting Room to make it more accessible for public meetings. This work is anticipated to take place in 2016/17.	70,000
	ICT Investment	
3	Software, Infrastructure and System Development Programme Following the implementation of the new 3C ICT Shared Service, there is a collective approach to streamlining ICT investment to generate shared savings. Expenditure planned for 2015/16 has therefore prudently been deferred to ensure appropriate investment with our shared service partners.	472,000
	Housing Portfolio (General Fund) (Cllr L Harford):	
	Travellers' Sites	
4	New Farm, Whaddon To purchase a site office / community facility.	10,000
	Other General Fund Capital Spend	
5	Grants for the Provision of Social Housing To provide financial assistance to registered providers and the HRA in the delivery of additional social housing.	103,000
6	Awarded Watercourses - Vehicles, Plant and Equipment Late delivery (April 2016) of replacement life expired 4 x 4 vehicles, where existing vehicles were 10 years old and uneconomical to run. Note that this item is funded from contributions made by developers into the Infrastructure Charging Reserve Fund and not internal resources.	40,000
7	Awarded Watercourses - Vehicles, Plant and Equipment Deferred delivery of replacement flat mowers, to coincide the arrival with the beginning of the growing season. Note that this item is funded from contributions made by developers into the Infrastructure Charging Reserve Fund and not internal resources.	50,000
	Housing Portfolio (Housing Revenue Account) (Cllr L Harford):	
	New Build	
8	Swavesey Contract payments marginally behind assumed payment profile	268,900

Details of rollovers from 2015/16 into 2016/17

Capital Revenue Budgets

Item		Rollover Value £
9	Linton Contract payments marginally behind assumed payment profile	35,860
10	Foxton Contract payments marginally ahead of assumed payment profile	(510,580)
11	Teversham Scheme does not yet have full planning permission and not in formal contract.	848,790
12	Unallocated New Build / Acquisition Schemes under investigation, with intention to utilise resource in 2016/17 to meet retained right to buy deadlines for new build expenditure.	628,240
	Re-Provision of Existing Homes	
13	Other Re-Provision Carry forward balance of budget originally set-aside for the re-provision of existing life expired HRA dwellings, with specific properties, over and above those at Robinson Court, Gamlingay, to be identified and programmed in. If not required for re-provision purposes, this funding would be vired to allow acquisition of market homes for use as social housing, allowing the appropriate use of retained right to buy receipts in 2016/17 to meet government expenditure deadlines	1,192,680
	Improvement of Existing Stock	
14	Energy Conservation Unable to complete the programme for 2015/16 because the original contractor went in to liquidation after being appointed.	500,000
15	Window & Door Replacement Late start to programme for 2015/16 because of contractual difficulties with the original manufacturer.	150,485
16	Heating Replacement New contract being tendered and mild winter conditions prevented full allocation.	508,915
17	Re-roofing Lack of capacity at appointed contractor to achieve full programme.	139,991
18	Non-traditional Refurbishment Carry forward for single improvement programme in 2016/17.	540,274
19	Self Build Vanguard - Site Enabling Works Carry forward of unspent resource for the site enabling required on HRA sites, to allow facilitation of sale of plots for self-build purposes, generating capital receipts for the HRA which can be re-invested in affordable housing.	118,150
	Other HRA Capital Spend	
20	Sheltered Housing – Alarms Roll out of mobile lifelines and smoke detectors to replace existing hardwire alarm system.	105,000
	Total Capital revenue budget rollovers from 2015-16 to 2016-17:	5,278,705

Appendix F
Strategic Risk Register
June 2016 – Draft



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 an increase in the number of homelessness acceptances, resulting in significant increase in costs to the Council to meet its statutory obligations.</i></p> <p>Objectives, Actions: B ii, B v, B vi</p>	<p>Cllr Lynda Harford</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), 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); 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><i>leading to the Council needing to take action to cut its budgets, resulting in cuts in services, public dissatisfaction, audit and inspection criticism.</i></p> <p>Objectives, Actions: D i, D ii, D iii, D iv, D v</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: Updated MTFS approved by Cabinet in February 2016. 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 modelled for February 2016 Cabinet report (2016/17 figures 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 September/November 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, leading to the authority being unable to deliver its housing needs, resulting in the Council having to meet the shortfall in the short term from developments that are not in the submitted Local Plan.</p> <p>Objectives, Actions: B i, B iii</p>	<p>Cllr Robert Turner</p> <p>Stephen Kelly</p>	10	20	<p>SCORES - IMPACT: 4; LIKELIHOOD: 5</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: A14 – Development Consent Order issued May 2016. 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. Cambridge Fringes Joint Development Control Committee resolved to grant Wing (land north of Newmarket Road, Cambridge) planning permission in April 2016 and planning applications submitted for Cambourne West. Discussions commenced for Waterbeach and Bourn Airfield on development framework documents to provide a framework for planning applications anticipated later in 2016. Construction for Cambourne 950 underway.</p> <p>Local Plan public examination started November 2014. Memorandum of Understanding on Five Year Land Supply agreed with Cambridge City Council on 9 September 2014. Being considered through the Local Plan examination. Inspector has advised that cannot give early view as linked to overall development strategy. 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. Following Inspectors' letter received May 2015, Modifications Consultation took place Dec-Jan 2016, with submission of modifications March 2016. Examination hearings recommenced in June 2016. Next part of programme expected to be published summer 2016. Northstowe Phase 2 planning permission was due to be issued by December 2015, but will now be Autumn 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, leading to 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>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>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>resulting in potential for:</p> <ul style="list-style-type: none"> adverse effect on service provision due to the number of changes; 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>Objectives, Actions: B i, B ii, B v, B vi</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>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 (£20k).</p> <p>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.</p> <p>Welfare reform workshop for members was held in October 2015 following some more detailed analysis of the impacts.</p> <p>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.</p> <p>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.</p> <p>Cipfa Revenues and Benefit Service training undertaken October 2015: Welfare reforms and Universal Credit implementation.</p> <p>Working together with Housing Team to look at impact of pay to stay proposals and working on response to consultation.</p> <p>Successful transfer of SCDC Fraud function to EH&L reported to EMT in November 2015. Increase in fraud cases investigated, money recovered and admin penalties received providing additional assurance around benefits management.</p> <p>TIMESCALE TO PROGRESS: Corporate fraud approach & strategy based on national guidance to be developed and presented to EMT in July 2016.</p> <p>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.</p> <p>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. • Sale of estimated 50% of voids to fund extension of RTB to RPs <p>Objectives, Actions: B i, B ii, B v, B vi</p>	<p>Cllr Lynda Harford</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>The potential loss of properties through 'high value sales' further weakens the HRA Business Plan and creates further pressure on Risk STR25.</p> <p>Monitor Government policy including utilising our partnership arrangements with the Chartered Institute of Housing and respond to formal consultations.</p> <p>Detailed review of HRA business plan part of 2016 Service Plan.</p> <p>Potential to negotiate with Government for retention of high value sales receipts to fund a replacement programme.</p> <p>TIMESCALE TO PROGRESS: Report back to Cabinet on progress made in November 2016. Revised HRA Business Plan for approval February 2017.</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>Objectives, Actions: 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 • Keep under review marketplace pay levels using e-paycheck and other means <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>Objectives, Actions: D i, D ii, D iii, D iv, D v</p>	<p>Cllr Mick Martin</p> <p>Alex Colyer</p>	9	9	<p>SCORES, IMPACT: 3; LIKELIHOOD: 3</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: 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>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<p>STR27 – Shared Services initiatives with other authorities (November 2014) Shared services initiatives are not completed in a timely fashion due to</p> <ul style="list-style-type: none"> • inadequate stakeholder engagement, • conflicting priorities, • unavailability of key staff, or • Councils not adapting how they work to new arrangements, leading to inadequate resources and support, inefficient practices and unreasonable expectations on shared-staff, 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>Objectives, Actions: D ii, D iii, D iv</p>	<p>Cllr Peter Topping Jean Hunter</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Progress to be overseen by a joint steering group including Leaders and relevant portfolio holders. A Joint Committee has been established to oversee the delivery of shared services, to endorse shared business plans, to monitor performance and report through to Cabinet. 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: Work underway to align governance and financial management arrangements. Agreed way of working with new Shared Services to be discussed with new SCDC Cabinet / EMT in summer 2016?</p>
<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, leading to the needs of district residents and businesses not being adequately met or reflected in County Council resource allocation decisions, together with potential reputational impact, resulting in adverse effects on the district's residents and businesses.</p> <p>Objectives, Actions: C i, C ii, C iii</p>	<p>Cllr Peter Topping Jean Hunter</p>	9	9	<p>SCORES - IMPACT: 3; LIKELIHOOD: 3. Is this still relevant? Is it aimed at a Strategic level?</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. Good relationships with County on: RECAP Waste Partnership (and with National Agencies), Children & Young People's Area Partnership, New Communities Project Board, Older People's Accommodation Strategy.</p> <p>TIMESCALE TO PROGRESS: Progress being monitored via Corporate Plan. Dependent on the timeframe/milestones for each partnership.</p>

Risk Reference, Title, (date first included) and Description, plus associated Aims, Objectives	Risk Owner	Risk Score		Risk Owner's Comments
		Target	Current	
<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>Objectives, Actions: B iii</p>	<p>Cllr Robert Turner</p> <p>Stephen Kelly</p>	<p>9</p>	<p>9</p>	<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. A new needs assessment has been commissioned, for completion Spring 2016. Monthly report on position regarding temporary expiries and applications circulated to managers and key Members for coordination and oversight. Update reports provided to the Economic Development Portfolio Holder meetings. 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). In 2015 six pitches have gained permanent planning permission and temporary planning permission for 1 pitch was granted on appeal at Wimpole. At January 2016 there are four other pitches (on 3 sites) with temporary planning permission, which expire between 2016 and 2018. There is one outstanding planning appeal (which was due to be heard in January but was postponed) . There is one pending application at Rampton (to make one existing temporary pitch permanent and add two additional pitches). 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>Objectives, Actions: A I, A ii, A iii, A v, A vi, B i, B ii, C iv</p>	<p>Cllr Mark Howell</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. Successful "Healthy New Towns" funding bid now being implemented to undertake research and project work into future housing needs in new communities, initial focus on Northstowe. NHS England now joined SCDC New Communities Project Board.</p> <p>TIMESCALE TO PROGRESS: 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>Objectives, Actions: A iii, B iv, C iv</p>	<p>Cllr Tim Wotherspoon</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. Emergency planning exercises and learning are focused on flooding response and recovery completed in February 2015 (SCDC) and November 2015 (CPLRF + SCDC). Drainage Manager Pat Matthews retired May 2016. Rob Mungovan now in place and undergoing training and coaching, with Pat Matthews available to assist if required.</p> <p>TIMESCALE TO PROGRESS: Service Managers now updating business continuity plans based on shared approach with Cambridge City. To be completed by September 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 – Consultation and Engagement (Previously Equalities; proposed re-designation July 2016) 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>Objectives, Actions: All</p>	<p>Cllr Mick Martin</p> <p>Alex Colyer</p>	8	8	<p>SCORES - IMPACT: 4; LIKELIHOOD: 2.</p> <p>CONTROL MEASURES / SOURCES OF ASSURANCE: Following a structural review, a new Policy Development Officer (PDO) has been appointed; the postholder's responsibilities will include ensuring continuing compliance with our statutory Public Sector Equality Duty, delivery of the Equality Scheme 2015-2020 and a review of corporate consultation and engagement to ensure consistency and quality across all service areas. 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 agreed by the Portfolio Holder in Autumn 2015. 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. The new PDO will review the effectiveness of our current arrangements (see above).</p> <p>TIMESCALE TO PROGRESS: The Policy Development Officer will be in post in July 2016.</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 2016/17 Objectives and Actions adopted by Council on 25 February 2016.
- 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:

	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*

Likelihood

	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

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**Appendix G
Strategic Risk Matrix
June 2016 – Draft**

Notes: Risk Tolerance Line -----
The **greyed out cells** shows those areas where risk scores are considered to be relatively minor in nature.



			IMPACT				
			Insignificant	Low	Medium	High	Extreme
			1	2	3	4	5
LIKELIHOOD	Almost certain	5			28. Recruitment & Retention	5. Lack of land supply	25. Increase in numbers in Bed & Breakfast accommodation
	Likely	4				15. Welfare Reform 24. HRA Business Plan	8. Medium Term Financial Strategy
	Possible	3			26. Business Improvement & Efficiency, Development Control Improvement, and Commercialisation Programmes 27. Shared Services initiatives with other authorities 20. Partnership working with Cambridgeshire County Council 3. Illegal Traveller encampments or developments 19. Demands on services from an ageing population		
	Unlikely	2				22. Safeguarding the Council's services against climate change 2. Consultation and Engagement	
	Rare	1					

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Agenda Item 8



South
Cambridgeshire
District Council

Report To: Cabinet
Lead Officer: Executive Director

14 July 2016

Approval of UK Municipal Bonds Agency's Framework Agreement, and Joint and Several Guarantee

Purpose

1. This report seeks Cabinet endorsement for the Council to enter into the borrowing documents prepared by the UK Municipal Bonds Agency (the "Agency").
2. The Agency requires that local authorities borrowing from it enter into its Framework Agreement. The Agreement includes an accession document confirming that the council has the necessary approvals to sign the Agreement and a joint and several guarantee to those lending money to the Agency in respect of the borrowing of all other local authorities from the Agency. Entering into the Framework Agreement enables the Council to access funding from the Agency as and when required.
3. This report sets out the background to the Agency, key facets of the Framework Agreement and the advantages and disadvantages of entering into the Agreement, including an assessment of the risk that the Council will be called upon under the guarantee. It seeks approval for the Council to enter into the Framework Agreement.

Recommendations

4. That Cabinet recommends Council:
 - a) approve the Council's entry into the Framework Agreement and its accompanying schedules including the joint and several guarantee;
 - b) delegate authority to the Executive Director as Section 151 Officer and the Monitoring Officer to sign those documents, as appropriate, on behalf of the Council;
 - c) grant the Section 151 Officer delegated authority to agree amendments to the Framework Agreement as appropriate.
5. Cabinet is asked to note:
 - the Introduction to the Agency in **Appendix 1, section 2**, which explains the Agency in layman's terms;
 - the Framework Agreement and its schedules, including the joint and several guarantee, as set out in **Appendix 1, section 3**;
 - the legal advice and counsel's opinion set out in **Appendix 1, sections 1, 4 and 5**;

- consideration of the Council’s financial position and financial standing in **section 9**;
- signing the Framework Agreement does not make the Council subject to the joint and several guarantee or provisions of the Framework Agreement until such time it borrows from the Agency; and
- the assessment of the advantages and disadvantages of entering into the Framework Agreement in **section 10**.

Reasons for Recommendations

6. The Agency has been designed to deliver cheaper capital finance to local authorities at a time when the Council has included a significant borrowing requirement in the Council’s five year capital programme, in particular for the on-lend finance to Ermine Street Housing. It is in the interests of the Council to obtain finance at a cost which maximises the interest differentials at minimal risk and thereby generating additional income to support General Fund services.

Executive Summary

7. The purpose of the Agency is to deliver cheaper capital finance to local authorities. It will do so via periodic bond issues, as an aggregator for financing from institutions such as the European Investment Bank (“EIB”) and by facilitating greater inter-authority lending. The Agency is wholly owned by 56 local authorities and the Local Government Association (“LGA”). The Council is a shareholder in the Agency with a total investment of £50,000.
8. The Council has limited sources of capital finance available to it. The margin charged by the PWLB rose significantly in 2010 and therefore the LGA explored and then, with the support of a number of local authorities, established the Agency as an alternative to the PWLB.
9. The Agency’s Framework Agreement sets out the arrangements for borrowing from the Agency and incorporates a joint and several guarantee that requires all local authorities borrowing from the Agency to guarantee the money owed by the Agency to those who have lent it money to fund its loans. The Framework Agreement incorporates a mechanism to prevent a call under the guarantee by requiring borrowers to lend the Agency money to cover a default by another local authority, referred to as “contributions”.
10. The Council has the power to enter into the Framework Agreement under Section 1 of the Localism Act 2011 – the general power of competence. Borrowing under the Framework Agreement will be under Section 1 of the Local Government Act 2003 – the power to borrow.
11. Acting on behalf of prospective borrowers, a small group of authorities appointed lawyers, Allen & Overy, to review and advise upon the documentation. Allen & Overy instructed counsel to obtain senior opinion on vires and reasonableness. The advice and opinion resulted in a small number of changes to the Agency’s documentation.
12. Counsel raised three key considerations that a local authority must take into account when taking a decision to enter into the Framework Agreement:
 - its specific financial position;

- whether or not the council is “reasonably financially robust” i.e. the council it can meet the potential demands that the Framework Agreement places upon it; and
 - whether it is to the authority’s advantage to enter into the Framework Agreement taking into account the advantages and disadvantages of doing so.
13. Taken together, these three considerations help address a key requirement of the Wednesbury principles that the Council exercises its powers in a reasonable manner.
 14. The Council has a need to borrow of £98.9 million over the next three years comprising £95.5 million of borrowing to fund capital expenditure and £3.4 million of internal borrowing. Use of the Agency will save the Council interest costs; otherwise the Council will use alternative sources of borrowing. Every 0.01 per cent interest saved is worth £9,890. The savings may be significant as the Agency’s bond pricing improves and institutions such as the EIB provide financing to the Agency.
 15. Entering into the Framework Agreement enables the Council to access funding from the Agency as and when required. Access to the cheapest source of finance will reduce the costs of borrowing and thus its impact on the Council Tax. Over time, the Agency’s business case suggested that the savings delivered by the Agency would be 0.2 per cent.
 16. UK local authorities are heavily supervised and subject to tight statutory control that significantly reduces the probability that a local authority will default on its financial obligations. Furthermore, the Agency will undertake credit assessments of local authorities and limit its exposure to authorities to reduce credit risk. In the event that a local authority needs to refinance its borrowings from the Agency, the PWLB is available to all local authorities as lender of last resort provided that the borrowing from the PWLB is not unlawful. No UK local authority has ever defaulted on one of its primary debt obligations. Taken together, the risk of a default is judged to be low and thus the risk of entering into the Framework Agreement and guarantee is deemed to be low.
 17. If a local authority does default, the Agency has liquidity facilities available to it so that it can meet the interest payments due on a bond and cover a limited default on a principal repayment by a local authority; the provisions of the Framework Agreement will be used if these facilities are exhausted. The Council has adequate reserves of £8 million and in the unlikely event of a call for contributions under the Framework Agreement or payment under joint and several guarantee, has access to PWLB funds at 48 hours’ notice if required.
 18. The risks associated with the joint and several guarantee are mitigated by the contribution arrangements. Therefore, from a practical perspective, the real risk to the Council is the requirement to make contributions in the event of a default by another borrower and this exposure is proportional because it is calculated by reference to the amount borrowed by the Council as a proportion of all non-defaulting loans made by the Agency. If the Council has no borrowings via the Agency, it will not be called upon under the Framework Agreement.
 19. In the unlikely event that the guarantee is called upon, it is also unlikely that bond holders or other providers of finance to the Agency will pursue a single Council for payment because the best outcome for lenders is likely to be achieved by pursuing all the guarantors because this maximises the potential revenues available to repay them.

20. Section 13 of the Local Government Act secures all debts of a local authority on its revenues and therefore it is highly likely that the Agency will be able to recover amounts owed to it by a defaulting authority. In turn, this will enable the Agency to repay sums lent to it under the Framework Agreement or paid out by the Council under the guarantee.
21. The risk that the Council suffers a loss under the Framework Agreement and the joint and several guarantee is therefore a combination of the low risk of a default by a local authority and the low risk that if a local authority does default, local authorities cannot recover sums owed to them.
22. In return for accepting this risk, the Council will receive access to more diverse and cheaper sources of capital finance via the Agency. On balance, the financial advantages outweigh the financial disadvantages.
23. Although the Agency intends that the Framework Agreement is permanent, there may be a need to either amend the Framework Agreement or if the Council wishes, set aside provisions for a period of time without amending the contributions arrangements or joint and several guarantee.

**Background –
THE MUNICIPAL BONDS AGENCY
Establishment:**

24. The establishment of the UK Municipal Bonds Agency was led by the LGA following the announcement in the 2010 Autumn Statement that PWLB rates would increase from 0.15 per cent over Gilts to 1 per cent over Gilts, greatly increasing the cost of new borrowing and refinancing. This followed the introduction of punitive early repayment penalties by the PWLB in 2007, which have prevented local authorities from restructuring their loan portfolios to reduce costs while interest rates are low. Although the Government subsequently introduced the “certainty rate”, which effectively reduced the PWLB’s margin to 0.8 per cent over Gilts in return for the limited disclosure of an authority’s borrowing plans, the LGA found that rate remained higher than a bonds agency should be able to achieve.
25. The LGA also noted that it was easy for UK investors such as pension funds to provide capital to overseas local authorities through the London capital markets, but not so to UK local authorities.
26. The LGA published a revised business case in March 2014 that set out how a bonds agency would issue bonds on behalf of local authorities in an efficient and cost effective manner and at lower rates than the PWLB. It identified that the regulatory environment meant that the PWLB had a de facto monopoly on providing simple loans to local authorities:
 - For regulatory purposes a bank must set aside capital when lending to local authorities – unlike when lending to the Government – and therefore it is difficult for banks to compete with the PWLB on rates and make money other than by offering structured lending products.
 - Bond investors value liquidity and benchmark sized issues (£250 million), which makes it difficult for most local authorities to access the bond markets, particularly as one-off bond issues can be costly.

- Supranational agencies such as the EIB would typically lend only for large projects, typically £150 million or £250 million depending on the project, thereby excluding most local authorities.
27. The LGA's revised business case was published in March 2014 and the company established in June 2014. The agency will act as an intermediary, borrowing the money and on-lending it to local authorities on a matched basis to deliver cheaper capital finance to local authorities through periodic bond issues, as an aggregator for loans from other bodies such as the EIB, and facilitating longer term inter-authority lending via the Agency.
 28. The LGA and 56 local government shareholders representing 65 principal local authorities and 1 combined authority have invested over £6 million in the Agency. The Council is a shareholder in the Agency with a total investment of £50,000.
 29. The Agency will offer the flexibility to borrow smaller amounts through the capital markets than the Council may be able to achieve on its own. It therefore offers an alternative and complementary source of funding to the Council.

Client Base:

30. The Agency will only lend to UK local authorities who can give a joint and several guarantee. This is currently limited to 353 principal English local authorities that have the general power of competence under section 1(1) of the Localism Act 2011. The Department for Communities and Local Government specifically intended that local authorities should be able to give guarantees using the power in its regulatory impact assessment.
31. The ability to give joint and several guarantees may in due course be extended to other local authorities e.g. combined, Welsh or Scottish authorities. In the event that this occurs, those authorities will be eligible to borrow from the Agency.
32. The Agency would prefer all borrowers to become shareholders. This ensures a strong alignment of interest between borrowers and shareholders, and is viewed positively by ratings agencies and the capital markets. Accordingly, the Agency will charge a higher interest rate to borrowers that are not shareholders, albeit one which remains competitive.

Loan Pricing:

33. The Agency will operate a transparent pricing structure. It will charge local authorities the interest the Agency pays to obtain the funds it on-lends, plus any transaction costs up to a maximum of 0.5 per cent of the amount borrowed, plus a margin to cover its costs. This margin is currently set at:
 - 0.10 per cent for shareholders; and
 - 0.15 per cent for non-shareholders.
34. The Agency may adjust these margins for new borrowing transactions at its discretion, but will not increase them. It is expected that these margins will reduce once the Agency is profitable.

35. Transactions costs include the Agency's credit rating agency fees, bank syndicate fees and legal costs. The Council has the option to amortise these over the life of the loan or to expense them.
36. The Agency will not require local authorities to borrow at a rate that is higher than the PWLB, thus when borrowing via the Agency the Council should always achieve a saving. Over time, the rates offered by the Agency are likely to improve as its bonds programme develops and it is able to borrow from institutions such as the EIB.

Early Repayment (Prepayment):

37. The Agency will pass on the cost of early repayment by a local authority (usually referred to as prepayment in financial services) to that local authority. However, the Agency will not profit from the transaction and will assist any local authority seeking early repayment to find the cheapest solution.
38. Prepayment rights will track through between the loans to local authorities and the Agency's financing. For bond issues, voluntary prepayment is calculated in a similar way to the PWLB's early redemption penalties, although one option available to local authorities will be to buy back part of the bond.

Governance

39. The Agency is a public limited company and as such is directed by its Board. It is expected that the Board will include 7 non-executive and 3 executives.
40. In addition, the Board will have the following 2 sub- committees, chaired by independent non-executives:
 - Risk, Compliance and Audit Committee; and
 - Nomination and Remuneration Committee.
41. In addition, the Agency will establish a Local Authority Advisory Board, comprising local authority finance officers, to facilitate two-way communication between the Agency and its borrowers.

Credit Process

42. Prior to approving any loans, the Agency will carry out a credit assessment of each potential borrower.
43. The Agency has developed a proprietary credit scoring model based on similar methodologies to the main credit rating agencies. In order to access funding from the Agency, a local authority will need to be able to achieve a "single A" credit rating on a standalone basis; rating agencies typically "notch up" a local authority to account for implied Government support.
44. In addition to credit scoring, the MBA will ensure appropriate diversification of its lending portfolio, through the contractual concentration limits agreed in the Framework Agreement.

THE FRAMEWORK AGREEMENT AND THE JOINT AND SEVERAL GUARANTEE

Content of the Framework Agreement:

45. The Framework Agreement as set out in **Appendix 1, Section 3** comprises:
- The Framework Agreement itself, which is primarily designed to prevent a call on the joint and several guarantee and lays out how the Agency will interact with local authorities.
 - Schedule 1: *Form of Authority Accession Deed*, which local authorities sign to commit themselves to the Framework Agreement.
 - Schedule 2: *Form of Guarantee*, which is the joint and several guarantee.
 - Schedule 3: *Loan Standard Terms*, which is the loan agreement that covers any borrowing by an authority.
 - Schedule 4: *Form of Loan Confirmation*, which supplements the Loan Standard Terms and confirms details of a loan such as principal, maturity, interest rate and etc. It is signed by the Agency and a borrower.

Need for the Joint and Several Guarantee:

46. The LGA's revised business case highlighted the need for borrowing authorities to sign a joint and several guarantee:
- The joint and several guarantee allows the Agency to issue bonds without having to prepare a full prospectus for each bond issue, pursuant EU's "Prospective Directive", thereby reducing costs and complexity.¹
 - The UK Listing Authority's "listing rules" that govern whether financial instruments can be listed on a UK stock exchange would not permit bonds issued by an agency to be listed on the London Stock Exchange for some years without a joint and several guarantee, meaning the bonds would need to be listed elsewhere such as the Channel Islands or Luxembourg.
 - If, instead of a joint and several guarantee, investors had recourse to an agency's on-lending arrangements, every tranche of financing would require a separate credit rating and investors to assess the participating authorities, which would materially impact an agency's ability to reduce costs and deter a number of potential investors and lenders from lending money to the agency. The joint and several guarantee draws on the strength of the local government sector is simple for investors to understand.

Nature of the Joint and Several Guarantee:

47. The joint and several guarantee is a schedule to the Framework Agreement (Appendix 1, Section 3, Schedule 2) and is direct, unconditional, irrevocable and not separately administered:

"2.1.1 guarantees to each Beneficiary each and every obligation and liability the Company may now or hereafter have to such Beneficiary (whether solely or jointly with one or more persons and whether as principal or as surety or in some other capacity) in respect of the Guaranteed Liabilities and promises to pay to each Beneficiary from time to time on demand the unpaid balance of every sum (of principal, interest or otherwise) now or hereafter owing, due or payable (following the expiry of any grace period provided for) by the Company to any such Beneficiary in respect of any such Guaranteed Liability; and

¹ Article 1(2)(d) of Directive 2003/71/EC

2.1.2 agrees as a primary obligation to indemnify each Beneficiary from time to time on demand from and against any loss incurred by such Beneficiary as a result of any such Guaranteed Liability being or becoming void, voidable, unenforceable or ineffective as against the Company for any reason whatsoever, whether or not known to such Beneficiary, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Company.”

48. In practice this means that all borrowers are collectively and individually guaranteeing the lenders to the Agency against a default by a local authority.
49. The Council can withdraw from the joint and several guarantee by giving notice and repaying its loans to the Agency. However, the irrevocable nature of the guarantee means that the Council will continue to guarantee the Agency’s borrowings at the date of withdrawal until those borrowings mature. This prevents moral hazard i.e. a local authority borrowing from the Agency to achieve a cheaper borrowing rate, but walking away from the obligations. Withdrawal does mean that the Council will not be guaranteeing future borrowing by the Agency.

Preventing a Call on the Guarantee:

50. The Framework Agreement mitigates against a possible call on the joint and several guarantee by minimising the risk of default by a local authority, limiting the possible impact of a default and containing a default before the Agency’s ability to make payments is threatened.
51. The Framework Agreement imposes obligations on the Agency that are designed to reduce the possibility of default by a borrower:
 - The Agency must credit assess each borrower and exclude those that do not achieve at least the equivalent of a strong investment grade rating equivalent to an “A” rating from the established credit rating agencies such as Moody’s.
 - “Concentration limits” ensure that the Agency will maintain a diverse loan book over time that limits the proportion of the Agency’s loan book that can be lent to a single or small group of authorities. (**Appendix 1, Section 3, Paragraph 5.2**)
 - Credit lines are available to the Agency that it must utilise in the event of a local authority missing a payment or defaulting, before it has recourse to other borrowers.
52. The Framework Agreement establishes a “contributions” mechanism that requires borrowers to lend the Agency funds to cover its obligations in the event of a default by a local authority. The contributions are calculated in proportion to an authority’s share of the performing loan book. The loans are interest bearing and will be repaid once the Agency has recovered the sums owed to it by the defaulting authority, which it is required to do by the Framework Agreement. If the Council has no outstanding borrowings via the Agency, it will not be called upon to make contributions under the Framework Agreement.
53. The payment schedules set out in the Framework Agreement are designed to ensure timely payments by local authorities so that error or late payment by a borrower does not risk a call for contributions or under the guarantee.

54. The Framework Agreement prevents a borrower from taking action against a defaulting authority so that a single authority cannot jeopardise the structure of the Agency and / or act against the interests of other borrowers.

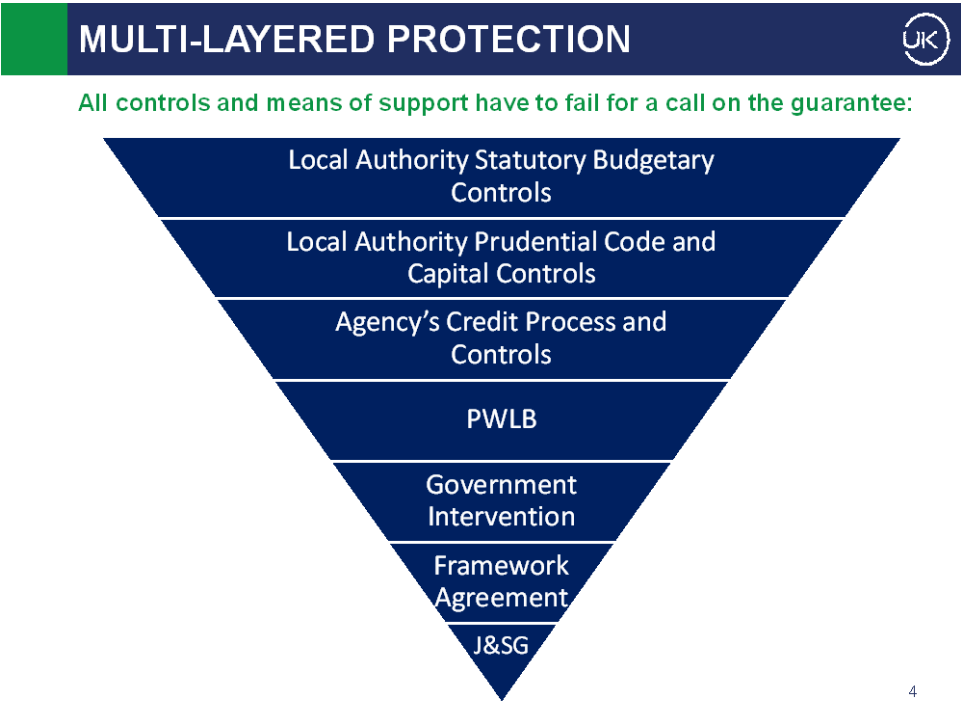
Accounting for the Guarantee:

55. The Agency commissioned accounting advice from Grant Thornton setting out the local authority accounting requirements for borrowing via the Agency including the joint and several guarantee, as set out in **Appendix 1, Section 6**.
56. Although the Council is unable to rely on this advice and must procure additional advice if it is uncertain regarding the accounting requirements, Grant Thornton's advice does not raise any concerns at this time. For example, if the Council judges the risk of a call under the joint and several guarantee to be zero, there accounting requirements of entering into the Framework Agreement are minimal and mostly confined to disclosures in the event that the Council borrows from the Agency.

RISK OF DEFAULT BY AN AUTHORITY

57. The risk of a default by a local authority is deemed to be very low: no principal local authority has ever defaulted on a loan. The National Audit Office in its Financial Sustainability of Local Authorities report of November 2014 observed:
“A legal framework at the core of the local government accountability system effectively prevents local authorities becoming insolvent. Local authorities cannot borrow to finance revenue expenditure or run deficits.”
58. The statutory and prudential framework under which local authorities operate is extremely strong and designed to prevent local authorities from over-reaching themselves and becoming insolvent. Key aspects of the framework include:
- Local authorities are prevented from borrowing to fund services by the Local Government Finance Act 1992, which sets out how budgets and the Council Tax must be calculated, particularly Section 31A, 32 and 42A of the Act. These provisions require a budget to be balanced on a cash basis without the use of borrowing.
 - Local authorities must comply with the prudential framework established by Part 1 of the Local Government Act 2003 and related regulations, including the Prudential Code for Capital Finance in Local Authorities published by CIPFA.
 - Section 151 Officers have varied powers and responsibilities that result in prudent financial management. For example, if an authority cannot pay its bills at it falls due, he or she must submit a Section 114 report to the Executive / Council, which must be acted upon. A Section 151 officer must also report on the adequacy of reserves and robustness of budget estimate under Section 25 of the Local Government Act 2003 and action be taken by the Council to remedy an adverse report.
 - A local authority must make a Minimum Revenue Provision (“MRP”) repay debt under the local authorities (Capital Finance and Accounting) (England) Regulations 2003, issued by the Secretary of State under Sections 21 of the Local Government Act 2003 (as amended). This means that a local authority sets aside cash via its revenue budget, sufficient to ensure it can repay its debt.

- 59. The Agency’s credit assessments, risk management processes and the concentration limits should reduce the possibility that a local authority borrowing from the Agency is likely to default.
- 60. Local authorities have access to the PWLB as lender of last resort and therefore can refinance any borrowings from the Agency by the PWLB if it cannot repay its debt to the Agency by other means.
- 61. Historically, the Government has intervened when a local authority finds itself in difficult or the Government deems a local authority to be incapable of managing itself effectively.
- 62. for the Council to be called upon to make contributions under the Framework Agreement, let alone be called upon under the joint and several guarantee, all the above controls and protections must fail. This has been summarised by the Agency in its presentations as set out in figure 1 below:



RISK OF NOT RECOVERING CONTRIBUTIONS OR PAYMENTS UNDER THE JOINT AND SEVERAL GUARANTEE

- 63. The Local Government Act 2003 provides several key protections to lenders that greatly reduce the possibility that the Agency and therefore the Council would be unable to recover sums owed to it if it is required to make a contribution or pay out under the joint and several guarantee:
 - Section 6 provides that a lender is not required to ensure that a local authority has the power to borrow and is not “prejudiced” in the absence of such a power. This prevents a local authority claiming an act was “ultra vires” to side step its obligations.
 - Section 13 provides that all debts rank pari passu i.e. have equal status under the law and thus a creditor cannot be disadvantaged by later subordination of that debt by a local authority.

- Section 13 also secures all debts of an authority on its revenues, which is the strongest possible security for a loan as the bulk of a local authority's revenues are either raised under statutory powers or allocated by the Government.
 - Section 13 also provides for a receiver to be appointed by the High Court on application if principal and / or interest greater than £10,000 is outstanding for 60 days.
64. The Framework Agreement requires that the Agency must pursue any defaulting authority to the extent that if it does not do so promptly, borrowers can force it to do so. Furthermore, the Framework Agreement provides for a strict application of the proceeds of any debt recovered by the Agency from a defaulting authority.

LEGAL ADVICE AND OPINION

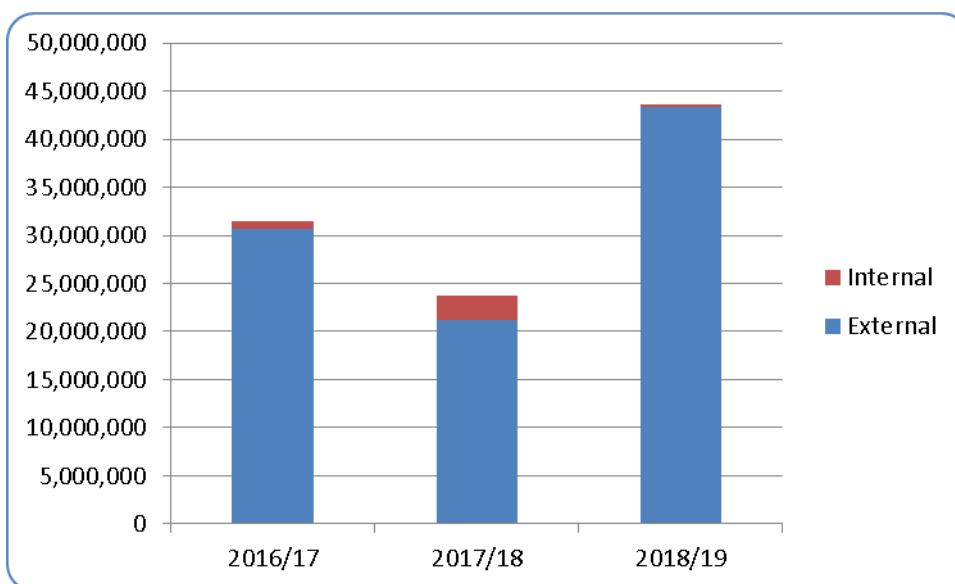
65. A small group of authorities commissioned Allen & Overy, a law firm a specialist in financial transactions, to advise on the Framework Agreement. Allen & Overy engaged Jonathan Swift QC to provide senior counsel's opinion on, amongst other things, whether:
- entry into the Framework agreement, execution of the Guarantee, entry into borrowing transactions under the Framework Agreement and the provision of contribution loans would all be within the general power of competence under the Localism Act 2011; and
 - a local authority that decides to enter into the Framework Agreement and the Guarantee on the basis of the Document Package (**Appendix 1**) would be acting in accordance with the requirement of Wednesbury reasonableness.
66. His main conclusions were:
- local authorities do have the power, in principle, to enter into the arrangement envisaged by the Framework Agreement; and
 - whilst it would, in principle, be lawful for a reasonably financially robust local authority to enter into the commitments entailed in the Framework Agreement, the final assessment of whether or not it would be reasonable use of the in principle power must be made taking into account the specific financial position of each local authority, whether it is financially robust and the balance of the advantages and disadvantages of doing so.
67. Wider considerations, such as establishing the independence of the sector, whether they have merit or not, should not have a bearing on the Council's assessment of the advantages and disadvantages of entering into the Framework Agreement.
68. Jonathan Swift QC's opinion was procured independently of the Agency.
69. The Council has the power to enter into the Framework Agreement under Section 1 of the Localism Act 2011 – the general power of competence. Borrowing under the Framework Agreement will be under Section 1 of the Local Government Act 2003 – the power to borrow.

FINANCIAL POSITION AND FINANCIAL ROBUSTNESS OF THE COUNCIL

Need to Borrow

70. The Council has a need to borrow of £98.9 million over the next three years comprising £95.5 million of borrowing to fund capital expenditure and £3.4 million of internal borrowing. This is set out in the Council's Capital Strategy and Treasury Management Strategy and summarised in Figure 2 below:

Borrowing Requirement



71. Use of the Agency will save the Council interest costs; otherwise the Council will use alternative sources of borrowing. Every 0.01 per cent interest saved is worth £9,890. A saving of 0.1 per cent would be worth £98,900. The savings over time may be significant as the Agency's bond pricing improves and institutions such as the EIB lend money to the Agency. For capital investment in eligible sectors, the EIB can offer funding that is significantly cheaper than either the PWLB or bond markets.
72. The Framework Agreement enables the Council to access funding from the Agency as and when required. Access to the cheapest source of finance will reduce the costs of borrowing and thus its impact on the Council Tax.
73. The Council currently has two key projects the first being the replacement of waste and recycling vehicles providing an enhanced service and potential for increased revenues, the funding to be provided through internal financing. The second project being capital investment in the Council's wholly owned subsidiary, Ermine Street Housing, offering the opportunity to realise interest receipts which will contribute to Council revenue funding, financed by external borrowing.

Financial Robustness:

74. The Council's revenue budget and medium term financial strategy demonstrate and set out the financial pressures the Council is under, particularly in light of the funding cuts and uncertainties that changes to the system of local government finance and business rates may bring. Nonetheless, the Council is required to balance its budget and is subject to tight statutory controls and supervision. As highlighted elsewhere in this report, it is therefore extremely unlikely that the Council will find itself in the position that it is unable to meet the requirements of the Framework Agreement and joint and several guarantee e.g. that it makes contributions if asked.

75. If the Council were called upon, it has access to PWLB funds at 48 hours' notice if required. Loans made to the Agency under the Framework Agreement as part of the contribution arrangements could constitute capital expenditure because loans to third parties are defined as such under the (Capital Finance and Accounting) (England) Regulations 2003 (as amended). Given that the Agency is likely to recover the amounts owed to it by a defaulting authority and that the contributions are in themselves loans, the impact on the revenue budget is likely to be negligible if the Council is required to make a contribution or called upon under the joint and several guarantee.

RISKS AND DISADVANTAGES OF ENTERING INTO THE FRAMEWORK AGREEMENT

76. Exposure to the contribution arrangements and the joint and several guarantee means that entering into the Framework Agreement and borrowing via the Agency is different in nature to borrowing from the Public Works Loan Board, under a bilateral loan facility or through a bond issue in the capital markets.
77. There are inherent risks associated with the proposed structure, not least the joint and several nature of the guarantee. These are:
- The risk that the Council's guarantee may be called independently of any other Guarantee and for the full amount owing by the Agency under the financing document that is covered by the guarantee (and, therefore, such participating local authority is potentially liable to pay out amounts to the MBA that exceed the amounts borrowed).
 - Even if the Council has terminated its Guarantee, it will continue to guarantee the "Guaranteed Liabilities" entered into by the Agency before the termination date. The effect of this is that the Council's liability under its Guarantee may potentially continue in existence for many years after termination.
78. However, the risks associated with the joint and several guarantee are mitigated by the contribution arrangements. The Framework Agreement is such that the Council's exposure, from a practical perspective, is the requirement to make contributions in the event of a default by another borrower and this exposure is proportional because it is calculated by reference to the amount borrowed by the Council as a proportion of all non-defaulting loans made by the Agency.
79. The risk of a default by a local authority is low as set out in section 6 of this report. The ability of the Agency to recover sums owed to it in the event of a default is set out in section 7 of this report.
80. There is a risk that the Agency does not observe its obligations under the Framework Agreement, but the Council is entitled to expect that the Agency will operate in accordance with its obligations under the Framework Agreement when considering whether or not to enter into the Framework Agreement. The LGA and local authorities control the Agency via their shareholdings so could intervene if the Agency did not abide by the Framework Agreement.
81. The prime advantage to the Council is the prospect of lower borrowing costs and the possibility to obtain types of loans that are not available from the PWLB. Cheaper capital finance will reduce pressure on the Council's finances. This advantage more than offsets the low risk that a local authority defaults and the Agency is unable to

recover the debts owed to it in order to repay the Council any contributions it is required to make.

82. The Framework Agreement only comes into effect if the Council does borrow from the Agency. If the Council does not borrow, there is no risk to the Council arising from the contribution arrangements or joint and several guarantee. The Council is not obligated to borrow via the Agency and even if it chooses to legally commit to borrowing via a bond issue, it will not be required to take a loan that is not cheaper than the PWLB, so the bond will not be issued. Therefore, the financial risk to the Council of the Agency either failing to deliver a saving or the Council not borrowing having signed the Framework Agreement is eliminated.

Options

Implications

83. 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

84. These are set out throughout the report.
85. The Council, with appropriate professional advice when required, will continue to keep all potential sources of borrowing under review. At present, borrowing via the Agency is likely to be the cheapest source of borrowing available to the Council, particularly as the Agency develops

Legal

86. These are set out throughout the report.

Consultation responses (including from the Youth Council)

87. There is no requirement to consult with the community or stakeholders on this particular issue.

Contribution to strategic aims/ways of working

88. Effective and efficient treasury management helps support the overall achievement of the Council's strategic objectives

Background Papers

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

Report Author: Sally Smart –Principal Accountant
Telephone: (01954) 713076



Report To: Cabinet
Lead Officer: Alex Colyer

14 July 2016

Cambridge Compass Enterprise Zone

Purpose

1. To update Cabinet on the designation of land at Northstowe (Phase 1), Cambourne Business Park and Cambridge Research Park, Waterbeach, as part of the Cambridge Compass Enterprise Zone and seek approval to adopt the Memorandum of Understanding between DCLG, GC-GP LEP and South Cambridgeshire District Council.
2. This is not a key decision and was first published in the April 2016 Forward Plan.

Recommendations

3. It is recommended that Cabinet notes the inclusion of these three sites in the Cambridge Compass Enterprise Zone in partnership with Greater Cambridge Greater Peterborough Local Enterprise Partnership and adopts the draft memorandum of understanding.

Reasons for Recommendations

4. The designation of enterprise zone status and attached benefits will bring forward sites for business growth and employment opportunities which in turn will help new communities to develop. Whilst the financial impacts of entering into the EZs are still being worked through the memorandum of understanding is initially in place until 2020 in order to ensure that the council can review its position.

Background

5. Development of the business park at Cambourne has been slow, with no new buildings constructed in the last ten years. We have learnt from this, and are now working with the HCA and Gallagher to produce an Economic Strategy for Northstowe that we hope will deliver early occupation of commercial land in contrast to the case at Cambourne and Orchard Park.
6. When the government published its prospectus for Wave 2 Enterprise Zones, this seemed a good opportunity to promote and support commercial interest and investment at our new settlements. Therefore we submitted a bid that included employment land at Cambourne, Northstowe and Waterbeach (in the parish of Landbeach). Government wanted sites to have planning consent and therefore the chosen locations were Northstowe Phase 1, and the existing business/science parks at Cambourne and Waterbeach. In all three instances, there will be further employment land in the new settlements, and therefore it is intended that Cambridge Compass EZ will act as a catalyst for raising the profile of these sites, and encouraging investment in the new towns.

7. Implementation of the Cambridge Compass Enterprise Zone launched on 1 April requires a partnership approach with LEP, LA partners, business and statutory consultees. As well as three sites in South Cambridgeshire District area Cambridge Compass features locations in Haverhill and Ely. Full details are in **Appendix 1**.
8. Incentives offered include local retention of business rate growth with a business rate discount for occupiers and a commitment from the local authority of a simplified planning approach through planning performance agreements (preferred South Cambridgeshire approach) or Local Development Orders.

Governance

9. The structure of the governance arrangements are set out below, with the LEP appointing an EZ Project Director to act as a dedicated resource to the enterprise zones. There will also be an Enterprise Zone Advisor to the steering group with specialist advice provided by the Science, Innovation & Industry Council. The delivery framework will reflect:
 - GC_GP LEP Board is the responsible authority for delivery of Cambridge Compass.
 - A “Cambridge Compass” Enterprise Zone Steering Group, formed to provide strategic direction for the delivery of the EZ within parameters established within the Memorandum of Understanding between the GC_GP, Local Authorities and site owners.
 - Individual site project boards will set the specific strategic direction for each site.
 - EZ Enquiries Team, to ensure frequent communication to address business enquiries, collate performance data and provide progress reports

The roles of each of these bodies, terms of reference, proposed composition of the steering group and project board are outlined in **Appendix 2**. The Memorandum of Understanding is attached at **Appendix 3**.

Considerations

10. The appointment of officers and members to the roles identified on the steering group and for sites within South Cambridgeshire. Each of the local site project boards will require nomination of an elected member. This could be addressed at the Council AGM where appointments to outside bodies are considered.
11. The Memorandum of understanding as drafted is included at **Appendix 3** for approval. Whilst the position around retention of business rates and pooling and the effects of devolution is uncertain it has been agreed that initially the MoU will stand until 31 March 2020.
12. Each site board is finalising its Investment and Delivery Framework which sets out the key issues, challenges and interventions needed to deliver successfully. The framework will be consolidated into a 5 year delivery plan to be submitted to the Secretary of State and used to inform quarterly monitoring data on employment and business activity. Any investment plan will require approval of council expenditure upon consideration of the costs, benefits and option appraisal.

13. Approval of the discretionary business rates discount for new businesses locating within the EZs. A benefit to business basing themselves on an EZ is the 100% business rate discount which they may be able to access (worth up to £275,000 per business over a five year period, subject to the EU de minimus level). Whilst this is fully funded, as Government reimburses the Local Billing Authority, it is still a discretionary discount and therefore needs to be formally approved. A policy is currently being drafted and will be taken to the Finance portfolio holder for sign off.
14. Given that the main benefit to business will be in the form of rate relief it will be necessary for the NNDR team to have additional software to make the necessary calculations and records. Provision of this need is to be explored in terms of funding the cost of an additional module to the finance package.
15. Adoption of policy to prevent displacement and development of procedures with the NNDR team for the administration of queries and occupation of the EZ sites is also to be developed. The principles of this are included within the Memorandum of Understanding to be signed between the LEP, ourselves and local developers.

Options

16. If this is not progressed then we will fail to provide a stimulus to the development of the selected business parks and growth may be slower.

Implications

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

Financial

18. Business rate growth from the EZ will be retained and will be split with the GCGP LEP with South Cambs retaining 70% for the first 5 years and 50% for the remaining term of the EZ.

Legal

19. Government have designated the sites with Enterprise Zone status subject to the agreement of the Memorandum of Understanding.

Staffing

20. None

Risk Management

21. We have negotiated a review of the memorandum of understanding to manage potential risks around the Business Rates Retention 2020, details of which are currently unknown.

Equality and Diversity

22. None

Climate Change

23. None

Consultation responses (including from the Youth Council)

24. Not consulted

Effect on Strategic Aims

Aim 1 - Corporate Aim

25. Connected Communities Support and strengthen communities with an approach that sustains prosperity.

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.

Wave 2 Enterprise Zone Application – 7 August 2015 South Cambridgeshire District Council
Expression of Interest

Report to Economic Development Portfolio Holder Meeting: 9 September 2015

Report to Economic Development Portfolio Holder Meeting: 25 January 2016

Report to Economic Development Portfolio Holder Meeting: 15 March 2016

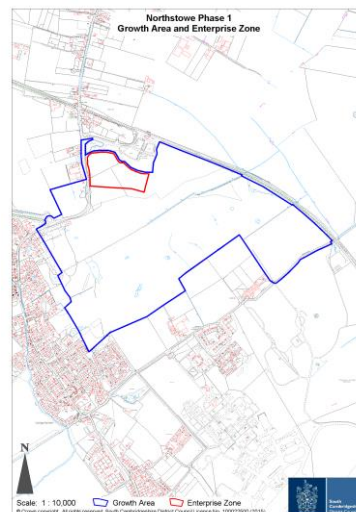
Report Author: Susan Walford
Telephone: (01954) 713124

Summary of Sites Forming Cambridge Compass Enterprise Zone

Northstowe,

As a new town, with clear deliverable economic objectives demonstrated in its own Economic Strategy, the Enterprise Zone will be an attractive proposition to kick start commercial enterprise on the development. The site in phase 1 comprises of 5 ha of employment land from general office uses to light industrial. It is at an earlier stage than the other sites aiming to bring forward early employment opportunities and help shape the emerging community.

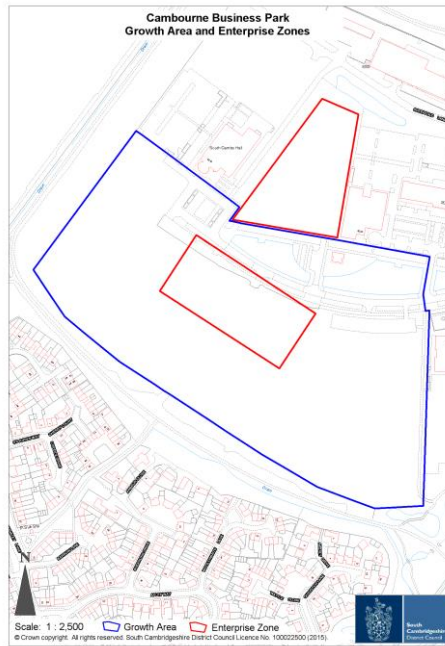
Northstowe Phase 1 is underway, with the first application for homes submitted. The commercial land in phase 1 will be ready for occupation early next year.



Cambourne

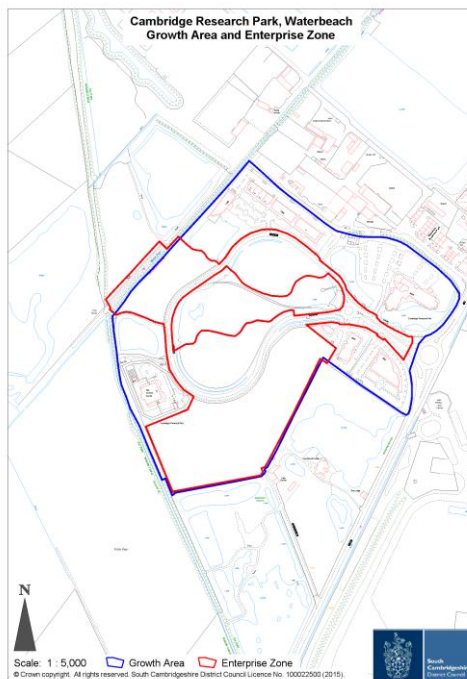
Comprising two relatively small plots, having in total 4,400 m² of employment space and associated growth at the west end of the existing business park which is now in the ownership of U and I. It is proposed that the site to the north of the access road will accommodate a regional HQ style building, with proposals for the southern side to deliver smaller business units. The developer is keen to look at an innovation centre and to bring life to the park; such a balance will add value to the existing village and employment opportunities.

Cambourne West application includes 2,350 new homes, schools etc and further employment land. The current business park and EZ are important strategically to the new development as it is the proposed access route to Cambourne West.



Cambridge Research Park, Waterbeach

Designated floor space of approximately 33,000 m² adjoining the existing business park. With Enterprise Zone status as the catalyst it is anticipated that the early employment locally will support the delivery and sustainability of the proposed new town of 8-9,000 homes. The Waterbeach Development Framework Document is being prepared and due for submission later this year, to be followed by a Phase 1 planning application.



Lancaster Way, Ely

Lancaster Way is located on the outskirts of Ely. The current Business Park was granted permission in 1994 and the Enterprise Zone comprises in excess of 40 hectares of employment land with potential for 68,000m² of floorspace.

Lancaster Way Business Park attracts large and small scale businesses and the vision is to provide flexible high quality employment space for future growth enabling Ely to provide a range of employment opportunities and reduce commuting to Cambridge and other nearby centres.

Planning permission to extend the existing site has recently been acquired and there is development land available in sites ranging from 1 acre upwards or design and build options available both freehold and leasehold. There is a synergy with the Cambridge Research Park that is offering 'mid tech' units although at a larger scale, however it does not compete with other parks within the proposed zone.

Haverhill Research Park, South East of Cambridge

The Enterprise Zone comprises the serviced employment land at a newly completed scheme offering a number of individual plots, totalling in excess of 400,000 sq. ft. of commercial space. The site is assembled with infrastructure in place and it has outline planning permission for B1 (light industry and offices), and B8 (warehousing and storage) use Classes.

Various accommodation options can be delivered including design and build office/R&D space from 20,000 sq. ft. to 230,000 sq. ft., as well as serviced office accommodation of varying scale. In addition to the commercial offer, the development of HRP includes a bar / restaurant and a crèche. The site enabled the delivery of 150 new homes.

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Governance structure:

The Governance Structure for the Cambridge Compass Enterprise Zone is based on the successful model we have implemented with partners at the Alconbury Enterprise Zone, this has been adapted to reflect the multi-site nature of this zone whilst retaining accountability to the Greater Cambridge Greater Peterborough LEP Board.

There will be a Memorandum of Understanding between the LEP and each site owner and separate Memorandum of Understanding between the LEP and each local authority.

The proposed structure is as follows:

Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP) Board

To take overall responsibility for the delivery of the Enterprise Zone (EZ) and to commission the EZ Steering Group as appropriate. To receive regular progress reports from the EZ Steering Group and Enquiries Group.

To create and agree the principles by which the EZ monies will be distributed and used in the LEP area.

To appoint one Board member as Enterprise Zone Champion.

Cambridge Compass EZ Steering Group

The role of this group is:

- To agree and provide strategic direction for the delivery of the EZ
- To commission each site Project Board as appropriate
- To receive regular updates from the EZ Enquiries Team

This group will have representatives of the LEP, DCLG and one nominated representative from each site Board along with the Enterprise Zone Champion (GCGP Board member).

Individual Site Project Board

To agree and provide strategic direction, and to act as a clearing house for decisions/proposals on specific issues relating to the EZ and the wider redevelopment of each site. To resolve critical issues. To be chaired by relevant Local Authority (District/Borough level)

EZ Enquiries Team

To ensure frequent communication to address business enquiries into the EZ and provide regular progress reports to the EZ Steering Group and LEP Board.

How will the LEP Board own and drive progress:

Dedicated resource to address issues

We propose to appoint a Director to concentrate on the delivery of the Cambridge Compass Enterprise Zone. The Director would report to the Enterprise Zone Steering Group and attend Individual site project board meeting. This individual would be appointed by the LEP and report to the LEP Executive.

We propose to appoint an independent Enterprise Zone Advisor. We expect this to be a representative from a local commercial agent. This Advisor will report to the Enterprise Zone Steering Group and provide updates on the wider market as well as the Enterprise Zone.

The GCGP LEP also has a Science, Innovation & Industry Council committee in place, which includes representatives from key businesses in our area including Microsoft, Marshall, the University of Cambridge and Bespak. This group will act as a specialist Advisor to the Enterprise Zone Steering Group.

Draft Cambridge Compass Enterprise Zone (EZ) Steering Group Terms of Reference

The Role of the EZ Steering Group

To provide strategic direction for the delivery of the EZ in accordance with the growth parameters established by the Greater Cambridge Greater Peterborough Enterprise Partnership (GCGP) Board and the Memorandum of Understanding between GCGP, Site Owners and Local Authorities. The EZ Steering Group will be responsible for monitoring the delivery of all aspects of the EZ, including commercial space and jobs, receiving development updates, and will be responsible for reviewing and challenging performance.

Objectives of the EZ Steering Group

It is proposed that the objectives of the EZ Steering group will be to:

- Provide leadership within GCGP in relation to the successful delivery of the EZ
- Monitor the Business Rate receipt generation and provide advice on future receipts
- Agree the additional or reallocation of resource where appropriate
- Identify and act on opportunities to promote the EZ at the local, national and international level
- Agree Marketing Plans and the generation of targets and monitor delivery of commercial space and jobs within the EZ
- Coordinate the activities of all member organisations in support of the EZ delivery
- Maintain a communal repository of key EZ documentation
- Assess and monitor risks.

Governance

The group will have direct links to the GCGP Board in that:

- The Chair will be a serving GCGP Board member
- The GCGP's CEO will attend meetings, or send a suitable substitute
- It will provide regular progress reports to GCGP Board meetings
- It will be able to put forward agenda items to the GCGP Board as appropriate
- It will be tasked as appropriate by the GCGP Board.

Membership and meetings

The group will meet every second month, or as necessary, and will be made up of:

- One nominated member(s) of the GCGP Board as the EZ lead
- CEO of the GCGP, or a suitable substitute
- One nominated representative from each Project Board
- Representatives from DCLGs Enterprise Zone Team
- LEP Director with responsibility for EZ
- EZ Advisor
- Other key government stakeholders (including representatives from UKTI and BIS)

Non-local authority partners, for example the Highways Agency or Environment Agency, will be invited as needed for specific issues.

There is no set maximum size for the group.

Draft Cambridge Compass Enterprise Zone (EZ) individual site name Project Terms of Reference

The Role of the Project Board

To agree and provide strategic direction and to act as a clearing house for decisions/proposals on specific issues relating to the EZ and the wider redevelopment of the site. To resolve critical issues. To be chaired by relevant Local Authority (District/Borough level). Concentrating on issues specific to the individual site at a local level as identified in the Implementation and Delivery Framework for each site.

Objectives of the Project Board

It is proposed that the Objectives of the Project Board will be set for each individual site.

Governance

The group will have direct links to the Enterprise Zone Steering Group in that there will one membership place for a nominated representative from each Project Board.

Membership and meetings

The group will meet every second month, or as necessary, and will be made up of:

- Two Site Owner/Developers
- Lead Member nominated by Local Authority

- Lead Officer nominated by Local Authority
- Lead Member nominated by County Council
- Lead Officer nominated by County Council
- LEP Director with EZ responsibility

Non-local authority partners, for example the Highways Agency or Environment Agency, will be invited as needed for specific issues.

DRAFT

Governance Structure	Suggested attendance titles/job roles/organization	Individual Names
Cambridge Compass EZ Steering Group	GCGP Board EZ Lead GCGP CEO GCGP Project Director – Director of Innovation and Inward Investment DCLG Haverhill nominee Cambourne nominee Northstowe nominee Lancaster way nominee Cambridge research park nominee EZ Advisor Science, Innovation and Industry Council committee representative.	Neil Darwin
Haverhill Project Board	Jaynic representative x2 Lead officer for West Suffolk Lead member for West Suffolk Lead officer for Suffolk CC Lead member for Suffolk CC GCGP Project Director – Director of Innovation and Inward Investment	
Cambourne Project Board	U and I representative x2 Lead officer for South Cambs Lead member for South Cambs Lead officer for Cambs CC Lead member for Cambs CC GCGP Project Director – Director of Innovation and Inward Investment	
Northstowe Project Board	Gallagher representative x2 Homes and Communities Agency representative	

	<p>Lead officer for South Cambs Lead member for South Cambs Lead officer for Cambs CC Lead member for Cambs CC GCGP Project Director Director of Innovation and Inward Investment</p>	
Lancaster Way Ely Project Board	<p>Grovemere representative x2 Lead officer for East Cambs Lead member for East Cambs Lead officer for Cambs CC Lead member for Cambs CC GCGP Project Director Director of Innovation and Inward Investment</p>	
Cambridge Research Park Project Board	<p>Rockspring Investment Management representative x2 Lead officer for South Cambs Lead member for South Cambs Lead officer for Cambs CC Lead member for Cambs CC GCGP Project Director – Director of Innovation and Inward Investment</p>	
Cambridge Compass EZ Enquiries Team	<p>GCGP LEP Project Director Director of Innovation and Inward Investment Jaynic representative U and I representative Rockspring representative Grovemere representative Gallagher representative District Council representative</p>	

Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated [] 2016

PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**)
3. The Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (where a local enterprise partnership does not have corporate status then the Accountable Body who acts as the representative is listed) (together with the **Local Enterprise Partnership**)

BACKGROUND

- A The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- C A local enterprise partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some local enterprise partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.
- D In agreement with the Local Enterprise Partnership, and subject to local agreements, local authorities in which all or part or all of an Enterprise Zone are situated, use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.
- E Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Accountable Bodies the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, in the first instance this Memorandum of Understanding extends to 31st March 2020.

IT IS AGREED THAT:

1 DEFINITIONS

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

“Accountable Body” means Cambridgeshire County Council as the Accountable Body for Greater Cambridge Greater Peterborough Local Enterprise Partnership.

“Application” means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on 18th September 2015 as amended by information and emails submitted to the Enterprise Zone Team prior the commencement date (and which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

“Enterprise Zone” means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

“Regulations” means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

“Local Enterprise Partnership” means Greater Cambridge Greater Peterborough Local Enterprise Partnership Limited (company registration 07553554)

“Relevant local authority” means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site.

“Term” means the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE

Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

- The Relevant Local Authorities will locally collect 100% of any business rate increase (above the baseline position at 31st December 2015) which accrues for a period of 25 years from the commencement date (this being 1st April 2016) of the Enterprise Zone subject to the following agreed share between the relevant local authority and the Local Enterprise Partnership:

- the accountable body will receive for and on behalf of the Local Enterprise Partnership, annually from each of the Relevant Local Authorities 30% of any business rate increase above the agreed baseline which accrues for a period of 5 years from the commencement date (this being 1st April 2016) of the Enterprise Zone and thereafter the Local Enterprise Partnership will receive 50% of any business rate increase which accrues for the period to between 1st April 2021 and 31st March 2041 providing that such sums are directed towards the development of the Enterprise Zones and thereafter towards the Local Enterprise Partnership's other identified growth priorities across the LEP area including beyond those local authority areas with an EZ site
- Central government will reimburse the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March 2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);

3. TERMS AND CONDITIONS

3.1 The Relevant Local Authorities and the Local Enterprise Partnership agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the Enterprise Zone in accordance with the Application or achieving the outputs.

3.2 The Relevant Local Authorities and Local Enterprise Partnership confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and

- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

3.3 The Relevant Local Authorities and the Local Enterprise Partnership agree to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly (“**Governance Group**”); and
- (b) enter into Memorandum of Understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that the Local Enterprise Partnership uses all reasonable endeavours to enter into new Memorandum of Understandings under this clause. Copies of these Memorandum of Understandings should be sent to the Secretary of State within 50 days of execution.
- (c) to use government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws.

3.4 Implementation Plan

The Local Enterprise Partnership in consultation with the Relevant Local Authorities shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31st March 2017.

3.5 The **Cities and Local Growth Unit** shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is Pete Northover (E-mail: peter.northover@bis.gsi.gov.uk Telephone: 07909 932286 who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.

- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:

- (a) send the Cities and Local Growth Unit contact details of the primary point of contact ("**Local Enterprise Zone Contact**", a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of entering into this Memorandum of Understanding. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.
- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

3.7 Marketing

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Memorandum of Understanding; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

3.8 Monitoring

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at

Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

4. CHANGES

All changes to the text of the application or this Memorandum of Understanding must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

5. TERMINATION

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.
- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

6. GOOD FAITH AND COOPERATION

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

Each party shall ensure that all confidential Information is not be disclosed to any other parties unless otherwise agreed in writing with the author of the confidential information. Confidential Information includes all material information, written or oral, disclosed or made available to any party.

7. MISCELLANEOUS

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

ACCEPTANCE

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

SECRETARY OF STATE FOR)

COMMUNITIES)

AND LOCAL GOVERNMENT)

Authorised Signatory: _____

Print Name: _____

1. Local Enterprise Partnership Accountable body signs here

Signed for and in agreement with

LOCAL ENTERPRISE PARTNERSHIP BY THE ACCOUNTABLE BODY

[CAMBRIDGESHIRE COUNTY COUNCIL]

Authorised Signatory: _____

Print Name: _____

Signed for and in agreement with

Name of Local Authority

[St Edmundsbury Borough Council]

Authorised Signatory: _____

Print Name: _____

.....

Signed for and in agreement with

Name of Local Authority

[East Cambridgeshire District Council]

Authorised Signatory: _____

Print Name: _____

.....

Signed for and in agreement with

Name of Local Authority

[South Cambridgeshire District Council]

Authorised Signatory: _____

Print Name: _____

.....

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The following parties are aware of the requirements of this Memorandum of Understanding (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term, but due to not having the required legal personality

GREATER CAMBRIDGESHIRE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP

Authorised Signatory:

Print Name:

SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES

- **CAMBRIDGESHIRE COUNTY COUNCIL**

Shire Hall, Castle Hill, Cambridge CB3 0AP

- **ST EDMUNDSBURY BOROUGH COUNCIL**

West Suffolk House Western Way, Bury St Edmunds IP33 3YU

- **EAST CAMBRIDGESHIRE DISTRICT COUNCIL**

The Grange, Nutholt Lane, Ely, Cambs CB7 4EE

- **SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

South Cambridgeshire Hall, Cambourne Business Park Cambs CB23 6EA

SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP

**UNIT 3, THE INCUBATOR, ALCONBURY WEALD ENTERPRISE CAMPUS,
ALCONBURY AIRFIELD, HUNTINGDON, PE28 4WX**

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SCHEDULE 3 KEY INFORMATION ON CAMBRIDGE COMPASS

General	
Name of Enterprise Zone	Cambridge Compass
Name of Local Enterprise Partnership	Greater Cambridgeshire Greater Peterborough
Relevant local authorities	EAST CAMBRIDGESHIRE DISTRICT COUNCIL ST EDMUNDSBURY BOROUGH COUNCIL SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Fill out information from the application form Q 6. What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

Our bid, with its 'hub and spoke' format centred on Cambridge, will be driven by the success of the city as a hub for high growth business clusters including information & communications technology, biotechnology and clean technologies.

In order to fully utilise the additional space, the LEP will prioritise investment on:

- Site access and infrastructure to ensure swift delivery of new accommodation
- Utilities & broadband provision
- Incubation and business support with strong links into academia - linking into our network of Innovation Centres and Signpost 2 Grow (Growth Hub) offer
- Strong marketing and branding coupled with a focus on place making, public realm, public art and associated programme activity
- Enterprise and skills development

An Investment Plan will be produced for each site based on the following agreed retained rates protocol:

- 70% retention for Local Authorities; 30% retention for LEP in first five years
- 50% retention for Local Authorities; 50% retention for LEP after

five years and up to 25 years

This is to ensure local accountability and influence over expenditure and to create an incentive for the local authorities to promote and accelerate economic development. Through the proposed governance arrangements we would require the Governance Board (known locally as the Cambridge Compass EZ steering Group) and the Site Project Boards to influence how the rates are spend to deliver the best results for each location.

This approach will empower local authorities to create the right conditions for growth both on the site and across the local areas that link the sites together. We expect elements of the revenue to be pooled to deliver efficiencies across the sites, particularly around marketing and inward investment to reduce overheads and maximise return on investment.

We propose to set up a Cambridge Cluster Enterprise Zone fund. This would be a loan/equity fund to support growth across the sites e.g. construction of buildings. This would initially be a £2 m fund (this would be ring-fenced from the GCGP Growing Places Fund Growth Deal Round 2 funding)

We expect locally for the Local Authorities to borrow against future business rates to support investment within each site within the Enterprise Zone, along with continued investment by the private-sector partners.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

Name of Senior Responsible Owner: Neil Darwin

Job title: Chief Executive, Greater Cambridge Greater Peterborough Local Enterprise Partnership

Governance structure:

The Governance Structure for the Cambridge Compass Enterprise Zone is based on the successful model we have implemented with partners at the Alconbury Enterprise Zone, this has been adapted to reflect the multi-site nature of this zone but retaining accountability to the Greater Cambridge Greater Peterborough LEP Board.

There would be a Memorandum of Understanding between the LEP and each site owner.

The proposed structure is as follows:

Greater Cambridge Greater Peterborough Local Enterprise Partnership (LEP) Board

To take overall responsibility for the delivery of the Enterprise Zone (EZ) and to

commission the EZ Steering Group as appropriate. To receive regular progress reports from the EZ Steering Group and Enquiries Group.

To create and agree the principles by which the EZ monies will be distributed and used in the LEP area.

We will appoint one Board member as Enterprise Zone Champion.

Cambridge Compass EZ Steering Group (Governance Group_

The role of this group is:

- To agree and provide strategic direction for the delivery of the EZ
- To commission each site Project Board as appropriate
- To receive regular updates from the EZ Enquiries Team

This group will have representatives of the LEP, DCCG and one nominated Local Authority Member representative, one nominated Local Authority officer representative, a representative of the Accountable Body along with the Enterprise Zone Champion (GCGP Board member).

How will the LEP Board own and drive progress:

Individual Site Project Board

To agree and provide strategic direction and to act as a clearing house for decisions/proposals on specific issues relating to the EZ and the wider redevelopment of each site. To resolve critical issues. To be chaired by relevant Local Authority (District/Borough level)

EZ Enquiries Team

To ensure frequent communication to address business enquiries into the EZ and provide regular progress reports to the EZ Steering Group and LEP Board.

Dedicated resource to address issues

We propose to appoint an Enterprise Zone Project Director to concentrate on the delivery of the Cambridge Compass Enterprise Zone. The Director would report to the Enterprise Zone Steering Group and attend Individual site project board meeting. This individual would be appointed by the LEP and report to the LEP Executive.

We propose to appoint an independent Enterprise Zone Advisor we expect this to be a representative from a local commercial agent, this Advisor will report to the Enterprise Zone Steering Group and provide updates on the wider market as well as the Enterprise Zone.

The GCGP LEP also has a Science, Innovation & Industry Council committee in place, which includes representatives from key businesses in our area including Microsoft, Marshall, the University of Cambridge and Bepak. This group will act as a specialist Advisor to the Enterprise Zone Steering Group

Draft Cambridge Compass Enterprise Zone (EZ) Steering Group Terms of

Reference

The Role of the EZ Steering Group (Governance Group)

To provide strategic direction for the delivery of the EZ in accordance with the growth parameters established by the Greater Cambridge Greater Peterborough Enterprise Partnership (GCGP LEP) Board and the Memorandum of Understanding between GCGP LEP, Site Owners and Local Authorities. The EZ Steering Group will be responsible for monitoring the delivery of all aspects of the EZ, including commercial space and jobs, receiving development updates, the EZ Marketing Group and the EZ Skills Strategy Group updates and will be responsible for reviewing and challenging performance.

Objectives of the EZ Steering Group (Governance Group)

It is proposed that the objectives of the EZ Steering group will be to:

- Provide leadership within the GCGP LEP in relation to the successful delivery of the EZ
- Monitor the Business rate receipt generation and provide advice on future receipts
- Make recommendations to the GCGP Board and local authorities on the additional or reallocation of resource where appropriate
- Identify and act on opportunities to promote the EZ at the local, national and international level
- Agree Marketing Plans and the generation of targets and monitor delivery of commercial space and jobs within the EZ
- Coordinate the activities of all member organisations in support of the EZ delivery
- Maintain a communal repository of key EZ documentation
- Assess and monitor risks.

Governance

The group will have direct links to the GCGP LEP Board in that:

- The Chair will be a serving GCGP LEP Board member
- The GCGP LEP's CEO will attend meetings
- It will provide regular progress reports to GCGP LEP Board meetings
- It will be able to put forward agenda items to the GCGP LEP Board as appropriate
- It will be tasked as appropriate by the GCGP LEP Board.

Membership and meetings

The group will meet every second month, or as necessary, and will be made up of:

- One nominated business member(s) of the GCGP LEP Board
- The Chair of the GCGP LEP or his nominated representative
- CEO of the GCGP LEP
- Two nominated local authority representative from each area within the Cambridge Compass

- Representatives from DCLGs Enterprise Zone Team
- EZ Project Director
- EZ Advisor
- Other key government stakeholders (including representatives from UKTI and BIS)

Non-local authority partners, for example the Highways Agency or Environment Agency, will be invited as needed for specific issues.

There is no set maximum size for the group.

Draft Cambridge Compass Enterprise Zone (EZ) individual site name Project Terms of Reference

The Role of the Project Board

To agree and provide strategic direction and to act as a clearing house for decisions/proposals on specific issues relating to the EZ and the wider redevelopment of the site. To resolve critical issues. To be chaired by relevant Local Authority (District/Borough level). Concentrating on issues specific to the individual site at a local level.

Objectives of the Project Board

It is proposed that the Objectives of the Project Board will be set for each individual site.

Governance

The group will have direct links to the Enterprise Zone Steering Group in that there will be one local authority membership place for a nominated representative from each Project Board

Membership and meetings

The group will meet every second month, or as necessary, and will be made up of:

- One / Two Site Owner/Developers
- Lead Member nominated by Local Authority
- Lead Officer nominated by Local Authority
- Lead Member nominated by County Council (as required)
- Lead Officer nominated by County Council (as required)
- EZ Project Director

Non-local authority partners, for example the Highways Agency or Environment Agency, will be invited as needed for specific issues.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis,

including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

We propose to appoint an Enterprise Zone Project Lead to concentrate on the delivery of the Cambridge Compass Enterprise Zone. The Director would report to the Enterprise Zone Steering Group and attend Individual site project board meeting. This individual would be appointed by the LEP and report to the LEP Executive. This would be a new appointment to the existing LEP team and funded through the Local Authorities/LEP.

We propose to appoint an independent Enterprise Zone Advisor we expect this to be a representative from a local commercial agent, this Advisor will report to the Enterprise Zone Steering Group and provide updates on the wider market as well as the Enterprise Zone.

Funding will be pooled to provide a joint resource to ensure a coherent approach to marketing and strategy across all zones.

Biography of LEP team

Neil Darwin – Chief Executive

Neil is the Chief Executive of the Greater Cambridge Greater Peterborough LEP, having been a part of the team from the drafting of the original bid to form the LEP. As former Chief Executive of Opportunity Peterborough and Regional Cities East, Neil has amassed almost two decades of experience in economic development and inward investment.

He spearheaded a successful, long-term campaign to raise the profile and change perceptions of the Peterborough commercial marketplace, which resulted in the transformation of Cathedral Square and the attraction of a number of significant companies to the city.

Mark Reeve – Chairman

Mark is the Chairman of the Greater Cambridge Greater Peterborough LEP and Managing Director of Chalcroft, a national construction company specialising in industrial and commercial building. Mark brings with him a wealth of experience from the commercial sector, running a successful construction company which develops projects worth between £100,000 and £10 million, with clients that include household names in the food industry.

This experience has already proved valuable in the development of Alconbury Enterprise Zone, and Mark will continue to offer strategic support going forward.

Adrian Cannard – Strategy & Planning Director

Adrian has over twenty years of experience in the strategy and planning arena. A dynamic Chartered Town Planner, Adrian has experience of delivering the first regional plan approved in the country at the East of England Local Government Association

(EELGA), advising the Government on more than £2 billion of infrastructure spending, and successfully drawing down millions of EU funding to the Eastern region. Adrian led the drafting of the LEP's Strategic Economic Plan, which focuses on expanding the benefits of Cambridge to the wider area as one of its key objectives.

Claire Flowers – Project Manager

Claire is an experienced Project Manager with an MSc in Housing and Regeneration from the London School of Economics. Having worked with both the public and private sector to win and deliver projects, Claire is well used to working on large scale projects, including housing and mixed use regeneration schemes.

Her outstanding Project Management ability, coupled with strong communication and relationship building skills, ensures that projects move forward on time and on budget.

Natalie Blaken – Project Manager

Natalie is an experienced planning professional with in-depth knowledge of spatial planning, economic strategy and intelligence, and delivery of Enterprise Zones. Having worked closely on the development of Alconbury Weald Enterprise Zone in the early stages of inception, Natalie offers sound strategic advice to both local authorities and developers.

A strong Project Manager, Natalie has experience of working in the public and private sector both in the local area and further afield, including holding the role of Head of Strategy & Planning at EEDA and Head of Planning & Sustainable Communities at West Oxfordshire District Council.

Laura Welham-Halstead – Head of Communications & Connectivity

With a strong private sector background in communications, Laura has experience of working to deliver engaging and effective marketing campaigns for international property companies.

Having worked with the LEP from the very beginning, Laura understands the potential of brand Cambridge and how to harness it for best effect. She is actively engaged in the successful marketing of Alconbury Weald Enterprise Zone, and provides specialist communications support for inward investment projects in the LEP.

Laura also holds a certificate in Project Manager from the Association of Project Managers and a BSc in Psychosocial Studies from the University of East Anglia.

Steven Wilson – Project Facilitator

Steven provides the team with expert advice around the field of innovation and enterprise. As former Head of Innovation at EEDA, Steven has an unrivalled understanding of the local innovation landscape and provides expert advice and information to innovative companies looking to move into the GCGP area.

Local Authority support

Across our partner local authorities is a broad base of planning, marketing and

business development expertise. We have picked out just some of the team who would be supporting the successful delivery of Cambridge Compass Enterprise Zone:

Darren Hill – Business Development Manager, East Cambridgeshire District Council

Darren brings with him twelve years' experience of working to develop businesses in East Cambridgeshire. Managing large scale masterplanning projects, and associated marketing and PR activity, he understands the importance of strong project management.

Pete White – Principal Planning Officer, West Suffolk

Peter has a wealth of experience in Planning Policy, Planning Enforcement, Development Management and Masterplanning. Projects he has recently been involved with include: the Eastern Relief Road at Suffolk Business Park and planning the building of new homes and schools in Bury St Edmunds.

James Talbot & Graeme Lockey - Principal Growth Officers, West Suffolk

Before joining West Suffolk, James worked in the private sector and brings with him a fresh perspective on business growth within the local area. Both he and Graeme bring with them experience of inward investment, alongside planning and business development experience gained from across the West Suffolk Area.

Nicola Kritzinger – South Cambridgeshire District Council

Nicole Kritzinger has detailed experience in Economic Development, Place shaping and International Inward Investment having worked jointly to implement a number of interventions in the East of England (at East of England Business Group and EEDA as well as South Cambridgeshire) requiring Treasury Green book appraisals. Nicole is a strong problem solver, qualified UKTI stakeholder partner and has successfully brokered relationships and helped embed companies in the LEP area through work with UKTI and stakeholder partners.

Paul Mumford – Team Leader, New Communities

Paul worked on Alconbury Enterprise Zone, and set up a joint approach to planning with Cambridgeshire County Council that was signed off by DCLG and used as an example of best practice when it allowed the 'Incubator' building to come through the planning process in just 36 days. Paul will share this learning and directly apply it in terms of spotting issues before they arise, being clear on planning requirements, undertaking effective consultation and community engagement, and making sure that planning decisions are taken in a timely way.

Jonathan Brech – Cambridge Development Director

Jonathan is the new Development Director for Cambridge, hosted by the Cambridge Network. He has strong commercial experience having founded and grown B2C and B2B businesses, independently and with stakeholders. He is focused on attracting new business to the Greater Cambridge area and would be an integral part of the team.

Total Cost of Existing Staff Team: £132,000

Wider team Specialist commercial property support and advice has also been brought in from Carter Jonas to provide a robust assessment of the current local marketplace, demand on commercial space, and insight into further opportunities.

Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?

The Project Lead will be tasked with ensuring effective monitoring across the Cambridge Compass Enterprise Zone. By developing and maintaining strong relationships with all of the developers/ land owners, the Project Director will agree a set of data metrics alongside a schedule for collecting relevant data from partners.

At each Project Board meeting the Project Lead will report to members of delivery against agreed performance indicators- notably value added, productivity, jobs, business and investment. This will then be reported across all Sites at the Steering Group.

We propose a performance related agreement with each Local Authority and site owner.

We will expect each authority to consider the appropriateness of a planning performance agreement for the Enterprise Zone.

Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

One of the key benefits of creating the Cambridge Compass Enterprise Zone is the potential to market all of the sites under a single marketing brand (Cambridge Compass) at a national and international level to maximise the pull of 'brand Cambridge'.

As one of the UK's few truly international brands, the Cambridge effect will be at the heart of our core marketing activities.

We will work in partnership with the landowners and developers, local authorities, and new Cambridge Development Director, to create a proactive marketing group. The group will be responsible for the development and delivery of a robust marketing strategy with the sole ambition of maximising swift occupancy across all sites.

With different sectors focuses and delivery timescales, we can provide a long-term, targeted approach to marketing the Cambridge Compass locally, nationally and internationally as a cohesive unit.

We will implement a digitally-led strategy, underpinned with powerful marketing materials, targeted at key prospects and sectors direct, via agents, and via specialist

advisory and membership organisations.

Our approach will reflect the innovative nature of our local area, and will include the use of online behavioural targeting to reach out to organisations seeking to relocate or expand to ensure we use both push and pull marketing techniques.

With a planned inward investment push for the Greater Cambridge area, following the appointment of the new Cambridge Development Director, confirmation of Enterprise Zone status for Cambridge Compass would enable these sites to benefit from additional marketing investment via these planned campaigns. Maximising return on investment, and intrinsically linking them to the core Cambridge offer on an international stage.

Marketing activities will be funded by site pooling of marketing funds to maximise the return on investment.

The Cambridge Compass brand also has the potential to welcome new sites in the future when they are ready for development.

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SCHEDULE 4 – SITES AND INCENTIVES

Proposed Sites	EZ	District / Local authority Ward	ECA	BRD	BRR
Phase 2, Lancaster Way, Ely		EAST CAMBRIDGESHIRE DISTRICT COUNCIL	NO	YES	YES
Haverhill Research Park		ST EDMUNDSBURY BOROUGH COUNCIL	NO	YES	YES
Phase 1, Northstowe		SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL	NO	YES	YES
Cambridge Research Park, Waterbeach		SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL	NO	YES	YES
Cambourne Business Park		SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL	NO	YES	YES

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SCHEDULE 5 – MANAGEMENT INFORMATION

- Q1*** What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?
- Q2*** What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?
- Q3*** What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?
- Q4** What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?
- Q5** What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?
- Q6** What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?
- Q7** Was a Local Development Order introduced in the zone or a part of the zone this quarter?
- Q8** What was the change in the number of businesses that started trading on the zone this quarter?
- Q9** What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.
- Q10** What was the value of any new public sector revenue investment on the zone this quarter?
- Q11** What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?
- Q12** What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?
- Q13** What area of land was reclaimed and made ready for development on the zone this quarter?
- Q14** What commercial floorspace was constructed on the zone in this quarter?
- Q15** What commercial floorspace was refurbished on the zone this quarter?
- Q16*** “What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?”
- Q17** What land sales were there on the zone this quarter?

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