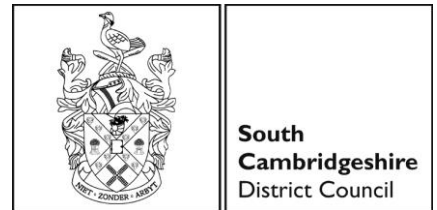


South Cambridgeshire Hall
Cambourne Business Park
Cambourne
Cambridge
CB23 6EA

t: 03450 450 500

f: 01954 713149

www.scambs.gov.uk



29 January 2018

To: Chairman – Councillor Tony Orgee
Vice-Chairman – Councillor Kevin Cuffley
Members of the Scrutiny and Overview Committee – Councillors David Bard,
Ruth Betson, Grenville Chamberlain, Graham Cone, Jose Hales, Philippa Hart
and Tumi Hawkins

Quorum: 5

There is a pre-meeting session at 5pm for members of the Committee only, to plan their lines of enquiry.

Dear Councillor

You are invited to attend the next meeting of **SCRUTINY AND OVERVIEW COMMITTEE**, which will be held in the **SWANSLEY ROOM, GROUND FLOOR** on **TUESDAY, 6 FEBRUARY 2018** at **6.00 p.m.**

Members are respectfully reminded that when substituting on committees, subcommittees, and outside or joint bodies, Democratic Services must be advised of the substitution *in advance of* the meeting. It is not possible to accept a substitute once the meeting has started. Council Standing Order 4.3 refers.

Yours faithfully
Beverly Agass
Chief Executive

The Council is committed to improving, for all members of the community, access to its agendas and minutes. If you have any specific needs, please let us know, and we will do what we can to help you.

AGENDA

PAGES

- | | |
|--|--------------|
| 1. Apologies
To receive apologies for absence from committee members. | |
| 2. Declarations of Interest | |
| 3. Minutes of Previous Meeting
To authorise the Chairman to sign the Minutes of the meeting held on 9 November 2017 as a correct record. | 1 - 6 |
| 4. Public Questions | |

5.	Shared Waste Service Alternative Bin Collection Day Initial Project Review	7 - 20
6.	2017-2018 Third Quarterly Position Statement on Finance, Performance and Risk	21 - 88
7.	Corporate Plan 2018	89 - 118
8.	Medium Term Financial Strategy, General Fund Budget 2018-19 (including council tax setting), Housing Revenue Account Budget 2018-19 (including housing rents), Capital Programme and Treasury Management Strategy	119 - 318
9.	Work Programme	319 - 332
10.	<p>Monitoring the Executive</p> <p>Scrutiny monitors are invited to report to the Committee regarding Portfolio Holder meetings attended since the last meeting and specifically raise any issues challenged and the result and/or issues where the Committee could add further value.</p>	
11.	<p>To Note the Dates of Future Meetings</p> <p>To note that the next meeting will take place on Tuesday 6 February 2018 at 5pm.</p>	

Exclusion of Press and Public

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

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

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

OUR LONG-TERM VISION

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

OUR VALUES

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

- Working Together
- Integrity
- Dynamism
- Innovation

GUIDANCE NOTES FOR VISITORS TO SOUTH CAMBRIDGESHIRE HALL

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

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

Security

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

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

Emergency and Evacuation

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

- **Do not** use the lifts to leave the building. If you are unable to use stairs by yourself, the emergency staircase landings have fire refuge areas, which give protection for a minimum of 1.5 hours. Press the alarm button and wait for help from Council fire wardens or the fire brigade.
- **Do not** re-enter the building until the officer in charge or the fire brigade confirms that it is safe to do so.

First Aid

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

Access for People with Disabilities

We are committed to improving, for all members of the community, access to our agendas and minutes. We try to take all circumstances into account but, if you have any specific needs, please let us know, and we will do what we can to help you. All meeting rooms are accessible to wheelchair users. There are disabled toilet facilities on each floor of the building. Infra-red hearing assistance systems are available in the Council Chamber and viewing gallery. To use these, you must sit in sight of the infra-red transmitter and wear a 'neck loop', which can be used with a hearing aid switched to the 'T' position. If your hearing aid does not have the 'T' position facility then earphones are also available and can be used independently. You can get both neck loops and earphones from Reception.

Toilets

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

Recording of Business and Use of Mobile Phones

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

Banners, Placards and similar items

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

Disturbance by Public

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

Smoking

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

Food and Drink

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

Agenda Item 3

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Scrutiny and Overview Committee held on
Thursday, 9 November 2017 at 5.00 p.m.

PRESENT: Councillor Tony Orgee – Chairman

Councillors: David Bard Ruth Betson
Grenville Chamberlain Graham Cone
Jose Hales Philippa Hart
Anna Bradnam

Councillors Simon Edwards, Mark Howell and Lynda Harford were also in attendance.

Officers: Victoria Wallace Democratic Services Officer
Jane Green Head of New Communities
Stephen Kelly Joint Director of Planning and Economic
Development
Mike Hill Health and Environmental Services Director
Richard May Policy and Performance Manager
Trevor Nicoll Head of Waste Resources

1. APOLOGIES

Apologies for absence were received from Councillors Kevin Cuffley and Tumi Hawkins. Councillor Anna Bradnam was present as a substitute for Councillor Hawkins.

2. DECLARATIONS OF INTEREST

Councillor Ruth Betson informed the committee that she was the Council's champion of youth initiatives and Councillor Grenville Chamberlain informed the committee that he was the Chairman of the Caravan and Motorhome Club.

3. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 7th September 2017 were agreed as a correct record.

4. PUBLIC QUESTIONS

There were no public questions.

5. DEVELOPMENT MANAGEMENT PERFORMANCE

The Joint Director of Planning and Economic Development and the Head of New Communities, presented the Development Management Performance report. This updated the committee on performance and ongoing service improvements within the Development Management Service. Further to the information contained in the report, the committee was informed that in respect of the Department of Communities and Local Government (CLG) performance targets for speed of decision making, the service had maintained a position above designation. There was a risk of designation on appeal performance which was subject to the outcome of two outstanding appeals. The

committee was assured that despite the improvement in performance, the service was not becoming complacent with further work still to do. The Director emphasised that the Council was a competent authority with a competent planning service.

The committee discussed the report:

- Members asked how many five year land supply decisions were Planning Committee decisions which went against officer recommendations. This data was not to hand at the meeting but would be provided to members following the meeting.
- In response to a query regarding the classification of major and non major applications, members were informed that CLG considered anything above ten dwellings a major development.
- The committee how many officer and committee decisions had become appeals and how many of these related to major and non major applications. This information was not available at the meeting but would be provided outside the meeting. The committee was informed that the vast majority of applications were dealt with by officer decisions.
- The committee was informed that the department was analysing data of all officers' caseloads, to enable better understanding of this in order to become more sophisticated in the way caseloads were managed. Members were informed that officers' caseloads were within capacity.
- The committee was informed that applications were asked to be withdrawn when there were significant problems with the application. The applicant was then invited for pre-planning advice before resubmitting their application. Advising applicants to withdraw their application was not done routinely and data on this would be provided.
- The submission of invalid applications was discussed and it was proposed that an application checklist be provided to applicants to help them submit valid applications. Members were informed that the Council's planning portal, through which 80% of planning applications were submitted, did this to a point as it required applicants to submit a Design and Access Statement before it accepted the submission of a planning application. Guidance was being simplified so that it was easier for applicants to understand.
- The Joint Director advised that following data analysis, it had been found that several planning agents accounted for the majority of invalid applications submitted. These agents would be written to and help and advice offered to help them submit valid applications. The service would also be looking at simplifying its planning guidance. The service had found that some planning agents did not keep their clients informed of the progress of their applications, therefore the service would be trying to keep householders informed of this.
- Members were informed that all senior planning officers oversaw with the S106 officer, the S106 for the applications on their caseloads and were trying to start S106 conversations earlier. Members advised that there was a need for officers across organisations to work more closely and in a more consistent manner. There were still a number of pending S106 agreements, which were being worked through.
- The service was conscious of delays to planning applications submitted by businesses.

The committee **NOTED** the report and asked that a further update report be provided at its February committee meeting. The committee requested that comparison data cover a wider time period.

6. PERFORMANCE OF THE PLANNING ENFORCEMENT SERVICE

The Joint Director for Planning and Economic Development and the Head of New

Communities presented the report which updated the committee on the performance of the Planning Enforcement Service.

The committee was informed that:

- Since the report had been written, structures had been removed as a result of enforcement notices at St Martin's Cottage and Thistledown Cardinals Green.
- The service had seen a 25% increase in the reporting of complaints. Reporting was easy to do online and a large number of complaints turned out to be permitted development. The website encouraged potential complainants to understand whether their complaint related to permitted development or to a real breach.
- There was no standard timescale for the completion of an enforcement case and new enforcement cases were not necessarily closed within a quarter, particularly where there was a real breach of control.
- The current approach was to try and resolve cases without statutory notices being served.
- The Enforcement Policy would be reviewed and the Scrutiny and Overview Committee's input would be sought.
- The committee was informed that Planning Enforcement officers were receiving the support they needed from the shared legal service. The committee was informed that the shared legal service had an in-house barrister, which had been helpful.
- The committee was informed that Planning Enforcement had a drone, which was helping to turn enquiries around more promptly without having to secure access to sites.
- The local member for Smithy Fen asked whether comital proceedings had been instigated regarding the breach of injunction. It was urged that this not be tolerated and comital proceedings be progressed as soon as possible. In response to this, members were informed that legal papers would be issued within the next 10 days.
- The Chairman requested that the service made sure that all elected members, including those elected through a by-election, were included in the circulation of the weekly enforcement report to members.

The committee noted the report.

7. 2017-18 SECOND QUARTERLY POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

The Finance and Staffing Portfolio Holder presented with the Policy and Performance Manager, the report which provided an update in respect of the Council's financial position, performance and risk. The Portfolio Holder highlighted the following:

- The Council's performance was on track.
- Invoices were being paid within 30 days however performance was still not where the Council wanted it to be.
- Performance around complaints handling was not where the Council wanted it to be, however work was in progress to improve this.
- There had been a significant improvement in the performance of the processing of benefits claims.

The report was discussed by the committee:

- Members advised that the table at paragraph 17 of the report was not easy to understand and further explanation was requested to make it easier for members of the public to understand. The committee pointed out that this was a public

meeting and as such, papers needed to be easily understood by members of the public.

- Further information regarding the Combined Authority housing programme would be provided to members after the meeting, as the information was not available during the meeting.
- In response to a query regarding the net risk score, members were informed that the Council's Executive Management Team scored the risks using a methodology that had been designed by the Corporate Governance Committee. Any proposed change to the methodology would have to be approved by the Corporate Governance Committee.
- Members were informed that the arrow on the Strategic Risk Matrix reflected the movement of the gross risk.
- The committee was informed that Universal Credit had already been introduced for a small part of the district's population. There was a Government administration grant to help the Council cater for the increased administration that would result from the full introduction of Universal Credit, however this was only a two year grant. It was hard to predict if this would lead to a shortfall in resource.
- It was advised that the performance of devolution and the performance of the Greater Cambridge Partnership should be added to the Strategic Risk Register, as there was a risk to the Council if they did not deliver. The Portfolio Holder would suggest this to Cabinet.
- In response to a query regarding lack of sign off of the Council's accounts by Ernst and Young, the committee was informed that this was a service level risk rather than a strategic risk. The Finance and Staffing Portfolio Holder assured the committee that the Council's business was not affected by this. The committee was informed that the Government's valuation of the Council's housing stock was based on the affordability to support and maintain this stock.
- The committee was informed that the next bidding round for the County Council's innovation fund was in the new year and the Council would be submitting a bid.
- In response to a query that could not be answered at the meeting, officers would find out whether an older people's accommodation needs report had been completed.
- The committee was informed that a consultation on the planning shared service had been completed and a report would be presented at a future Cabinet meeting.
- In relation to the Corporate Plan, a query was raised regarding S106 contributions for Girton sports pavilion and sports pitches. This could not be answered at the meeting and officers would circulate information to members following the meeting.

The Scrutiny and Overview Committee **NOTED** the report.

8. PERFORMANCE OF THE SHARED WASTE SERVICE

The Environmental Services Portfolio Holder presented the report which updated the committee on the performance of the Shared Waste Service. The Head of the Shared Waste Service and Director of Health and Environmental Services were also present to answer questions.

The Director of Health and Environmental Services explained issues that the new shared service had encountered in relation to staffing and informed the committee that a grievance process was in place. All waste service staff were South Cambridgeshire District Council employees and staffing systems were being amalgamated. There were

163 members of staff in the service.

The Portfolio Holder explained the management of the material recycling facility (MRF) contract, which was with a private company. Members were informed that this was the contract for the processing of blue bin waste.

Members were informed that the Shared Waste Service was working with two ICT systems that were relatively incompatible, however a procurement for a new system was underway.

Members were pleased to see a gradual improvement in the waste collection rate however felt that customer feedback should be sought. The committee advised that good practice was to seek customer feedback proactively, which the Portfolio Holder acknowledged. He advised that the service may consider seeking customer feedback after the new service had been running for a year.

Due to the reconfiguration of bin rounds, the committee was informed that 10 miles per bin lorry vehicle was being saved per week. This was significant in financial and environmental terms given these vehicles did 2.5 miles per gallon. The committee was informed that the service procured the most efficient vehicles available on the market. The committee requested to know the average mileage of the bin lorry fleet per year. Officers did not have this figure to hand so members would be informed of this following the meeting.

The committee was informed that operational missed bins were bins the service knew it had missed for operational reasons, for example if a traffic jam had prevented the crew from collecting bins.

Inclusion of the financial savings made by the Shared Waste Service was requested for the next report to the committee.

The committee was informed that:

- The Council's Health and Safety adviser was looking at all waste service working practices, to identify where improvements could be made.
- The timing and intensity of bin collection rounds was being looked at.
- Members were reminded that there were no City crews and no South Cambridgeshire crews; there was one merged service and therefore one crew. Much work had been undertaken and was still ongoing regarding staff culture.
- The next service change was due to be introduced on 11 December 2017 with the removal of paper caddies.

The Scrutiny and Overview Committee noted the report.

9. CORPORATE PLAN

The Finance and Staffing Portfolio Holder apologised for there being no Corporate Plan report, explaining that more work was being undertaken on this to incorporate the feedback from the 'Let's Talk' consultation.

10. DRAFT MEDIUM TERM FINANCIAL STRATEGY

As the Draft Medium Term Financial Strategy had not been available to the committee until the day before the meeting, the Finance and Staffing Portfolio Holder agreed to hold an informal briefing on this for the committee and its substitute members. This

would take place in advance of the Cabinet meeting taking place on 16 November 2017. It was agreed that any issues raised at this meeting would be fed into the Cabinet meeting.

11. WORK PROGRAMME

Ermine Street Housing task and finish group

A date for this group to meet would be arranged. Councillor Tony Orgee would also be a member of this group.

Council credit card transactions task and finish group

A task and finish group would be set up to look at the implications for the Council of the introduction of charges for the use of credit cards. The Chairman suggested that Councillors Tumi Hawkins and Kevin Cuffley form this group.

Complaints about councillors

In response to an issue raised by a resident, the Chairman proposed the set up of a task and finish group to look at the procedures around the handling of complaints against councillors. This was discussed by the committee and it was proposed that this be incorporated in the work of the member development task and finish group which was being chaired by Councillor Cone, as this was looking at councillor job roles, job descriptions and code of conduct. The Scrutiny and Overview Committee Chairman and Councillor Cone would discuss this further following the meeting.

Future meetings

The Director of Health and Environmental Services advised the committee that the shared services annual report would not be produced in time for the committee's March 2018 meeting. The Director of Health and Environmental Services advised that a quarter two update report could be provided in February or March for the 3C ICT and Legal services. The Chairman advised that the review of the Medium Term Financial Strategy would be the priority of the committee's February 2018 meeting.

The committee agreed that it would not meet in April 2018 due to purdah. The Chairman requested a meeting be arranged to take place in March 2018, before the start of purdah on 26 March 2018.

12. MONITORING THE EXECUTIVE

No updates were received from Scrutiny monitors.

13. TO NOTE THE DATES OF FUTURE MEETINGS

The next meeting would take place on Tuesday 6th February 2018 at 6pm.

The Meeting ended at 7.30 p.m.

Agenda Item 5



Shared Waste Service ABCD (Alternative Bin Collection Day) initial project review – planning and design to month 9 of operations.

1.0 Background to project

The Shared Waste Service for Cambridge City and South Cambridgeshire District Councils has been operating since 2015. A major step in the original business case to create a truly shared service was the harmonisation of domestic bin rounds across boundaries. The new bin collection rounds were devised to ensure they are efficient (helping to achieve savings target of £700k over 3 years), resilient, and improve our ability to deal with growth. The new rounds make the boundary invisible to our refuse vehicles, and will save an estimated 20,000 refuse vehicle miles per year. These changes meant that 82% of residents had a change in day and / or sequence of bin collections, starting on 27th February 2017. While the vast majority of residents have had a continued good service through this period, there are some who have not received the service we aim for and have been frustrated by this process. We are sorry for any resident who is inconvenienced – every one of their bins is important to us and we will continue to work hard to achieve the normal standard of service and learn from this change.

2.0 Planning the day changes

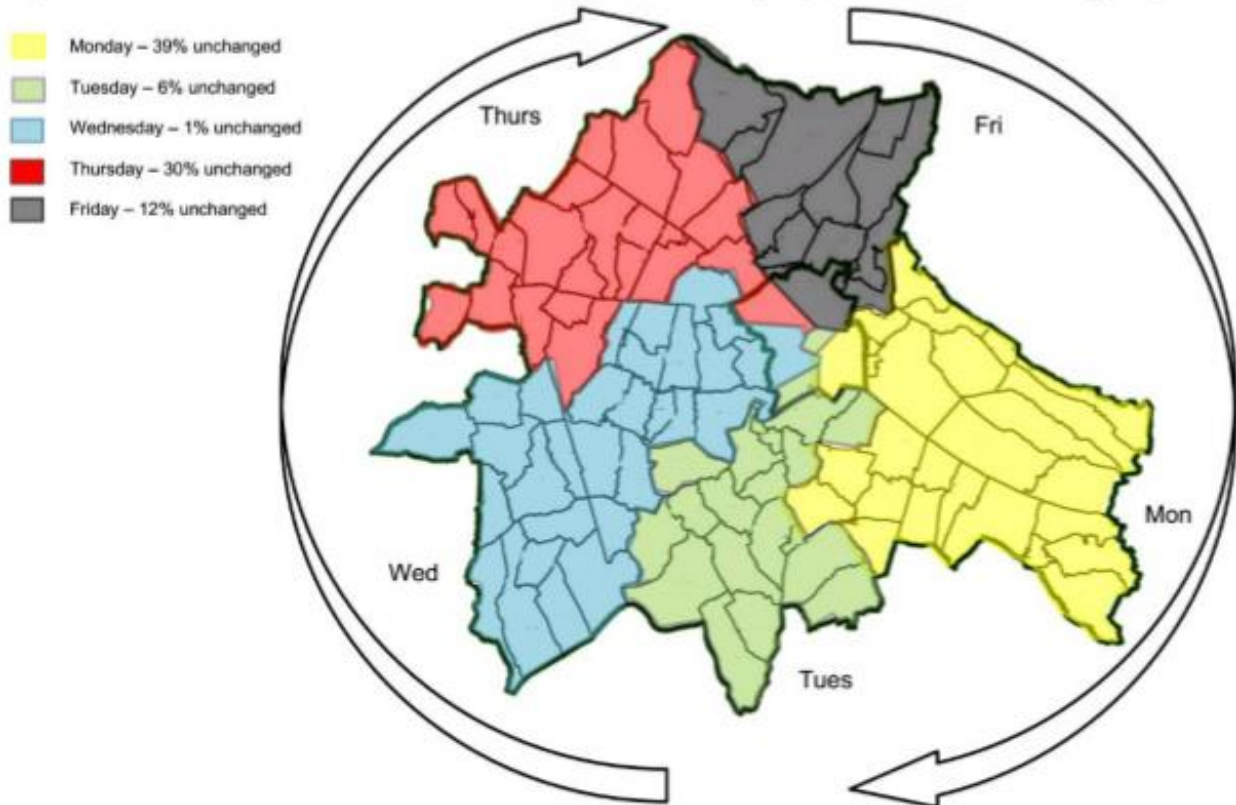
Design and planning work on the bin round changes started in early 2016. The combined domestic operations represent an extremely large and diverse service, with over 100 operatives typically operating 40 vehicles each day, collecting up to 30,000 domestic bins. The services offered in each Authority are different, and the patch covered includes dense urban areas of Cambridge with narrow streets and many flats, through to isolated individual rural properties, with travel across a range of roads from fen tracks to the M11. This presents a challenge for planning changes and for achieving rounds on a daily basis; our collection rates are traditionally extremely good and crews have vast experience. The design and planning process included:

- Ensuring the quality of various datasets across 2 authorities in 2 data management systems (address data; waste quantities; vehicle capacity and journey data; crew pick rates and so on)
- Using bespoke modelling software to design rounds to optimize collections

- Consulting with crews and supervisors to check the 'draft' rounds for achievability and logic (for example to spot access details, to challenge geographical splits, to check total property numbers), and making subsequent changes.
- Resource planning for the lead-up and immediate delivery of day changes, including extra vehicles, drivers and loaders, and options to borrow supervisors from Streets and Open Spaces.
- Planning communications for residents using multiple media, including bespoke approaches to the different geographies and therefore different sets of issues. For example, use of village signs and leaflets in SCDC, use of individual letters to residents of houses in City, use of corporate magazines in both.
- Briefing crew members on the lead-up to day changes and working with them on ensuring bin codes and keys for bin stores were transferred to new rounds.

The final 320 rounds are arranged in collection zones which have clearer round boundaries between collection days, and collection areas more logically grouped together. This means that crews are closer to each other and can work across rounds when necessary, and as new developments come on-line we can include these in existing or new rounds more easily. They are also optimised for driving time, so for example on a Friday more bins are collected in the north of the City, which reduces driving time as crews are working closer to the depot and tipping site at Waterbeach. A prerequisite was that residents had one bin day, which did not change whether we operate week 1 or week 2 of the cycle.

New Combined Collection Days and % properties unchanged



3.0 Go-live phase

From February 23rd a daily 'situation reporting' phone conference was held between the Shared Waste Service, Business Support, Customer Services and Communications teams, and senior staff. This ensured at one point in the day all teams shared their updates which enabled swift communication to residents of any problems in service, identified any ways of working across the teams which could be improved, and highlighted what was going well and could be fed back to teams.

From 27th February (when new rounds went live) feedback from crews (from in-cab devices and round sheets) was collated to get quick indications of numbers of houses presenting bins of the right colours on the right days. This quickly showed that residents had responded well to the communications campaign and knew which colours to present when.

Because some sequences were changed, and some crews had entirely new rounds to learn, it meant that the first 4 weeks of weight and round duration data could not be relied on or used as the basis for any significant round changes. For example as part of the planned changes, some residents would not be asked to present a bin for 3 weeks, and others presented the same colour on two consecutive weeks, as sequences changed. This affects weights of refuse and recycling collected for that round, and so the time it takes to complete. However during these first weeks we could learn from crews what they felt would and would not work, and spotted some

smaller anomalies in rounds which could easily be corrected with no impact for residents.

Call volumes – customer service centres at SCDC and City handled their largest call volumes during week 2. Measured as a % increase on the baseline week (2 weeks before the changes), City took 300% more calls (1168 calls) and SCDC 200% (815 calls). These calls also included routine calls (such as extra bin requests, and calls for Streets and Open Spaces), an external overflow call centre was used to support this increase in calls, reducing the impact on residents.

Problems identified in the first few weeks included:

- Some missing ‘collect and return’ or ‘assisted collection’ addresses. The majority of these addresses were up to date in the in-cab displays used in most vehicles. However, those added since May 2016 (the date of the modelling data cut) were on manual lists and could be more easily missed. Also the hired extra vehicles which helped crews out where necessary do not have the in-cab technology, and crews did not always exchange this information. Where these were missed, their re-collection was prioritised as these residents can be the most vulnerable. Crews were reminded of those which had been missed. We created an A-Z of these addresses.
- Differences in crew approach. Some residents fed back that bins were not left in the same places; that some organic bins were being rejected for contamination through use of liners which had previously been accepted; that recycling contamination was now being reported, and so on. The differences in crew members spotting and refusing bins (as we request) has been highlighted. We have explained to residents affected that we have not changed policy but we are now working to it. We are also revisiting to collect contaminated bins on the first occasion whenever possible. We have clarified some of the web content on caddy liners. We raise issues with crews when necessary.

This is a major operational change project which has had both predictable and unexpected outcomes, many positive and some negative. Key criteria for the changes were to:

- Minimise the impact for residents
- Ensure residents who present their own bins or who have an assisted collection have one bin day (eg Tuesday week 1 and Tuesday week 2)
- Minimise any subsequent day changes
- Rectify any problems within normal service periods
- Deliver the project to time and budget

During the first fortnight, there were 2 key priorities – to ensure residents knew which bins to present on which days and to collect the bins as planned. The communications were very successful - only a few hundred addresses presented the wrong bins and the various media used reached a wide and diverse target audience.

4.0 Review of Collections

As a service, we record both operational missed collections (delayed collections self-reported by collection teams), and reported missed collections (reported by residents). The reported misses are held at property level on the two separate ICT systems that the service is currently using, one hosting Cambridge City data and one hosting South Cambs data. Operations missed collections are held at street level in an Excel spreadsheet as it is not currently possible to enter this information into either of the ICT systems.

Operational and Reported Missed Collections

From the table below it is clear that residents in Cambridge City experienced a higher rate of missed collections, which continued for a longer period. There are many reasons why this occurred including: -

- Initial issues with modelling to balance work between the new collection rounds.
- Traffic issues in to Cambridge, this is added to by later start times of city collections.
- Street access issues due to parking and not being able to use all the vehicles on the fleet due to their size.
- The number of major new developments being occupied.
- More non-standard collection locations.
- Access to bin stores – via keys/code allocation.

The table below demonstrates that the collection service has been able to manage down the number missed collections, and has achieved a collection target of 99.5% from July. The exception to this was August when a success rate of 99.08% was achieved, this dip was related to the Bank Holiday Monday collection issues and October when a success rate of 99.45% was achieved, this dip was due to major traffic issues on A10, A14 and M11.

Month	% complete	Number of Collections	Actual Collections	Operational Missed City	Missed Bins Reported City	Operational Missed South	Missed Bins Reported South
March	96.7%	708,967	685,629	17,486	1,324	3,193	1,335
April	98.2%	616,946	605,850	6,472	796	2,892	1,131
May	99.2%	678,305	672,803	4,034	629	44	795
June	98.7%	708,758	699,501	7,061	587	834	775
July	99.6%	646,394	644,115	1,078	396	249	556
August	99.1%	706,460	699,936	3,113	500	2,234	677
September	99.5%	651,155	647,843	1,123	498	1,006	685
October	99.4%	680,227	676,474	2,446	382	302	623
November	99.6%	676,666	673,931	1,393	302	523	517

Collection Rates per Wards

The table below presents the percentage of successful collections broken down via Wards. These figures are based on reported missed household collections only, due to the way that operational missed collections are recorded.

During March to May 2017, several Wards did not achieve the required successful collection rate, however the Wards effected were spread across both Cambridge City and South Cambs. During second and third quarters, the number of Wards achieving an acceptable level of successful collections increased considerably. This was down to collection staff understanding the new collection rounds, re-allocation of properties between different collection rounds and increased monitoring from Team Managers

Ward	Region	% Successful			Collections (per qtr)	Actual Reported Missed		
		Mar - May	Jun - Aug	Sep - Nov		Mar - May	Jun - Aug	Sep - Nov
ABBEY	City	99.5	99.8	99.8	56,570	284	125	96
ARBURY	City	99.6	99.8	99.8	45,650	162	94	88
CASTLE	City	99.8	99.9	99.8	49,803	102	67	120
CHERRY HINTON	City	99.6	99.8	99.8	60,138	215	117	111
COLERIDGE	City	99.7	99.8	99.9	55,166	143	113	63
EAST CHESTERTON	City	99.5	99.8	99.8	53,177	240	130	84
KINGS HEDGES	City	99.9	99.9	99.9	137,943	137	71	100
MARKET	City	99.6	99.8	99.8	29,874	123	65	54
NEWNHAM	City	99.8	99.9	99.8	28,275	62	30	47
PETERSFIELD	City	99.7	99.8	99.9	71,721	197	112	90
QUEEN EDITHS	City	99.6	99.8	99.9	67,529	280	150	52
ROMSEY	City	99.7	99.9	99.9	75,251	203	99	106
TRUMPINGTON	City	99.7	99.8	99.8	87,594	278	209	187
WEST CHESTERTON	City	99.7	99.9	99.9	84,650	237	126	120
BALSHAM	SCDC	99.7	99.7	99.8	36,863	107	95	64
BAR HILL	SCDC	99.7	99.9	99.9	41,588	128	31	49
BARTON	SCDC	99.7	99.8	99.9	46,969	152	77	67
BASSINGBOURN	SCDC	99.8	99.8	99.9	10,856	18	23	13
BOURN	SCDC	99.7	99.8	99.8	88,313	258	186	144
CALDECOTE	SCDC	99.8	99.9	99.8	18,694	31	12	32
COMBERTON	SCDC	99.7	99.8	99.9	18,431	63	43	14
COTTENHAM	SCDC	99.8	99.8	99.8	64,388	135	127	102
DUXFORD	SCDC	99.9	99.9	99.9	20,775	31	18	12
FOWLMERE & FOXTON	SCDC	99.8	99.8	99.9	19,800	41	48	23
FULBOURN	SCDC	99.8	99.8	99.7	39,694	90	63	128
GAMLINGAY	SCDC	99.8	99.9	99.9	40,969	73	52	44
GIRTON	SCDC	99.8	99.9	99.9	30,881	65	25	31
HARDWICK	SCDC	99.9	99.9	99.9	19,875	17	14	22
HARSTON & HAUXTON	SCDC	99.8	99.8	99.8	21,769	46	45	41

Ward	Region	% Successful			Collections (per qtr)	Actual Reported Missed		
		Mar - May	Jun - Aug	Sep - Nov		Mar - May	Jun - Aug	Sep - Nov
HASLINGFIELD & EVERS.	SCDC	99.9	99.9	99.8	21,694	28	24	34
HISTON & IMPINGTON	SCDC	99.6	99.7	99.8	79,706	352	231	155
LINTON	SCDC	99.7	99.8	99.9	38,063	121	64	51
LONGSTANTON	SCDC	99.8	99.9	99.9	26,700	64	33	37
MELBOURN	SCDC	99.7	99.8	99.9	39,413	120	66	57
MELDRETH	SCDC	99.7	99.8	99.9	21,319	55	47	31
MILTON	SCDC	99.8	99.9	99.8	35,700	74	33	70
ORWELL & BARRINGTON	SCDC	99.8	99.9	99.9	19,481	31	28	27
PAPWORTH & ELSWORTH	SCDC	99.8	99.9	99.9	42,956	93	48	64
SAWSTON	SCDC	99.7	99.8	99.8	55,763	177	128	101
SWAVESEY	SCDC	99.7	99.9	99.9	20,194	57	29	28
TEVERSHAM	SCDC	99.8	99.9	99.9	18,994	36	25	27
THE ABINGTONS	SCDC	99.6	99.8	99.8	24,188	86	40	51
THE MORDENS	SCDC	99.7	99.9	99.8	23,925	60	33	54
THE SHELFORDS & STAPLE.	SCDC	99.6	99.8	99.9	62,813	259	145	94
THE WILBRAHAMS	SCDC	99.4	99.8	99.7	17,906	102	36	62
WATERBEACH	SCDC	99.8	99.9	99.8	47,813	118	63	101
WHITTLESFORD	SCDC	99.8	99.9	99.9	23,606	52	23	32
WILLINGHAM & OVER	SCDC	99.8	99.9	99.9	54,619	96	50	56

Collection Rates for Flats / Bin Stores

The table below presents the number of reported missed collections per individual flat/bin store who have experienced 6 or more reported missed collections during this 9-month period. During this period, locations were scheduled to have 39 individual collections across the two material streams (recycling and waste). These figures are based on reported missed collections only, due to the way that operation missed collections are recorded.

The majority of issues around missed collections from flats and bins stores occurred in the months directly after service change. There are a range of reasons for these misses including: -

- New developments being occupied without the knowledge of the service. This demonstrates that additional work is required to foster improved relations with site developers.
- Non-standard collection locations, staff on new collection rounds not aware of all bin store locations.

- Access issues to bin stores – not allocating keys or access code to rounds correctly.

Address	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
BIN STORE, NEWMARKET ROAD	2	2	1	2	1	4	2			14
BIN SHARE, MILL ROAD	4		1	2		1	2	2	1	13
BIN STORE, SHERBOURNE CLOSE	5		5	1		1		1		13
BIN STORE, WHITTLE AVENUE	4	3		1		1	1		3	13
BIN SHARE, HILLS ROAD	4		3	2	2	1				12
BIN STORE, LICHFIELD ROAD	3		5	1				1	1	11
BIN STORE, SHERLOCK CLOSE	10									10
BIN SHARE, DENHAM PLACE, COLERIDGE ROAD	2	2	2	2	1					9
BIN STORE, NEW STREET	6	1	2							9
BIN STORE, THE WICKETS, HIGH STREET TRUMP						3	3	2	1	9
BIN STORE, BAILEY MEWS	2			4		1		1		8
BIN STORE, COLVILLE ROAD		2	1	2	1		2			8
BIN STORE, NEATH FARM COURT	1	1			1	1	2	1	1	8
BIN STORE, WESSEX COURT, QUEEN EDITHS W	2	4	2							8
BIN STORE, WINDSLOW HOUSE, GREEN LANE	2	1	2	3						8
BIN SHARE, THE MALLARDS, RIVER LANE	1				2	1	2	1		7
BIN STORE 1, FREEMAN HOUSE, ELMFIELD RD	1	2	2			1	1			7
BIN STORE, WARREN CLOSE				7						7
1 1-4, BIN STORE, KITE HOUSE, ADAM & EVE			1	1		2		1	1	6
BIN SHARE, CARL HUNTER HOUSE, ADAM & EVE	1			1					4	6
BIN SHARE, CHESTERTON ROAD	4	1							1	6
BIN SHARE, EKIN ROAD	5				1					6
BIN SHARE, HOMERTON COURT, HILLS ROAD	3	2	1							6
BIN STORE 1, BRADMORE COURT, BRADMORE	1	1	1			3				6
BIN STORE 2, FREEMAN HOUSE, ELMFIELD RD	2	1	2			1				6
BIN STORE 9, ST MATTHEWS GARDENS	4							1	1	6
BIN STORE P, FITZGERALD PLACE	2	1		1	1				1	6
BIN STORE, BENIANS COURT					2			4		6
BIN STORE, BRIDGE VIEW, VICTORIA AVENUE	1				4			1		6
BIN STORE, CROFTGATE, FULBROOKE ROAD	4	2								6
BIN STORE, FALLOWFIELD		2	2			1			1	6
BIN STORE, FREEMAN HOUSE, INVERNESS CL	1	3		1				1		6
BIN STORE, KNIGHTLY AVENUE			3	3						6
BIN STORE, LILAC COURT	3						3			6
BIN STORE, MEADOWCROFT HOUSE, TRUMP	2	1				3				6
BIN STORE, PEARL CLOSE		2	2	2						6
BIN STORE, ROBERT JENNINGS CLOSE		1	1					4		6

Collection Rates for Households

The table below presents the summary of the reported missed collection per individual household during this 9-month period. These figures are based on reported missed household collections only, due to the way that operation missed collections are recorded.

During this period, each of the 108,000 standard households in the collection area were scheduled to have 59 individual collections across the three material streams (recycling, organic and waste). 7,318 individual households reported a missed collection, however from the table below it is clear that only a relatively small number of these experience multiply missed collection

Number of repeated reported missed collections	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
Number of households	1	0	1	1	2	3	3	4	11	11	23	34	50	75	111	193	367	1134	5294

The table below shows individual missed collection per household (property numbers/names have been removed) who have experienced 9 or more missed collections during this 9-period. In reviewing this data, several trends appeared including: -

- The majority of issues occurred in the first quarter after service change as staff become familiar with new collection rounds. This increase in missed collection has added an additional budget pressure as the service, as additional resources was required to ensure that collections were made once reported.
- Many of the multiply missed collections location are for properties with assisted collections, we believe this is due to issues with the assisted collection data within the in-cab systems and staff not using the system correctly.
- Properties have non-standard collection location, ie collection point, collect and return points or remote locations.

Address	A/C	Authority	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Denson Close, Waterbeach	Y	SCDC		1				4	8	6		19
Chaston Road, Great Shelford	N	SCDC	3	3	6	3	1	1				17
Nuns Orchard, Histon	Y	SCDC	1	1	2	3	3	2	2	2		16
Mill Lane, Shingay Cum Wendy	N	SCDC	2	4	2	6	1					15
High Street, Linton	N	SCDC	1	3	2	1		1	2	3	2	15
North End, Meldreth	Y	SCDC	3	3	2	2	2	1	1			14

Address	A/C	Authority	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Tempest Road, Cambourne	N	SCDC		6	2	2	1		1	1	1	14
Saffron Road, Sawston	Y	SCDC	2	6	3	2			1			14
Cheyney Street, Steeple Morden	N	SCDC		1		1	1	1	2	4	3	13
Uffen Way, Sawston	Y	SCDC	4	2	2	1				3	1	13
Royston Road, Caxton	N	SCDC		2	2	3	1	1	1	2	1	13
Station Road, Great Shelford	N	SCDC	2		4	6						12
Church End, Coton	N	SCDC	3	2	4	2		1				12
DERWENT CLOSE	Y	CITY				2	3	3	2	1	1	12
BUCKINGHAM ROAD	N	CITY	3	1	2		1	2	1	2		12
Albcore Road, Cambourne	Y	SCDC	3	1	2	1	1		2		1	11
Cottenham Court, Cottenham	N	SCDC		3	4	3		1				11
Saddleback Lane, Bassingbourn	Y	SCDC	3	3	2	2				1		11
High Street, Fen Ditton	N	SCDC	2		6	1			2			11
Macaulay Avenue, Great Shelford	Y	SCDC	1	1	3	1	2	2	1			11
Cambridge Road, Waterbeach	N	SCDC	4	2	2			1	2			11
Potton Road Mill Hill, Gamlingay	N	SCDC	3	4	4							11
DITTON FIELDS	Y	CITY	3	2		3	1	1			1	11
VICTORIA AVENUE	N	CITY	1				4		2	2	2	11
EDEN STREET	Y	CITY		1	4	1	1	2		1	1	11
HILLS ROAD	Y	CITY	6	3	1				1			11
Kingsway, Histon	N	SCDC		1	2			2	1	2	2	10
Old School Court, Great Shelford	Y	SCDC		2	1	1	2	3	1			10
High Street, Sawston	Y	SCDC	2	4		2			2			10
Harvey Way, Waterbeach	N	SCDC						6	2	2		10
Hereward Close, Impington	Y	SCDC	1	3	1	3		1	1			10
High Street, Histon	N	SCDC	2		3	3	2					10
Russet Way, Melbourn	N	SCDC	5	4	1							10
Glebe Road, Barrington	Y	SCDC	5	1	2	2						10
Hinton Way, Great Shelford	N	SCDC	2	3	3	1	1					10
SPRINGFIELD ROAD	N	CITY	2	1					2	2	3	10
NEWTON ROAD	Y	CITY		1	1	3	3	1	1			10
Comberton Road, Little Eversden	N	SCDC	1	1	1	1	1	1	1	1	1	9
Elm Gardens, Fowlmere	N	SCDC	1			1	2	2	2		1	9
High Street, Linton	N	SCDC		2	1	1		1	2	1	1	9
Jubilee Close, Waterbeach	Y	SCDC	1	2	3	1			1	1		9
The Spinney, Bar Hill	Y	SCDC	3	4		1			1			9
Cambridge Road, Foxton	N	SCDC	1		2	2		3			1	9
Cambridge Road, Hauxton	N	SCDC			1	3	2		1	2		9
Wren Park, Whittlesford	Y	SCDC								6	3	9
King Street, Rampton	Y	SCDC	1	2	1		1			1	3	9
Harding Way, Histon	Y	SCDC	4	3	2							9
Franklin Gardens, Cottenham	N	SCDC	3	1	1		1		1	2		9
Cottenham Road, Histon	Y	SCDC		1	1	2	1	2		1	1	9

Address	A/C	Authority	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Chapelfield Way, Sawston	Y	SCDC						2	4		3	9
Cambridge Road, Great Shelford	Y	SCDC	3	2	1	1		2				9
Dale Way, Sawston	Y	SCDC	2	1	1	2			1	1	1	9
The Grip, Linton	N	SCDC	2	2	2	1	1	1				9
Chalky Lane, Babraham	N	SCDC		4	3	1					1	9
Dernford Farm Road, Sawston	N	SCDC	1	2	2	2		1	1			9
Catleys Walk, Sawston	N	SCDC	2	1	1	1	2	2				9
ELIZABETH WAY	N	CITY	4	2	3							9
EAST ROAD	N	CITY	2	2	2	1			1	1		9
CHERRY HINTON ROAD	N	CITY	2	3	1	1					2	9
CHESTERTON ROAD	N	CITY	5	4								9

5.0 Recycling Tonnage and Rates

The recycling rate for the service has been reasonably consistent but slightly lower than hoped over this 9-month period once season variations, such as holiday periods and growing seasons are taken into account. Currently it is estimated the service is on track to achieve an annual recycling rate in the region of 50% for 2017/18.

It has been modelled that with the changes in South Cambs to a fully commingled dry recycling service this may help to increase the recycling rates in the future. The collection service is also planning a material focused communication programme across the complete collection area to encourage residents to recycle more high value metal items such as tins and cans. Any increase in dry recycling across the collection area will support the service budget due to increased recycling credits and increased income from the collected material.

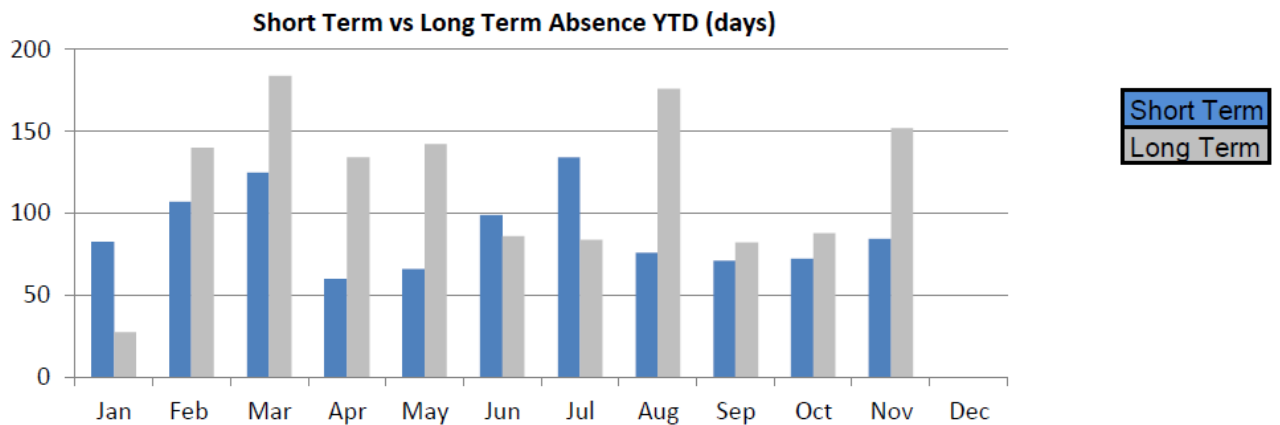
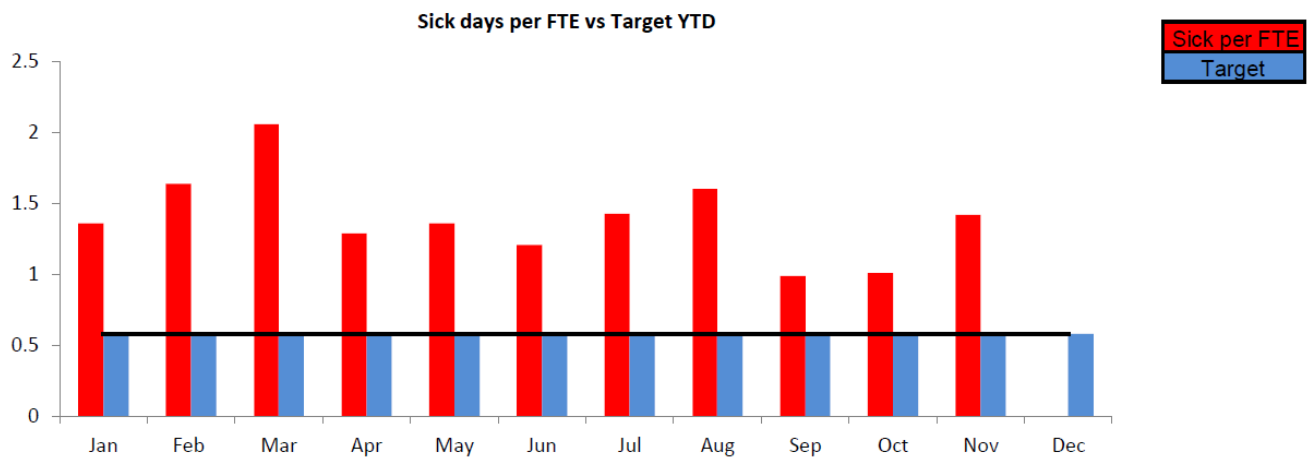
	Residual		Organics		Dry Recycling		Total Recycling	
	Tonnage	%	Tonnage	%	Tonnage	%	Tonnage	%
March	4385.39	48.5%	2805.78	31.0%	1852.62	20.5%	4658.40	51.5%
April	4454.43	48.0%	2944.88	31.7%	1890.32	20.3%	4835.20	52.0%
May	4932.41	47.1%	3474.26	33.1%	2076.63	19.8%	5550.89	52.9%
June	4508.25	48.5%	2758.78	29.7%	2018.90	21.7%	4777.68	51.5%
July	4447.82	46.0%	3390.58	35.1%	1821.95	18.9%	5212.53	54.0%
August	4839.58	48.1%	3208.82	31.9%	2006.37	20.0%	5215.19	51.9%
September	4426.68	52.7%	3175.14	34.0%	1750.52	18.7%	4925.66	52.7%

October	4385.39	48.5%	2805.78	31.0%	1852.62	20.5%	4658.40	51.5%
November*								

*Waiting for audited collection figures from Cambridgeshire County Council.

6.0 Staff Sickness

During this period, the service has experienced an elevated level of sickness, both short and long term. This sickness has caused additional pressure on the service, due to having to rely on agency staff to backfill posts and has had an adverse effect on the service staffing budget. The worst of the sickness spike coincided with the start of the new service. Service managers are working closely with South Cambs Human Resources team to support staff to return to work as soon as possible and where this was not possible, to investigate other options for the employee.



7.0 Post Service Change Activities

Immediately following the service change, several activities were undertaken to improve the collection service, some of which are now embedded into the service as 'business as usual'.

- Team managers track the progress of rounds and send early completing crews to assist where possible.
- All collection teams are required to contact the office once they have completed their round prior to returning to Waterbeach Depot.
- We issue drivers with detailed maps and reminders of individual repeat missed bins and keep this under review; supervision of crews on the collection rounds has also increased.
- We have changed out drivers on some rounds to see if different experience and approaches will make a difference. We will continue to swap drivers to test achievability of rounds.
- We continue ask staff for feedback and make small changes to make collection rounds and timings easier.
- We are analysing the results of the 'meaningful' round data (durations, number of tips and weights collected).
- Continue to make small changes to rounds (within day) based on how they are operating.
- We are currently reviewing all policies and procedures to ensure that the are joined up and fit for purpose, whilst procuring a new service wide ICT solution to provide resident to vehicle data management.
- Using missed collection data focus of repeat missed collections location both household and flat, looking to put in long term solutions.

7.0 Lessons Learnt

The following learning points below represent a selection of those logged to date, and should be adopted in future change projects.

- Utilise varied and bespoke approaches to resident communications – this worked very well.
- Follow standardised project management approaches from the start.
- Consider a range of alternative approaches to staff consultation – maps were not suitable for all. Take more staff members off collections to support the round development work.
- Undertake desktop 'Walk throughs' for week 1 / month 1 to pre-empt some of the logistical issues that could have been foreseen.
- Engage a wider stakeholder group eg housing colleagues, which may have picked up flats issues and challenged our assumptions.
- Involve all support services from the start of the project.

- Investing in change, with extra vehicles and staffing at the change point – not to cut resources too early.
- Ensure that policies and procedure are clear, correct and understood, with cross authority service consider harmonising them if possible prior to changing services.
- Ensure that software can communicate and is integrated, if software is to be replaced this should be done prior to implementing changes.
- Ensure that staffing issues such as sickness, recruitment and conduct are being robustly managed prior to change.
- Avoid major changes whilst undertaking staff restructuring or during a period of reduced management.

Agenda Item 6



South
Cambridgeshire
District Council

Report To: Scrutiny and Overview Committee
Lead Officer: Executive Director (Corporate Services)

6 February 2018

2017-2018 THIRD QUARTERLY POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

Purpose

1. As part of his responsibility for overseeing a robust process for managing performance, the Corporate and Customer Services Portfolio Holder introduces regular Cabinet reports setting out updates in respect of the Council's finance, performance and risk. The report enables Members to maintain a sound understanding of the organisation's financial position and performance in an integrated and transparent manner; as such, it is an essential component of the Council's corporate governance arrangements. The report will be received by Cabinet at its meeting on 7 February 2018.
2. The Committee is invited to note the report. Questions and comments relating to specific issues raised within it should be notified in advance of the meeting, in order to allow sufficient time for additional clarification to be prepared, and relevant Portfolio Holders invited to attend as appropriate. The Committee may decide that specific issues require further consideration, in which case it may make recommendations to the Cabinet meeting at which the Position Report will be presented, or commission detailed investigation as part of its evolving work programme.

Considerations

3. All relevant considerations are set out in the main body of the report.

Report Author: Richard May – Policy and Performance Manager
Telephone: (01954) 713366
E-mail: Richard.may@scamb.gov.uk

This page is left blank intentionally.



Report To: Leader and Cabinet

7 February 2018

Lead Officer: Executive Director, Corporate Services

2017-18 THIRD QUARTERLY POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

Purpose

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

Recommendations

2. Cabinet is requested to:
 - (a) review the provisional outturn position together with the performance and risk issues contained in this report and **Appendices A-C (attached)** determining, where appropriate, any actions, including redeployment of resources, required to address issues identified, and
 - (b) approve the Strategic Risk Register and Matrices (**Appendices D-E1/E2**).

Reasons for Recommendations

3. These recommendations are required to enable Cabinet to understand the organisation's financial position, performance and risk. This contributes to the evidence base for the ongoing review of priorities and enables, where appropriate, redirection of resources to reflect emerging priorities and address areas of concern.

Background

4. This is the third quarterly position statement for 2017/18, providing updates in respect of:
 - The Corporate Plan 2017-2022 (**Appendix A**);
 - Key monthly and quarterly Performance Indicators at 31 December 2017; (**Appendix B**),
 - The Financial Position at 30 November 2017, showing variance between original budgets and the provisional Outturn (**Appendix C**), and
 - The Strategic Risk Register and Matrices (**Appendices D-E1/E2**);
5. The Strategic Risk Register forms the record of corporate risks the Council currently faces in the achievement of strategic aims and delivery of services, together with control measures to address / seek assurance over the risks.

6. For ease of reference and to assist the integrated reporting of Finance, Performance and Risk, key related performance indicators, strategic risks, service groupings and items of significant variance have been cross-referenced within the performance report (**Appendix B**) and significant items of variance tables (**Appendices C1 and C2**).

Corporate Plan 2017-2022

7. The Corporate Plan 2017-2022 sets out the following Vision for the Council:

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

8. We worked to attain our Vision through three Strategic Aims around four strategic objectives: Living Well, Homes for our Future, Connected Communities, and an Innovative and Dynamic Organisation, and 22 accompanying actions. Detailed commentary on progress and achievements with each of the actions, bringing together relevant performance information, is set out in **Appendix A attached**.
9. Whilst many of the aims and objectives within the plan reflect ongoing long-term priorities, working with partners we have reached significant achievements, milestones and strong service performance in the last quarter, including:

Living Well

- Agreement signed with parish and county councils to deliver £45 million of community and sporting facilities alongside new homes at Cambourne West including an athletics track and swimming pool.
- Construction started on new ice rink, part-funded by SCDC loan
- 187 referrals to the Active and Healthy 4 Life Scheme during 2017-18, with 86 completions;
- Community energy grant scheme agreed by Cabinet.

Homes for our Future

- First community-led development fund grant of £4,500 was awarded to Cottenham Community Land Trust;
- Neighbourhood Planning standard support toolkit for parishes agreed by Planning Committee and put into practice;
- First two self-build plots in the district have planning permission
- 169 households helped to prevent homelessness between April-December 2017 (target 90).

Connected Communities

- Plans for a comprehensive redevelopment of Sawston Trade Park approved, which are expected to lead to the creation of 1,400 new jobs;
- Possible rural travel hub locations identified at Oakington, Sawston and Whittlesford;
- Report published by Greater Cambridge Partnership and County Council recommending a £500 million upgrade to the A10 north of Cambridge

An Innovative and Dynamic Organisation

- Feasibility work has been carried out to make a business case for the potential acquisition and development of a Build to Rent scheme at Orchard Park.;
- Collected 99.55% of all bins on the due date in December 2017;
- Contact Service answered 92% of all calls in December 2017.

Key Performance Indicators (KPI)

10. CMT has previously identified key performance indicators (KPIs) which provide a strategic overview of organisational health. Of these, 17 are measured and reported monthly, whilst the remaining 11 are monitored quarterly. Performance against these indicators is set out in **Appendix B** attached, with accompanying commentary.
11. 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

12. This position statement is reporting on the variance between the 2017/18 full year working budgets and outturn forecast for the year based on Q3 results (30 November 2017). Below is a summary of these variances.

	Outturn projection	
	Compared to Working Budget	
	£'000	%
General Fund	(35)	0
Housing Revenue Account (HRA) Expenditure	(655)	(2)
Housing Revenue Account (HRA) Income	(351)	1
Capital – GF Expenditure	(60)	(1)
Capital – HRA Expenditure	(850)	(5)

13. A Summary position statement is provided at **Appendix C**, whilst significant items of variance are listed in **Appendices C1 and C2**.

Risk Management

14. Risk management best practice is that the executive and governance roles should be carried out separately. These roles are allocated between the Executive and Audit and Corporate Governance Committee, as follows:
 - (a) agreement and ownership of the strategic risks facing the Council - the executive role - to the Executive, led by the appropriate portfolio holder;
 - (b) approval of the risk management strategy; advice and assurance regarding the adequacy and effectiveness of risk management - the governance role - to Audit and Corporate Governance Committee.
15. Cabinet, led by the designated portfolio holder for risk management, therefore takes executive responsibility for management of the strategic risks facing the Council, including review of the Strategic Risk Register.
16. The Strategic Risk Register has been reviewed by the nominated risk owners and other members of EMT. This is attached as **Appendix D**.
17. Changes to risk ratings are shown by arrows on the Gross Risk Ratings and Net Risk Ratings matrices with arrows attached at **Appendices E1-E2**. Further, on the Gross Risk Ratings matrix, risks where rating has changed have been shown twice, both times in bold, with grey shading over the text of the risk's former position.
18. Particular risks to note are:
 - (a) STR 27. Mare Fen Bank Improvement Project. This is a new risk proposed for inclusion in the Strategic Risk register with gross rating of 16 and net rating of 12;
 - (b) STR 28. Failure to produce / late certification / approval of accounts and/or to obtain unqualified audit opinion. This is a new risk proposed for inclusion in the Strategic Risk register with gross rating of 20 and net rating of 12;
 - (c) STR 5. Welfare Reform. Gross rating of this risk has been increased from 16 to 20, net rating remained the same;
 - (d) STR 3. Failure to meet Housing Need. Net rating of this risk has been increased from 10 to 12, gross rating remained the same;
 - (e) STR 2. Gypsy and Travellers and those not meeting new definition. Gross rating of this risk has been increased from 9 to 12, net rating remained the same;
 - (f) STR 25. Risk of Designation as Poorly Performing Planning Authority. Gross rating of this risk has been decreased from 20 to 9, net rating was also decreased from 12 to 9;
 - (g) STR6. Demands on services from an ageing population. Net rating of this risk has been decreased from 9 to 6, gross rating remained the same;
 - (h) STR7. Partnership with Cambridgeshire County Council. Net rating of this risk has been decreased from 9 to 6, gross rating remained the same;
 - (i) STR12. Shared Services initiatives with other authorities. Net rating of this risk has been decreased from 9 to 6, gross rating remained the same;
 - (j) STR 14. Access to Primary Care in Growth Areas. Net rating of this risk has been decreased from 9 to 6, gross rating remained the same.
19. In reviewing the Strategic Risk Register and Matrix Cabinet could:
 - (a) propose additions, deletions, or other changes to risks, in terms of either the title or detail of the risks or control measures / sources of assurance;
 - (b) propose alterations to the assessment scores of risks, in terms of either their impact or likelihood.

Implications

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

Financial

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

Risk Management

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

Consultation responses (including from the Youth Council)

23. Corporate Plan aims and actions, and the allocation of resources to deliver them, are based on assessed need and priorities and are subject to consultation each year prior to adoption.
24. Updates within this report have been prepared in liaison with lead officers in each directorate. The report was submitted to Scrutiny and Overview Committee on 6 February 2018. Any recommendations from the Committee will be reported at the meeting.

Effect on Strategic Aims

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

Background Papers: None

Report Authors: Richard May – Policy and Performance Manager
Telephone: (01954) 713366
richard.may@scams.gov.uk

Kevin Ledger – Policy and Performance Officer
Telephone: (01954) 713018
kevin.ledger@scams.gov.uk

Suzy Brandes – Principal Accountant (General Fund and Projects)
Telephone: (01954) 713101
suzy.brandes@scams.gov.uk

This page is left blank intentionally.

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
LIVING WELL			
Objective (A) - Support our communities to remain in good health whilst continuing to protect the natural and built environment.			
<p>(i) Proactive intervention to improve mental health and emotional wellbeing for all</p>	<p>Actions to better understand and address social isolation through:</p> <ul style="list-style-type: none"> (i) Social Prescribing pilot at Granta Medical Practice (with Local Health Partnership): Job description for social prescribing post agreed. Bid to County Council’s Innovate and Cultivate Fund submitted. (ii) Member Task and Finish Group: report recommendations agreed by Cabinet in November. (iii) CAB outreach service pilot operating from Willingham and Longstanton GP surgeries since July <p>Supporting parish councils to develop community-led activities to improve mental health:</p> <p>Event on Monday 9 October during Mental Health Awareness Week in Histon. Working in partnership with Histon and Impington Community and CCC (41</p>	<p>27 residents supported by a new weekly Citizens Advice Bureau outreach service at Willingham and Longstanton GP surgeries, launched in July 2017 (a Northstowe Healthy New Towns project).</p> <p>Participation levels in sports programmes: over 850 children have attended holiday camps. Over 5,000 visitors to annual Parklife event. South Cambs School Sports Partnership’s Year 4 Mini Olympics: over 1,500 participants</p>	<p>(i) Recruit to social prescribing post.</p> <p>(ii) Implement Task and Finish report recommendations:</p> <ul style="list-style-type: none"> - Develop parish toolkit - Set up timebanking pilots - Commission faith audit <p>(iii) Evaluate pilot</p> <p>Ongoing sports programmes: February Half Term and Easter holidays.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>delegates).</p> <p>Run/talk event on 12th October as part of Mind/England Athletics reducing the stigma of mental health project. 10 people attended the event.</p> <p>Partnerships Review Committee mental health recommendations agreed by Cabinet in November.</p> <p>Annual programme of sports activities being carried out, including new initiatives such as an adult netball league.</p>		
<p>(ii) Support our residents to stay in good health as they grow older, with access to the services they need</p>	<p>Further promotion of the Active and Healthy 4 Life exercise referral scheme. 2016/17 Annual report presented to Portfolio Holder October 2017.</p> <p>Working with partners to ensure effective delivery of the handyperson scheme, including hospital discharge service.</p> <p>Tenant Scrutiny Review of uses of Communal Rooms on Sheltered Housing schemes: Tenant Scrutiny report presented to Portfolio Holder September 2017. Agreed action plan to take forward some of the recommendations and working group set up including councillors, staff and scrutiny team representatives to consider usage of rooms further.</p>	<p>2016/17 Active and Healthy 4 Life annual report produced highlighting the benefits of the scheme and the conditions treated. 50 completers recorded improvements in their blood pressure, 47 reduced their body fat % and 112 decreased their Body Mass Index. 272 clients started the scheme during 2016/17, and 112 completed courses (some clients will complete during 2017/18).</p> <p>Q1 – Q3 referrals = 187 and completions 86</p> <p>Over 100% increase in hospital discharges and referrals into the Handyperson scheme. Both Hinchingsbrooke and Addenbrookes</p>	<p>Further promotion of the exercise referral scheme with GPs and Health Professionals.</p> <p>Ongoing contract management of Handyperson Service.</p> <p>Outcomes from working group to be considered by Portfolio Holder in Spring 2018, seeking better use of communal rooms to meet the needs of communities.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
		Hospitals referring into the scheme; there were 12 hospital discharge assessments for South Cambs residents completed in Quarter Two.	
(iii) Ensure our new and established communities provide thriving, healthy, safe and attractive places to live	<p>A legal agreement has been signed to allow ice-rink construction on land off Newmarket Road, Cambridge, part funded by a £1.85 million loan from SCDC. Construction on site has begun.</p> <p>Agreement signed with parish and county councils to deliver £45 million of community and sporting facilities alongside new homes at Cambourne West including an athletics track and swimming pool.</p> <p>Participating in the Northstowe Healthy News Towns (HNT) programme:</p> <ul style="list-style-type: none"> - Sheffield Hallam older people's accommodation final report received and being used to inform provision on future new developments - Working with the NHS to develop new models of care, including a new joint post to be based at the Clinical Commissioning Group - Phase 2 Healthy Living, Youth and Play Strategy complete, including costed measures and health impact assessment. - Secured funding for a further 2 	<p>Between October and December 2017, the Council granted planning permission for six developments where s106 contributions in the region of £1,775,000 were secured for Parish Councils as well as the provision of new public open space and play areas, including Hardwick (£608k new community centre), Caldecote (£29k extension to Village Hall) and Cottenham (£25k new burial spaces).</p> <p>We also secured over £1 million towards primary school provision in Fulbourn, Cottenham, Swavesey and Caldecote.</p> <p>A further £25,000 Community Chest funding has been awarded between Oct-Dec, supporting 28 community projects in South Cambridgeshire..</p> <p>New Licensing Policy will enhance public safety by ensuring taxi drivers meet the highest standards.</p> <p>SCDC footway lights in Hardwick and Ickleton upgraded to LEDs and</p>	<p>Anticipated payment of ice rink loan to contractor, February 2018. Build completion scheduled for June 2018.</p> <p>Northstowe HNT:</p> <ul style="list-style-type: none"> • Commission Extra-care site appraisal tool from Sheffield Hallam (subject to additional NHS England funding). • Research report "Establishment of Base Data for Northstowe Healthy New Town modelling" (projection of health and care needs based on Cambourne data). • Preparation of research proposal "Evaluation of sustainable transport interventions at Northstowe" in collaboration with Centre for Diet and Activity Research (CEDAR) at the University of Cambridge. <p>Procure Timebanking partner and identify pilot areas.</p> <p>Adopt new Licensing Policy (Council 22 February 2018)</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>years for the HNT programme.</p> <p>Working with communities to increase the number of timebanking projects in the district. Obtaining quotes for procurement of delivery partner</p> <p>Working with parish councils to secure developer contributions (from applications and appeals) to fund improvements to recreation grounds, pavilions, play areas, and village halls and create new community transport initiatives in order to mitigate the impact of new development.</p> <p>Revised policy agreed by Licensing Committee following consultation.</p> <p>Developing pilots in Hardwick and Ickleton to trial viability of LED upgrading of footway lighting.</p>	<p>evaluated to inform 2018 review of service.</p>	<p>Quotes for LED upgrade works due back end January 2018. LEDs ordered, delivery February 2018. LED spec 'Smart City Sensor Ready'.</p>
(iv) Support local businesses to improve the health of their employees	<p>Build a network of 'mindful employers' to support improved mental health. Leaflet drafted, business team being briefed.</p>	<p>Businesses reporting improved employee health outcomes and associated business benefits will constitute success against this measure.</p> <p>Healthy options scheme rolled out to nine businesses.</p>	<p>Continue delivery of 'mindful employers' project</p>
(v) Work with other councils, the NHS and public sector partners, to make	<p>Embedding a "Think Family" & "Person-Centred" approach across SCDC to improve outcomes for families and older</p>	<p>Together for Families programme helping families in the district (177 families living in the district are on the</p>	<p>Project design complete and phase 1 reports received by March 2018.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
<p>sure families with the most complex needs are supported to improve their own health, prospects and prosperity</p>	<p>people with complex needs: Early contact made with County Leads on Early Help and Adult Early Help.</p>	<p>Together for Families Programme). Families and older people with complex needs receive a joined-up, multi-agency response from South Cambs that improves their lives.</p>	<p>Expected project completion date 31 Oct 2018.</p>
<p>(vi) Improve existing private rented housing standards to ensure everyone can be safe and healthy at home</p>	<p>Promotion of Thermal Imaging Cameras for use over the winter months to identify where home improvements can be made to improve thermal efficiency.</p> <p>Explore new approaches to the Private Sector Stock Condition Survey to provide more cost-effective methods of gathering relevant data. Investigate “smart” ways through existing information gathering methods to achieve an ongoing method of reporting rather than a once every five year snapshot approach</p> <p>Moving to a multi-agency intelligence-led approach to identify and address potentially substandard housing: multi agency problem solving group Landlord guide to HMO launched.</p> <p>Promoting energy-saving schemes:</p> <ul style="list-style-type: none"> - Open Eco-home programme 8th and 14th October. - Cambridge Carbon Footprint Open Ecohomes programme. Some properties in the programme are within South Cambs (Impington, Girton, and Orchard Park). 	<p>Thermal imaging cameras loaned out 51 times between October-December 2017.</p> <p>Improved approach to HMOs will reduce sub standard and rogue landlord complaints.</p> <p>New Housing legislation will give new powers to Local Authorities to address substandard private accommodation.</p>	<p>Work with partners to bid for Warm Homes funding for targeted work.</p> <p>Work with partners to adopt local criteria to maximise the number of South Cambs residents able to be supported to improve energy efficiency.</p> <p>Review of worth and effectiveness of Stock Condition survey, with recommendations.</p> <p>Approach external companies to identify what information is available digitally.</p> <p>Continued promotion of Thermal Imaging Cameras.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
HOMES FOR OUR FUTURE			
Objective (B) - Secure the delivery of a wide range of housing to meet the needs of existing and future communities			
<p>(i) Influence developers to increase the pace of housing and infrastructure construction, including delivery of affordable housing</p>	<p>Preparing:</p> <ul style="list-style-type: none"> - an Area Action Plan to guide future growth on the Cambridge Northern Fringe East (CNFE) development site. - guidance for future development at Bourn Airfield and Waterbeach new settlements. - Design Codes to ensure high quality development on all strategic application sites <p>Working with developers and communities to help ensure that planning permissions/applications deliver the right mix of homes, amenities and employment opportunities and meet local objectives</p> <p>Working with the Combined Authority (CA) and Greater Cambridge Partnership (GCP) to help plan infrastructure to support strategic growth sites</p> <p>Affordable Housing SPD to be prepared to guide the type and tenure of new affordable homes in the District.</p> <p>Re-shaping the planning service to provide greater capacity and resilience to enable prompt and effective decision making</p> <p>-</p>	<p>543 net additional dwellings were completed in the district in 2016-2017, 62 more than the number predicted in the housing trajectory included in the previous monitoring report. Between 2011 and 2017, 3,970 net additional dwellings have been completed.</p> <p>41% of dwellings permitted on sites of two or more dwellings were affordable (2016/17) where Local Plan Policy HG/3 (40% affordable housing) applied.</p> <p>Adopted Area Action Plan for the wider CNFE area and planning permission for new development granted.</p> <p>Continued housebuilding and commencement of new commercial development at Northstowe: first occupations took place in 2017.</p> <p>Combined Authority strategies will reflect SCDC needs and support investment in infrastructure across the district.</p> <p>A high performing planning service will better engage communities and the development sector to deliver high quality outcomes.</p>	<p>Ongoing delivery against housing trajectories identified in annual monitoring report, achieving and maintaining a five-year land supply.</p> <p>Completion/Adoption of SPD's for Bourn Airfield and Waterbeach new settlements</p> <p>Completion and adoption of design codes and first phases of development under way</p> <p>Phase 2 Northstowe development to commence on site.</p> <p>Confirmation of delivery for Camborne to Cambridge public transport project/implementation of GCP transport strategy</p> <p>Completion of Trumpington Meadows local centre mid 2018.</p> <p>Submission and approval of applications for Darwin Green 2&3 (approximately 1,000 homes)</p> <p>Submission and Approval of phase 2 development proposals at North West Cambridge</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
			<p>Affordable housing SPD adopted and being applied to new developments in the District.</p> <p>We estimate that 659 additional housing units will be completed by 31 March 2018.</p>
<p>(ii) Increase the range of housing and tenure options for residents, including Right to Build and Starter Homes</p>	<p>Using HRA land assets to assist self build applicants and use capital receipt to help fund new build development programme</p> <p>Offering a regional service to other local authorities, acting as the self-build 'hub' for registers and events locally and regionally.</p> <p>Self build project launched in July 2017. Around 100 self build plots identified (subject to planning) on council land for onward sale. First two Self-Build plots have planning permission and are being marketed and sold. A further 10 plots are at pre app stage with planning</p> <p>In conjunction with technical advisers at Community Land Trusts East we are offering expert guidance and technical support for potential community-led housing groups to bring forward affordable housing.</p> <p>Community-Led Housing Grant launched September 2017: Groups with an interest in developing their own affordable housing for the community can apply for up to £4,500 in grant funding to cover all their</p>	<p>132 new affordable dwellings were completed in the district during 2016-2017.</p> <p>Attracting 5 Eastern Regional LAs to take up the hub service in 2018/19</p> <p>The first community-led development fund grant of £4,500 was awarded to Cottenham Community Land Trust in November 2017.</p> <p>Currently working with 15 communities who are interested in taking forward community-led development.</p> <p>A long term strategic approach to our HRA land assets will allow for some new build modular construction redevelopment at lower cost bringing much needed single person accommodation back into SCDC.</p> <p>A proof of modular concept pilot will allow learning and may develop strong commercial relationships, give good PR for SCDC and give benefits to the self/custom build function where</p>	<p>Create a viable planning policy position on self build for individual, communal and developer led self build applications. Running a regular number of sub regional self /custom build events</p> <p>Expected Delivery Date: April 19</p> <p>Promotion of community-led development through parish forums, magazines, website, etc.</p> <p>Identification of potential communities to work with.</p> <p>Complete a feasibility study to explore the potential for system build and other modular homes to be able to maximise provision of homes, reduce construction costs and provide homes that are affordable; and test this through the commissioning of a pilot scheme.</p> <p>Potential for temporary planning and pilot structure by Q2 2018 (subject to planning permission): Pre App</p>

CORPORATE PLAN 2017-2022 – THIRD QUARTERLY PROGRESS REPORT, FEBRUARY 2018 (APPENDIX A)

Page 36

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>start-up costs.</p> <p>Investigating options for modular construction: approval for a 'proof of concept' project with modular contractor Cubicco granted April 2017.</p> <p>Sites under HRA ownership being assessed for suitability.</p>	modular construction has a cross over.	<p>submitted Oct/Nov 17.</p> <p>Expected Delivery Date: Dec 2018</p> <p>Adopt community-led strategy (Summer 2018); preparatory work underway</p>
(iii) Continue to progress the Local Plan to adoption	Consultation underway on proposed modifications, closes 16 February 2018	Finding of a “sound” plan by inspector, through which the Council will be able to demonstrate a Five-Year Housing Land Supply, will ultimately constitute success against this measure.	Inspector’s report likely to be received in Spring 2018, with adoption to follow.
(iv) Help Parishes and villages wishing to shape their own futures by developing Neighbourhood Plans that address community priorities	<p>Ongoing support for 14 parish councils with neighbourhood areas designated as requested, and to others at the beginning of the neighbourhood planning process.</p> <p>Neighbourhood Planning Toolkit agreed by Planning Committee following consultation with parish councils.</p>	<p>Parishes wishing to adopt Neighbourhood Plans successfully do so, supported positively by SCDC.</p> <p>Neighbourhood Planning Toolkit agreed and published.</p>	<p>Delivery of neighbourhood plan toolkit with parishes and annual review of its effectiveness.</p> <p>We are also preparing some additional guidance on particular topics of interest to PCs.</p>
(v) Find solutions for people facing homelessness	<p>Producing new Homeless Strategy for 2018:</p> <ul style="list-style-type: none"> - CIH Review completed April 2017 which will inform strategy. - Joint themes identified with Cambridge City via shared meeting on 19.7.2017 <p>Preparing for introduction of Homeless</p>	<p>Excellent prevention figures achieved between April-December 2017 with an cumulative figure of 169, compared to a combined target of 90 over the first three quarters.</p> <p>Completed Homelessness Strategy will meet statutory obligations including the identification of specific pathways as set out in the new Homeless Reduction Act.</p>	<p>District review of homelessness to take place following CIH review, which will go on to inform Homelessness Strategy.</p> <p>PSL focus is on increasing portfolio of properties and negotiations with landlords: six more properties in the negotiation stage, which should be complete by 31 March.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Reduction Act in April 2018:</p> <ul style="list-style-type: none"> - Staff have all received initial training in the Act. - Joint planning/information sharing meeting held with the City on 19/7/2017. - Team day to start working through plan/timetable for new service requirements took place on 26/7/2017. <p>Staffing analysis and budget requests completed in respect of delivering the Homeless Reduction Act. Recruitment is now underway.</p> <ul style="list-style-type: none"> - Specialist training booked for staff and member briefing took place in January 2018. <p>Regular shared learning from Trailblazer work and other implementation issues through monthly Sub regional homeless meetings</p>	<p>Service will be fully compliant in anticipation of Homeless Reduction Act coming into force on 1 April 2018.</p> <p>Successful placement of first tenants in six Private Sector Leasing (PSL) scheme homes.</p> <p>All staff (including additional team members) will be trained to deliver the new legislation from April 2018.</p>	<p>Policies and procedures are currently being reviewed by the team and will be completed by April 2018.</p> <p>Ongoing dialogue with partner agencies regarding joint working arrangements.</p>
(vi) Secure a viable future programme for our Council houses	<p>Delivery of additional affordable homes. SCDC development pipeline 2017/18 update:</p> <p>On site with:</p> <ul style="list-style-type: none"> - 14 homes , 10 of which are affordable in Gamlingay - eight affordable homes in Great Abington - 13 affordable homes in Balsham 	<p>Completion of 15 rented homes in Foxton.</p> <p>Estimated build programme per annum likely to be around 35-45 new homes at a budget cost of circa £5.5-6.5m per annum.</p> <p>Expected:</p> <p>By April 18 completion of further 31 new homes, with a further 28 on site</p>	<p>Keep securing exception site and S106 opportunities (subject to Planning and funding).</p> <p>Use self build plot sale receipts to support a secure new build programme for next 3-5 years</p> <p>Offers on a number of S106 sites covering circa 116 new build homes over next 3-4 years. Note: offers may not be accepted – this is a competitive</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	- 23 affordable homes in Waterbeach Imminently on site with three affordable homes in Longstanton and nine in Waterbeach	A Viable S106 pipeline established to 2022 and an Exception site pipeline to 2025.	arena. With Local Plan ratification forthcoming we will begin to source exception site opportunities to establish an early pipeline, as lead in on exception sites is generally 2-3 years
(vii) Lead the Combined Authority's (CA) Housing Investment Programme	<ul style="list-style-type: none"> Recruiting programme team including Housing lead. Draft framework being prepared Leader and Housing Director addressed EELGA Conference in September 2017. 	Sites in Papworth, Melbourn and Willingham are among 11 locations across Cambridgeshire and Peterborough receiving funds as part of the first wave of housing schemes. Construction work is expected to start before the end of March 2018.	<p>£100m Delivery Framework including investment objectives and levels of delegation to the CA Board Feb 2018 alongside Partnership Agreement</p> <p>Complete partnership agreement between CA and SCDC for CA Board Feb 2018</p> <p>Engaging with Housing Associations, landowners, member LAs to further develop the funding programme</p>
CONNECTED COMMUNITIES			
Objective (C) Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity			
i. Support the delivery of City Deal (GCP) and Combined Authority (CA) transport, housing, technology and skills programmes	<p>Officers engaging in the delivery of the GCP programme to support transport, housing, economic and smart programme outcomes for the benefit of residents in SCDC.</p> <p>Combined Authority: SCDC Chief Exec appointed lead Chief</p>	<p>Approval of infrastructure project will deliver enhanced public transport access between Cambridge/West Cambridge and Bourn and Cambourne</p> <p>Supporting delivery of a transport strategy will enable development at Waterbeach and new development in the Cambridge Northern Fringe East</p>	<p>Finalise route options and development funding for public transport enhancements for A428 corridor (Cambourne-Cambridge).</p> <p>Development of a programme of interventions to support unlocking stalled housing developments on brownfield sites across SCDC.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Exec for the Combined Authority Spatial Strategy. SCDC officers will support the CA in the delivery of Phase 1 of the Non-Statutory Spatial Plan (NSSP) (Spring 2018) and the development of future growth options under phase 2 of the NSSP through to 2019</p> <p>SCDC will engage actively with the CA on the development of transport and economic strategies for the CA area</p> <p>SCDC officers working with City Council and CA to ensure that the investment in the new Cambridge South Station benefits residents across SCDC area.</p> <p>£8.7 million from Cambourne West developer agreement provisionally allocated to improving public transport links between Cambourne, Cambridge and nearby villages</p> <p>Housing: See B(vii) above</p> <p>Developing a skills and apprenticeship brokerage scheme for role out across GCP area.</p>	<p>Area Action Plan area</p> <p>Development of enhanced park and ride options for easier access by SCDC residents to Cambridge City Centre.</p> <p>Development of Rural travel hubs will improve travel options/choices for SCDC residents (C(iv) below)</p> <p>Combined Authority:</p> <p>SCDC growth will be supported by adopted investment strategies of the Combined Authority</p> <p>New station delivered for South Cambridge.</p> <p>CPCA delivers strategic housing and transport infrastructure</p>	<p>CPCA aiming for NSSP phase 1 to be completed by spring 2018, with phase 2 by Spring 2019.</p> <p>Work on Greater Cambridge Local Plan to start in 2019, consistent with GCP agreement.</p> <p>Skills workstream: implementing proposals agreed by Executive Board in September.</p>
<p>ii. Bring forward strategic transport improvements, with particular regard to A14, A428 and A1307 improvement proposals,</p>	<p>SCDC officers have supported GCP projects to bring forward development of key transport corridor enhancements as part of GCP delivery programme Officers are working with County Council,</p>	<p>Outcomes from our work and funding will enable:</p> <ul style="list-style-type: none"> The A14 improvement scheme to be completed in March 2021 	<p>A decision on the preferred route for the A428 (Black Cat to Caxton Gibbet) is awaited.</p> <p>A1307 consultation on Bus Priority options, to commence in early 2018</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
<p>the M11 corridor and an East-West rail link</p>	<p>GCP and CA to support effective prioritisation of infrastructure investments</p> <p>Officers from SCDC supported GCP in the development of submissions to the National Infrastructure Commission enquiry into transport in the Oxford to Cambridge Corridor.</p>	<ul style="list-style-type: none"> • A decision on alignment and format of E-W rail corridor through SCDC to allow effective planning for the future growth of the area. • Delivery of a new station at South Cambridge • Delivery of enhanced public transport along A428 Cambourne to Cambridge Corridor • A scheme for improvements to the A1307 corridor to be delivered by GCP 	<p>(delayed following the receipt of traffic modelling updates).</p> <p>Finalise A10 corridor study report to enable targeted investment that secures delivery of new developments in the corridor at Waterbeach and Cambridge NFE. Preferred options consultation anticipated summer 2018.</p>
<p>iii. Take a stronger leadership role in shaping economic growth for the area, through the development of shared economic strategies with partners Related PI(s).</p>	<p>Working with CA and GCP to produce an economic strategy for Cambridgeshire and Peterborough which supports SCDC businesses and ensures appropriate investment takes place to grow the area's economy in ways that benefit local people.</p> <p>Continued involvement with Local Enterprise Partnership to deliver Enterprise Zones in Cambourne, Northstowe & Waterbeach. A total of 14 new business premises, totalling over 30,000 sq m, are under construction and in the development / planning pipeline across the county, including nine potential industrial units at Waterbeach.</p> <p>Member task and finish group on rural business report and recommendations to</p>	<p>The Local Plan has proposed the release of additional land for economic growth on the edges of Cambridge and the enlargement of existing research parks at Babraham and Granta Park.</p> <p>Planning permission granted for Babraham Institute expansion to create 450 new jobs and contribute £200k towards local cycling links.</p> <p>Plans for a comprehensive redevelopment of Sawston Trade Park have been approved, which are expected to lead to the creation of 1,400 new jobs.</p> <p>New Local Plan Policies have been promoted to support rural enterprises</p>	<p>Local Plan to be adopted and relevant policies communicated.</p> <p>Agree timetable and scope for review of economic strategy.</p> <p>Member task and finish group – agree and implement recommendations.</p> <p>Continue to promote Enterprise Zones attracting businesses with the prospect of business rate exemptions and a simplified planning process.</p> <p>Implementation of shared planning service including new capacity for strategic planning and efficient business processes to support prompt and efficient decision making (see</p>

CORPORATE PLAN 2017-2022 – THIRD QUARTERLY PROGRESS REPORT, FEBRUARY 2018 (APPENDIX A)

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>Cabinet, February 2018.</p> <p>Participating in the NIC Oxford to Cambridge Corridor project to ensure SCDC/Greater Cambridge is represented effectively</p> <p>Supporting the area's economic prosperity through effective service delivery – including investing to improve planning services</p>	<p>on the edges of villages (subject to specific controls)</p> <p>Between 2011 and 2015 there was a net gain of 6,000 jobs in South Cambridgeshire. There were 22,209 sq metres of business completions. (Local Plan Annual Monitoring Report 2016-2017).</p>	<p>D9(iii) below)</p>
<p>iv. Support our villages to strengthen their communities and social networks, reducing isolation by improving access, delivering effective community led services and targeted support for the rural economy.</p>	<p>Community Rail Partnership - supporting a number of parishes to enhance the rail community by working with the local community and stakeholders to deliver improvements in rail stations, services, travel and integration. Community Rail Partnership post recruitment underway.</p> <p>See A (iii) above re Timebanking</p> <p>Facilitation of discussions between the County Council and parishes affected by changes to the 7a bus service (Whittlesford, Hinxton, Pampisford and Babraham)</p> <p>Piloting community street cleansing initiatives; letters inviting expressions of interest from parish councils sent out in December '17</p> <p>Rural Travel Hubs – first stage feasibility study complete and possible pilot sites in South Cambs proposed at Oakington, Sawston and Whittlesford.</p>	<p>Community Rail Partnership will enable better maintained stations with improved user access.</p> <p>Community led supplementary street cleansing services – SCDC equipment used by volunteers to respond to local street cleansing priorities</p> <p>Rural travel hubs have the potential to reduce isolation by improving access to services and reduce congestion, supporting delivery of SCDC and GCP transport priorities.</p>	<p>Creation of a community interest company and employment of a Community Rail Partnership Officer.</p> <p>Rural travel hubs report to Greater Cambridge Partnership Board and Assembly in January/February 2018 to consider progression of at least two trial sites and second stage development of business cases during 2018-19.</p> <p>Seeking 2-3 parish councils for street cleansing trial to run for six months. 21 expressions of interest received: looking to take forward six to next stage of evaluation.</p> <p>Council to consider a report in respect of a Compulsory Purchase Order for The Tree Public House, Stapleford, at its meeting on 22 February 2018.</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	Adopted a discretionary business rate relief policy which will benefit around 300 rate payers.		
AN INNOVATIVE AND DYNAMIC ORGANISATION			
Objective (D) Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost			
i. Develop strategies for the Council to take advantage of commercial and investment opportunities as they arise	<p>Feasibility work has been carried out to make a business case for the potential acquisition and development of a Build to Rent scheme at Orchard Park.</p> <p>Ermine Street Housing (ESH) continues to acquire a property portfolio in line with the Business Plan projections. Currently 140 MOD leased properties and 163 acquired properties (Quarter Three figure).</p> <p>Equity Share scheme investing in Council properties to sell on the open market.</p> <p>Renewable Energy Generation investment options: Cabinet agreed the establishment of Community Energy Fund for small grants to local organisations.</p> <p>A report outlining options for the future of the Business Hub will be submitted to management team on 31 January 2018.</p>	<p>ESH projected interest payment to SCDC during 17/18 of £1.4 million</p> <p>Equity share projected net income for 2017 is £190,500</p> <p>£180k savings negotiated on cyclical maintenance contracts.</p> <p>Identifying and researching green energy investment opportunities will enable EMT to make informed decisions about where available finance can best be invested to ensure sufficient financial return.</p> <p>An SCDC renewables fund will enable local community and voluntary groups apply for loans or grants for investment in renewable energy or energy efficiency.</p>	<p>The results of the Orchard Park feasibility study will be presented to Cabinet in February 2018.</p> <p>Develop a Commercial Strategy for the Council to provide a clear strategic approach to the commissioning and delivery of commercial projects ensuring that it is best-placed to seek and take advantage of opportunities.</p> <p>Put in place corporate process to identify, commission, develop and review commercial opportunities</p> <p>Continued delivery of ESH business plan.</p> <p>Equity share project continuing as business as usual. Project Team to consider if this approach can be used with other properties</p> <p>Community Energy Grant fund to be open to applications from March 2018 - £55k available for distribution during 2018-2019.</p> <p>Identifying and researching green energy investment opportunities and</p>

CORPORATE PLAN 2017-2022 – THIRD QUARTERLY PROGRESS REPORT, FEBRUARY 2018 (APPENDIX A)

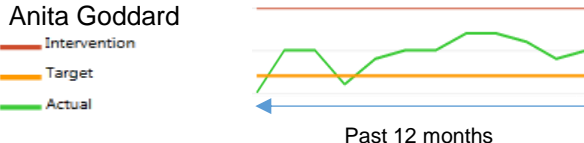
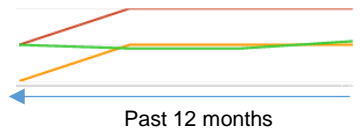
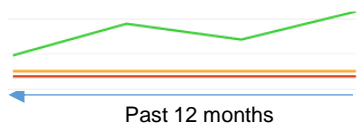
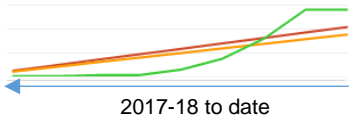

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
			introduce a loan scheme – reports to EMT and Cabinet Jan/Feb 2018.
ii. Complete full integration of the Single Shared Household and Commercial Waste Services	<p>Projects:</p> <p>(a) Recycling policy review (paper in/out). On track: Cabinet agreed change to a co-mingled service for the collection of all SCDC kerbside recycling material; launched 11 December 2017</p> <p>(b) Review of SCDC Street Cleansing - This project has been delayed due to a focus on the refuse side of the service. Work has started to collect data on litter bins, sweeping and litter picking routes to ensure it is mapped prior to undertaking the review.</p> <p>(c) Memorandum of Understanding re-draft and agreement - This has grown in scope and is now awaiting final clarification of financial questions and resource commitments. Legal are working on a draft of the document.</p> <p>(d) Fleet licence and operation changes – On track</p>	<p>99.54% Bins collected on schedule (in December 2017).</p> <p>51.8% of household waste sent for reuse, recycling and composting (target 50%) in November 2017.</p> <p>50.55% Estimated for Quarter 3, subject to confirmation of December 2017 figures by county council.</p>	<p>Ownership and investment for fleet is agreed in MoU for the service.</p> <p>Develop the Greater Cambridge Shared Trade Waste Service to help fund waste and recycling in the area.</p> <p>A large percentage of the current fleet is ageing which is currently having the issue of increased number of break downs. 18 new collection vehicles will be phased-delivered in Q4.</p>
iii. Consolidate existing shared services and develop plans for shared Finance, Planning and Housing services	<p>Priority given to Business Case for Shared Planning Service approved by SCDC and City Councils, July 2017. Second stage staff consultation underway, taking into account feedback from initial consultation.</p> <p>3C Digital and ICT Strategy drafted and submitted to each council for</p>	<p>3C ICT Strategy and high-level action plan “Roadmap” agreed by all 3C Partners in November 2017.</p> <p>All 3C Shared Services Heads of Service now in post. 3C Shared Services now moved from “set-up” phase to operational delivery work.</p>	<p>Planning Shared Service – recruit shared management team. Complete consultation, analyse responses and agree next steps.</p> <p>Q4 - Arrange Member and staff briefings on 3C ICT strategy and gather views on priorities for digital</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
	<p>consideration.</p> <p>New on-line Service Desk and meeting room booking systems launched.</p> <p>All 3C Heads of Services now in post.</p> <p>Updated business cases and performance indicators being developed by new Heads of Service for 3C ICT (end of Q3) and 3C Building Control (end of Q3).</p>	<p>3C ICT revised business case agreed and submitted to Partners for consideration as part of MTFs.</p> <p>Shared Head of Internal Audit in post.</p>	<p>strategy.</p> <p>Following appointment of new shared Head of Service, in Q4 agree and implement 3C Building Control updated business case and performance indicators ready for start of 2018-19</p> <p>Continuing user acceptance testing stage of Financial Management System implementation, with go-live scheduled for April 2018.</p>
<p>iv. Deliver an Organisational Development Strategy that ensures that we recruit and retain staff with the skills and behaviours required to embrace new ways of working and address the challenges ahead</p>	<p>SCDC Apprenticeship Strategy approved by Portfolio Holder.</p> <p>Member Task and Finish Group working to prepare for all-out elections in 2018: Terms of Reference and work programme agreed, including visit to another authority. Members are considering updates to the councillor role description, new councillor induction and training programme.</p> <p>Employee Health and Wellbeing Strategy adopted. Recent events included financial wellbeing support, nutrition/healthy eating a weight management programme and personal career planning.</p>	<p>Four apprentices have been recruited with plans for further apprentice posts.</p> <p>. Nicole Stimson from the Communications Team was Highly Commended in the Business Apprenticeship of the Year category in the Hunts Post Business Awards.</p> <p>The Council and its Members are fully equipped to adapt to all-out elections in 2018 and associated reduction in Councillors and four-year electoral cycle.</p> <p>Improved staff morale (to be measured through Staff Survey).</p> <p>Reduced sickness absence. 17/18 Q2 remained above target (2.7 days/employee compared to 1.75</p>	<p>Identification and recruitment of remaining six apprenticeships to commence employment by during 2018.</p> <p>Procurement of Apprenticeship providers.</p> <p>Develop management apprenticeship programme.</p> <p>Task and finish group to complete work programme, including timetable to report to Portfolio Holder.</p> <p>Monthly management reports on absence and cost – cases being monitored and actions taken by managers.</p> <p>Revisit the Health & Wellbeing Survey to benchmark improvement and</p>

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
		<p>target);</p> <p>Improved retention and attraction of staff (turnover for Q2 17/18 was 2.93%, within the target of 3.25%)</p> <p><i>(Q3 sickness and turnover figures awaited)</i></p> <p>Reduced accident risk from improved training and risk management.</p>	<p>satisfaction with project outcomes so far</p> <p>Continue to build relationships through existing Health Champions in particular at Waterbeach</p> <p>Develop and improve Health & Well Being pages on Insite when relaunched.</p> <p>Shared Waste Service manager training/coaching for the effective handling of sickness absence to be delivered.</p>
<p>v. Embed a 'digital by default' approach to customer access whilst ensuring quality traditional contact channels remain for those requiring them</p>	<p>Drafted a Digital Strategy</p> <p>New revs and bens Workflow system has gone live; work proceeding on revs and bens phase of online customer portal</p> <p>Improved the look and feel of the 'find your bin collection dates' web page, including an 'add to my calendar' function too.</p> <p>Implemented the new and improved 'What goes in which bin?' page</p> <p>Changed the look and feel of the A-Z and search facility to improve it.</p> <p>Customer Contact Service has recruited to combined post-handling / customer advisor roles to produce additional flexible capacity to deal with peak demand periods.</p> <p>Developing a corporate Digital Strategy.</p>	<p>10,277 completed e-forms were submitted between 1 April – 30 September 2017, compared to 8,868 during the comparative period in 2016-2017.</p> <p>92% of calls to the customer contact service were handled in December 2017. The average call waiting time was 108 seconds for the same period.</p> <p>Launched new Intranet</p>	<p>Finalise and adopt Digital Strategy with 3C ICT (Quarter Four).</p> <p>Digital by Default:</p> <ul style="list-style-type: none"> - Once implementation of the Revs and Bens customer portal is complete, work to commence on revenues integrated eforms to enable customers to self-serve. - Update website content - Implement payment solution with IEG4 <p>Continue to promote and increase in the use of digital means of contact, including online booking, payment and reporting, reducing the need for</p>

CORPORATE PLAN 2017-2022 – THIRD QUARTERLY PROGRESS REPORT, FEBRUARY 2018 (APPENDIX A)

Action - related PIs also listed where relevant	What we are doing to achieve this objective	Outcomes – What success looks like	What is still left to do
			customers to use the Contact Centre

PI and PI owner and Month organised by Service Area		Actual	Target	Int.	Comments	
Housing Management						
AH211 Average days to re-let all housing stock						
Anita Goddard						
		Oct	21	17	25	Although below target, performance remains at a reasonable level, comparing favourably with the Housemark benchmarking club median for Q2 of 22.7 (from a sample of 21 data submitting organisations).
		Nov	19	17	25	
		Dec	20	17	25	
Housing Advice						
AH203 Number of households in temporary accommodation						
Susan Carter/Heather Wood						
		Sep	59	60	70	This result reflects the demand for the service. Homeless prevention figures (see AH212) show that staff are achieving lots of homeless prevention despite the challenging external factors.
		Dec	61	60	70	
AH208 Number of households helped to prevent homelessness						
Susan Carter/Heather Wood						
		Sep	48	30	27	
		Dec	64	30	27	
AH212 £s spent on Bed and Breakfast accommodation (cumulative)						
Susan Carter/Heather Wood						
		Oct	7954.6	6822	8050	This PI is a cumulative figure, so the previous spike in B&B use seen in Oct and Nov continues to have a knock on effect despite zero spend in Dec. Although no additional B&B spend occurred in December we are waiting to receive some outstanding invoices. Currently we have two single people placed in B&B.
		Nov	13969	7796	9200	
		Dec	13969	8770	10350	
Landlord Services						
AH204 % tenants satisfied with responsive repairs						
Anita Goddard						
		Sep	97.3	97	92	The Q3 result is provisional based on responses received at the point of data submission. As such there may be some variance once all responses in relation to jobs undertaken in Q3 are accounted for (typically this is less than +/- 1%, but on occasion has historically reached up to +/-2%). Any change from this result will be reported in the next quarterly position report.
		Dec	97.5	97	92	
						The final result from Q2 has seen a marginal (0.2%) decrease from 97.5% provisionally reported in the Q2 position report. Results over the past 12 months have been consistently above the Housemark benchmarking club median for 2017/18 to date of 95%.

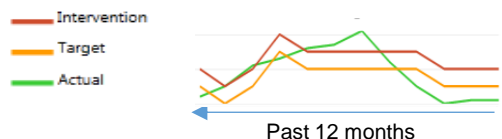
PI and PI owner and Month organised by Service Area	Actual	Target	Int.	Comments
---	--------	--------	------	----------

Benefits

FS112 Average number of days to process new HB/CTS claims

FS112, FS113, SF740 Associated Risk - STR5 Welfare Reform

Dawn Graham



In-year targets account for seasonal variation

Oct	10	15	20
Nov	11	15	20
Dec	11	15	20

FS113 Average number of days to process HB/CTS change events

Dawn Graham

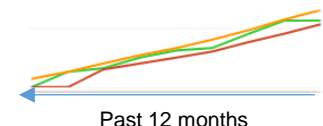


In-year targets account for seasonal variation

Oct	9	12	15
Nov	7	12	15
Dec	8	12	15

SF740 % Discretionary housing grant paid (cumulative)

Dawn Graham



Oct	45	48	38
Nov	56	57	45
Dec	56	65	53

Although below target, spend is at a reasonable level. Targets are based on previous years' spend rates; however it is difficult to account for peaks and troughs that may have skewed rate of spend in previous years. Spend of 56% at the end of December compares with 53% at the same point during 2016/17. It is not anticipated that this result will cause difficulty in spending the entirety of the fund by year end. (P&P)

Contact Centre

CC303 % total calls to the Contact Centre handled

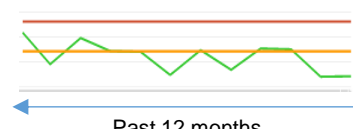
CC303, CC307, CC305 - Associated Risk - STR11 Business Improvement and Efficiency, Development Control Improvement, Working Smarter and Commercialisation Programmes

Dawn Graham



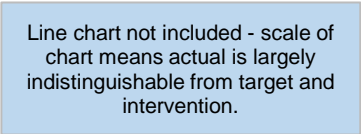


Oct	87.83	85	80
Nov	93.14	85	80
Dec	92.47	85	80

CC307 Average call answer time (seconds)



Oct	124	120	180
Nov	69	120	180
Dec	70	120	180

PI and PI owner and Month organised by Service Area	Actual	Target	Int.	Comments
Corporate Services				
CC305 % of formal complaint responses sent within timescale (all SCDC)				
Rachael Fox-Jackson				
	Sep	62	80	70
	Dec	70	80	70
Past 12 months				
Finance				
FS109 % invoices paid in 30 days				
Caroline Ryba				
	Oct	97.88	98.5	96.5
	Nov	97.55	98.5	96.5
	Dec	97.61	98.5	96.5
Past 12 months				
FS109 Associated Risk - STR4 Medium Term Financial Strategy				
615 of 628 invoices were paid on time during December. This demonstrates a continuation of the upturn in performance which has resulted in 5 consecutive amber results from Aug to Dec, following a period of 5 consecutive red results from Mar to Jul. Continued high levels of scrutiny are required to build on this improvement and consistently achieve target levels going forward. Analysis of the highest contributors to late invoice numbers during Dec is currently being undertaken by the Finance, Policy and Performance Team.				
HR				
FS116 Staff sickness days per FTE (non-cumulative)				
Susan Gardner Craig				
	Sep	2.7	1.75	2.5
	Dec		1.75	2.5
FS116, FS117 Associated Risk - STR13 Recruitment and Retention				
Sickness absence figures are a continuing area for focus, with monthly reports sent to all directors and heads of service. The largest percentage of the time lost to sickness is within the Shared Waste service, which is the largest service area in the council, and where there are a number of long term absence cases transferred from CCC; however, other areas of the council such as Housing are also reporting significant absences. There are a number of actions in place to actively manage these cases and attendance generally – Wellbeing initiatives, counselling, attendance management processes, referral to occupational health. The HR Team will monitor the impact of winter sickness during Q3 and report to the Finance and Staffing Portfolio Holder in Feb.				
FS117 Staff turnover (non-cumulative)				
Susan Gardner Craig				
	Sep	2.93	3.25	4
	Dec		3.25	4
Revenues				
FS102 % Housing Rent collected				
Katie Brown				
	Oct	97.9	97.2	87.4
	Nov	97.8	97.3	87.5
	Dec	98.2	97.7	87.9

PI and PI owner and Month organised by Service Area	Actual	Target	Int.	Comments
---	--------	--------	------	----------

FS104 % NNDR collected (cumulative)

Katie Brown

Line chart not included - scale of chart means actual is largely indistinguishable from target and intervention.

Oct	70.0	68.7	61.8
Nov	78.5	77.9	70.1
Dec	87.2	86.3	77.7

FS105 % Council Tax collected (cumulative)

Katie Brown

Line chart not included - scale of chart means actual is largely indistinguishable from target and intervention.

Oct	70.5	69.3	62.4
Nov	79.7	79.0	71.1
Dec	88.7	88.5	79.7

PI and PI owner and Month organised by Service Area	Actual	Target	Int.
---	--------	--------	------

Waste Services

ES418 % of household waste sent for reuse, recycling and composting (cumulative)

Trevor Nicoll

Oct	52.4	50.01	50
Nov	51.8	50.01	50
Dec		50.01	50

Analysis is currently being undertaken to obtain December's result. This will be reported once available.

ES408 % of bins collected on schedule (SSWS)

Trevor Nicoll

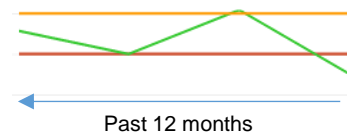


Oct	99.45	99.5	99.25
Nov	99.57	99.5	99.25
Dec	99.54	99.5	99.25

Environ. Health & Licensing

ES406 % major non-compliances resolved (in rolling year)

Myles Bebbington



Sep	91	90	80
Dec	75	90	80

6 out of the 8 major non-compliances that have arisen over the past 12 months have been resolved. Of the two unresolved cases, one relates to a major fly tip/waste issue and unlicensed HMO, reported in Dec and under investigation. The second is in relation to noise abatement issues awaiting Court decision (due May 2018).

ES401 % business satisfaction with regulation service

Myles Bebbington

Sep	94	90	80
Dec	89	90	80

PI and PI owner and Month organised by Service Area	Actual	Target	Int.	Comments	
Dev. Management					
PN510 % of major applications determined within 13 weeks or agreed timeline (designation period cumulative)					
Jane Green				PN510, PN511, PN512, PN513 Associated Risk - STR25 Risk of Designation as Poorly Performance Planning Authority	
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> Start of new designation period from Oct onwards. To include line chart once further results from current designation period are available. </div>	Oct	89.3	65	60	
	Nov	89.1	65	60	
	Dec	88.7	65	60	
				Performance for determining planning applications in December remains strong, exceeding targets for major and non-major applications.	
PN511 % of non-major applications determined within 8 weeks or agreed timeline (desig. period cumulative)					
Jane Green				PN510 and PN511 align with DCLG measurement criteria for designation by providing a cumulative percentage over a two year designation period. Oct's results were the first in the new designation period, taking into account individual monthly results since Oct 2016. As such Oct, Nov and Dec results show % of major (PN510) and non-major (PN511) applications determined within 8 weeks or agreed timeline since Oct 2016.	
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> Start of new designation period from Oct onwards. To include line chart once further results from current designation period are available. </div>	Oct	88.4	75		70
	Nov	87.8	75		70
	Dec	87.7	75		70
PN512 % of appeals against major planning permissions refusal allowed (designation period cumulative)					
Jane Green				Two more Major appeal decisions were received in December, both were allowed. This now takes us over the 10% designation criteria relating to quality of decisions. This data will be submitted to DCLG at end of January and we will await guidance from DCLG regarding the process and timescales for its consideration as to whether the Council will be designated.	
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> New PI - no line chart. </div>	Sep	9.62	5		10
	Dec	10.90	5		10
PN513 % of appeals against non-major planning permission refusal allowed (designation period cumulative)					
Jane Green				The Planning Department investigates the nature of complaints and negative feedback to identify common themes and take action to address issues. The number of responses to the satisfaction survey remain low (13 received in Oct, 12 in Nov and just 5 in Dec) resulting in relatively high levels of variation. As such arrangements for measuring and reporting customer satisfaction with Planning and New Communities will be reviewed in time for 2018/19 to ensure that this provides a greater level of insight.	
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> New PI - no line chart. </div>	Sep	1.32	5		10
	Dec	1.35	5	10	
PNC (directorate wide)					
PN505 % customers satisfied with Planning and New Communities					
Jane Green				The Planning Department investigates the nature of complaints and negative feedback to identify common themes and take action to address issues. The number of responses to the satisfaction survey remain low (13 received in Oct, 12 in Nov and just 5 in Dec) resulting in relatively high levels of variation. As such arrangements for measuring and reporting customer satisfaction with Planning and New Communities will be reviewed in time for 2018/19 to ensure that this provides a greater level of insight.	
	Oct	83	70		60
	Nov	63	70		60
	Dec	52	70		60

Page 52

PN512 % of appeals against major planning permissions refusal allowed (designation period cumulative)

Jane Green

Intervention
Target
Actual

New PI - no line chart.

Sep	9.62	5	10
Dec	10.90	5	10

Two more Major appeal decisions were received in December, both were allowed. This now takes us over the 10% designation criteria relating to quality of decisions. This data will be submitted to DCLG at end of January and we will await guidance from DCLG regarding the process and timescales for its consideration as to whether the Council will be designated.

PN513 % of appeals against non-major planning permission refusal allowed (designation period cumulative)

Jane Green

New PI - no line chart.

Sep	1.32	5	10
Dec	1.35	5	10

The Planning Department investigates the nature of complaints and negative feedback to identify common themes and take action to address issues. The number of responses to the satisfaction survey remain low (13 received in Oct, 12 in Nov and just 5 in Dec) resulting in relatively high levels of variation. As such arrangements for measuring and reporting customer satisfaction with Planning and New Communities will be reviewed in time for 2018/19 to ensure that this provides a greater level of insight.



PI and PI owner and Month organised by Service Area	Actual	Target	Int.	Comments
---	--------	--------	------	----------

Land Charges

SX025 Average Land Charges search response days

Jane Green



Oct	5.86	8	10
Nov	4.71	8	10
Dec	6.34	8	10

Planning Policy

PN518 % of new homes permitted that are affordable homes

Jane Green

New PI - no line chart.

Sep	40	40	30
Dec	32	40	30

PN518 Associated Risk - STR3 Failure to meet housing need

This is a new KPI for 2017/18. Target is set in line with the Council's commitment to seek 40% affordable homes provision subject to viability, with a provisional intervention level set at 30%.

There were two developments where 40% affordable housing has not been secured in Q3. These are a) Teversham Road, Fulbourn (delivering a total of 110 dwellings and b) land to the west of Cambourne delivering a total of 2350 dwellings. Planning permission for each was on the basis of 30% affordable housing. In addition to onsite provision, planning permission was granted in respect of 1 development where a commuted sum in lieu of onsite provision was secured. This was for 6 dwellings at Burnt Farm, High Street, Harlton, where a commuted sum will be received in lieu of 2 affordable dwellings required by policy.

This page is left blank intentionally.

Budget 2017/18 Q3 - Projected Outturn Variances

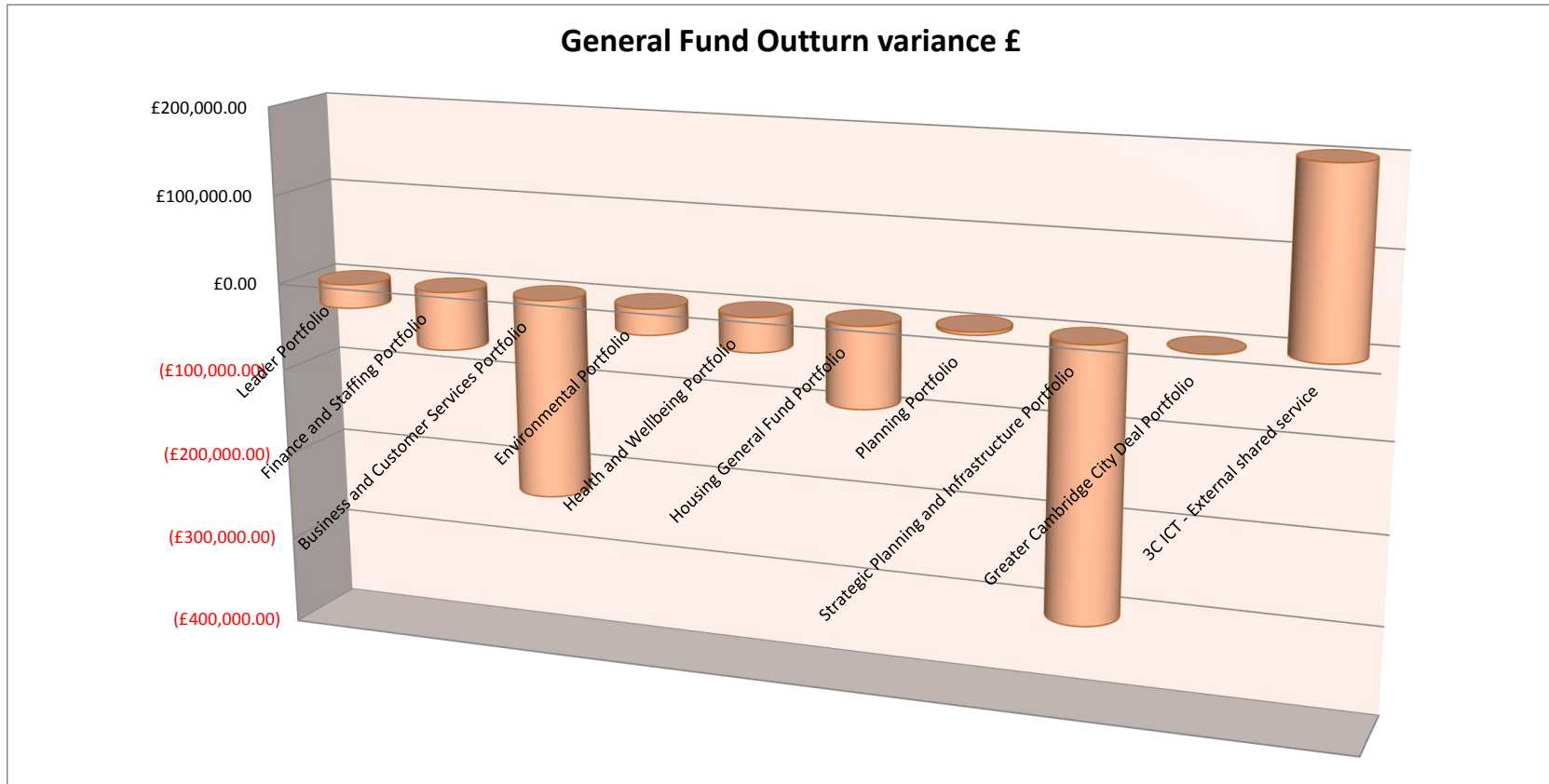
Portfolio	Full year Budget	Budget to date	Total expenditure	Variance to date	Variance to date	Budget Remaining	Projected (under)/Over Spending	Outturn Variance
	£	£	£	£	%	£	£	%
General Fund								
Leader Portfolio	£343,990.00	£221,605.00	£243,473.00	£21,868.00	10%	£100,517.00	(£26,900.00)	-8%
Finance and Staffing Portfolio	£3,507,810.00	£2,750,406.00	£2,008,045.00	(£742,361.00)	-27%	£1,499,765.00	(£65,574.43)	-2%
Business and Customer Services Portfolio	£2,151,430.00	£1,383,542.00	£1,241,484.00	(£142,058.00)	-10%	£909,946.00	(£223,527.42)	-10%
Environmental Portfolio	£6,249,200.00	£2,618,407.00	£2,589,341.00	(£29,066.00)	-1%	£3,659,859.00	(£29,120.00)	0%
Health and Wellbeing Portfolio	£287,990.00	£206,150.00	£134,369.00	(£71,781.00)	-35%	£153,621.00	(£38,500.00)	-13%
Housing General Fund Portfolio	£1,644,830.00	£965,720.00	£729,056.00	(£236,664.00)	-25%	£915,774.00	(£90,000.00)	-5%
Planning Portfolio	£2,675,290.00	£1,410,002.00	£946,763.00	(£463,239.00)	-33%	£1,728,527.00	£3,262.98	0%
Strategic Planning and Infrastructure Portfolio	£1,084,260.00	£704,007.00	£275,956.00	(£428,051.00)	-61%	£808,304.00	(£302,453.00)	-28%
Greater Cambridge City Deal Portfolio	£0.00	£0.00	£0.00	£0.00	100%	£0.00	£0.00	100%
3C ICT - External shared service							£200,000.00	100%
Total GF Allocated Portfolio Expenditure	£17,944,800.00	£10,259,839.00	£8,168,487.00	(£2,091,352.00)	-20%	£9,776,313.00	(£572,811.87)	-3%
Unallocated savings and precautionary				£408,468.00			£537,700.00	
Net General Fund Outturn forecast for the year				(£1,682,884.00)	-16%		(£35,111.87)	-0.20%
HRA								
Housing Repairs - Revenue	£4,364,520.00	£2,509,680.00	£2,229,524.00	(£280,156.00)	-11%	£2,134,996.00	(£380,000.00)	-9%
Sheltered Housing	£460,380.00	£509,534.00	£303,073.00	(£206,461.00)	-41%	£157,307.00	£0.00	0%
Administration	£3,362,814.00	£2,057,537.00	£1,718,519.00	(£339,018.00)	-16%	£1,644,295.00	(£245,000.00)	-7%
Other Alarm Systems	£0.00	(£26,519.00)	(£70,524.00)	(£44,005.00)	166%	£70,524.00	£0.00	100%
Flats - Communal Areas	£81,164.00	£56,799.00	£46,879.00	(£9,920.00)	-17%	£34,285.00	£0.00	0%
Outdoor Maintenance	£118,896.00	£185,991.00	£192,333.00	£6,342.00	3%	(£73,437.00)	£0.00	0%
Sewage	£6,670.00	£7,250.00	£5,561.00	(£1,689.00)	-23%	£1,109.00	£0.00	0%
Tenant Participation	£272,846.00	£174,264.00	£139,866.00	(£34,398.00)	-20%	£132,980.00	(£30,000.00)	-11%
Reprovision & New Homes Programme	£200,447.00	£154,710.00	£188,406.00	£33,696.00	22%	£12,041.00	£0.00	0%
Other	£93,640.00	£3,564.00	£6,601.00	£3,037.00	85%	£87,039.00	£0.00	0%
Transfer to Reserves & Capital Charges	£19,897,460.00	£3,537,280.00	£3,537,367.00	£87.00	0%	£16,360,093.00	£0.00	0%
Total HRA expenditure	£28,858,837.00	£9,170,090.00	£8,297,605.00	(£872,485.00)	-10%	£87,039.00	(£655,000.00)	-2%
Income	(£28,678,600.00)	(£18,588,188.00)	(£18,609,418.00)	(£21,230.00)	0.11%	(£10,069,182.00)	(£351,160.00)	1%
Total HRA	£180,237.00	(£9,418,098.00)	(£10,311,813.00)	(£893,715.00)	9%	£10,492,050.00	(£1,006,160.00)	-558%
Unallocated reduction for vacancies							£50,000.00	
Net HRA Outturn forecast for the year							(£956,160.00)	-531%

Page 55

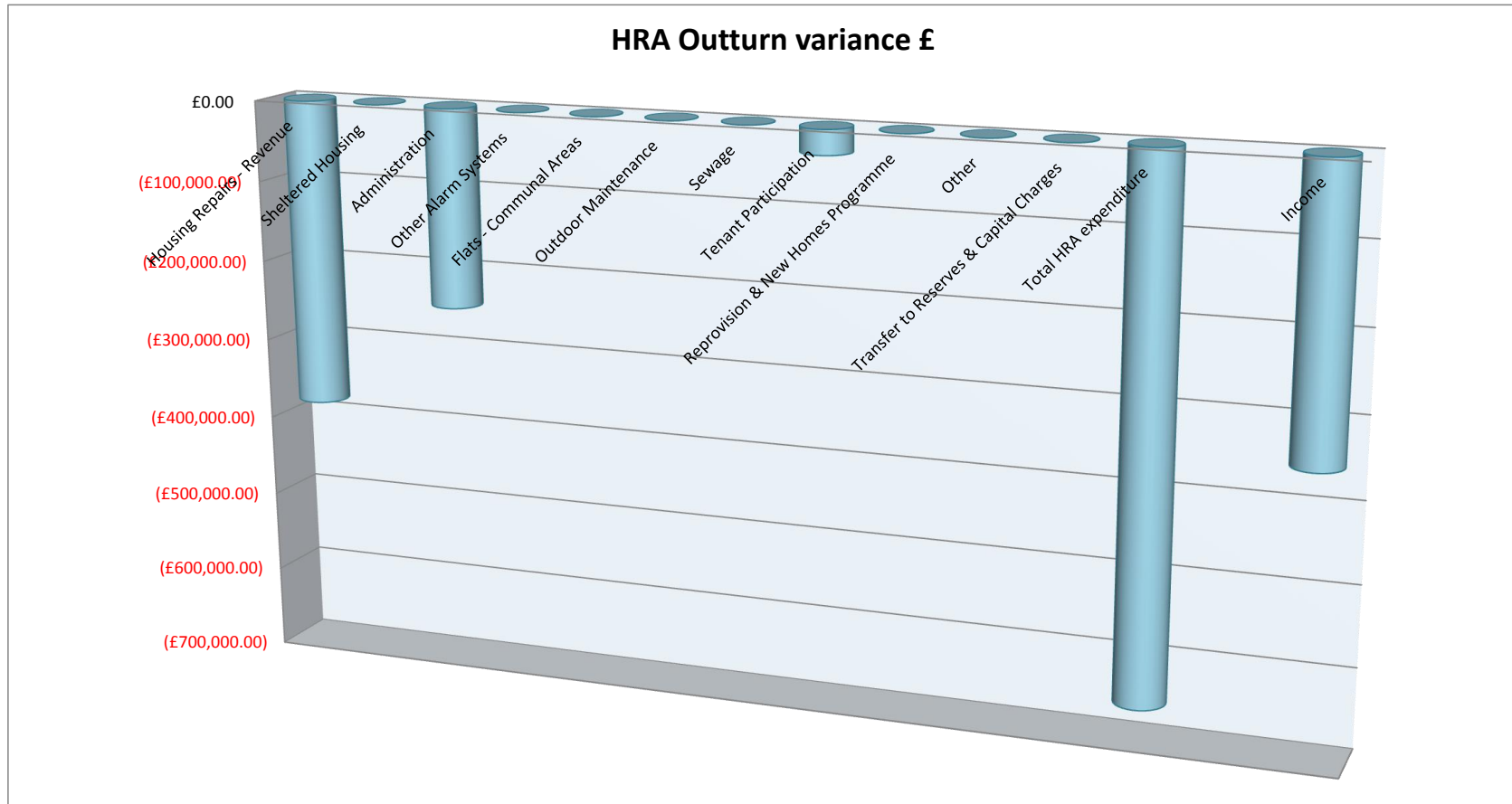
Budget 2017/18 Q3 - Projected Outturn Variances

Portfolio	Full year Budget	Budget to date	Total expenditure	Variance to date		Budget Remaining	Projected (under)/Over Spending	
	£	£	£	£		£	£	
GF Capital								
Cambourne Offices	£150,000.00	£87,800.00	£20,503.00	(£67,297.00)	-77%	£129,497.00	£0.00	0%
ICT Development	£485,000.00	£299,444.00	£86,218.00	(£213,226.00)	-71%	£398,782.00	£0.00	0%
Waste Collection & Street Cleansing	£2,674,000.00	£37,000.00	£1,866,857.00	£1,829,857.00	4946%	£807,143.00	(£10,000.00)	0%
Awarded Watercourses and Air Quality	£100,000.00	£0.00	£221,700.00	£221,700.00	100%	(£121,700.00)	£0.00	0%
Repurchase of GF Sheltered Properties	£1,100,000.00	£733,334.00	£953,704.00	£220,370.00	30%	£146,296.00	£0.00	0%
Environmental Protection	£50,000.00	£0.00	£0.00	£0.00	100%	£50,000.00	(£50,000.00)	-100%
Improvement Grants	£770,000.00	£407,400.00	£417,119.00	£9,719.00	2%	£352,881.00	£0.00	0%
Grants-Provision of Social Hsg	£500,000.00	£333,334.00	£42,000.00	(£291,334.00)	-87%	£458,000.00	£0.00	0%
Refurbishment of GF Equity Share Properties	£50,000.00	£33,334.00	£2,485.00	(£30,849.00)	-93%	£47,515.00	£0.00	0%
Website Development	£70,000.00	£42,000.00	£8,488.00	(£33,512.00)	-80%	£61,512.00	£0.00	0%
Other (Mainly Capital Receipts)	£10,000.00	£0.00	£0.00	£0.00	100%	£10,000.00	£0.00	0%
Total GF Capital	£5,959,000.00	£1,973,646.00	£3,619,074.00	£1,645,428.00	83%	£2,339,926.00	(£60,000.00)	-1%
HRA Capital								
Land	£300,000.00	£200,000.00	£50,989.00	(£149,011.00)	-75%	£249,011.00	(£150,000.00)	-50%
New Homes Programme	£6,941,590.00	£4,627,720.00	£4,219,132.00	(£408,588.00)	-9%	£2,722,458.00	£0.00	0%
Reprovision of Existing Homes	£2,109,540.00	£1,406,360.00	£681,752.00	(£724,608.00)	-52%	£1,427,788.00	(£500,000.00)	-24%
Repurchase of HRA Shared Ownership Homes	£300,000.00	£200,000.00	£1,068,293.00	£868,293.00	434%	(£768,293.00)	£0.00	0%
Cash Incentive Grants	£0.00	£0.00	£0.00	£0.00	100%	£0.00	£0.00	100%
Housing Repairs - Capital	£8,193,940.00	£5,462,624.00	£3,502,594.00	(£1,960,030.00)	-36%	£4,691,346.00	(£200,000.00)	-2%
Total HRA Capital	£17,845,070.00	£11,896,704.00	£9,522,760.00	(£2,373,944.00)	-20%	£8,322,310.00	(£850,000.00)	-5%
Capital receipts								
Right to Buy	(£3,038,000.00)	(£2,105,742.00)	(£2,825,595.00)	(£719,853.00)	34%	(£212,405.00)	£0.00	0%
Equity Share-HRA	(£340,000.00)	£0.00	£3,796.00	£3,796.00	100%	(£343,796.00)	£0.00	0%
Equity Share - GF	(£1,231,835.00)	(£823,235.00)	(£768,339.00)	£54,896.00	-7%	(£463,496.00)	£0.00	0%
Other					100%			100%
Grants & Contributions	(£32,222,390.00)	(£622,860.00)	(£664,085.00)	(£41,225.00)	7%	(£31,558,305.00)	£0.00	0%
Total Capital Receipts	(£38,082,225.00)	(£4,176,837.00)	(£4,254,223.00)	(£77,386.00)	2%	(£33,828,002.00)	£0.00	0%
Capital Total	(£14,278,155.00)	£9,693,513.00	£8,887,611.00	(£805,902.00)	-8%	(£23,165,766.00)	(£850,000.00)	6%

Budget 2017/18 Q3 - Projected Outturn Variances



Budget 2017/18 Q3 - Projected Outturn Variances



Significant Items of Variance from Working Budget

General Fund Budget 2017/18 Q3 - Major Variances from Budget

Service Grouping	Reason for Outturn Variance	Cross reference to Performance report	Cross reference to Strategic Risk Register (4Risk)	Actual (Favourable) / Adverse Variance £	Projected (Favourable) / Adverse Variance £
Leader Portfolio					
Voluntary Sector Grants	Variance below threshold for investigation			1,739	(4,800)
Community Chest Grants	Variance below threshold for investigation			33,232	0
Sustainability	Variance below threshold for investigation			(8,464)	(8,400)
Community Safety	Work on promoting community safety and general crime reduction is currently done through partnership working with the Police, County Council, Fire and Rescue service and Cambridge City Council. The primary objective is to undertake the work identified in our planned programme funded wholly through a £16k grant contribution from the Police and Crime Commission. There is a healthy sum in excess of £30k held in the SC Crime & Disorder Reduction Partnership Fund. Although this is a partnership fund, if agreed through the appropriate channels, SDCDC could make a call on some of this to fund any relevant initiative (as can other partners). The only call to date on the SDCDC base budget of £22k is our £7k contribution towards a crime strategy and assessment position held at County. Leaving £1k within the budget for the next four months should be enough to support any South Cambridgeshire initiative which would mean that together with salaries, we can return c. £13k back to general fund reserves.			(4,639)	(13,700)
Other net variances				0	0
Total variance for Portfolio	Variance for the Portfolio not investigated			21,868	(26,900)
Not blank					
Finance and Staffing Portfolio					
Council Tax Support	The variance is a combination of staff savings due to the 4 vacancies in the team, some staff reducing their hours and also some staff not paying the pension contributions and use of an outsourced service, which, while cheaper than agency staff, reduces the staff saving realised on vacancies. Favourable variance to date is high because of lower than budgeted expenditure on Council Tax Support payments, however, since government grants are only received to cover the actual expenditure, this variance is not expected to remain following the final settlement at year end.	FS112 - Average number of days to process new HB/CTS claims FS113 - Average number of days to process HB/CTS change events SF740 - % Discretionary housing grant paid	STR5 - Welfare Reform	(811,683)	(40,410)
Rent Allowances				0	0
Rent Rebates				0	0
Corporate Management	The variance is due to a number of factors: variance to the budgeted staff pensions costs, recruitment at higher than budgeted grades, offset by savings on vacancies and recharges for external secondments.	CC303 - % total calls to the Contact Centre handled CC307 - Average call answer time (seconds) CC305 - % of formal complaint responses sent within timescale (all SDCDC) FS116 - Staff sickness days per FTE FS117 - Staff turnover	STR11 - Business Improvement & Efficiency, Development Control Improvement, Working Smarter and Commercialisation Programmes STR13 - Recruitment & Retention	(59,463)	(39,931)
Treasury Management	Variance below threshold for investigation	FS109 - % invoices paid in 30 days	STR4 - Medium Term Financial Strategy	(692)	0
Cost of NNDR Collection	The variance is driven by staff savings due to an unfilled vacancy in the team.	FS104 - YTD % NNDR collected		(62,356)	(28,310)
Discretionary NNDR Relief				0	0
Cost of Council Tax Collection	The overspend is due to the use of Agency Staff to cover vacancies in the team, with forecast salaries underspend of £49k reversed by the Agency staff overspend of £74k	FS105 - YTD % Council Tax collected		189,643	24,981
3C SharedServicesProgramme Hub	The variance is due to £29k unbudgeted spend on Consultancy services for year to date, which forecast to continue, but will be shared by 3, then 2 Councils		STR12 - Shared Services Initiatives with other authorities	5,333	18,096
Miscellaneous	Variance below threshold for investigation			(3,145)	0
Other net variances				0	0
Total variance for Portfolio				(742,361)	(65,574)
Not blank					
Business and Customer Services Portfolio					
Land Charges	The forecast variance is due to the £51k saving on staff costs offset by £19k unbudgeted spending on agency staff. Income for year to date exceeds budgets by £43k, but is expected to tail off through the year to total the budgeted value.			(75,969)	(32,036)
Elections	Forecast overspend is due to the additional staff costs earlier in the year caused by the extra election. Other election costs are expected to be reimbursed by the Government later in the year.			229,398	7,900
Register of Electors	The variance is driven by the £23k savings on the cost of postage for year to date.			(62,919)	(21,280)

Democratic Representation	The variance is due to unfilled vacancies in the team, offset by recruitment at higher than budgeted staff grades.			(182,844)	(15,307)
Policy & Performance	The variance is driven by staff savings due a number of unfilled vacancies in the team.		STR1 - Consultation and Engagement	(31,496)	(42,397)
Street Naming & Numbering	Variance below threshold for investigation			(2,867)	0
Communications	The variance is due to the staff costs exceeding budget for the year to date, this is due to recruitment of a web developer, funded from the saving made on the CEO vacancy earlier in the year, this is expected to continue for the rest of the year.			45,963	18,000
Economic Development	The variance is driven by staff savings due to the vacancies in the team.			(51,457)	(23,447)
Tourism Initiatives	Variance below threshold for investigation			(9,868)	(1,775)
Other net variances				0	(139,097)
Total variance for Portfolio				(142,058)	(223,527)
	Not blank				
Environmental Portfolio					
Awarded Watercourses	The saving is due to the vacancy of the Land Drainage Manager, partially offset by the rent costs increase during the year.			(5,518)	(10,100)
Footway Lighting	The projected overspend is based on the unbudgeted costs of repair and replacement work identified as part of a recent structural and electrical survey performed on 1800 lights within the district. Cabinet have recently tabled other investment ideas surrounding footway lighting e.g. replacing current lamps with LED ones – a pilot is currently running in Ickleton with an estimated cost of £7k towards this initiative, a cost that is absorbed within the current projection statement			22,726	10,000
Single Shared Waste Service	The overspend projection is based on the pressures arising from the changes surrounding contractual arrangements and the effect of recycling credits and the unknown cost implications that will need to be assessed in the lead-up to SCDC changing their dry recycling collection service from paper-out to comingle. There will undoubtedly be costs to incur and loss of income in the transition period, with the true financial benefits of comingling not being realised until property growth escalates.		ES418 - YTD % of household waste sent for reuse, recycling and composting ES408 - % of bins collected on schedule	126,441	100,000
Envirocrime Enf'ment Strategy	Variance below threshold for investigation			(3,412)	(1,700)
Food Safety	The projected saving on staffing costs (£9k) is complimented by additional forecast income received through the issue of safe food export certificates and the new fee imposed for Food Hygiene rating re-inspections agreed at the portfolio holder meeting in August which should raise a further £3k this year.			(11,057)	(11,900)
Environmental Health General	Other than staffing costs - £75k, this service has seen an increase of income generated from the licence fee that is set for administering houses of multiple occupations. It is envisaged that we should receive an excess income level of £4,000 from this licence fee this year		ES406 - % major non-compliances resolved (in rolling year)	(69,014)	(82,700)
Environmental Protection	The service has re-embedded itself following the return to work of 2 contaminated land officers from maternity leave and the fairly recent appointment of the scientific officer (air quality). While the service was getting back up-to-speed it was decided to continue using the specialist services of EPS to in effect backfill these roles and offer additional specialist advice on planning matters etc. This service level agreement cost £3,000 pcm and was not budgeted for within the service. The arrangement ceased at the end of June which meant that the financial pressure on the service has grown to £9k. EPS have also provided specialist advice and undertook an environmental assessment on a potential contaminated land site at Whittleford. To date specialist advice on contaminated land investigations has cost £8k against an annual budget provision of £7k – a £2k spending pressure has been accounted for on the position statement. At the time of writing this report, the income level attained from the issuing of Local Authority Pollution Prevention Control licences was still uncertain but the level seems to be on a downward trend in recent years. The annual budget currently stands at £9k but on reflection, if last year's total was a guide; indications are that there is likely to be a £6k pressure on this budget.			23,427	4,400
Emergency Planning	Variance not significant, therefore not investigated			(3,895)	(5,000)
Licences	The projected salary saving within this service (£17k) is enhanced by a current increase in licence fee income of £7k. Assuming that the income budget is profiled correctly, it is proposed that this increased income is consolidated with the salary saving on the projection statement.		ES401 - % business satisfaction with regulation service	(33,958)	(24,420)
Taxi Licensing Service	There has been an exponential increase in taxi licence fee income in recent years which has continued in this financial year. By demonstration, compared with the same period last year (first 8 months), £39k of additional income has been received. The charge imposed for the licence fee was not increased this year which has meant that this increase has been generated from the volume of licences issued alone. This has of course impacted on the staff resources required to administer this service. With any surplus of income generated through the licence fee having to be re-invested (or the licence fee reduced), it has been approved for a further resource officer to be recruited to, funded completely from this additional taxi licence income.			(50,205)	(400)
Action on Dogs	Variance below threshold for investigation			2,260	2,500
Miscellaneous env	Variance below threshold for investigation			5,116	200

Localism	To date, from the £35k base budget in place to support patch-based working within the district, £30k has been earmarked for utilising on community projects such as Timebanking (£20k), the provision of a faith audit (£3k), the setting up of the Northstowe Community Hub by providing furniture etc. (£5k) and running the community awards ceremony.			(31,977)	(10,000)
Other net variances				0	0
Total variance for Portfolio				(29,066)	(29,120)
Not blank					
Health and Wellbeing Portfolio					
Children, YoungPeople&Families	Expenditure under this heading is made in conjunction with Cambridge City Council through the South Cambridgeshire and Cambridge City Children and Young Peoples Area Partnership, administered by Cambridgeshire County Council. SCDC provides finance support for this partnership and as such the funds are held within SCDC's statement of accounts. The current balance in this fund stands at nearly £75k and at this level; it is proposed that the annual £10k that SCDC contributes to the partnership is withheld this year, saving this amount on the budget.			(5,036)	(10,000)
Health and Wellbeing	The main contributory factor towards this budget variance lies within the EHO (Public Health specialist) post which has remained vacant for the whole year to date and because of its specialist nature has not been backfilled. With 50% of this post's time being allocated to Health & Wellbeing, it is projected that there will be a £18k saving identified through this service. Income from organised sports activities and taster sessions has tailed-off a little now that the Paddleboarding activities have ceased but income levels from school holiday sports camps remains buoyant. To date, there is an unallocated sum of £5k on the Health and Wellbeing commitment business plan which can be directed towards initiatives that are steered by the corporate plan. For the purposes of this projection statement, it has been assumed that this £5k will be "given-up" either towards other corporate objectives or back to general fund reserves		STR6 - Demands on services from an ageing population	(58,294)	(23,000)
Northstowe, Healthy New Town			STR14 - Access to Primary Care in Growth Areas	0	0
Mobile Warden Schemes	Variance not significant, therefore not investigated			(8,452)	(5,500)
Other net variances				0	0
Total variance for Portfolio				(71,781)	(38,500)
Not blank					
Housing (General Fund)					
Loans for House Purchase etc				288	0
Housing Association Support	Variance not significant, therefore not investigated			(117)	0
Homelessness	No outturn variance projected, therefore not investigated	AH203 - Number of households in temporary accommodation, AH208 - Number of households helped to prevent homelessness, AH212 - YND Es spent on Bed and Breakfast accommodation	STR10 - Increase in cost of managing homelessness	(51,237)	0
Letting & Advisory Service	Variance not significant, therefore not investigated			751	0
Private Sector Leasing Scheme	Projected underspend is due to the delay in timing of the service, with Q1 and Q2 spent on business set-up/preparatory work, with first property rented only in October 2017			(65,457)	(90,000)
Strategic Housing	No outturn variance projected, therefore not investigated			(35,819)	0
Sub-Regional Homelink Service	No outturn variance projected, therefore not investigated			(28,945)	0
Equality & Diversity	No outturn variance projected, therefore not investigated			(3,108)	0
Travellers Sites	No outturn variance projected, therefore not investigated			(44,444)	0
Improvement Grants	No outturn variance projected, therefore not investigated			(3,901)	0
GF Sheltered Properties	No outturn variance projected, therefore not investigated			(4,677)	0
0				0	0
Other net variances				0	0
Total variance for Portfolio				(236,664)	(90,000)
Not blank					
Planning Portfolio					
Development Control	The main reason for the adverse variance is projected £150k less income from chargeable services than budgeted for and a projected unbudgeted cost of appeals of approximately £80k in the year. This is partially offset by staff costs saving of £49k, including Agency Staff.		STR25 - Risk of Designation as Poorly Performing Planning Authority	(152,342)	179,706
Planning Policy	The variance is made up of underspends in a number of areas on consultancy budgets due to the delays with the Local Plan. The variance includes £178k potential rollovers into the next year, subject to approval of the Planning Policy Earmarked reserve, which will then receive any underspend in the year to be used in the future years, when the Local Plan work takes place.		STR3 - Failure to meet Housing Need	(205,370)	(266,915)
Building Control Service	This is a shared service, therefore visibility of expenditure to date can be low. Projected overspend of £80k will be covered by withdrawal from the reserve transferred from SCDC to our Shared Service lead partner at the time the shared service was set up.			(57,411)	80,000

Open Space Agreement	No outturn variance projected, therefore not investigated			(4,095)	0
Conservation	Variance not significant, therefore not investigated			(14,715)	6,165
Museums	No outturn variance projected, therefore not investigated			9	0
Enforcement Issues	Variance not significant, therefore not investigated		STR2 - Gypsy and Travellers and those not meeting new definition	(27,584)	4,306
Illegal Encampments	No outturn variance projected, therefore not investigated			(1,730)	0
Other net variances				0	0
Total variance for Portfolio				(463,239)	3,263

		Not blank			
Strategic Planning and Infrastructure Portfolio					
Growth Agenda/Northstowe	The variance is driven by £370k underspend of salaries due to a large number of unfilled vacancies in the team. This is brought down by amended timing of the fees for Waterbeach, which are now expected early in the following year. However, overall fees are expected to be £84k less than budgeted			(414,764)	(285,853)
Transport Initiatives & Policy	The saving is due to the delays in authorisation and implementation of projects, such as Community Rail Partnership and includes £3k staff saving against budget.			(13,287)	(16,600)
Other net variances				0	0
Total variance for Portfolio				(428,051)	(302,453)
Not blank					
3C ICT - External Shared Service	Current ICT base budget provided by HDC on 29/12/16 is c. £1,126,000 and was based on the original business case which has now been revised. According to the recent Budget Modelling statement, the new Baseline budget for SCDC in 2017/18 should be restated as £1,404,000. This corrects assumptions written into the original business case and brings in-line the implications of bringing Northgate into 3C and the uplift in Microsoft licensing costs. Projected spend against this is c.£1,324,000 this year.				200,000
Not blank					
Total for General Fund Revenue				(2,091,352)	(572,812)

Significant Items of Variance from Working Budget

Housing Revenue Account 2017/18 Q3 - Major Variances from Budget

Service Grouping	Reason for Outturn Variance	Cross reference to Performance report	Cross reference to Strategic Risk Register (4Risk)	Actual (Favourable) / Adverse Variance £	Projected (Favourable) / Adverse Variance £
Housing Repairs - Revenue					
Revenue Maintenance	Projected favourable outturn is due to savings resulted from re-tendering the cyclical maintenance contracts, which resulted in lower costs against budget. There will be an additional £200k from the Response Maintenance budget, which is savings delivered by moving to a Price-Per-Property contract with Mears (from April 2017).	AH204 - % tenants satisfied with responsive repairs		(280,156)	(380,000)
Other net variances				0	0
Total variance for Service				(280,156)	(380,000)
	Not blank				
Administration					
Administration	Anticipated savings are due to the staff vacancies in the team and also due to the recharges for the Head of Housing acting as interim Head of Housing for City Council, which is expected to bring SCDC unbudgeted income through the 50% recharge for her time and additional recharges for the Housing Director's work for the Combined Authority.			(339,018)	(245,000)
Other net variances				0	0
Total variance for Service				(339,018)	(245,000)
	Not blank				
Tenant Participation					
Tenant Participation	The underspend is anticipated due to the Community Grant not being taken up to date, with the potential it will remain unspent at year end.			(34,398)	(30,000)
Other net variances				0	0
Total variance for Service				(34,398)	(30,000)
	Not blank				
Reprovision & New Homes Programme					
Re-provision and New Homes	The variance for year to date is due to the £62K of Yr 2016/17 recharges still to be invoiced to Cambs County Council and also £15K of recharges due for the current year still to be recharged	AH211 - Average days to re-let all housing stock		33,696	0
Other net variances				0	0
Total variance for Service				33,696	0
	Not blank				
	Not blank				
Income					
HRA Interest	The positive variance is forecast based on the increased interest due to the high level of cash balances and additional lending to Ermine Street Housing	FS102 - % Housing Rent collected		(21,230)	(351,160)
Total variance for Service				(21,230)	(351,160)
Other net variances				0	0
	Not blank				

Income table

Key lines of income generating activities across the Council	Budget	Budget	Actuals	Variance
	for full	for year	for year	(positive)/
	year	to date	to date	negative
	£	£	£	£
Land Charges	(£254,360.00)	(£180,855.00)	(£223,535.00)	(£42,680.00)
Trade waste (a)	(£3,517,900.00)	(£3,465,210.00)	(£3,556,942.00)	(£91,732.00)
Refuse Recycling Credits (a)	(£1,180,000.00)	(£590,000.00)	(£494,806.00)	£95,194.00
Paper Recycling (a)	(£307,700.00)	(£180,120.00)	(£147,413.00)	£32,707.00
Other Environmental Health charging services	(£95,930.00)	(£50,149.00)	(£22,622.00)	£27,527.00
Taxi Licensing Fees and Charges	(£170,000.00)	(£111,330.00)	(£166,280.00)	(£54,950.00)
Licences under Acts - Fees and Charges	(£115,000.00)	(£79,840.00)	(£89,102.00)	(£9,262.00)
Private sector leasing scheme	(£525,200.00)	(£349,380.00)	£918.00	£350,298.00
Travellers Sites Rents	(£109,700.00)	(£73,120.00)	(£80,661.00)	(£7,541.00)
Development Control Fees	(£1,915,000.00)	(£1,276,664.00)	(£1,078,815.00)	£197,849.00
Development Control Pre-App Fees	(£120,000.00)	(£80,000.00)	(£131,109.00)	(£51,109.00)
New Communities Charges for Services	(£431,240.00)	(£273,500.00)	(£241,003.00)	£32,497.00
New Communities Pre-App Fees	(£75,000.00)	(£47,740.00)	(£114,465.00)	(£66,725.00)
Total	(£8,817,030.00)	(£6,757,908.00)	(£6,345,835.00)	£412,073.00

(a) Shared service with Cambridge City Council - figures represent total for the service.

This page is left blank intentionally.

SCDC Strategic Risk Report



Report Date	26 Jan 2018
Risk Status	Open
Council / Service	Strategic (STR)
Control Status	Existing
Action Status	Outstanding



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 10	Increase in cost of managing homelessness - Cllr Lynda Harford (was STR25) Head of Service: Stephen Hills Risk Owner: Stephen Hills Last Updated: 26 Oct 2017	Cause (January 2013) Potential impacts from welfare benefit changes, more responsibilities under the Homeless Reduction Act and instability in the housing market, Consequence leading to an increase in duties owed by the Council along with the new Homeless Reduction Bill, ultimately resulting in significant increase in costs to the Council to meet its statutory obligations. Likely to see an increased demand for the service, and more in-depth support and assessment for those that do approach the Council. Increased expectation on assistance, but no increased access to accommodation. The introduction of Universal Credit and the impact of this on customer finances and on the housing market increases the risk of homelessness. Linked risk (STR 5) Failure to meet housing need (STR3) is also linked and will impact on the level of homelessness.	I = 5 L = 5 25 (25)	Developing an in-house Private Sector Leasing Scheme to replace the King Street scheme. Use of Rent Deposit Scheme, CAB Money advice, other homeless prevention measures and New Build programme.	I = 5 L = 4 20 (20)	The success of the new PSL project will be known within 6 months.	28 Feb 2018
				New hostel opened in 2015 with increased TA.		Cabinet decision on financial bid for additional staff team.	28 Feb 2018
				Successful Joint Trailblazer bid to introduce more joint working and initiatives around homeless prevention.		Monitor the progress of the Homeless Reduction bill and prepare for implementation.	30 Mar 2018
				CIH review of homelessness in 2016, identifying existing good practice and future recommendations.		Review working practices with mental health services to help prevention amongst this group.	30 Mar 2018
				Staffing bid submitted November 2017 to increase staff team by up to 5 members in order to ensure service compliance with new legislation. Failure to properly resource the team will lead to additional temporary accommodation costs as well as legal sanctions.		Update customer information on the website so that a self service option exists in relation to basic housing advice.	30 Mar 2018
						Produce a new Homeless Strategy and action plan	30 Mar 2018
						Review Housing needs of under 35s and the demand/methods of providing shared accommodation.	30 Mar 2018
						Monitor impact of proposed funding system for supported housing.	30 Mar 2018
						The mitigation work will be closely monitored throughout the year.	31 Dec 2018



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 5	<p>Welfare Reform - Cllr Simon Edwards (was STR15)</p> <p>Head of Service: Susan Gardner Craig</p> <p>Risk Owner: Dawn Graham</p> <p>Last Updated: 17 Jan 2018</p>	<p>Cause (December 2010) (Update Jan 2017) Radical changes to benefits, including localised council tax support scheme and introduction of a universal credit system,</p> <p>Consequence 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, resulting in potential for: •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>I = 4 L = 5 20 (20)</p>	<p>Scoping work currently being undertaken by the Benefits Manager to assess the impact of Universal Credit and how it impacts the administration of Housing Benefit, Localized Council Tax Support and Rent Collection for SCDC tenants.</p> <p>Department for Work & Pensions (DWP) have confirmed increased Discretionary Housing Payments (DHP) budget for 2017/18 following the reduction in the level of the Benefit Cap (£20k). Local Council Tax Support (LCTS) and welfare reform workshop to take place with regard to proposed LCTS scheme 2018/19 and possible welfare changes.</p> <p>Delay in roll out for Cambridge. Continuing to monitor roll out of Universal Credit (UC) in other LA's 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.</p>	<p>I = 3 L = 4 12 (12)</p>	<p>Bid for additional funding submitted, to cover the case that grants currently provided for housing benefit assessment work are reduced.</p>	<p>22 Feb 2018</p>

Page 69



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 28	Failure to produce / late certification / approval of accounts and/or to obtain unqualified audit opinion - Cllr Simon Edwards (New) Head of Service: Alex Colyer Risk Owner: Caroline Ryba (SCDC) Last Updated: 17 Jan 2018	Cause (January 2018) Significant changes in accounting requirements increasing the length and complexity of the Statement of Accounts, together with a reduction of a month for closure of accounts and, a 10 month hard close to facilitate audit demands, and incorporation of group accounts. Recent changes in staff mean that it may be more difficult to complete some tasks on time as training and guidance will be required for tasks only occurring at year-end potentially, putting strain on other stages of the closedown programme, Consequence leading to reputational loss and adverse publicity, uncertainty over the Council's financial position, resulting in increased stress and workload for the Accountancy Service and diversion from other accounting responsibilities such as budget monitoring.	I = 5 L = 4 20 (20)	A team review meeting of 2016-17 close down conducted and plan of action determined for the 2017-18 close down process.	I = 4 L = 3 12 (12)	Prompt replies to audit queries.	31 May 2018
				Accountancy meetings to monitor progress against closedown programme take place weekly.		Plan of actions and close down timetable for 2017-18, including information for auditors, prepared and team members informed of the tasks.	31 May 2018
				Additional resources added to the team as required: an interim Chief Accountant appointed to ensure efficient close down process.		Plan of actions and close down timetable, including information for auditors, prepared and team members informed of the tasks.	31 May 2018
				Attendance at CIPFA/ external audit final accounts workshops.			
				Close liaison with the auditors to ensure all requests are fulfilled on time.			
				Meeting auditors' requirements with regard to the content and format of the final accounts working papers.			
				Separate auditors appointed for the Company on a time-bound contract.			

Page 70

SCDC Strategic Risk Report



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 13	<p>Recruitment & Retention - Cllr Simon Edwards (was STR28)</p> <p>Head of Service: Alex Colyer</p> <p>Risk Owner: Susan Gardner Craig</p> <p>Last Updated: 17 Jan 2018</p>	<p>Cause (September 2015)</p> <p>(Update Jan 2018) Reduced staffing capacity due to fluctuations in the job market and difficulties in recruitment and retention, especially in some professions,</p> <p>Consequence 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) and additional cost of using the agency staff; 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>	I = 4 L = 5 20 (20)	Variety of actions in place, appropriate to service areas, including: •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 •Increase in the number of apprenticeships across all service areas of the council. •Participation in national apprenticeship Trailblazer programmes •Developing a career progression scheme, particularly in Planning •Offering trainee LGV Driver places	I = 3 L = 3 9 (9)	Ongoing: Additional actions being considered in some service areas.	31 May 2018
STR 26	<p>Contract failure - Cllr Mark Howell</p> <p>Head of Service: Trevor Nicoll</p> <p>Risk Owner: Rebecca Weymouth-Wood</p> <p>Last Updated: 06 Oct 2017</p>	<p>Cause (September 2017) Supplier failure including contractual arrangements - Major contract concern is the MRF contract.</p> <p>Consequence If the MRF contract fails it will impact income (if prices are renegotiated) or viability of disposal of recyclable materials (with knock-on impacts for collections and logistics and costs around that).</p>	I = 4 L = 4 16 (16)	Management of the potential contract dispute is in progress. RECAP is due to send AMEY a letter to highlight contract issues RECAP wishes to raise with AMEY once this letter is approved by 3C Legal services.	I = 4 L = 3 12 (12)		

Page 71

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 27	Mare Fen Bank Improvement Project - Cllr Mark Howell Head of Service: Mike Hill Risk Owner: Paul Quigley Last Updated: 30 Nov 2017	Cause (November 2017) Failure to find funding, gain regulatory approval or commission suitable contractor for Mare Fen Bank Improvement project Consequence leading to delay in progressing Northstowe phase 2 (planning condition requires completion prior to first occupation), leading to potential legal challenge by developer (HCA), and/or Internal Drainage Board, financial and reputational loss to the council	I = 4 L = 4 16 (16)	Discussions with Housing and Combined Authority colleagues to explore alternative sources of finance underway	I = 4 L = 3 12 (12)	Chase EA for update on sign-off of final design, which will enable project to proceed, subject to funding: public sector cooperation agreement (EA/SDCDC), commissioning works etc.	31 Jan 2018
				Liaison group formed between SCDC, Developer (HCA) and EA. Negotiated HCA providing project management and C&D skills to help design and deliver scheme, EA waiving permit fees and providing staff capacity and experience. HCA to source build material. HCA to use own site contractor to carry out works, compliant with SCDC procurement Regs.		Review cost estimates received from HCA 11/01/2018 and apply to Combined Authority for grant aid (to be taken to CA February Board for decision).	31 Jan 2018
				Regular updates to PFH, Director, Communications Manager		Draft and sign-off public sector cooperation agreement between SCDC and EA enabling SCDC to commission works on behalf of EA (dependant upon EA regulatory approval of proposed scheme)	31 Mar 2018
				Service risk EC7 elevated to Strategic Risk Register.		Estimated cost of works £340,000, based on initial EA design. Source of funding to be investigated and secured.	31 Mar 2018
						Options paper to EMT as part of process to obtain formal decision for SCDC to carry out works on behalf of EA	31 Mar 2018



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 3	Failure to meet Housing Need - Cllr Robert Turner (was STR05) Head of Service: Stephen Kelly Risk Owner: Stephen Kelly Last Updated: 26 Jan 2018	Cause (June 2007, was Lack of Land Supply) Delivery of housing falling below levels necessary to achieve: - the Local Plan target for housing 2011-2031 - a five-year supply of housing - City Deal 1,000 additional homes on rural exception sites. Economic uncertainty following Brexit and potential slow down in planning application submissions and house building by developers. Potential delays to delivery arising from delays to infrastructure programmes. Recruitment and retention of appropriate staff to provide maintain consistency and continuity overseeing major, long term and complex schemes. Consequence	I = 4 L = 4 16 (16)	Housing Delivery Project to manage this situation with measures including: - Monthly monitoring of 5-year supply sites - Annual monitoring of delivery against housing trajectory in Annual Monitoring Report (AMR) - Tracking of outline planning permissions through to implementation - reduced time limits on outline permissions from 3 to 2 years - requiring delivery programmes from developers - Planning Performance Agreements (PPAs) in place for all strategic sites to set out agreed programmes and secure monies for staff. - Neighbourhood Planning Toolkit to enable parishes to develop local housing and design polices reflecting local circumstances	I = 2 L = 4 8 (8)	Work with Housing to maximise self-build opportunities.	31 Mar 2018
				Effective programme management and regular liaison with developers.		31 Mar 2018	
				Consider alternative delivery mechanisms e.g LDOs to encourage timely delivery.		31 Mar 2018	
				Consider alternative delivery mechanisms e.g LDOs to encourage timely delivery.		01 Apr 2018	
				Review design guide SPD.		31 Mar 2019	
				Modification to the Local Plan to include method of 5 year supply calculation based on Liverpool method.			

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
Page 74		<p>Failure to meet Housing needs identified in Local Plan, including affordable housing, and potential consequential impact on local economic growth. A lack of five-year supply of housing, leading to continuation of speculative planning applications for housing that is inconsistent with normal planning policies, resulting in;</p> <ul style="list-style-type: none"> - impacts on local communities, - increase in planning appeals, - lack of confidence in the planning system and in the Council in being able to plan for the district. <p>Risk to City Deal achieving agreed target of 1,000 additional homes on rural exception sites, as no dwellings can be counted on qualifying sites towards this City Deal target until the Council is in credit against its Local Plan target.</p> <p>Lack of efficient planning process to deliver strategic sites to anticipated housing trajectory timescales, along with necessary supporting infrastructure, which is key to overall housing delivery and demonstrating a 5-year housing land supply.</p> <p>Potential adverse impact on quality of schemes and customer confidence.</p>					



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 4	<p>Medium Term Financial Strategy (MTFS) - Cllr Simon Edwards (was STR08)</p> <p>Head of Service: Alex Colyer</p> <p>Risk Owner: Caroline Ryba (SCDC)</p> <p>Last Updated: 06 Oct 2017</p>	<p>Cause (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, made worse by the 2017 revaluation; •retained business rates scheme does not meet forecast; •retained business rates scheme tariff adjustments continue from 2020/21; •uncertainties following the June 2016 referendum vote to leave EU, particularly unpredictable volatility in economic factors, e.g. inflation, interest rates, employment, business confidence, etc. impact assumptions underlying the MTFS; •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; •material error or omission in MTFS forecasts; •increased uncertainty in budget setting due to commercial activities, exposure to market competition and commodity price trends, leads to.. <p>Consequence</p>	<p>I = 5 L = 3 15 (15)</p>	Additional income/savings targets built in to Business Improvement & Efficiency and Commercialisation Programmes projects, shared services and other initiatives.	<p>I = 5 L = 2 10 (10)</p>	Identify further opportunities for commercial income and assess the risks associated with each commercial project. Implement bids and savings process to evaluate demands on the Council's financial resources going forward.	23 Feb 2018
				Comparisons between MTFS, financial position statements and General Fund, HRA and Capital Programme estimates.		Separately identify commercial income in the Council's reports and projections.	28 Feb 2018
				Implement plans to deliver Council's programme in line with latest General Fund income and savings targets, review use of reserves.		Quarterly reports on commercial projects and market price trends to Cabinet.	28 Feb 2018
				Monitor inflation factors, effect of current economic climate on demand led services and budgets.			
				Monitoring of council tax base to identify financial implications of growth.			
				Monthly financial report to Corporate Management Team (CMT); CMT reviews progress in achieving budget targets.			
				Shared Services governance process in place.			
				Spending Review / Autumn Statement and provisional Local Government Finance Settlement: implications modelled for February 2017 Cabinet report.			
				Submission of an efficiency plan to government, thereby seeking to confirm significant elements of income for the next three years as a control/mitigation.			
				Treasury management reports to Finance & Staffing PFH. Monitoring of business rates income, collection rates and appeals.			
Updated MTFS approved by Cabinet in February 2017.							

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
		leading to the Council needing to take action to cut its budgets, resulting in cuts in services, public dissatisfaction, audit and inspection criticism.					
STR 2	Gypsy and Travellers and those not meeting new definition - Cllr Robert Turner (was STR03) Head of Service: Stephen Kelly Risk Owner: Caroline Hunt Last Updated: 26 Jan 2018	Cause Changes in the planning definition of Gypsies and Travellers and resulting change in planning situation for those that do not meet the new definition. Issue addressed at Local Plan examination and Inspectors' modifications say it is an issue to be addressed in Local Plan review. Final view awaited from Inspectors in their report. Consequence Potential to result in possible increase in unauthorised sites and planning appeals with some uncertainty pending Local Plan review due to start in 2019.	I = 4 L = 3 12 (12)	The Local Plan examination hearing addressed this issue and the modifications identified by the Inspector for consultation do not seek further changes for this Local Plan but identify it as an issue for the next Local Plan review. The final Inspectors' report will provide clarity on the appropriate policy for inclusion in the Local Plan that will then form the statutory basis for decision making. Local Plan review to start in 2019 including further updated evidence of needs.	I = 3 L = 3 9 (9)	Carry out consultation on proposed Modifications to ensure a sound plan.	31 Jul 2018
						Consider through Local Plan review, due to start in 2019, including further updated evidence of needs. Monitor applications relating to caravan accommodation for those not meeting the planning definition and any appeals and decisions to inform the next Local Plan. Also ongoing role for Council as local housing authority under Housing Act 2015 as part of role in relation to wider housing needs including those living in caravans.	31 Dec 2019



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 9	HRA Business Plan - Cllr Lynda Harford (was STR24) Head of Service: Stephen Hills Risk Owner: Julia Hovells (SCDC) Last Updated: 20 Jul 2017	Cause (March 2012) The HRA Business Plan has its own associated risk register. Consequence 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: •1% rent reduction for 4 years, •loss of relets to fund the extension of the RTB scheme to Registered Providers, •Sale of estimated 50% of voids to fund extension of RTB to RPs	I = 4 L = 3 12 (12)	<ul style="list-style-type: none"> •Cuts successfully identified to HRA during 2017 allowing a balanced budget to be set for 30 year business plan period from 2018/19. •Further detailed review of HRA business plan part of 2017 Service Plan. •Monitor Government policy including utilising our partnership arrangements with the Chartered Institute of Housing and respond to formal consultations. •November 2017 Budget announced return to CPI+1% rent rises after 2019 •Potential to negotiate with Government for retention of high value sales receipts to fund a replacement programme. •Revised HRA Business Plan was approved in February 2017. •SoS Dec 17 announcement that sale of high value council houses to be postponed for at least 12 months from April 18. •The Housing Revenue Account (HRA) business plan has been updated to reflect the 1% rent cut for four years announced in the Government's July 2015 Budget. The loss of £134m from the HRA Business Plan has had a significant impact on the Council's build programme. •The potential loss of properties through the 'higher value voids levy' would put further pressure on the HRA Business Plan and creates further pressure on Risk STR25. 	I = 3 L = 3 9 (9)	Update 2017/18 HRA Business Plan as part of the 2018/19 budget setting process, taking account of any government announcements or legislative change.	28 Feb 2018

Page 77



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 25	Risk of Designation as Poorly Performing Planning Authority - Cllr Robert Turner (was STR32) Head of Service: Stephen Kelly Risk Owner: Jane Green Last Updated: 26 Jan 2018	Cause Failure to deal with planning applications in the DCLG prescribed time limits. The Planning Inspectorate failing to support the Council's decision to refuse planning permission or allowing appeals lodged against non determination. Consequence Designation means that an alternative avenue opens for developers to submit planning applications direct to PINS. SCDC would be responsible for administration costs but without any planning fee. Loss of income and reputational damage plus ability to influence outcomes could lead to a loss of local control of development forms, quality etc. Reputational risk. Deter inward investment into the District. Potential impact on staff recruitment and retention.	I = 4 L = 3 12 (12)	Establishment of planning service improvement board and regular (weekly) management meeting to ensure effective collaborative management of performance and workload priorities across the service.	I = 3 L = 3 9 (9)	Direct engagement with government on the circumstances surrounding SCDC position regarding appeals.	31 Mar 2018
				Improvements to data resilience and quality leading to greater insight and more dynamic management of workloads to support effective performance and staff/workload management on planning applications.		Advice from Counsel on current position regarding 5-year housing land supply.	31 Mar 2018
				Investment by Council in continued recruitment and service development and regular reports to Senior Management Team, Scrutiny and Cabinet.		Review of Scheme of Delegation	31 Jul 2018
				Progression of the Local Plan through to adoption and on-going review of the case supporting applications for sites relying upon paragraph 14 NPPF			
				Training for Planning Committee to support high quality decision making on major applications.			

Page 78

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 11	<p>Business Improvement & Efficiency Programme - Cllr Nick Wright (was STR26)</p> <p>Head of Service: Susan Gardner Craig</p> <p>Risk Owner: Phil Bird</p> <p>Last Updated: 28 Dec 2017</p>	<p>Cause The Business Improvement Efficiency Programme (BIEP), and any subsequent Programmes have their own associated risk registers. The risks included are summarised as follows (only those scoring 12 and above are reflected in the summary):</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>Consequence 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>I = 4 L = 3 12 (12)</p>	<p>The following training programmes are in place to support business development:</p> <ul style="list-style-type: none"> •Delivery of Commercial skills training •Leadership Training •Project Management/Project Sponsor Training <p>The Programme Manager identified programme and project resource requirements before the start of the tranches. The level of resource required is continually monitored by the Programme Manager as projects progress, close and new ones commence. The Senior Responsible Owner is responsible for securing the required resources. Regular 1:1s with Executive Director (Senior Responsible Owner). Monthly Highlight Reports from each Project Manager to the Programme Manager. Monthly Progress Reports to EMT from the Programme Manager. These show a RAG rating. 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. Each project risk register is updated monthly and reviewed with project manager. There is currently an increased workload for the Corporate Programme Manager (CPM) due to the long-term absence of the Catering Manager. Provision has been made in the canteen with acting up arrangements put in place. The Facilities Manager was also absent for 12 weeks during the summer of 2017. This does not impact directly on the Programmes themselves or the Projects within them but limits the time the CPM can spend on them. The..</p>	<p>I = 4 L = 2 8 (8)</p>		

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 6	<p>Demands on services from an ageing population - Cllr Mark Howell (was STR19)</p> <p>Head of Service: Mike Hill</p> <p>Risk Owner: Stephen Hills</p> <p>Last Updated: 18 Jan 2018</p>	<p>Cause (September 2011) Service planning fails to adjust to the districts demographic changes showing a significant growth in the proportion of over 65s,</p> <p>Consequence leading to inability to meet additional demands on health and social care services, including to the Council's sheltered housing and benefits services, resulting in an impact on the quality of life of many older people in the district, adverse impact on service standards; increased customer dissatisfaction with services; increased levels of social isolation.</p>	I = 3 L = 3 9 (9)	<p>Following "Ageing Well" workshops, Cabinet agreed an "Ageing Well" plan in July 2014 following a Joint Portfolio Holder Task & Finish Group.</p> <p>SCDC Housing leading on development of sub-regional Older People's Housing Strategy and refresh of County Older People Strategy.</p> <p>SCDC Housing staff contributing to Cambridgeshire Executive Partnership Board projects including Data Sharing, 7-Day Working, Person-Centre System, and Ageing Healthily & Prevention.</p> <p>Issue and impact discussed by Cabinet / EMT.</p> <p>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.</p> <p>NHS England now joined SCDC New Communities Project Board.</p>	I = 3 L = 2 6 (6)	<p>Take account of demographic change in the corporate and financial planning cycle.</p> <p>Redesign services to address demands.</p>	31 May 2018
STR 7	<p>Partnership with Cambridgeshire County Council - Cllr Peter Topping (was STR20)</p> <p>Head of Service: Alex Colyer</p> <p>Risk Owner: Mike Hill</p> <p>Last Updated: 18 Jan 2018</p>	<p>Cause (September 2011) The failure of partnership arrangements (e.g. health & wellbeing, economic development, transport, City Deal) with the County Council,</p> <p>Consequence 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>	I = 3 L = 3 9 (9)	<p>Active engagement of officers and Members in partnerships, to ensure the district's residents' and businesses' needs are articulated.</p> <p>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>	I = 3 L = 2 6 (6)	<p>Timescale to progress: Progress being monitored via Corporate Plan.</p> <p>Dependent on the timeframe/milestones for each partnership.</p>	31 Oct 2017

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 12	<p>Shared Services initiatives with other authorities - Cllr Peter Topping (was STR27)</p> <p>Head of Service: Mike Hill</p> <p>Risk Owner: Brian O'Sullivan</p> <p>Last Updated: 20 Jul 2017</p>	<p>Cause (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 <p>A further risk is that established partnership delivers worse than before in terms of:</p> <ul style="list-style-type: none"> •outputs; •cost of service; •reputation (in particular among residents); •lack of agreed objectives. <p>Consequence 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>	<p>I = 3 L = 3 9 (9)</p>	<p>Clear KPIs are in place to track performance on a regular basis. These are reviewed by the Shared Services Board in accordance with the governance set up.</p> <p>Progress to be overseen by a joint steering group including Leaders and relevant portfolio holders.</p> <p>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 3C Management Board comprising Directors from each authority, supported by the 3C Programme Manager, 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.</p> <p>A dedicated risk register is overseen and monitored by the 3C Management Board and progress will be reported through Corporate Plan monitoring.</p> <p>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.</p> <p>Revised recharging models in place from April 2017. This will be monitored through The 3C governance boards.</p>	<p>I = 3 L = 2 6 (6)</p>	<p>Timescale to progress: Work underway to align governance and financial management arrangements. Partnership agreement being reviewed and MOU for services in draft for completion by March 2018</p>	<p>31 Mar 2018</p>

Page 81

Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 14	<p>Access to Primary Care in Growth Areas - Cllr Mark Howell (was STR29)</p> <p>Head of Service: Mike Hill</p> <p>Risk Owner: Mike Hill</p> <p>Last Updated: 18 Jan 2018</p>	<p>Cause (May 2016) Failure of health partners to provide increased capacity for primary care and mental health services for new and expanding communities,</p> <p>Consequence leading to inability of residents to access quality local health care increasing pressure on existing services, increased public health costs through higher A&E admissions, increased direct costs for SCDC in reacting to the detrimental impacts of ill-health and inability to effectively achieve Corporate Plan Living Well outcomes resulting in reduced quality of life and increased health acute and chronic health conditions for residents in affected communities, reduced capacity by public health agencies to contain viral outbreaks and inability of SCDC to maintain viable service levels.</p>	<p>I = 3 L = 3 9 (9)</p>	<p>Proactive negotiations with developers to ensure adequate health infrastructure provision in new communities within relevant legal agreements; Development Delivery Agreements in place/under negotiation to embed a partnership approach. Ongoing participation in robust county health scrutiny and Local Health Partnership. Delivery of Corporate Plan Living Well objectives around ill-health prevention.</p>	<p>I = 3 L = 2 6 (6)</p>		



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 1	<p>Consultation and Engagement - Cllr Nick Wright (was STR02)</p> <p>Head of Service: Caroline Ryba (SCDC)</p> <p>Risk Owner: Richard May</p> <p>Last Updated: 18 Jan 2018</p>	<p>Cause (Previously Equalities; reviewed July 2016) The Council is successfully challenged over not complying with general equalities legislation or legislation specific to public and local authority bodies,</p> <p>Consequence 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>I = 4 L = 2 8 (8)</p>	<p>The Policy Development Officer (PDO) role includes responsibilities for 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.</p> <p>The Policy Development Officer left her post on 4 August 2017 and has not been filled, thus delaying the completion of specific projects. The Policy and Performance Manager has lead responsibility for equality and diversity until the vacancy is filled, although he has limited capacity given other priorities. He has submitted a briefing note identifying specific projects which will be delayed or paused as a consequence, including reviews of the Council's Community Engagement Strategy and Equality Scheme.</p> <p>CMT considered a report setting out Equalities Issues at its meeting in November 2017, following which a Leadership Development Action Learning Group has begun a project to review the Council's activities in this area and make recommendations for a new Equality Scheme.</p> <p>It is considered that the likelihood of this risk materialising has increased, though not sufficiently to constitute a 'strong possibility' (one in two) at Level 3.</p>	<p>I = 3 L = 2 6 (6)</p>	<p>Due for completion in November 2017 the Policy Development Officer was leading a project to refresh the Council's Community Engagement Strategy and Toolkit to ensure the application of consistent best practice standards across the organisation. She has also prepared a briefing paper for management team discussion to inform a review of the Council's Equality Scheme and associated Equality Impact Assessment Process. We intend to adopt a new scheme in March 2018.</p> <p>Projects on hold following loss of Policy Development Officer in August 2017. Review of Community Engagement Toolkit identified as an action in the draft Corporate Plan 2018-19.</p>	<p>31 Mar 2019</p>



Risk Ref	Risk Title	Cause & Effect	Gross Risk Score	Risk Control	Net Risk Score	Action Required	To be implemented by
STR 16	Delivery of Devolution by Combined Authority - Cllr Peter Topping (was STR31) Head of Service: Alex Colyer Risk Owner: Susan Gardner Craig Last Updated: 18 Jan 2018	<p>Cause (September 2016) Change in local and national economic outlook and/or political priorities, ineffective governance and delivery structures and/or a lack of skills and capacity to deliver them,</p> <p>Consequence leading to: Real and perceived 'democratic deficit', lack of proper accountability, the diversion of human and financial resources away from SCDC strategic priorities and failure to deliver key service commitments within the Deal, resulting in inability of SCDC to deliver its Corporate Plan, financially unviable services, reputational damage for SCDC, wider loss of credibility for the Combined Authority and all partners within it, reducing the prospect of successful future devolution deals with government.</p>	I = 4 L = 2 8 (8)	The risk is that the parties involved in setting up the combined authority don't move quickly enough or coherently enough, however, by this time the progress is as follows: -Appointed Interim officers for the 3 key positions, adverts for permanent recruitment to go out during Autumn 2017; -Advert for Combined Authority Chief Executive published and new Chief Executive appointed and in post; -Agreed a draft staffing structure, reviewed by Scrutiny and confirmed; -A number of work streams are put together to work on objectives; -A Work Plan is set up which captures all the details.	I = 3 L = 2 6 (6)		

Page 84

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				3. Failure to meet Housing Need 5. Welfare Reform 13. Recruitment & Retention 28. Failure to produce / late certification / approval of accounts and/or to obtain unqualified audit opinion (NEW)	10. Increase in cost of managing homelessness.
	Likely	4				3. Failure to meet Housing Need 5. Welfare Reform 26. Contract Failure 27. Mare Fen Bank Improvement Project (NEW)	25. Risk of Designation as Poorly Performing Planning Authority
	Possible	3			2. Gypsy and Travellers and those not meeting new definition 6. Demands on services from an ageing population 7. Partnership working with Cambridgeshire County Council 12. Shared Services initiatives with other authorities 14. Access to Primary Care in Growth Areas	2. Gypsy and Travellers and those not meeting new definition 9. HRA Business Plan 11. Business Improvement & Efficiency, Development Control Improvement, and Commercialisation Programmes 25. Risk of Designation as Poorly Performing Planning Authority	4. Medium Term Financial Strategy
	Unlikely	2				1. Consultation and Engagement 16. Delivery of Devolution by Combined Authority	
	Rare	1					

This page is left blank intentionally.

			IMPACT					
			Insignificant	Low	Medium	High	Extreme	
			1	2	3	4	5	
IKELIHOOD DOOHITIKI	Almost certain	5						
	Likely	4			5. Welfare Reform			10. Increase in cost of managing homelessness.
	Possible	3			2. Gypsy and Travellers and those not meeting new definition 9. HRA Business Plan 13. Recruitment & Retention 25. Risk of Designation as Poorly Performing Planning Authority	3. Failure to meet Housing Need 26. Contract Failure 27. Mare Fen Bank Improvement Project (NEW) 28. Failure to produce / late certification / approval of accounts and/or to obtain unqualified audit opinion (NEW)		
	Unlikely	2			1. Consultation and Engagement 6. Demands on services from an ageing population 7. Partnership working with Cambridgeshire County Council 12. Shared Services initiatives with other authorities 14. Access to Primary Care in Growth Areas 16. Delivery of Devolution by Combined Authority	11. Business Improvement & Efficiency, Development Control Improvement, and Commercialisation Programmes		4. Medium Term Financial Strategy

This page is left blank intentionally.

Agenda Item 7



REPORT TO: Cabinet
LEAD OFFICER: Chief Executive

7 February 2018

Corporate Plan 2018

1. Purpose

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

2. This is a key decision as it involves the development of policy framework containing actions which will affect customers throughout the district.

3. Recommendations

- 3.1 This report will be submitted to the Scrutiny and Overview Committee for consideration at its meeting on the 6th February 2018. The Committee's recommendations will be reported to Cabinet. Cabinet is requested to:

- (a) recommend to Council that the Corporate Plan, comprising the document 'South Cambridgeshire: Your Place, Our Plan 2018' (**Appendix A**) and accompanying 2018-2019 Delivery Plan (**Appendix B**) be approved, subject to consideration of any recommendations by the Scrutiny and Overview Committee;
- (b) Authorise the Chief Executive, in consultation with Portfolio Holders, to prepare detailed implementation plans and associated performance measures and ensure these are reflected in directorate service plans and quarterly Position Reports during 2018/19; and
- (c) Authorise the Chief Executive to make any minor wording changes required to final drafts, in consultation with the Leader of the Council.

4. Reasons for Recommendations

- 4.1 The Corporate Plan is a key element of the Council's policy framework which articulates the Council's priorities and actions for the next year. The Corporate Plan will guide and influence the Council's resources and actions and provides a focus for our plans, activities and services. Key issues and aims are highlighted within the Corporate Plan along with setting out the context within which we operate, our ambitions, details of achievements over recent years and linkages to the Medium Term Financial Strategy.
- 4.2 The Corporate Plan informs the subsequent agreement of annual service plans, prepared by the Council's directorates, setting out service, team and individual objectives, aligned to the Vision and Corporate Aims.

5. Executive Summary

- 5.1 The Corporate Plan shares the Council's vision for the future and shows how we plan to meet our priorities and the needs of our communities. The plan should be easy to understand. It is primarily intended for residents, councillors, officers and statutory bodies, but is also shared with other local authorities and partners. The format of the plan has been reviewed to provide a summary of key information at a glance.

After listening to feedback, the council will look to continue to support both residents and businesses to achieve their full potential, to increase prosperity in the district and create the environment for South Cambridgeshire to be a place where people want to live, learn, work, visit and invest.

- 5.2 A key aim is to maintain all that is special about the district, value the wealth of history and heritage in our villages, whilst also working with partners to improve transport links and housing provision when planning for a growing population.

It is recognised that the Council on its own cannot deliver all the services which the community require and want. As a result, the Council's approach will be to continue to work with partners in different fields to deliver services. These include our work with Registered Social Landlords (RSL's) to deliver the Housing Strategy, with the Police on Community Safety and as a constituent member of the Greater Cambridge Partnership and Cambridgeshire and Peterborough Combined Authority.

6. Background

- 6.1 In developing the plan, current and future issues for the district were considered, such as the community profile trends and data, government legislation, social changes, feedback from residents, businesses and elected members.

In a geographically large district, where our communities include many small rural settlements, it is important that these characteristics are taken into account when delivering services and priorities.

- 6.2 The information highlights that the district has:

- A low unemployment economy, with jobs based predominantly across research, life sciences and technology businesses;
- An ageing population, but a population which is generally in relatively good health;
- Issues concerning social isolation of older and vulnerable groups, particularly in the villages but also impacting newer communities;
- An increasing need for more homes over the next 10 years, but they need to be affordable for local people;
- Issues associated with increasingly congested transport links;
- A strong desire amongst residents to protect the natural environment and heritage assets; and
- A proportion of young people leaving the district for jobs, facilities and more affordable housing elsewhere.

Considerations

- 6.3 The priority themes have been developed into a final draft plan, which is recommended for Cabinet endorsement and subsequent Council approval, at **Appendices A-B attached.**

- 6.4 The document 'South Cambridgeshire: Your Place, Our Plan 2018', attached at **Appendix A**, sets out the Council's Vision and strategic aims, contextual information and examples of what we plan to do to deliver each aim. The Delivery Plan at **Appendix B** develops these into realistic, achievable and measurable projects and actions. Subsequent delivery of key actions and performance against key indicators will be closely monitored via quarterly Position Reports to Scrutiny and Overview Committee and Cabinet during 2018/19.
- 6.5 It should be remembered that alongside these priority areas we will continue to carry out a vast range of statutory and non -statutory functions as part of 'business as usual'; our suite of key performance indicators includes a number of specific measures of the effective running of the business.

7. Developing the Plan

- 7.1. The Council's priorities over recent years have focussed around the cornerstones of facilitating housing options, stimulating economic growth and connectivity, promoting active healthy lifestyles and ensuring that the district's clean, green and healthy environment is enhanced and protected.

During Summer 2017, a community engagement project ('Let's Talk') was carried out to inform the Corporate Plan review process. This involved talking to residents at events in a selection of six communities around the district. Additionally, a focus group and online surveys were undertaken.

Residents indicated that the following issues were important to them:

- Infrastructure is in place to support new housing ahead of development;
 - South Cambridgeshire villages are well-connected and allow people to get around;
 - High quality jobs are available and small businesses can grow and flourish;
 - South Cambridgeshire maintains its rural look and feel, with green space for all to enjoy;
 - Communities are thriving and vibrant with strong social networks;
 - South Cambs shapes and influences positive growth and quality housing;
 - New and established communities provide thriving, healthy safe and attractive places to live.
 - Joined-up working by the Council with its partners is visible and effective.
- 7.2 Additionally, a Member Task and Finish Group recently completed a project seeking to identify what South Cambridgeshire District Council can do to assist in the encouragement, development and support of rural businesses across the district.
- 7.3 The group gathered evidence from consultation, research and deliberation and has proposed a range of potential actions, which are set out for Cabinet consideration elsewhere on this Agenda. Subject to the recommendations being agreed, these actions are incorporated in the delivery plan as part of a specific focus upon economic development and business support.

- 7.3 Many of the themes raised by our communities are broadly similar to those included in the existing Corporate Plan, which would seem to validate the Council's current aims and policies; as such, it is proposed to retain the following priority themes: Living Well, Homes for our Future, Connected Communities, Innovative and Dynamic organisation. Objectives will be achieved through a series of actions that take into account emerging priorities and issues that local people value and consider important.

Living Well

- 7.4 We want to help support our communities to make sure the district is a healthy place for everyone to live in. We know that for new and established communities to thrive they must have the facilities they need. This is why we plan to ensure the facilities are available as we build new communities. Our partnership with the Police through the South Cambridgeshire Crime and Disorder Reduction Partnership also makes sure we are dealing with local crime and anti-social behaviour issues.

With more than 100 parish councils and hundreds of community groups, clubs and societies in South Cambridgeshire, there are plenty of active individuals and organisations supporting their local areas and working with us in a variety of ways to make positive differences to quality of life for residents.

Homes for our Future

- 7.5 South Cambridgeshire sits at the heart of one of the most economically successful and fastest growing regions of the UK. This makes it an extremely attractive and sought-after, and consequently often high cost, place to live.

We know there is a pressing demand for housing. That's why we want to keep working with developers to ensure early delivery of high quality new homes, good transport links and facilities, and with communities, landowners and housing association partners to develop innovative local solutions such as self-build.

We need a mix of housing that meets the needs of residents of all ages and backgrounds, including starter homes for younger couples, homes for purchase or rent for families, a range of affordable options for those on lower incomes and provision for the increasing proportion of older people, with appropriate support to help them live independently in their own homes and live well with conditions such as dementia.

We are also focussing on preventing people becoming homeless through giving support early and on managing the impacts of welfare reform on our most vulnerable residents, specifically the full roll-out of Universal Credit across our district.

Connected Communities

- 7.6 Our district is home to over 8,000 businesses, the majority of which are small and medium-sized although there is also a significant knowledge based economy and Life Science clustering.

Our aim is to facilitate additional employment opportunities for small rural business to help them grow and expand locally, whilst continuing to attract national and international organisations to the area.

We will need to help secure infrastructure that meets the housing and growth priorities for South Cambridgeshire. Transport links and better digital infrastructure, such as broadband, are also important to connect people and businesses.

The Council is a member of the Greater Cambridge Partnership, covering Cambridge and South Cambridgeshire. This multi-million pound programme is looking to help keep the area moving with investment in transport and smarter ways to connect people

The Council, in conjunction with business partners and the Combined Authority, can play a major leadership role in positioning Greater Cambridgeshire and South Cambridgeshire as an area with rapidly improving productivity. Promoting economic growth and improving skills will be an ongoing focus.

It's also a top priority to make sure that, as a constituent member of the Combined Authority, we achieve the devolution of more funding and powers from Whitehall to enable more informed and accountable local decision-making.

An Innovative and Dynamic Organisation

- 7.7 If the Council is to operate successfully and support the delivery of priorities we will need to continue to develop a modern, flexible approach to service delivery. Meeting customer needs and expectations and operating commercially to make the most of Council resources to deliver priority outcomes will be a primary focus.

We will need to ensure ease and convenience of access to a range of services offered whilst adopting a business like commercial approach. Significant funding reductions have meant we need to continue to make savings and generate income, maximising opportunities to make the best use of our council assets, investing to save and increase income/revenue when and where appropriate to do so.

Our housing company – Ermine Street Housing – is one of the ways we are already doing this with interest on our investments directed straight back into service delivery. We plan to keep doing this so we can continue to deliver the best possible services at the lowest possible cost – including sharing services with neighbouring councils where there is a sound business case.

We will continue to develop and equip our workforce with more digital skills and a more flexible, coordinated approach to working across services. A comprehensive "Council Anywhere" programme will put the customer at the heart of service delivery and enable better access to services at times which are more convenient to our communities.

We will look to take advantage of the Government scheme to increase the number of apprentices so that new skills and talent can be generated within the organisation and help address key skills gaps and shortages.

Options

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

Implications

Finance and Staffing

9. The Medium Term Financial Strategy 2018-2023 and Budget Estimates for 2018-19, submitted for Cabinet consideration elsewhere on this Agenda, set out how the priorities in the Corporate Plan will be resourced.

Legal

10. The Corporate Plan forms an integral part of the Council's Budget and Policy Framework; as such, it is reserved for Council approval as required by the Constitution.

Risk Management

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

Equality and Diversity

12. The draft plan has been subject to an initial screen, as a precursor to updated and new impact assessments which will be required as part of the implementation of Council Actions during 2018-2019. By continuing to support more vulnerable residents and connect communities through initiatives such as Living Well, Localised Council Tax Support, improved Broadband and rural travel hubs, it is anticipated that the plan will provide a number of positive equality impacts in pursuance of its Statutory Public Sector Equality Duty.

Climate Change

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

Effect on Strategic Aims

14. The Corporate Plan provides the vehicle for the effective delivery of the Council's Vision and strategic objectives.

Conclusion

15. The Corporate plan is a key document that will shape the future direction of the Council and determine where resources will be focused. The priorities/outcomes are based on knowledge and data collected from independent sources. The priorities laid out in the document have been reviewed to provide organisational focus in key areas, to refresh the Council's Medium Term Financial Strategy and will form the basis of resource allocation in the future.

The Corporate Plan does not exist in isolation. The Medium Term Financial Strategy (also subject to a recommendation to Council), Strategic Risk Register and People and Organisational Development Strategy also support the delivery of the Council's priorities and the allocation of resources. The continuing financial pressures faced by the Public Sector make it even more important that a priority-led approach to spending is adopted to make sure the Council focuses its resources in the right areas.

Customer feedback will continue to be used to inform and improve service delivery. Elected Members act as community leaders and are advocates for local people. Regular feedback from members including task and finish group recommendations will be incorporated into improvement plans to deliver effective services.

Community engagement will be undertaken to promote and support social inclusion, and identify skills, knowledge and experiences within communities to give a basis for future service improvements.

Elected Members will regularly monitor delivery of the Corporate Plan through regular reports to Scrutiny and Overview Committee and Cabinet.

Background Papers:

Available from the Policy and Performance Team:

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

Report Author: Beverly Agass - Chief Executive & Richard May - Policy & Performance Manager
Telephone: (01954) 713430/713366
Email: richard.may@scambs.gov.uk

This page is left blank intentionally.

South Cambridgeshire Your Place Our Plan 2018



Page 97



Page 98



Welcome

South Cambridgeshire sits at the heart of one of the most economically successful and fastest growing regions of the UK.

The district has tremendous potential and by working closely with local people we can help our villages and new communities thrive and be places where people want to live, work and learn.

By helping shape our future together we want to build prosperity and a healthy life for our residents.

The success of the area means South Cambridgeshire is frequently named as one of the best rural places to live in the UK in national surveys. Although successful, there are still challenges in housing and transport. We are committed to tackling these for people living here now and future generations.

This plan covers the four main areas you have told us to focus on and what we'll be doing to meet your aspirations. We hope you enjoy reading it. Please let us know what you think as your views are really important to us.



Beverly Agass
Chief Executive



Peter Topping
Council Leader

About South Cambridgeshire

South Cambridgeshire is a vibrant, prosperous rural district at the heart of the East of England. We're home to world-leading centres of science and technology from Granta Park, Babraham Institute and the Genome Campus at Hinxton, to Duxford's Imperial War Museum and some of England's oldest villages and newest communities.

The district covers approximately 350 square miles of countryside, surrounding Cambridge City.

Most of the 156,500 population live in small outlying villages and communities, or larger villages on routes into Cambridge. The first residents have also moved into the area's first town, Northstowe, which will eventually have around 10,000 homes.

South Cambridgeshire is a flourishing area with high levels of economic activity and low unemployment. It has excellent transport links via road and rail and a growing cycleway network.

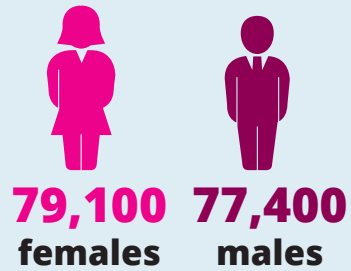
Our challenge is to balance growth with maintaining what we all love about the area. We're also working hard to ensure residents can afford to live here, whether they are born and grow up in South Cambridgeshire, or move here to work.

South Cambridgeshire is a healthy area, one of the least deprived in England, with high life expectancy, and the lowest crime rate in Cambridgeshire.

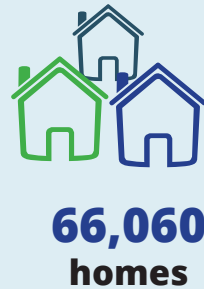
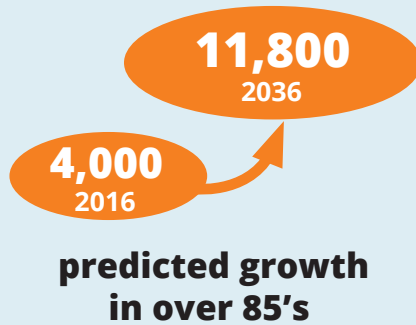


Credit -Babraham Research Campus

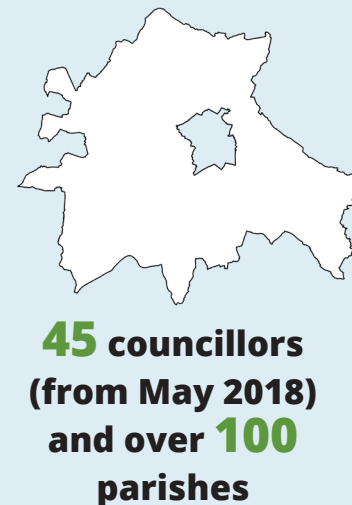
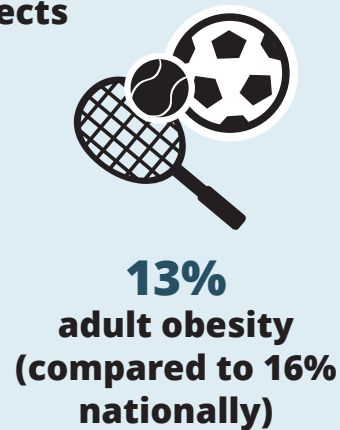
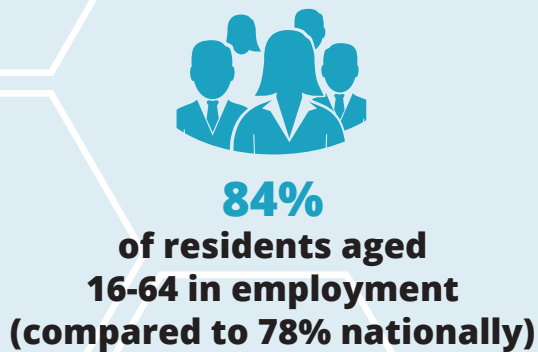
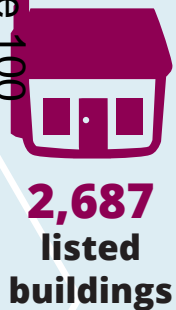
A snapshot of South Cambridgeshire



2016 estimated population 156,500

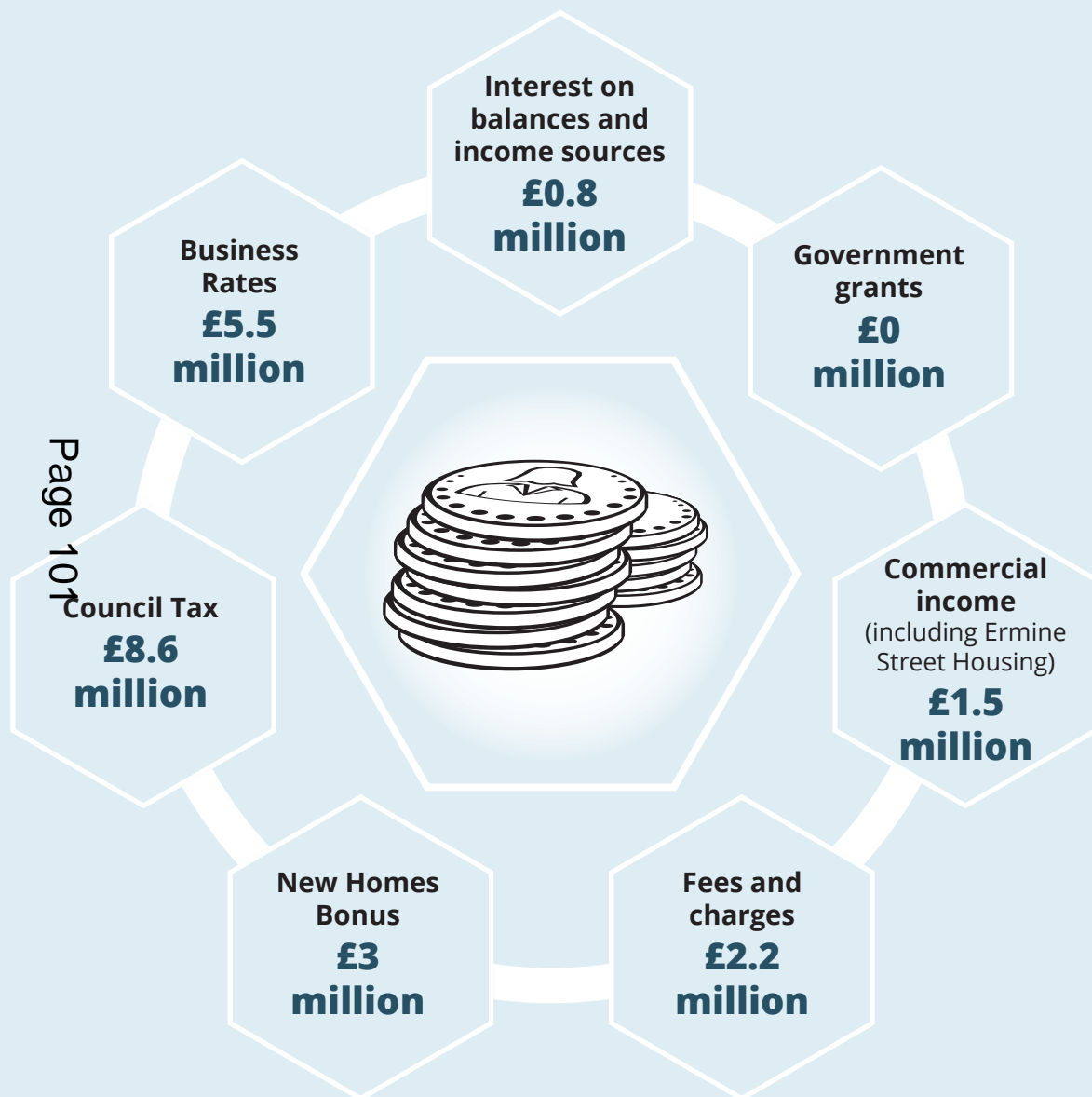


Page 100



Our resources

How we're funded



Where the money goes



We also collect £28 million in Council house rent, which covers the cost of providing and maintaining around 5,700 Council owned properties

Spotlight on key issues

- South Cambridgeshire is one of the fastest growing regions in the county and home to world-renowned centres of science and innovation. However, with growth comes challenges around congestion, house prices and broadband speeds.
- We must continue to shape and influence ongoing economic growth rather than assuming the 'Cambridge effect' will make it happen, whilst supporting local businesses to survive and prosper.
- The average house price in South Cambridgeshire in June 2016 was over 12 times an average income. We need to ensure all residents can access the homes they need, whether they're already living here, our future generations growing up in the district, or moving for work.

The district is one of the healthiest and least deprived in England, yet around 8% of children live in low income families and 11% of households don't own a car. We need to work together with other public organisations and our communities to improve quality of life for all.

- We have an ageing population and it is expected there will be around three times as many people aged over 85 by 2036. This means we must plan our services, housing and facilities correctly. Some areas are not well served with public transport and we want to avoid more people experiencing the feelings of loneliness and social isolation.
- We've delivered millions of pounds of savings in recent years whilst also protecting frontline services. Innovation and investing in good business opportunities have been key to meeting the tough savings targets we have been set.

Working together

- We couldn't deliver our objectives without key strategic partnerships or local joint working with more than 8,000 businesses, over 100 parishes and the diverse people and groups within them.
- We worked with other councils in the area to unlock over £600 million of government funding for the transport, housing and skills needed for Cambridgeshire. This money is now being invested through the Cambridgeshire and Peterborough Combined Authority which launched in 2017.
- We're part of the Greater Cambridge Partnership, together with the City and County Councils, Combined Authority and University of Cambridge. The Partnership will invest up to £1 billion in improvements to vital transport improvements for Cambridge and South Cambridgeshire.
- We're part of the Crime and Disorder Reduction Partnership, working with the County Council, Police, Fire Service, NHS and Probation Services to deal with local crime and anti-social behaviour issues
- We have existing shared services with Cambridge City and Huntingdonshire District Councils, which has helped us lower costs. These include waste collection, ICT, legal and building control.
- Our partnerships with parish councils are key to provide important local services such as street cleaning.



Our Plan

We recently ran our 'Let's Talk' listening exercise with residents, businesses, parish councils and partners.

You told us about some key areas you wanted us to focus on over the coming years which we have used to put our plan together.

These included the need to make sure we maintain the look and feel of the district with its green spaces, ensure transport links and facilities are in place to support new high quality homes, and communities continue to be thriving and vibrant places to live, work and study.

Living Well

We will continue to support our communities to remain in good health whilst continuing to protect the natural and built environment

Connected Communities

Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity

Our Vision

- The best place to live, work and study
- Impressive and sustainable economic growth
- Quality of life in an beautiful and green environment

Homes for Our Future

Secure the delivery of a wide range of housing to meet the needs of existing and future communities

An Innovative and Dynamic Organisation

Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost

Living well

What we've done

Over the past two years we have:

- Worked with other public bodies to help support over 150 families with complex needs
- Subsidised an Active and Healthy 4 Life exercise programme which helped almost 300 people who were referred by their GPs
- Gave over 10,000 residents the chance to try new sports at our annual Parklife event at Milton Country Park
- Changed our taxi licensing policy so we have some of the most stringent eligibility checks on drivers in the country
- Provided the final piece of funding so a new ice rink could begin to be built on the edge of Cambridge – our loan will generate an income for us to reinvest in services
- Secured over £1 million of developer funding for play equipment and green spaces in our villages
- Funded 12 mobile warden schemes helping over 250 local residents in 22 villages
- Lent equipment to communities to support over 40 litter picks
- Launched a £55,000 renewable energy grant fund to support green initiatives in our communities

What we plan to do

Over the next year we plan to:

- Work with local people to promote recycling initiatives and increase the quality and quantity we collect in our area
- Fund the set-up of community timebanks to encourage volunteering
- Help people access community transport by distributing a new directory
- Publish a Parish Toolkit to help tackle social isolation
- Deliver the 'Let's Get Moving Cambridgeshire' programme to encourage people to become more active and improve physical and mental health
- Adopt a new Local Plan that will guide where and how new jobs, homes and facilities will be delivered in the area
- Agree a masterplan for what a new town north of Waterbeach will look like - including facilities, transport links and green spaces
- Put more resource into preventing people becoming homeless
- Manage the full roll-out of Universal Credit across the district
- Promote and support community litter picks, street sweeping, re-use and recycling projects
- Set up a £200,000 loan fund for projects that help our residents and businesses become greener



Homes for our future

What we've done

Over the past two years we have:

- Built and let 39 new Council homes to families in Swavesey, Linton and Foxton
- Secured £45 million for community and sporting facilities alongside new homes at Cambourne
- Helped over 150 new affordable homes be built across the district
- Welcomed the first residents to the new town of Northstowe
- Changed the way we register and deal with planning applications to improve the service
- Helped more people consider building their own home, including identifying 100 plots for self-build
- Worked with 13 parish councils to put together plans for how they want to improve their area
- Helped over 200 people avoid becoming homeless
- Set up a new housing company working with private landlords to help people facing homelessness
- Led the development of the new Combined Authority's housing programme, and helped secure funding for affordable housing schemes in the district
- Launched a grant scheme to help local groups develop affordable housing schemes in their villages

What we plan to do

Over the next year we plan to:

- Start building new affordable homes as part of the work we are doing to lead the Combined Authority's £100 million housing programme
- Finish building and rent out 31 more affordable Council homes and begin work on site on 28 more
- Work closely with developers so they can get on site more quickly to deliver high quality new homes where they are needed
- Assess and determine planning applications for new houses and facilities at Northstowe, North West Cambridge and Darwin Green
- Carry out design work on the construction of a community centre and sports pavilion at Northstowe
- Make sure local communities are actively involved in how major housing sites are being developed
- Complete the construction of the first self-build homes in the district
- Fund and help set up community groups to develop local affordable housing schemes
- Provide more help and advice for parish councils so they can shape and influence the design of new homes in their villages



Connected communities

What we've done

Over the past two years we have:

- Successfully lobbied government to prioritise major improvements to the A14 and A428
- Along with other Cambridgeshire councils, we secured more powers and funding from government to be controlled locally by the new Combined Authority. This included £600 million for transport and a further £100 million for new affordable homes
- Helped the Greater Cambridge Partnership deliver transport improvements, including the opening of a new foot and cycle way linking Melbourn to the A10
- Granted planning permissions for expansions at Babraham Institute and Sawston Trade Park, creating 1,850 new jobs
- Launched a community rail partnership to deliver improvements in and around local railway stations
- Provided business rate relief to over 300 local firms
- Begun a community street sweeping pilot with Melbourn Parish Council
- Worked with the Greater Cambridge Partnership on how we can make it easier for our residents to travel in to Cambridge, and around the district, without having to rely on their cars

What we plan to do

Over the next year we plan to:

- Work with local communities to develop Rural Travel Hubs to help people access Cambridge as well as travel around the district without having to rely on their cars
- Work with the Combined Authority to see how bus services can be improved
- Encourage new local business support networks
- Hold a series of workshops on issues of importance to local businesses
- Work with government to drive forward, and open in 2022, a new Cambridge South railway station at Addenbrooke's
- Support the Connecting Cambridgeshire initiative to ensure superfast broadband access for 99% of premises by 2020
- Carry out a review, and make a plan, to help communities access all the services available to them



An inovative and dynamic organisation

What we've done

Over the past two years we have:

- Maintained frontline services whilst receiving less and less funding from the government
- Established a housing company, Ermine Street Housing, which has generated over £1 million income for us to reinvest in services
- Combined bin collections with Cambridge City Council, saving 20,000 miles a year and £700,000 over three years
- Increased the percentage of calls resolved by the first person you speak to when you call our contact service to 88%
- Achieved the joint highest Council Tax collection rate in England
- Launched a suite of new e-forms so people can carry out tasks at a click of a button. Over 18,000 forms in total were submitted during 2016/17
- Achieved the Investors in People gold award
- Diverted over 50% of household waste from landfill
- Worked in partnership with the private sector to install over 2,000 Council homes with solar panels to help tackle fuel poverty

What we plan to do

Over the next year we plan to:

- Generate 10% of our own income to help fund services - equivalent to £1.7 million
- Invest over £500,000 in ICT upgrades to make it easier and more convenient for customers to access our services
- Launch an online customer portal for Council Tax and benefits so residents and businesses can receive, review and pay their bills electronically
- Provide 11 new apprenticeships to help people begin their careers
- Improve our website so it is even easier for people to find what they need, can get involved in what's happening and carry out more transactions online
- By giving people better online options, we will reduce call waiting times for customers who need to phone us to an average of under two minutes
- Increase the money generated from our trade waste service by 10% to help fund waste and recycling in the area



To find out more about our business plan, visit:
www.scambsgov.uk/council-aims-and-objectives

To give us your feedback on our plan, contact us on:
SCDC@scambsgov.uk



Corporate Plan: Delivery Plan 2018-2019 (Appendix B)



Our Vision South Cambridgeshire:

- The best place to live, work and study in the country.
 - Impressive and sustainable economic growth.
- Quality of life in an exceptionally beautiful, rural and green environment

Areas of Focus 2018-2019

Strategic Aim	(A) LIVING WELL Support our communities to remain in good health whilst continuing to protect the natural and built environment.	(B) HOMES FOR OUR FUTURE Secure the delivery of a wide range of housing to meet the needs of existing and future communities	(C) CONNECTED COMMUNITIES Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity	(D) AN INNOVATIVE AND DYNAMIC ORGANISATION Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost
We will focus on	(1) Maintaining South Cambridgeshire’s rural look and feel with green space and a healthy environment for all to enjoy (2) Ensuring new and existing communities are vibrant with strong social networks (3) Contributing to improving residents’ mental and emotional wellbeing and physical health (4) Having a planning policy framework that enables new and established communities to be thriving, healthy, safe and attractive places to live (5) Finding solutions for people facing homelessness and managing the impacts of welfare reform on our vulnerable residents	(1) Facilitating the early construction of housing and infrastructure, including on strategic sites, to help build thriving new communities (2) Engaging with local communities in the development process, supporting them to secure quality development through policy guidance and neighbourhood plans (3) Increasing the range of housing and tenure options for residents (4) Making housing choices available that help to maintain the health and independence of older people (5) Continuing to provide safe and high quality council housing, helping to keep our tenants in good health	(1) Shaping and influencing successful partnerships, ensuring joined-up improvements to new transport and digital infrastructure before new development, for the benefit of local communities (2) Supporting existing business and working with local SMEs (small and medium-sized enterprises) to help them grow and expand (3) Enabling South Cambridgeshire to continue to be a key location for new business investment (4) Connecting South Cambridgeshire villages to allow people to get around and access services more easily (5) Supporting the Combined Authority to develop a local industrial strategy for the area	(1) Reducing duplication and maximising use of digital technology to make it easier and more convenient for customers to access our services (2) Delivering an Organisational Development Strategy that ensures that our staff and councillors have the skills and behaviours required to embrace new ways of working and address the challenges ahead (3) Developing a clear strategy for the Council to take advantage of commercial and investment opportunities as they arise to ensure continued delivery of services that local people value (4) Giving residents opportunities to be involved in the development of our plans so that they feel more informed about the work of the Council

Delivery Plan 2018-2019

We will focus on	Key Activities for 2018/2019	Outcomes and success measures
Aim A: LIVING WELL – Support our Communities to remain in good health whilst continuing to protect the natural and built environment		
<p>(1) Maintaining South Cambridgeshire's rural look and feel with green space and a healthy environment for all to enjoy.</p>	<ol style="list-style-type: none"> 1. Work with local people to promote recycling initiatives and increase the quality and quantity we collect in our area. 2. Review the street cleansing service to ensure that current budget is used in the most effective way to enhance the local environment in partnership with our parishes/villages 3. Agree action plan to implement results of 2017/18 Air Quality strategy review 4. Work with parishes to review opportunities for environmental improvements to the Footway Lighting service 5. Develop community led initiatives to promote and support community litter picks, street sweeping, re-use and recycling projects 6. Implement grant and loan schemes to empower communities to deliver environmental benefits 	<ol style="list-style-type: none"> 1. % of household waste diverted from landfill. Proportion of material submitted for recycling which is clean, dry and loose. 2. Satisfaction survey, analysis of service request information, operational input and complaints 3. Specific actions from strategy review implemented in accordance with strategy timescales. 4. Report and recommendations for future service provision costed and agreed 5. Satisfaction survey, analysis of work undertaken and extent of volunteer input 6. Full allocation of grant and loan funds. Scheme evaluation to identify specific benefits e.g. lower energy bills and CO2 emissions.
<p>(2) Ensuring new and existing communities are vibrant with strong social networks</p>	<ol style="list-style-type: none"> 1. Publish and promote a parish toolkit on reducing social isolation 2. Facilitate the launch of two timebanks to support community networking and volunteering 3. Update and distribute South Cambs Transport Directory 4. Fund the Through the Door pilot social prescribing project to support socially-isolated residents visiting GP surgeries 5. Promote volunteering opportunities on our website and in the South Cambs Magazine 	<ol style="list-style-type: none"> 1. Tackling Social Isolation Parish Toolkit approved and published 1.5. Promote our work, advice and guidance to at least 20 Parish Councils 2. Number of people referred reporting feeling less isolated after 6-months 300 hours timebanked between 01/04/18 and 31/03/19 (2 schemes) 30 residents joining each timebank between 01/04/18 and 31/03/19 3. Community Transport Directory distributed 4. Over 100 patients to be seen by the social prescribing service by 31 March 2019. Improvements in loneliness scores to be measured at initial assessment and at 24 weeks. Reductions in GP attendance, comparing 12 weeks prior to using the service with 12 and 24 weeks after initial assessment. 5. Volunteering promoted in 2 x South Cambs magazines

We will focus on	Key Activities for 2018/2019	Outcomes and success measures
Aim A: LIVING WELL – Support our Communities to remain in good health whilst continuing to protect the natural and built environment		
(3) Contributing to improving residents' mental and emotional wellbeing and physical health	<ol style="list-style-type: none"> 1. Host two networking meetings to build relationships and trust between professionals 2. Explore the possibilities of more freedoms and flexibilities to agree resource allocations for preventative mental health care and crisis care locally 3. Via the Children's Area Partnership, continue to support schools to prevent mental and emotional ill-health and ensure young people are successful and fit to work. 4. Develop SCDC as a mental health-friendly organisation. 5. Deliver the "Let's Get Moving Cambridgeshire" and "Fit & Active for Life" programmes to encourage improved physical health 6. Develop and agree an SCDC Health & Wellbeing and Older People's Strategy and Action plan. 	<p>(1)-(3) Evaluation of measures taken following 12-month review 2 x network meetings, baseline taken at first re. relationship with other professionals re. mental health Freedom and flexibility to agree locally the split between spend on preventative care and crisis care in relation to mental health pursued</p> <p>(3) Children's Area Partnership outcomes</p> <p>(4) Number of staff trained to support colleagues and residents around mental health & emotional wellbeing.</p> <p>(5) Participation rates and % of participants reaching health goals</p> <p>(6) SCDC Health & Wellbeing and Older People's Strategies and Action plans adopted</p>
(4) Having a planning policy framework that enables new and established communities to be thriving, healthy, safe and attractive places to live.	<ol style="list-style-type: none"> 1. Adopt Local Plan to provide up to date policy framework for decision making 2. Review existing and develop new Supplementary Planning Documents (SPD), including affordable housing/S106, and new settlements at Waterbeach and Bourn Airfield 3. Prepare, operate and administer an effective S106/CIL programme to support delivery of local community infrastructure across SCDC 4. Begin preparations for a new Local Plan with Cambridge City Council to manage sustainable future growth for the area 	<ol style="list-style-type: none"> 1. Adoption of the Local Plan (to 2031) in Summer 2018 2. Existing SPDs reviewed and new SPDs agreed to guide new development 3. S106/CIL programme is in place 4. Evidence of being on track according to Local Development Scheme milestones (existing commitment to start in 2019)
(5) Finding solutions for people facing homelessness and managing the impacts of welfare reform on our vulnerable residents	<ol style="list-style-type: none"> 1. Implement requirements of Homelessness Reduction Act 2017 2. Work with private sector landlords to secure rental homes for homeless people using our new Shire Homes company 3. Design and implement a plan to manage the full introduction of Universal Credit (UC) across the district 	<p>(1)-(2) Monitor numbers of homelessness prevented, use & cost of Temporary Accommodation & B&B</p> <p>(3) Phase one (Apr-June 18)</p> <ul style="list-style-type: none"> • Project and Communications plans agreed • Resource in place to be able to deliver outcomes <p>Phase two (July-Oct 18)</p> <ul style="list-style-type: none"> • Deliver staff training • Commence communications with residents likely to be affected

We will focus on	Key Activities for 2018/2019	Outcomes and success measures
Aim A: LIVING WELL – Support our Communities to remain in good health whilst continuing to protect the natural and built environment		
		Continued monitoring of UC recipients' Rent / Council Tax accounts

AIM B - HOMES FOR OUR FUTURE – Secure the delivery of a wide range of housing to meet the needs of existing and future communities		
We will focus on	Key Activities for 2018/2019	Outcomes and success measures
(1) Facilitating the early construction of housing and infrastructure, including on strategic sites, to help build thriving new communities	<ol style="list-style-type: none"> 1. Deliver planning decisions on key strategic sites in line with agreed programmes. 2. Appropriate infrastructure agreed via Heads of Terms for Waterbeach and Bourn Airfield 3. Agree design and planning application submitted for phase 1 Northstowe pavilion 4. Achieve continued, improved, performance in decisions on planning applications and reduce the time taken to deal with applications. Achieve a reduction in the numbers of planning appeals awarded against the Council's decisions. 	<p>(1)(4) Five-year supply of new homes in the district achieved – measured through Local Plan Annual Monitoring Report</p> <p>(1) Strategic site milestones achieved as per Business Plan</p> <p>(2) Outline planning permission granted for Waterbeach and Bourn Airfield</p> <p>(3) Agreed design and planning application submitted for phase 1 Northstowe pavilion</p> <p>(4) Planning performance against national and local performance targets</p>
(2) Engaging local communities in the development process, supporting them to secure quality development through design guidance and neighbourhood plans	<ol style="list-style-type: none"> 1. Engage with existing and new communities where significant development is taking place, including community forums and welcome packs for new residents on growth sites 2. Work with communities to develop Neighbourhood Plans and village design guidance that address community priorities 	<p>1.3 x 3 fringes forums per annum (led by CCC, supported by SCDC)</p> <p>3 x 3 SCDC-led forums per annum</p> <p>Increase in attendance at each CB23 and Waterbeach forum during the year</p> <p>3 x 3 blogs or news articles written per SCDC-led forum</p> <p>Community feedback/surveys</p> <p>Welcome packs distributed to at least 90% of new properties within four weeks of occupation.</p> <p>2. Neighbouring planning support delivered in accordance with the Council's standard offer</p> <p>Neighbourhood plans are adopted by the Council in places where communities want to prepare plans</p>
(3) Increasing the range of housing and tenure options for residents	<ol style="list-style-type: none"> 1. Review and extend the Council's arrangements for delivering new build homes, including the Housing Revenue Account (HRA) programme, innovative General Fund schemes, self build project, Community Land Trusts, modular homes pilot and joint working with delivery partners. 2. Start building new affordable homes as part of the work we are doing to lead the Combined Authority's £100 million housing programme. 	<p>(1) Numbers and types of new homes built each year.</p> <p>First self-build homes constructed in the district.</p> <p>(2) Number of new homes in SCDC supported by the CPCA £100m programme.</p>

AIM B - HOMES FOR OUR FUTURE – Secure the delivery of a wide range of housing to meet the needs of existing and future communities

We will focus on	Key Activities for 2018/2019	Outcomes and success measures
(4) Making housing choices available that help to maintain the health and independence of older people	<ol style="list-style-type: none"> 1. Continue delivery of Northstowe Healthy Town (HNT) project 2. Play an active role in the development of a countywide older persons housing strategy (OPHS) 3. Review and develop local housing related services to older people including Disabled Facilities Grants (DFG), visiting support & sheltered housing, supporting delivery of Better Care Fund objectives. 	<ol style="list-style-type: none"> 1. Project milestones / highlight reports. Update review on HNT initiative to Members. 2. Local approval of the OPHS. 3. Positive outcomes from communal room review. <p>Sustainable future for sheltered housing schemes; report to Cabinet setting out future plans for sheltered housing including how support and allocations will be managed. Outcomes to be reflected in HRA Business Plan.</p> <p>Efficient delivery of DFG and adoption of shared countywide DFG policy.</p> <p>Sustainable future for shared HIA service.</p>
(5) Continuing to provide Safe and high quality council housing, helping to keep our tenants in good health.	<ol style="list-style-type: none"> 1. Complete Landlord health and safety review of Council homes. 2. Complete assessment of stock maximisation project. 3. Review asset management strategy 	<p>Viable 30 year HRA Business Plan agreed by Council in Feb 2019.</p> <p>Top quartile scores for key benchmarked activity.</p> <p>Specific KPIs: Housing re-lets, tenant satisfaction with repairs service</p>

AIM C - CONNECTED COMMUNITIES - Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity		
We will focus on	Key Activities for 2018/2019	Outcomes and success measures
(1) Shaping and influencing successful partnerships, ensuring joined-up improvements to new transport and digital infrastructure before new development, for the benefit of local communities	<ol style="list-style-type: none"> 1. Deliver, in partnership with the Greater Cambridge Partnership (GCP) business cases for two rural travel hub pilots in South Cambridgeshire 2. Shape and help deliver the Combined Authority's four-year plan. 3. Work with GCP to deliver strategic transport improvements, including along the A10, A1307 and Cambourne-Cambridge corridors, and develop an Investment strategy for 2020-25. 4. Work with Combined Authority on Non Statutory Spatial Plan (NSSP), Independent Economic Commission and refreshed Transport Strategy 5. Work with government to drive forward, and open in 2022, a new Cambridge South railway station at Addenbrooke's. 	<ol style="list-style-type: none"> 1. Delivery of business cases % of community groups who feel satisfied with their engagement in business case development. 2. Four-year plan supports the delivery of SCDC's objectives. Receipt of new funding from Government or other bodies to help deliver new housing, transport and other key projects 3. Investment strategy approved by government. Delivery of strategic transport infrastructure in accordance with GCP programme. 4. Adopted strategies support SCDC objectives 5. Cambridge South station open in 2022.
(2) Supporting existing business and working with local SMEs to help them grow and expand.	<ol style="list-style-type: none"> 1. Develop and implement a South Cambridgeshire business engagement strategy 2. Support the development of local business networks 3. Facilitate the creation of local business apps 4. Provide business support workshops to local companies 5. Research the needs of home based businesses 	<ol style="list-style-type: none"> (1) Strategy in place guiding future business engagement. Identify measures for sign-up to business database (2) Businesses are engaged in the development of local business networks; toolkit agreed (3) Business cases established for the development of business apps following evaluation of Gamlingay model (4) Hold a minimum of three support workshops (5) Focus group meetings held
(3) Enabling South Cambridgeshire to continue to be a key location for new business investment.	<ol style="list-style-type: none"> 1. Develop an evidence base to establish the demand and supply of employment land and premises 2. Prepare Neighbourhood Planning guidance on employment land and premises 3. Hold a workshop with Officers and Councillors on the flexibility of employment land policies in the emerging Local Plan 4. Develop a South Cambridgeshire inward investment offer 	<ol style="list-style-type: none"> (1) Demand and supply established, influencing joint Local Plan (2) Neighbourhood Planning toolkit assists communities to consider employment land and premises as part of plan development. (3) Workshop held. (4) Resourced project plan in place
(4) Connecting South Cambridgeshire villages to allow people to get around and access services more easily.	<ol style="list-style-type: none"> 1. Help to improve Broadband, mobile 'phone and Digital infrastructure by supporting the work of Connecting Cambridgeshire 2. Develop an Access to Services Strategy 3. Actively support the Combined Authority review of countywide bus 	<ol style="list-style-type: none"> 1. Broadband coverage and average speeds. Residents feedback from continuing engagement 2. Strategy approved (ready to influence future priorities)

AIM C - CONNECTED COMMUNITIES - Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity		
We will focus on	Key Activities for 2018/2019	Outcomes and success measures
	services	3. Review completed by the Combined Authority Options explored ready to feed into County Council Local Transport Plan. Ultimately lead to better services, with higher passenger numbers
(5) Supporting the Combined Authority to develop a local industrial strategy for the area	Develop a local Economic Development strategy to support implementation of the local industrial strategy in the SCDC area.	Strategy in place February 2019

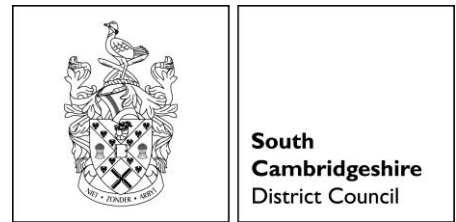
AIM D - AN INNOVATIVE AND DYNAMIC ORGANISATION – Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost		
We will focus on	Key Activities for 2018/2019	Outcomes and success measures
(1) Reducing duplication and maximising use of digital technology to make it easier and more convenient for customers to access our services.	<ol style="list-style-type: none"> 1. Develop a Digital Route Map to maximise choice and access channels for customers. 2. Roll-out “Council Anywhere” ICT upgrade to enable improved agile working and delivery of operational efficiencies. 3. Redesign processes to improve customer service and reduce costs via the implementation of a new Waste ICT system. 4. Deliver an online customer portal for Revenues & Benefits, along with a suite of integrated e-forms, and functionality to enable business and residents to manage their bills via email 5. Carry out strategic review of Customer Contact services provided with back office to increase first time resolutions and reduce hand-off/repeat calls 6. Explore the provision of a portal that provides the customer with a personalised user digital experience across council services. 7. Configure our website to provide clearer and more accessible online services 	<ol style="list-style-type: none"> 1. SCDC agrees a costed Digital Action Plan for implementation 2. Financial benefit through increased operational efficiency. 3. 10% increase in online transactions 10% increase in calls dealt with at first point of contact. 4. Reduction in calls to the contact centre, continued strong collection performance and ability to meet customer service standards despite the increase in workload as a result of growth 5. Lower call waiting times for customers, initially by 5% More calls answered first time, initially by 5% Lower call volumes 6. Business Case for customer portal prepared. 7. By monitoring online statistics, customer interactions and feedback we can shape future service delivery.
(2) Delivering an Organisational Development Strategy that ensures that our staff and councillors have the skills and behaviours required to embrace new ways of working and address the challenges ahead.	<ol style="list-style-type: none"> 1. Develop a Organisational Development Strategy to enable the Council to progress from ‘Good to Great’ 2. Implement recommendations of Member Task and Finish Group identifying the support requirements for Members following whole-Council elections in May 2018. 	<ol style="list-style-type: none"> 1. <ul style="list-style-type: none"> • Vacancy fill rate at 75% and above • Increase in overall employee satisfaction to 70% • Customer satisfaction – 80% of complaints responded to in timescale • SCDC has 11 apprentices by 31 December 2018 2. Subject to task and finish group recommendations An evaluation strategy will be in place to analyse the impact of Councillor development activities, including feedback from Councillors and analysis of costs and benefits. Initial target is 60% councillor satisfaction in first year.
(3) Developing a clear strategy for the Council to take advantage of commercial and investment opportunities as they arise to ensure continued delivery of services that local people value	<ol style="list-style-type: none"> 1. Run a market rented housing company (Ermine Street Housing) 2. Develop a commercialisation strategy which sets out criteria to assess a range of options for investment and income generation 3. Establish a funding strategy for invest to save, business change programmes, commercial opportunity and infrastructure investment 4. Identify options for renewable energy investment with the potential to 	<ol style="list-style-type: none"> 1. The company aims to generate in excess of £1m per year income for the Council. 2. Strategy adopted 3. Strategy adopted setting out financially sustainable long term position. Generate 10% of our own income to help fund services.

AIM D - AN INNOVATIVE AND DYNAMIC ORGANISATION – Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost

We will focus on	Key Activities for 2018/2019	Outcomes and success measures
	generate financial returns for the Council. 5. Implement key projects that deliver an income for the Council. 6. Develop the Greater Cambridge Shared Trade Waste Service to help fund waste and recycling in the area 7. Work with Cambridge City Council to successfully implement a joint planning service	4. Clear statement of intent for the Council with regards to renewable energy investment Financial return to SCDC, to be confirmed in business cases 5. Income generated against cost for key projects 6. Customer base and satisfaction; service income (10% increase) and expenditure. 7. Top quartile performing shared service delivering high quality outcomes at reduced cost (suite of performance measures to be agreed and monitored)
(4) Giving residents opportunities to be involved in the development of our plans so that they feel more informed about the work of the Council	1. Review our communication formats to ensure they are in Plain English and increase the percentage of residents who find our communication easy to understand 2. Deliver an annual calendar of communications and consultation campaigns to gain resident feedback and insight on what communities value. 3. Agree updated community engagement/external communication strategy and toolkit	(1) Increase the percentage of residents who find our communication easy to understand (Customer surveys) (2) Successful delivery of consultation campaigns based on response rates, reach and 'you said, we did' feedback (3) Updated strategy and toolkit in place to deliver business benefits identified in project initiation document

This page is left blank intentionally.

Agenda Item 8



REPORT TO: Scrutiny and Overview Committee
Cabinet

6 February 2018
7 February 2018

LEAD OFFICER: Executive Director – Corporate Services

Medium Term Financial Strategy, General Fund Budget 2018-19 (including council tax setting), Housing Revenue Account Budget 2018-19 (including housing rents), Capital Programme and Treasury Management Strategy

Purpose

- 1.1 Scrutiny and Cabinet are asked to consider and comment on the attached financial strategies and budgets prior to the report being presented to Council for approval on 22 February 2018.
- 1.2 As part of the 2018-19 budget process, the range of assumptions upon which the General fund (GF) and Housing Revenue Account (HRA) Medium-Term Financial Strategies and HRA Business Plan were based have been reviewed in light of the latest information available, culminating in the preparation of the budget setting reports (BSRs).
- 1.2 The BSRs provide an overview of the review of the key assumptions. They set out key parameters for the detailed recommendations and final budget proposals, and are the basis for the finalisation of the 2018/19 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the BSRs.
- 1.4 The BSRs are presented to Cabinet and Council, to allow consideration, scrutiny and approval of revenue and capital expenditure and resources which form part of the GF and HRA budgets and proposals for the review of rents and service charges.
- 1.5 This is a key decision because it results in the authority incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget and it was first published in the October Forward Plan.

Recommendations

- 1.6 The Scrutiny and Overview Committee is asked to note the report and endorse the recommendations to Cabinet, which are that Cabinet recommend that Council:-

Revenue and capital – GF

- (a) Approve the revenue estimates for 2018-19 as shown in the **GF BSR Section 5 at Appendix 1** to this report.
- (b) Approve the precautionary items for the GF, **GF BSR Appendix B, Appendix 1** to this report.

- (c) Approve the GF revenue forecasts as set out in **GF BSR Section 6, Appendix 1** to this report.
- (d) Instruct the Executive Management Team to identify additional income / savings of £449k for 2018-19, rising to £1.3m in 2022-23.
- (e) Approve the GF capital programme and associated funding up to the year ended 31 March 2022, as set out in **GF BSR Appendix D, at Appendix 1** to this report.
- (f) Approve the creation of a Planning Policy earmarked reserve and the transfer of £224k into the reserve from the GF reserve, being the carry forward of underspend from 2016-17 not used in 2017-18, as shown in **GF BSR Section 3**. Delegate approval of the use of this reserve to the Executive Director – Corporate Services in consultation with the Portfolio Holder for Finance and Staffing.
- (g) Request that the Portfolio Holder (Housing) delegates the decision in respect of any variation in fees to be charged by the Home Improvement Agency (HIA), to the Director of Housing, following agreement of the proposed level of charges by the Shared HIA Board, **GF BSR Appendix A**.
- (h) Instruct the Head of Finance, on the basis of the proposals set out in the GF BSR, to prepare formal papers to set the council tax requirement and amount of council tax at the Council meeting on 22 February 2018.
- (i) Set the Council Tax Requirement for 2018-19 at £8,616,465.16
- (j) Set the amount of Council Tax for each of the relevant categories of dwelling in accordance with Section 30(2) of the Local Government Finance Act 1992 on the basis of the District Council Tax for general expenses on a Band D property of £140.31 plus the relevant amounts required by the precepts of the Parish Councils, Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and the Cambridgeshire Fire Authority, details of those precepts and their effect to be circulated with the formal resolution required at the Council meeting.

Revenue – HRA

- (k) Approve the HRA savings, increased income, unavoidable revenue pressures, bids and reduced income items, as summarised in Section 4, and detailed in **Appendix G(1) of the HRA Budget Setting Report at Appendix 2** to this report.
- (l) Approve the non-cash limit adjustments, as summarised in Section 4, and detailed in **Appendix G(1) of the HRA Budget Setting Report at Appendix 2** to this report.
- (m) Approve the resulting HRA revenue budget as shown in the HRA Summary Forecast 2017-18 to 2022-23 in **Appendix I of the HRA Budget Setting Report at Appendix 2** to this report.

- (n) Approve the retention of the balance of the 4 year savings target included originally as part of the 2016-17 HRA Budget Setting Report to mitigate the impact of some of the changes in national housing policy, recognising that the net savings proposed from 2018-19 over-deliver against the profile of £250,000 per annum for 4 years, reducing the balance to be sought in the remaining 2 years to £147,540.

Review of Rents and Charges

- (o) Approve that council dwelling rents all social rented properties be reduced by 1%, in line with legislative requirements introduced as part of the Welfare Reform and Work Act, with effect from 2nd April 2018.
- (p) Approve that affordable rents are reviewed in line with rent legislation, to ensure that rents charged are no more than 80% of market rent, with this figure then reduced by 1% as with social housing. Local policy is to cap affordable rents at the lower level of Local Housing Allowance, which will result in rent variations in line with any changes notified to the authority in this level, effective from 2nd April 2018.
- (q) Approve inflationary increases of 2.6% in garage rents for 2018-19, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- (r) Approve the proposed service charges for HRA services and facilities provided to both tenants and leaseholders, as shown in **Appendix B of the HRA Budget Setting Report, at Appendix 2** to this report.

Housing Capital

- (s) Approve the latest budget, spend profile and funding mix for each of the schemes in the new build programme, as detailed in **Section 5 and Appendix E of the HRA Budget Setting Report at Appendix 2** to this report, recognising the most up to date information available as each scheme progresses through the design, planning, build contract and completion process.
- (t) Approve earmarking of the required level of additional funding for new build investment between 2018-19 and 2022-23 to ensure that commitments can be met in respect of the investment of all right to buy receipts currently retained, or anticipated to be received by the authority for this period. This expenditure will either take the form of HRA new build, with the 70% top up met by other HRA resources or could alternatively be grant made to a registered provider, where the registered provider will provide the 70% top up to build new homes.
- (u) Approve the capital budget proposals, both bids and savings, detailed in **Appendix G(2) of the HRA Budget Setting Report at Appendix 2** to this report.
- (v) Approve the capital amendments, detailed in **Appendix H of the HRA Budget Setting Report**, which include the capital proposals in **Appendix G(2) of the HRA Budget Setting Report, at Appendix 2** to this report, alongside re-profiling of investment, increase and re-allocation of resource for new build schemes.

- (w) Approval of the revised Housing Capital Investment Plan as shown in **Appendix J of the HRA Budget Setting Report at Appendix 2** to this report.

Capital and Treasury Management

- (x) Approve the Capital Strategy 2018-19 to 2022-23, **Appendix 3**.
- (y) Approve the borrowing and investment strategies for the year to March 2019, as included in the Treasury Management Strategy Statement in **Appendix 4**.
- (z) Approve the prudential indicators required by the Code for Capital Finance in Local Authorities for the year to 31 March 2019, included in **Appendix 4**.
- (aa) Approve any unspent New Homes Bonus money allocated to the Greater Cambridge Partnership to be rolled into 2019-20.

General

- (bb) Gives delegated authority to the Executive Director – Corporate Services to issue the final version of the Estimates Book, incorporating any amendments required from the Council's decisions.

Reasons for Recommendations

- 2 The GF HRA Budget Setting Reports, Treasury Management Strategy Reports and Capital Strategy are presented for decision following consideration and review of the both internal and external factors which affect the council's financial position.

Executive Summary

- 3 The budget setting report provides an opportunity to consider any changes in the financial context of both the GF and the HRA, allowing review of external factors such as inflation and interest rates. It provides the opportunity to update assumptions in respect of the day to operation of the business and allows recognition of the anticipated impact of major changes in national housing policy as legislation is passed and information surrounding the anticipated regulations begins to emerge.
- 4 The report requests approval the revenue and capital budgets for the GF for 2018-19 and the recommendation to Council of the council tax requirement for 2018-19 and the District council tax on a band D property, with the formal resolution to be presented at the Council meeting on 22 February.
- 5 The report also requests approval to set both rents and service charges for 2018-19 and both the revenue and capital budgets for the HRA for 2018-19, in the context of longer-term financial forecasts.
- 6 The report also provides an opportunity to consider key strategic risks and levels of reserves. Furthermore, it presents the impact of a number of sensitivities to which the housing business plan, in particular, is subject.

Background

- 7 The HRA is a ring-fenced area of the Council's activity, and represents the landlord activity which the authority carries out as a stock retaining authority. All other council activities are accounted for within the GF.
- 8 Budgets are set in February of each year, following presentation and consideration of the budget setting reports. MTFS's for the each of the GF and HRA are presented for consideration and approval in November each year, allowing review of key assumptions and the resulting impact on the business. These MTFS's set out the strategic approach to budget setting for the following year, in the context of longer term forecasts.

Considerations

- 9 These are set out in detail in the appendices:-
- Appendix 1 – General Fund (GF) budget setting report
 - Appendix 2 – Housing Revenue Account (HRA) budget setting report
 - Appendix 3 – Capital strategy 2018-19 to 2022-23
 - Appendix 4 – Treasury management strategy statement 2018-19
 - Appendix 5 – Financial administration (S 25 Report)
 - Appendix 6 – **CONFIDENTIAL** Ermine Street Housing Business Plan mid year update 2017-18
- 10 Consideration needs to be given to the fluid nature of some of the assumptions that are required to be incorporated into the financial forecasting for the HRA, particularly in relation to the impact of some of the changes in national housing policy, where the continued absence of detailed regulations in some areas has resulted in the retention of a best estimate of the impact at a local level, until this is available.
- 11 Assumptions will need to be continually reviewed and amended as information is made available and any changes in the economic environment become apparent.
- 12 The draft revenue and capital estimates for both the GF and HRA are published alongside this report and can be viewed at the following link:
<http://scamb.smodern.gov.co.uk/ecCatDisplay.aspx?sch=doc>

Options

- 13 The options for setting the level of council tax are set out in Section 3 of the GF BSR at **Appendix 1** to this report, along with the impact on the net savings requirement.
- 14 The HRA Budget Setting Report identifies the financial impact of a number of scenarios for the future of the business, modelling the impact of changes in key assumptions and presented as part of the sensitivity analysis at **Appendix F** of the report, appended at **Appendix 2** to this report.

Financial

- 15 As detailed in the report and appendices.

Legal

- 16 The pressure to reduce budgets and the continuation of a poor financial settlement could adversely affect the provision of statutory services. Officers will be required to seek legal advice in relation to a number of the national changes in housing policy as the regulations are released by Central Government.

Staffing

- 17 The identified need to make further savings in the HRA by 2020/21 may have implications for staff, all of which will be fully explored with Human Resources once they are known.

Risk Management

- 18 Risks and controls concerning financial projections in the MTFS are included in the strategic risk register, which is appended to the position statement report elsewhere on this agenda.
- 19 A summary of the key risks to the GF MTFS are summarised in section 8 to the GF BSR included at Appendix 1.
- 20 An annual update to the assessment of the key risks which the HRA faces in financial terms was included as part of the HRA Medium Term Financial Strategy in November 2018.

Equality and Diversity

- 21 There are potential equality and diversity implications associated with some of the bids and savings proposed in this report. Where proposed budgetary changes are anticipated to have an equalities impact, the service manager responsible for the area will need to complete an Equalities Impact Assessment.

Climate Change

- 22 There is no direct climate change impact associated with this report.

Consultation responses (including from the Youth Council)

- 23 There has been no formal tenant or leaseholder consultation in the preparation of this strategic report. A briefing on HRA finance and the HRA budget has been provided for the Tenant Participation Group (TPG), Detailed consultation with tenants and leaseholders may be required as part of the preparation of future reports, particularly if savings are being proposed that may affect service delivery, with service levels impacted.

Effect on Strategic Aims

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

Objective B – Homes For Our Future

- 25 The HRA Budget Setting Report seeks to provide a strategic update in respect of the financial position for the HRA in the context of change in national housing policy, culminating in proposals for the authority to be able to set a budget for 2018/19. The provision of affordable homes to meet the housing need in the district remains a key consideration for the HRA both in the short term, and for the life of the 30 year business plan.

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.

Report Author: Caroline Ryba, Head of Finance
Telephone: (01954) 713072
caroline.ryba@scambs.gov.uk

Suzy Brandes, Principal Accountant (General Fund and Projects)
Telephone: (01954) 713101
suzy.brandes@scambs.gov.uk

Julia Hovells, Principal Accountant (Housing)
Telephone: (01954) 713071
julia.hovells@scambs.gov.uk

This page is left blank intentionally.

Budget-Setting Report 2018-19



**February
2018**

2018-19

South Cambridgeshire
District Council

Version Control

	Version No.	Revised version / updates for:	Content / Items for Consideration
Current	1	Executive Management Team (EMT) (17 January 2017)	Initial budget overview and budget proposals
	2	Scrutiny & Overview Committee (6 February 2018)	Proposals of the Executive
	3	Cabinet (7 February 2018)	Proposals to Council Incorporating updates relating to; - Final Local Government Finance Settlement 2018/19 and grant determinations
	4	Council (22 February 2018)	Approved Budget-Setting Report incorporating - Decisions of Council - Appendix B(b) Council Tax Setting following receipt of County Council, Police and Fire Authority precepts

Anticipated Precept Setting Dates

Cambridgeshire Police and Crime Commissioner	Cambridgeshire & Peterborough Fire Authority	Cambridgeshire County Council
31 January 2018	8 February 2018	9 February 2018

Contents

Section No.	Topic	Page No.
1	Introduction	GF 1
2	Local and national policy context	GF 3
3	General Fund resources	GF 12
4	General Fund revenue budgets	GF 28
5	General Fund: Expenditure and funding 2018-19	GF 31
6	Five year General Fund revenue forecast 2018-19 to 2022-23	GF 32
7	Capital	GF 34
8	Risks and reserves	GF 38

Appendices

Reference	Topic	Page No.
A	Fees and charges	GF 41
B	Precautionary items	GF 42
C(a)	Five year General Fund revenue forecast 2018-19 to 2022-23 – Alternative option A	GF 43
C(b)	Five year General Fund revenue forecast 2018-19 to 2022-23 – Alternative option B	GF 46
D	Earmarked and specific funds	GF 47

Section 1

Introduction

Purpose

The Budget-Setting Report (BSR) is designed to provide an integrated view of the council's finances and outlook. It covers General Fund (GF) revenue and capital spending, highlighting the inter-relationships between the two and the resultant implications. Detailed budget proposals for the Housing Revenue Account (HRA) are presented and considered separately from this report.

On 16 November 2017, the Cabinet approved the Medium Term Financial Strategy (MTFS). The MTFS set out the financial strategy for the council in light of local and national policy priorities, external economic factors and the outlook for public sector funding. The MTFS also reviewed key assumptions and risks, thereby confirming the framework for detailed budget work for 2018/19 and beyond.

The BSR reviews the impacts of developments since the MTFS and sets the financial context for the consideration of detailed recommendations to be made at council on 22 February 2018. The document proposes a detailed budget for the next financial year, and indicative budget projections for the following four years.

Background

The financial planning context for the BSR is set by the MTFS. This identified a total net savings requirement of £4.4m over the next 5 years after taking into account changes to base assumptions and pressures and savings identified at that time.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Net savings requirement	0.449	0.562	0.936	1.177	1.280

*this is after the annual vacancy saving of £0.5m allocated across the council

These savings requirements stem from significant reductions in government funding, unavoidable cost increases and pressures. Considerable levels of risk and uncertainty

remain, including the possible impacts of the review of business rates retention and associated additional responsibilities, appeals resulting from business rates revaluation as at April 2017 and the future of New Homes Bonus. Whilst the council has a record of identifying and delivering savings through service reviews and value for money improvements, many such savings have already been delivered and it is becoming more difficult to identify and deliver further savings and efficiencies.

The council continues to deliver a programme of on-going transformation targeted at the way it delivers services and interacts with residents, tenants and other parties. There is an increasing emphasis on identifying and implementing proposals for income generation to make the council more financially sustainable. This BSR builds on what has been achieved with particular emphasis on the continuing delivery of transformation projects.

Key dates

The key member decision-making dates are as follows:

Date	Task
2018	
6 February	Scrutiny and Overview Committee
7 February	Cabinet recommends the budget to Council
22 February	Council approves the budget and sets the council tax for 2018/19

Section 2

Local and national policy context

Local policy context

Corporate Plan

The Corporate Plan sets out the strategic objectives for the council for the years 2017-22. It sets out key activities the council will undertake in order to achieve its strategic objectives and deliver its vision. Success measures and key performance indicators (KPIs) are shown, as are lead portfolio holders and officers. The Corporate Plan provides a key component of the local policy context looking forward over the five year period it covers. It has been updated to reflect structures and responsibility changes.

Review of demographic factors

Demographic factors affect the council's financial strategies in terms of their effect on the level of demand for services, the specific types and nature of services and the income available to the council through council tax.

Projected increases in the number of dwellings within the Greater Cambridge area could amount to 9% over the next five years. Services consider and scenario-plan for the impacts of this growth. The direct budgetary impact of increased population could be a simple proportional uplift of service costs. However in other cases, a review of the current model of service delivery may be required, factoring in not only growth in population and dwellings, but also changes in demand, changes in the nature of that demand and the available funding envelope.

The Greater Cambridge Partnership

The Council is working with Cambridgeshire County Council, Cambridge City Council, the University of Cambridge and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to deliver infrastructure, housing and skills targets as agreed with government in the City Deal (now the Greater Cambridge Partnership). The agreement consists of a grant of up to £500m, to be released over a 15 to 20 year period, expected to

be matched by up to another £500m from local sources, including through the proceeds of growth.

The funding will enhance the status of Greater Cambridge as a prosperous economic area. The Partnership is working to:

- Accelerate the delivery of 33,500 planned homes
- Enable delivery of 1,000 extra affordable new homes on rural exception sites
- Deliver over 420 new apprenticeships for young people
- Provide £1bn of local and national public sector investment, enabling an estimated
- £4bn of private sector investment in the Greater Cambridge area
- Create 44,000 new jobs
- Provide a governance arrangement for joint decision making between local councils

The Partnership is currently developing proposals for transport improvements to enable people, goods and ideas to move more quickly, reliably and sustainably between centres of research, innovation and enterprise, and between places of residence, work and study.

The Partnership is supporting delivery of affordable housing and a skills system that equips more young, local people with the skills they need to engage in the knowledge-based industries that comprise the Cambridge Cluster.

The Partnership is also bringing together public, private and academic experts to develop and exploit “smart city” technologies to help identify and address the challenges that Greater Cambridge faces.

The council, with the other local authority partners, have agreed to create an investment and delivery fund from a proportion of New Homes Bonus (NHB). As a result of this, the BSR considers the application of funds from NHB, earmarking part of future uncommitted funding in line with the expected levels of contribution to the fund.

Cambridgeshire and Peterborough Combined Authority

In November 2016, eight organisations¹ in Cambridgeshire, including South Cambridgeshire District Council, agreed a devolution deal with the government to form the Cambridgeshire and Peterborough Combined Authority (CPCA). The deal gives delegated powers to the CPCA and a new elected Mayor and brings funding to the region. Following elections on 5 May 2017, James Palmer was elected as Mayor for the Combined Authority. Councillor Peter Topping represents the council on the CPCA.

The CPCA will receive funding and powers from central government in a number of areas including:

- £100 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing, plus £70m for Cambridge City Council to deliver at least 500 new council homes.
- £20 million a year funding over 30 years to support infrastructure and boost economic growth in the region

The key ambitions for the CA include:

- doubling the size of the local economy
- accelerating house building rates
- improving transport and digital infrastructure.

It has been agreed that CPCA costs will be funded from the gain share grant and therefore there will be no charge to the Council for this. The Mayor has the power to raise a precept (i.e. a separate additional element of council tax to fund the running costs of the Mayoral office). The earliest this could take effect is from 2018/19.

The CPCA (but not the Mayor) can levy constituent councils to make a contribution towards its functions but this would need to be unanimously agreed by those authorities through the budget making process for the CPCA. Each Council could also decide voluntarily to make a financial contribution to the CPCA.

¹ Cambridge City Council; Cambridgeshire County Council; East Cambridgeshire District Council; Fenland District Council; Huntingdonshire District Council; Peterborough City Council; South Cambridgeshire District Council; Greater Cambridge Greater Peterborough Local Enterprise Partnership

South Cambridgeshire District Council will be acting as the lead partner for the delivery of the £100m affordable housing programme on behalf of the Cambridgeshire and Peterborough Combined Authority (CPCA). South Cambridgeshire have led on the housing stream to date, working to secure the £170m and the delivery of the Mayors 100-day targets for housing. This has helped raise the profile of the Council, which has earned a national reputation as a forward thinking and outward looking council and one that is serious about delivering on housing. To take on the delivery role for the £100m affordable housing programme would further cement this reputation. The CPCA will still hold the £100m and make all of the payments; the Council's role will be to host the team that will determine subject to approval, which schemes for affordable housing can be funded so the Council can lead on this project without having to get involved in the detailed accounting aspects of the work. Budget estimates include staffing and other costs to be borne by the Council, these are then offset by the same amount being recharged to CPCA, therefore making no impact on the net portfolio expenditure.

The district's economy should benefit from the additional investment and improved infrastructure in the local area that the CPCA brings.

Shared services

The council shares some services with neighbouring councils and is working to develop other shared services. Benefits include improvements in service delivery, efficiencies and greater resilience. The following services are delivered in two or three way partnerships:

Building Control (3 partners)	Legal (3)	ICT (3)
Housing Development Agency (2)	Home Improvement Agency (2)	
Internal Audit (2)	Waste & Recycling (2)	Payroll (2)

Staff consultation is underway for The Greater Cambridge Planning Service together with the drafting of a Memorandum of Understanding. The business transfer is due on 1 April 2018 with full systems integration by December 2018.

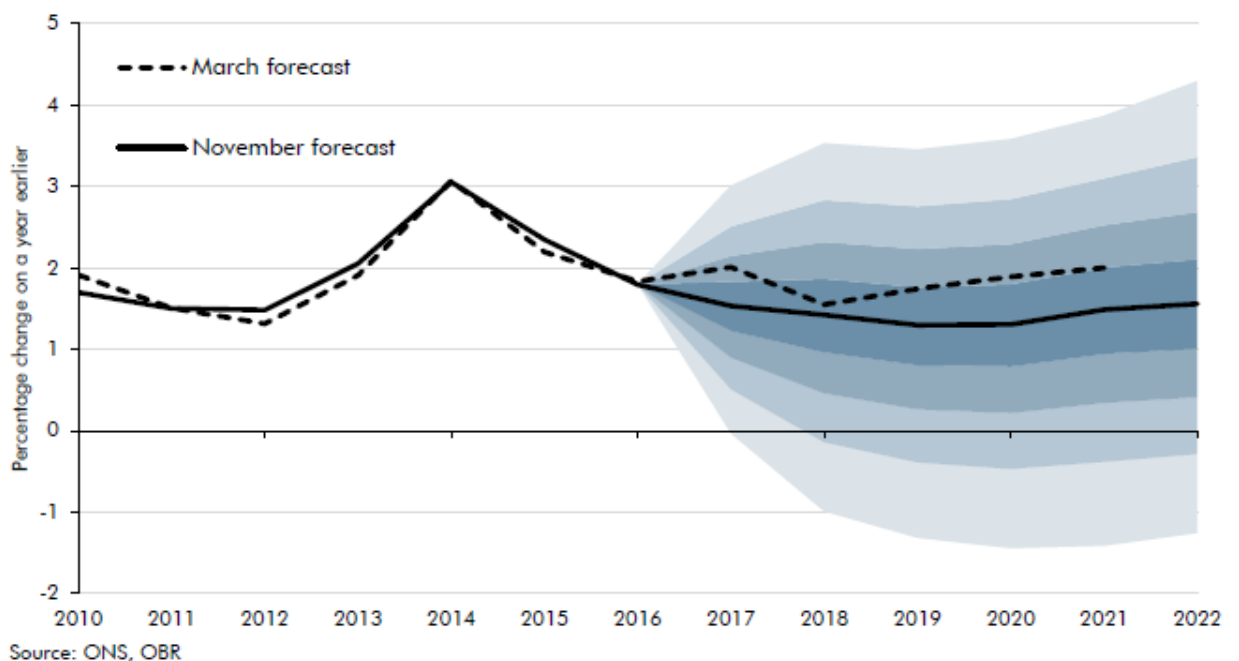
National policy context

Economic factors

2017 has seen a number of developments in the UK, EU, US and beyond that have a major impact on economic forecasts. These include Brexit and the results of the US Presidential election, UK General Election and the risk of a change of government. These have caused volatility in currency, bond and stock markets around the world and make forecasting fraught with difficulty. In particular, the decline in the £ sterling against the US Dollar has contributed to a higher rate of inflation. Economic forecasters are considering various factors which, whilst not directly impacting on the delivery of public services in general and those of second tier authorities in particular, will give rise to uncertainty in their minds and thus in their published prognoses. Areas causing concern include:

- The pace of Brexit negotiations
- The eventual timing of the UK leaving the EU
- The pace of GDP growth
- Recovery of sterling against major currencies
- Changes to net migration figures and their impact on the economy
- Overall unemployment

The Office of Budget Responsibility (OBR) forecasts a reduction in Gross Domestic Product (GDP) growth but continuing low unemployment until the National Living Wage prices some workers out of employment. The key contributor in the downward GDP forecast is the reduction in productivity which depresses growth in GDP and in the major tax bases. The real (GDP) fan chart below illustrates the level of future uncertainty.



Forecasts confirm that the government is unlikely to achieve a balanced budget in the current parliament. Originally a budget surplus was projected for 2020/21 but the Office for Budget Responsibility (OBR) now consider that a surplus may not be achieved until 2025/26 – which is outside their normal forecasting range.

Public sector net borrowing has fallen more quickly than anticipated:

"... the public finances have performed better than expected. The Office for National Statistics has revised borrowing in 2016-17 sharply lower, relative to its initial estimate and our March forecast." ²

Faced with a weaker outlook for the economy and the public finances, and growing pressures on public services following years of cuts, the government has chosen to deliver a significant near-term fiscal giveaway. Consistent with the pattern of many past fiscal events, the policy easing is then scaled back in future years, with a small fiscal tightening ultimately pencilled in for 2022-23 in the form of further cuts in public services spending as a share of GDP.

Bank of England forecasts from the November 2017 inflation report are as follows:

Forecast % at December	2017	2018	2019	2020
Gross Domestic Product (GDP)	1.4	1.7	1.7	1.7
Consumer Index (CPI)	3.0	2.4	2.2	2.1
Unemployment rate	4.2	4.2	4.2	4.3
Bank base rate	0.4	0.7	0.9	1.0

These inflation forecasts show an over-provision of inflation in the MTFS of approximately 0.2% in 2018/19 (~£40k) increasing marginally over time. No adjustment to budgets is proposed, as these amounts are minor in relation to overall expenditure.

Interest rates

Interest rates are set by the Bank's Monetary Policy Committee, which increased the bank base rate to 0.25% on 1 November 2017 and reported:

² OBR "Economic and fiscal outlook – November 2017"

“Inflation is above our 2% target, because of the sharp fall in the pound triggered by the EU referendum. We have to balance how quickly we take inflation back to the target with the support we give to jobs and activity. With more people in work and growth in the economy steady, there are limits to the extent to which we can accept above-target inflation. People need to be able to rely on low and stable inflation. To make sure of that, we need to keep economic growth around its new, lower, speed limit.

To ensure a sustainable return of inflation to the target we have raised interest rates from 0.25% to 0.5%. That means taking our foot a little off the accelerator, reducing slightly the amount of support we are providing to the economy. We expect any further rises to happen at a gradual pace and to a limited extent. Interest rates are likely to remain substantially lower than a decade ago.”

Latest projections for interest rates at November 2017, set out below, show a rise from the current 0.5% to 1.25% by September 2020.

	NOW	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

Interest rates projection at November 2017(Link Asset Services)

2017 Budget Statement

The government published the Budget on 22 November 2017.

In light of the deteriorating economic context, the government has chosen to borrow to invest in infrastructure and innovation targeted at improving productivity. Government departments will continue to deliver spending plans set at Spending Review 2015. The efficiency review announced at Budget 2016, designed to deliver £3.5bn of savings, was reaffirmed. As a result, government department spending control totals are unchanged and are expected to grow with inflation in 2021/22 and 2022/23.

The statement contained some items of relevance to the council, with little or no impact on the council's GF budget in the short-term, but with prospects for a longer term effect:

- 3% rise in business rates with the inflator moving from RPI to the lower CPI. The frequency of business revaluations will increase from quinquennial to triennial.
- The national Living Wage will be increased by 4.4% to £7.83/hour from April 2018 as recommended by the Low Pay Commission. The £9/hour target by 2020 is unlikely to be met
- Reforms to off payroll working rules introduced last year in the public sector will move to the private sector by 2019. Experience has shown that this merely increases staff costs because, in a scarce employment market, the contractor can demand and secure the same effective net income.
- A reduction in liability to Stamp Duty Land Tax (SDLT) for first time house buyers up to £300,000 subject to a maximum property value of £500,000.
- The Chancellor confirmed that he would move away from the 1% public sector pay cap
- The government has agreed a pilot of 100% business rates retention in London in 2018-19.
- Universal credit wait reduced from 5 to 4 weeks; implementation in Cambridge deferred from June to October 2018
- £1.7 billion for a Transforming Cities Fund to improve local transport connections

Cambridge – Milton Keynes – Oxford corridor

- The Budget sets out an integrated programme of infrastructure, housing, business investment and development for the corridor between Oxford and Cambridge.
- The government aims to build 1 million new homes along the corridor by 2050 to maximise its economic potential, starting with a housing deal with Oxfordshire for 100,000 homes by 2030 and working with Central and Eastern sections on commitments in 2018.
- By 2024 the western section of East West Rail will be complete, allowing services between Oxford and Bedford, and Aylesbury and Milton Keynes. A new East West Rail Company is being established to accelerate delivery of the central section between Bedford and Cambridge, aiming for completion by the mid-2020s.
- Working in partnership with local stakeholders, the government is committing £5 million to develop proposals for Cambridge South station, and is starting a study on

the enhancements needed to accommodate future rail growth across Cambridgeshire.

- Construction will begin on key elements of the Expressway between Cambridge and Oxford in the second Roads Investment Strategy. The government will accelerate work on the 'missing link' elements of the Expressway so that it is ready to open by 2030.

Planning

In an effort to re-energise the housing market, the Chancellor made several announcements:

- Consultation to ensure that allocated land should be taken out of a plan if there is no prospect of a planning application being made
- Intervention where there is a failure to progress Local Plans
- First-time buyer led developments will be granted permission on land outside their plan where a high proportion are offered for discounted sale for first-time buyers, or for affordable rent
- Increasing housing density in urban areas, including conversion of retail and employment land to housing
- Expecting local authorities to bring forward 20% of their housing supply as small sites
- A consultation into the setting and indexation of Community Infrastructure Levy (CIL)

This was the government's first Autumn Budget, the next statement being an early 2018 forecast from the OBR followed by a Spring Statement.

Section 3

General Fund resources

Local government finance settlement 2018/19

In December 2015, as part of the provisional local government settlement, a four year funding guarantee was offered to councils that submit an efficiency plan. The council's plan has been accepted by government, confirming revenue support grant (RSG) and baseline levels of business rates for 2016-17 to 2019-20.

The provisional finance settlement was published on 19 December 2017 with the final settlement expected in January or February 2018. The provisional settlement provides funding figures for 2018/19 and indicative figures for the following year. However, certain elements are subject to the funding guarantee described above.

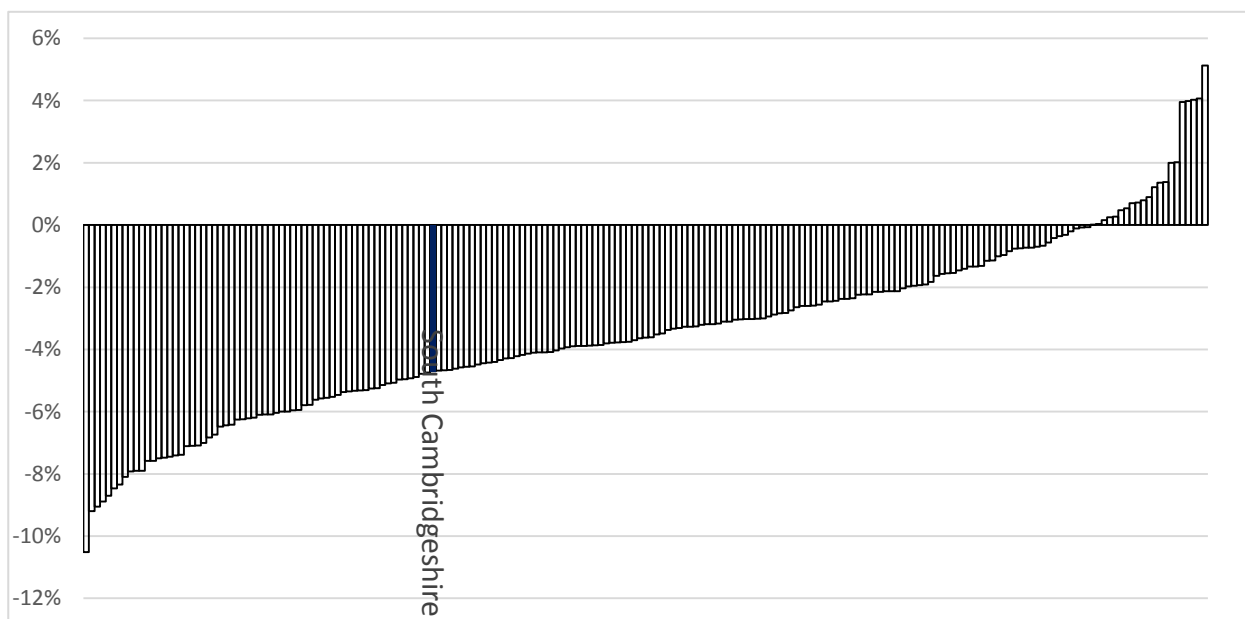
Uncertainty remains for 2020/21 and beyond as government continues to develop the 100% business rates retention scheme, although there are now indications that retention may not progress beyond 75%. This work includes identifying further responsibilities to devolve to councils to match higher levels of business rates retention and a review of needs and distribution, now known as the Fair Funding Review. The government has confirmed expectations that the Fair Funding Review will be finished in time for implementation in April 2020.

Core spending power

Element of core spending power (£000)	2017-18	2018-19 Provisional	Change	2019-20
Settlement Funding Assessment (SFA):				
- Business rates baseline	2,470	2,546	3%	2,603
- Revenue Support Grant (RSG)	230	-		-
- Business rate tariff adjustment		(191)	(183%)	(661)
Total SFA - per 2017/18 finance settlement	2,700	2,355	(13%)	1,942
- Rural Services Grant	105	105	0%	105
- Transition Grant	76	-	(100%)	-
New Homes Bonus (NHB) grant ¹	3,926	3,010	(23%)	2,581
Council tax income ¹	8,234	8,658	5%	9,093
Core spending power	15,041	14,128	(6%)	13,720

¹ – Figures based on government projections

Lower Tier Authorities: Change in core spending power 2018/19



The core spending power measure, based on illustrative amounts for NHB, shows a decline of 13.5% over the four years of the spending review period.

There are no material changes in the SFA from that included in MTFS 2017, as this funding was guaranteed following the government's acceptance of the council's efficiency plan.

However, Rural Services Delivery Grant was retained at 2017/18 levels, rather than being reduced to £81k as expected.

Future prospects

Projections assume that the level of Settlement Funding Assessment (SFA) for 2019/20 will be as indicated in the 2018/19 settlement. There is considerable uncertainty relating to the SFA for 2020/21, 2021/22 and 2022/23, as this is beyond the current parliamentary term and after the possible implementation of 100% business rates retention. Indeed, it is now thought that the local share of business rates will only increase to 75% rather than 100% and that the tier split may also be changed. The outcome of the Fair Funding Review and a probable baseline reset create further uncertainty. The government has also indicated that it will consider the impact of negative RSG on the sector, which is welcome, but gives rise to additional uncertainty in the numbers presented. Therefore in the absence of better information, the overall SFA has been assumed to remain at 2019/20 levels.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Revenue Support Grant (RSG)	-	-	-	-	-
Business rates baseline (no accumulated growth)	2,546	2,603	2,603	2,603	2,603
Business rate tariff adjustment / negative RSG	(191)	(661)	(661)	(661)	(661)
Total SFA - per 2018/19 finance settlement and projections	2,355	1,942	1,942	1,942	1,942

The final settlement will provide confirmed amounts for the SFA for 2018/19 and 2019/20. However, NHB and therefore core spending power is not guaranteed by the multiyear settlement.

Local retention of business rates

The SFA approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (indexed linked from an initial assessment in 2013/14) with the level of rates receivable above that being taken by government as a 'tariff' – which will be used to 'top up' local authorities who would receive less than their funding level. Government intends that this will be fixed until 2020.

In addition, the council can retain 50% of any business rates collected above the assumed baseline level, paying the remainder to central government as a 'levy'. If business rates income falls to less than 92.5% of the baseline, the council receives a 'safety net' payment so that any loss of income below the baseline is capped at 7.5%

One of the challenges faced by all authorities is effectively predicting the level of movement in the business rate tax base. This is dependent on accurately forecasting the timing and incidences of new properties, demolitions and significant refurbishments – together with the consequent effect on valuations. This is further complicated by the need to assess the level of appeals that will be lodged successfully against new / revised valuations, together with their timing.

Although there has been growth in the tax base in the area since the scheme started in 2013/14, there have also been significant reductions as a result of the settling of appeals against rateable value (including backdated aspects).

Forecasting the effects and timing of new development and redevelopment on the area's tax base remains difficult. Significant changes include the introduction of three Enterprise Zones within the district at Cambourne, Waterbeach and Northstowe, and the transfer of Papworth Hospital facilities to Cambridge, followed by redevelopment of the Papworth site. The business rates taxbase could also be impacted by an outstanding application from a network provider to transfer their hereditaments from the council's list to the central list. Together, the potential loss of business rates income from the Papworth site and the network provider have impacted forecasts of business rates income to the council by around £600k per year.

There are also significant uncertainties around the operation of the business rates retention scheme in the next few years.

The DCLG began working with local authorities and other interested parties in 2016 on changes to the local government finance system to pave the way for the implementation of 100% business rate retention. Progress on the design of any future scheme was halted by the General Election and it became clear that there was unlikely to be the capacity for government to consider the primary legislation required for 100% retention. However, as part of the settlement announcement in December the DCLG gave some indication about the future shape of Business Rates Retention.

The Secretary of State has announced that the local share in the Business Rates Retention Scheme (BRRS) will increase from 50% to 75% in 2020/21.

The review is likely to rebalance the distribution of business rates away from district councils towards those authorities with social care responsibilities, for example by changing the tariff and top up payments, or the relative shares of income between the tiers of local government. The government has also indicated that the increase in the retention percentage will mean the transfer of additional responsibilities to local government.

It remains difficult to forecast the appeals position accurately. There was a business rates revaluation at 1 April 2017. Alongside this there was a move to a process of 'Check, Challenge, Appeal' in respect of valuations. Nationally there has been very little activity in respect of businesses appealing their rateable values and this makes the appeals position for the 2017 list particularly challenging.

There are also uncertainties in respect of residual 2010 list appeals, with appeals settled elsewhere in the country having knock-on effects nationally. NHS Foundation Trusts, including those in the city, are also pursuing a claim for award of mandatory charitable relief, backdated a number of years.

Given these uncertainties, the BSR takes a cautious approach to forecasting business rates income, particularly after the changes due in 2020-21, where figures from the council's advisers, Pixel, are used.

New Homes Bonus

The allocation of NHB for 2018/19 was announced by the DCLG in December 2017 and forms the basis for BSR 2018/19. An illustrative amount for 2019/20 was provided within the provisional finance settlement, see above.

The provisional settlement confirms that the length of time that the bonus is paid for will reduce from five to four years as expected. The threshold over which the bonus is paid will remain at 0.4% for 2018/19, allaying some concerns that the government would use this mechanism to reduce payments further.

The government has also decided not to go ahead with changes consulted on which would have meant the bonus being withheld for homes that have been approved on appeal.

The settlement provides illustrative NHB allocations to authorities for 2018-19 and 2019-20 by apportioning the total available funding over councils on the basis of the percentage allocation for 2017-18. The table below includes updated estimates of future NHB payments based on expected housing completions, four years of payment for bonus awarded in 2018/19 and thereafter and 0.4% deadweight threshold. Any changes in these factors could materially affect these estimates.

NHB projections	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000
MTFS November 2017		3,038	3,181	4,066	5,617
MTFS January 2018	3,926	3,010	3,006	2,565	4,089
Government's illustrative allocations December 2017	3,926	3,010	2,581		

NHB is currently used to fund £1.8m of General Fund growth expenditure and small amounts of revenue expenditure on infrastructure projects supporting growth. Currently 40% of NHB is set aside as a contribution to the Greater Cambridge Partnership Investment and Delivery Fund, with remaining amounts reserved for the A14 upgrade contribution. However, the council's revenue expenditure and the A14 upgrade contribution take priority over the contribution to the Greater Cambridge Partnership Investment and Delivery Fund.

New Homes Bonus	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-22 £000
Confirmed NHB funding at February 2017 BSR	3,038	3,181	4,066	5,617	
Add					
Confirmed NHB receipts for 2017-18	530	530	530	530	-
Estimated NHB receipts for 2018-19	-	1,012	1,012	1,012	1,012
Estimated NHB receipts for 2019-20	-	-	610	610	610
Estimated NHB receipts for 2020-21	-	-	-	1,938	1,938
Potential New Homes Bonus Total	3,010	3,006	2,565	4,089	3,560
Commitments against NHB					
Contribution to GF	1,803	1,803	1,803	1,803	1,803
Infrastructure Projects	285	65	15	15	15
Contribution to Greater Cambridge Partnership Investment and Delivery Fund (Balancing figure)	922 (31%)	1,138 (38%)	747 (29%)	712 (17%)	1,742 (49%)
Contribution to A14	-	-	-	5,000	-
Use of Infrastructure reserve fund	-	-	-	(3,441)	-
Total commitments against NHB	3,010	3,006	2,565	4,089	3,560
Surplus / (Deficit) for the year allocated to the Infrastructure reserve fund	-	-	-	-	-

The table above shows that it is no longer possible to contribute 40% of NHB receipts to the Investment and Delivery Fund whilst maintaining expected finding levels for growth. Levels of contribution will need to be addressed in negotiation with partners.

Fees and charges

In line with increases in income assumed within the MTFs, proposals for increases to fees and charges are set out in Appendix A.

Earmarked and specific funds

In addition to general reserves, the council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has

been received for a specific purpose but not yet spent. Details of opening and closing balances, with approved/anticipated use over the budget period are set out in Appendix D.

The major earmarked and specific funds are listed below with balances as at 1 April 2017.

General Fund Revenue Reserves - £17,207k

New Homes Bonus Infrastructure Reserve - £7,637k

NHB monies the authority receives from the Government, which are not used towards GF expenditure previously funded by Housing & Planning Delivery Grant or to meet Local Plan and associated costs; the A14 contribution of £5m will eventually come from this reserve, as well as any Greater Cambridge Partnership funding commitments. £517k contribution was accrued in 2016/17; this will be reflected in this reserve in 2017/18.

It is recommended that commitments SCDC needs to meet from this reserve are reevaluated and any surplus is released.

Business Rates Growth and Renewables Reserve - £6,278k

Set up at the end of 2015/16 in order to fund an investment programme to build new sources of renewable energy. A proposal for use of these funds prepared by the Policy team has been presented to EMT on 27 September 2017. This will utilise £1.2m element of the reserve arising from the Business Rates received from the Renewable Energy sources and permitted to be retained locally at 100% in order to be reinvested back in Renewable Energy. Remainder of the reserve are the funds from the rates retention pilot. At this time, the Council is not clear if any conditions are attached to the retention of these funds.

It is recommended that clarification is obtained regarding potential conditions for the use of the funds before releasing any unused funds.

Pension Deficit Reserve - £702k

An allocation from employer pension contributions to meet the current deficit on the Cambridgeshire Local Government Pension Scheme over the next few years. To be retained.

Planning Enforcement Reserve - £500k

Established to meet legal and other costs arising from planning enforcement actions. This reserve is to be maintained in case of major enforcement and will be topped back up if used.

Business Efficiency Reserve - £340k

Set aside to meet costs associated with council actions, implementation of the Business Improvement and Efficiency Programme and Commercialisation Programme projects and the Shared Services Programme. Annual contribution of £50k is budgeted for transfer to this reserve. The Leaders of Cambridge City Council, Huntingdonshire District Council and SCDC have committed £200k of this reserve towards the costs of the 3C Programme Office over two years. This reserve is due to be reduced by £60k to cover the costs of the 3C Shared Services Hub for 2016/17 and a further £40k relating to the budgeted costs of the 3C Shared Services Hub for 2017/18, making the two year cost of the 3C Shared Services Hub £100K instead of £200k.

It is recommended that annual contributions to this reserve are stopped and the available remaining funds are used to continue the work of setting up the Shared Services.

Business Accommodation Reserves - £98k

Consisted of the Cambourne Office reserve of £23k relating to the access road and the Facilities Reserve of £75k created in 2015/16 to spread the cost of repairs. There is a separate capital reserve specifically for capital improvements to the Cambourne office (see below).

It is recommended that the reserves relating to the Cambourne office and Facilities improvements are used to fund the bids for office refurbishment programmes.

Sustainability -climate change - £117k

Set aside to fund future initiatives on sustainability projects such as the one recently delivered on the Cambridge Green Deal. There are likely to be an increased number of these with the development of Northstowe and other growth area developments. No funds from these reserve have been spent since 2015.

It is recommended that this reserve is released.

Private Stock Condition Survey - £75k

Set aside to fund a future survey on the condition of private housing in the district. This is part of a Housing Standards initiative. It was a statutory obligation imposed on local authorities to undertake a survey of this nature every 5 years - £15k is set aside from budget each year (including 2017-18) to meet these 5 year costs.

It is recommended that the value in this reserve is reviewed against the timing and potential cost of the survey it was set up to fund.

Children & Young People- £75k

Set side to fund the current and future costs of the South Cambridgeshire and Cambridge City Children and Young People Area Partnership. SCDC provide the financial support and administer the finances on behalf of the South Cambridgeshire and Cambridge City Children and Young Peoples Area Partnership. This is a partnership reserve shared with the County.

Business Hub- £67k

Reserve set up in 2015/16 to support the Business Hub initiative. Funds in this reserve include funds from the County Council (originally £72K), which cannot be used without their consent.

Land Charges- appropriations - £19k

Set aside to either provide capital investment in Land Charges e.g. electronic service delivery or to offset unforeseen revenue demands that accrue but cannot be recovered through the current fee structure, set at the start of the year. The reserve has been accumulated in recent years from high income levels, which have out-stripped costs; a significant amount was withdrawn from this reserve in 2016-17 and by its nature, can only be utilised through the Land Charges function.

Planning Reserves - £974k

Major Developments Fees and Parish Liaison Reserve - £472k

Northstowe Reserve - £128k

These two reserves have been established from pre-app and planning application fees received in respect of Northstowe and other major developments, identified separately in recognition of their importance, to be called on as and when necessary to ensure planning teams are resourced to support and progress applications for those developments.

This includes the balance remaining from the Planning Enforcement Reserve when it was decided to reduce that reserve from a maximum of £1m to £500,000, set aside to fund two two-year fixed term posts, one in housing and one in planning, to support parish liaison and site development initiatives.

Due to the shortfall in the Development Management income this year, it is expected that £150k transfer from reserves will be required to cover the additional funds allocated to this Cost Centre in the budget and originally covered by additional savings requirement for the same value. It is recommended that remainder of the reserve is used to cover Planning bids for funds in 2018-19.

Planning Fee Reserve excl Northstowe - growth agenda - £179k

Parish Liaison & Site Development Reserve - £100k

These are general use reserves to be used to support Growth budget or additional Planning service requirements as and when necessary.

A detailed 5-year project plan for Growth sets out periodic shortfalls in revenue versus costs and would indicate when and how much for this reserve needs to be allocated for this purpose. This is due to be presented to Finance shortly. It is recommended that this is reviewed and any remainder of the reserve is used towards Planning service bids for 2018-19 or released.

Planning other - £95k

Includes Enforcement of unauthorised developments, Habitat Regulations Assessment, Legal costs: re Northstowe Trust.

This reserve has not been used in the last 2 years and is therefore recommended for release.

Shared Waste Service - £45k

Included with S106 Developers' Contributions Revenue reserves in the accounts. Set up to meet the authority's share of costs resulting from implementation of the Single Shared Waste Service with Cambridge City Council. Reduced from £126k in February 2016 MTFS and £85k in February 2017 MTFS.

Capital Reserves - £1,084k

Refuse Collection reserve - £407k

Refuse Supervisors' vehicles - £46k

This is a sinking fund being built-up to fund future replacement vehicles for the Shared Waste Service. There is also a sum of £46k set aside for replacement of Supervisors' vehicles.

Street Cleansing reserve - £229k

This is a sinking fund being built-up to fund future replacement vehicles for the Street Cleansing Service.

Air Quality monitoring - £119k

The reserve was set up to fund replacement of equipment used for Air Quality monitoring.

Footway Lighting reserve - £87k

The reserve was set up in 2015-16 to fund the future planned replacement programme of those lights identified as of higher priority in the electrical and safety inspection survey undertaken recently.

Cambourne Office - £83k

The reserve was set up in 2008 for improvements to the office building; this was earmarked for refurbishment projects including moving the meeting rooms to a new location.

There is a separate Cambourne office revenue reserve of £23k (mentioned above).

It is recommended that this reserve is used towards the bids submitted for 2018-19 projects.

Heritage initiatives and historic buildings - £40k

The Reserves for Heritage and Historic Buildings consists of the following:

The Historic Buildings/Conservation Area Grants Reserve, which appears to have been overspent and currently has a debit balance of £28k.

The Preservation of Historic Buildings Reserve, first established in 1982 to provide the means, in the last resort, to save buildings at risk. It has enabled the Council to use its statutory powers, which could lead to compulsory purchase, repair and resale of such property. This Reserve currently has a balance of £35k.

The Heritage Initiatives Reserve set up in 1996/97 with a one-off contribution of £200,000, for use over a number of years to fund larger conservation projects. The balance of this Reserve is currently £34k.

No use of these reserves was made in the last 2 years, therefore these are recommended for release.

Community Development - Capital - £35k

This reserve has been given up to provide extra Community Chest funding in 2017/18.

GF Revenue Reserves - Other - £326k

Swavesey Byeways Fund - £6k

Built up from the under-utilisation of the money paid through the ratepayers charge. Essentially not owned by SCDC and should be spent on future investment in maintaining the Byeways.

South Cambs Crime & Disorder Partnership - £33k

Partnership reserve held on behalf of the South Cambridgeshire Crime & Disorder Reduction Partnership. Any decision to utilise spend from this is made at Board level.

Community Chest Grants - £1k

Commitment made at the end of the financial year, which hasn't yet been paid – this has now been paid.

Taxi Licensing Reserve - £67k

Fund has been built up recently from excess income generated through the service compared to how much it costs to administer the function. Excess fee income must be re-invested back into the service or licence fees reduced to offset this excess sum on account. Plans are in-place to draw-down from this fund by employing additional resource to cope with the high demand whilst keeping the licensing fee within current levels in the short term.

RCV (Refuse Collection Vehicle) Sinking Fund - £41k

This is a revenue fund, which we make contributions to as an insurance against heavy maintenance and repair costs that may be incurred on RCV's beyond their warranty period e.g. new engine or gearbox, which aren't budgeted for within the running maintenance budget. Previously, these heavy costs would be covered under the contract lease agreement but SCDC are moving away from this policy to one of asset ownership.

Street Cleansing Vehicles Sinking Fund - £24k

Ditto the above but in respect to Street Cleansing vehicles.

Air Quality Monitoring x2 - £29k + £6k

These are in respect of two separate s106 agreements, one at Northstowe (£29k) and one on the Cambridge NW development site (£6k). These s106 will have conditions attached to them ensuring that the funds are spent in accordance with the purpose set out in the agreement.

Health & Environmental Services - £24k

Council was successful in securing funding from Improvement East towards a new systems thinking process design. Funds from this are earmarked towards the facilitation of better mobile working strategy within the H&ES department.

Travellers Site Reserve - £50k

This fund has built-up in the last two years from the excess rental income generated from the two Council owned sites at Milton and Whaddon. Both sites have had capital injected in them recently and as such are relatively newly developed with low maintenance costs, meaning rental income as out-stripped the costs of running the sites. The money on this fund

could be used for future capital improvements in the sites or used to counter-balance unexpected and therefore unbudgeted day-to-day running costs.

Waterbeach Depot - £5k

There is an annual £5k appropriation into this fund (jointly funded with Cambridge City Council) as an insurance against any unexpected maintenance costs, which as tenants, we'd be expected to cover. It is proposed that a ceiling level be set for this so that when it reaches this point e.g. £20k, no more extra money is put in, only replenishments up to the £20k.

Webbs Hole Sluice - £3k

It was decided last year to build up a £15k sinking fund to cover the costs of any major overhaul and servicing works required at the pumping station which it was felt would be needed every 5-years. Therefore, the £3k represents the first year of the 5-years.

Planning Policy – new earmarked reserve

A further earmarked reserve is proposed to be created as approved by EMT on 3 January 2018.

A Planning Policy reserve is to be created with the funds allocated from

- Roll over from year 2016-17 relating to the Local Plan (£223,877);
- To be topped up from the underspend projected to occur this year and to be used for future “commissioning” of SCDC specific policy work from the shared planning service policy team.

Creation of the reserve is based on the need for a carry forward of unspent funds associated with the delay in adoption of the Local Plan and associated projects (such as CIL) – which will push some of the final bills and costs into 2018/19.

Tax base and council tax

Tax base

The tax base is one element in determining both the level of council tax to be set and the amount it is estimated will be collected. This calculation is governed by regulation and the formal setting of the tax base is delegated to the council's Chief Finance Officer to enable notification to be made to the major precepting authorities during January each year.

The tax base reflects the number of domestic properties in the district expressed as an equivalent number of band D properties, calculated using the relative weightings for each property band. The calculation of the tax base takes account of various discounts (for example a 25% discount for single adult households) exemptions and reliefs. Allowances are also made for the projected growth in the number of dwellings as well as including a deduction assumed for non-collection.

The tax base for 2018/19 has been calculated as 61,410.2. This reflects a 0.9% increase in the tax base compared with 2017-18.

Collection fund

Operation of the fund

The collection fund is a statutory fund, maintained by billing authorities such as the council, into which income from council tax and business rates is recorded and out of which respective amounts set for the year, are paid to the council and precepting bodies.

Council tax thresholds

Under the Localism Act, local authorities are required to hold a local referendum if they propose to increase Council tax above the relevant limit set by the Secretary of State.

In recent years this threshold has been set at 2%, with some shire districts, including this council, permitted to increase their element of council tax by up to £5, where this is higher than 2%. For 2018-19, the government has proposed that all shire districts can raise council tax for a band D property up to 3% or £5, whichever is higher. As a £5 increase is equivalent to 3.7%, this council does not have the option to propose an increase above £5 without holding a referendum.

The overall effect of the referendum requirements is such that a local authority would need to have reasonable expectation of public support for a level of council tax increase deemed to be excessive compared to the threshold, if acting in a prudent manner.

Council tax level

The option presented in this report is to increase Council tax by £5 p.a. in 2018/19 and each year thereafter.

	District council tax 2017-18 £	District council tax 2018-19 £	Difference £
Band A	90.21	93.54	3.33
Band B	105.24	109.13	3.89
Band C	120.28	124.72	4.44
Band D	135.31	140.31	5.00
Band E	165.38	171.49	6.11
Band F	195.45	202.67	7.22
Band G	225.52	233.85	8.33
Band H	270.62	280.62	10.00

Section 4

General Fund revenue budgets

Revised budget 2017-18

GF revenue budgets for the current year (2017-18) were reviewed as part of the MTFS. No adjustment of 2017-18 revenue budgets is proposed, as budgets are monitored monthly through the review of variances and forecast outturns, and management actions taken to ensure that spending is controlled and income optimised.

Budget 2018-19

Detailed budget estimates have been prepared for 2018-19, incorporating pressures, savings and additional income identified in the MTFS in November 2017. The resulting budget estimates are presented in Section 5. The GF revenue projections for 2019-20 to 2022-23 have been reviewed and changes proposed. These proposals are listed below and the resulting GF revenue forecast is presented in Section 6.

NET EXPENDITURE	Estimate 2017-18 £000	2017-18 Inflated by 2% £000	Estimate 2018-19 £000	Difference £000
Portfolio				
Leader	398	406	357	(49)
Finance and Staffing	3,480	3,550	3,548	(2)
Corporate and Customer Services	1,985	2,024	2,818	794
Economic Development	211	216	203	(13)
Environmental Services	5,789	5,905	5,677	(228)
Health & Wellbeing	288	294	412	118
Housing (General Fund)	1,621	1,654	1,382	(272)
Planning	2,688	2,742	3,466	724
Greater Cambridge Partnership	-	-	39	39
Strategic Planning and Transportation	1,112	1,135	1,072	(63)
Items not currently included in recharges	-	-	249	249
Fully Allocated Net Portfolio Expenditure	17,573	17,924	19,223	1,650

Precautionary items

These are items of expenditure, which may or may not occur and are listed in Appendix B. The Finance and Staffing Portfolio Holder and the Chief Finance Officer have delegated authority to approve such expenditure. A budget of £75k has been assigned for precautionary items, but if this is exceeded spending up to the level indicated would be met from reserves.

Bids and Savings

Revenue and capital bids are submitted for review, assessment and recommendation to council for funding. Tables of bids to be recommended are attached in Appendix C(a) – Revenue, and Appendix C(b) – Capital.

Strategy to deliver net savings target

There are a number of ways that the council will address the net savings target:

- The council's housing company, Ermine Street Housing Limited (ESH), is expected to expand, requiring further loans from the council to buy houses for market rent. To date, returns forecast in the company's business plan have been achieved a year ahead of schedule. However, whilst increased returns are expected to be significant, the timing and amounts are dependent on the local housing market and general economic factors. The MTFS includes returns estimated in line with the latest ESH business plan.
- A programme of transformation and service review will be developed to ensure that the council is 'fit for the future'.
- Further opportunities will be sought to identify and develop income streams through the commercialisation of council services where appropriate.
- Opportunities for investment of council funds, for example, in commercial property and green energy projects, will be explored.

Section 5

General Fund: Expenditure and funding 2018-19

NET EXPENDITURE	Estimate 2017-2018 £000	Estimate 2018-2019 £000
Portfolio		
Leader	398	357
Finance and Staffing	3,480	3,548
Corporate and Customer Services	1,985	2,818
Economic Development	211	203
Environmental Services	5,789	5,677
Health & Wellbeing	288	412
Housing (General Fund)	1,621	1,382
Planning	2,688	3,466
City Deal	-	39
Strategic Planning and Transportation	1,112	1,072
Items currently not included within Recharges - 09/01/18		249
Fully Allocated Net Portfolio Expenditure	17,573	19,223
Reduction for vacancies	(450)	-
City Deal Funding Contribution	1,570	922
(Surplus)/Deficit on Infrastructure Reserve Fund	353	-
Savings not included in Portfolio estimates	(163)	(449)
Expenditure on Precautionary Items	75	75
Council Actions	50	50
Net Portfolio Expenditure	19,008	19,820
Internal Drainage Boards	198	198
Interest on Balances	(800)	(1,702)
Capital Charges, etc.	(864)	(864)
Net District Council General Fund Expenditure	17,542	17,452
Appropriation to/(from) Earmarked Reserves	399	(443)
Appropriation to/(from) Earmarked Reserves included in recharges to services	(55)	-
New Homes Bonus	(3,926)	(3,010)
General Expenses (Budget Requirement for capping purposes)	13,960	14,000
Revenue Support Grant	(230)	191
Rural Services Grant	(105)	(105)
Transition Grant	(76)	-
Retained Business Rates and Grant	(3,752)	(5,470)
(Surplus)/Deficit on Collection Fund re Council Tax	(46)	-
(Surplus)/Deficit on Collection Fund re Business Rates	(1,518)	-
Demand on Collection Fund to be raised from council taxpayers	8,234	8,617

Section 6

Five year General Fund revenue forecast 2018-19 to 2022-23

Five year General Fund revenue forecast is presented below:

MEDIUM TERM FINANCIAL STRATEGY for the General Fund

General provision for Inflation												
Assuming council tax increases of £5		Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
		2016/17	2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE												
Fully Allocated Net Portfolio Expenditure		15,433	17,467	17,467	19,223	19,494	20,123	20,704	21,190	21,614		
Add Precautionary items/Council actions/other		10	125	125	125	125	125	125	125	125		
Less Planning Policy funded by New Homes Bonus		(327)	(200)	(200)	(285)	(65)	(15)	(15)	(15)	(15)		
Rollovers from 2016-17 to 2017-18				250								
Financial Position Report (Q2 2017-18)				(72)								
Net Portfolio Expenditure		15,116	17,392	17,570	19,063	19,554	20,233	20,814	21,300	21,724		
Net Interest on balances (including ESH)		(679)	(800)	(417)	(587)	(587)	(587)	(587)	(587)	(587)		
ESH-only projection in 17-18				(1,035)								
ESH growth per Business plan					(1,115)	(1,373)	(1,637)	(1,906)	(2,181)	(2,181)		
Internal Drainage Boards, Reversal of												
Depreciation and Minimum Revenue Provision		(778)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)		
Additional MRP requirement due to Capital Bids						176	178	178	183	115		
District Council General Fund Expenditure		13,659	15,926	15,451	16,695	17,104	17,520	17,832	18,048	18,404		
Additional income/(savings) to maintain working balance in the year			(163)		(449)	(562)	(936)	(1,177)	(1,280)	(2,957)		
Expenditure including savings		13,659	15,763	15,451	16,246	16,542	16,584	16,655	16,769	15,448		
INCOME												
Revenue Support Grant (including negative tariff adjustment)		(926)	(230)	(230)	191	661	661	661	661	661		
Rural Services Grant		(130)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)		
Transition Grant		(76)	(76)	(76)								
Retained Business Rates		(3,604)	(3,752)	(3,752)	(5,470)	(5,664)	(2,920)	(2,970)	(3,022)	(3,060)		
(Surplus)/Deficit on Council Tax Collection Fund		(38)	(46)	(46)	0	0	0	0	0	0		
(Surplus)/Deficit on Business Rates Collection Fund		153	(1,518)	(1,518)	0	0	0	0	0	0		
Council Tax to be raised from council taxpayers		(7,852)	(8,234)	(8,234)	(8,616)	(9,130)	(9,662)	(10,184)	(10,745)	(11,141)		
New Homes Bonus (contribution to the GF)		(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)	(1,803)		
District Council General Fund Income before appropriation from reserve		(14,275)	(15,763)	(15,763)	(15,803)	(16,042)	(13,829)	(14,401)	(15,014)	(15,448)		
Appropriations to/(from) Earmarked Reserves					(443)							
Appropriations to/(from) General Fund working balance		617		312	0	(500)	(2,754)	(2,254)	(1,754)	0		
District Council General Fund Income		(13,659)	(15,763)	(15,451)	(16,246)	(16,542)	(16,584)	(16,655)	(16,769)	(15,448)		
Tax Base for Tax Setting Purposes including discount for localised council tax support		Number 60,257.0	Number 60,855.4	Number 60,855.4	Number 61,410.2	Number 62,834.4	Number 64,281.5	Number 65,569.7	Number 67,027.0	Number 68,133.6		
Basic Amount of Council Tax		£	£	£	£	£	£	£	£	£		
District only		130.31	135.31	135.31	140.31	145.31	150.31	155.31	160.31	163.51		
Impact on Council tax of using savings and appropriations from reserves		(10.23)	2.67	(5.13)	14.52	16.91	57.42	52.33	45.27			
Underlying Council Tax with no appropriations from the General Fund Balance or Savings		£ 120.08	£ 137.98	£ 130.18	£ 154.83	£ 162.22	£ 207.73	£ 207.64	£ 205.58	£ 233.37		
Balances at Year End		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		

Section 7

Capital

The GF capital programme is summarised below:

CAPITAL PROGRAMME - GENERAL FUND								
(at outturn prices, with grants adjusted to commitments basis)								
		Estimate	Actuals	Estimate	Actuals	Estimate	Estimate	
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
		£	£	£	£	£	£	
Actuals								
2016/2017	Corporate and Customer Services Portfolio							
£	ICT Development:							
21,414	PC Refresh Programme	10,000	35,000	10,000	10,000	10,000	10,000	
3,140	New Server Technologies	15,000	0	0	0	0	15,000	
3,126	Infrastructure	0	0	0	0	0	0	
257,000	Server Room Migration Project	0	0	0	0	0	0	
	Share Point Portal Server	10,000	10,000	10,000	10,000	10,000	10,000	
	Government Connect	5,000	5,000	5,000	5,000	5,000	5,000	
5,894	Mobile Working Initiatives	0	0	0	0	0	0	
	Network security	10,000	20,000	10,000	10,000	10,000	10,000	
20,000	Housing management system	200,000	22,500	101,500	5,250	5,250	1,500	
	Capital Bid - Replacement of Housing IT System	0	200,000	0	0	0	0	
	Replacement CMS (website)	25,000	0	0	0	0	0	
(390)	GIS Development Programme	0	40,000	0	0	0	0	
126,602	Financial Management System (FMS)	10,000	10,000	10,000	10,000	10,000	10,000	
24,950	Revenues / Benefits System							
475	Cash Receipting System	10,000	10,000	10,000	10,000	10,000	10,000	
	Council Chamber PA System	0	60,000	0	0	0	0	
	Major Systems Upgrade (H & ES) - Indicative Cost (SCDC Share)	0	177,000	0	0	0	0	
	Storage Array for Information@Work	5,000						
	CPSN Procurement	20,000	0	0	0	0	0	
	Aerial Photography Refresh	0	0	15,000	0	0	0	
	Replacement Firewall and Service Gateways	0	60,000	0	0	0	0	
	ICT Security - Threat Management Gateway	15,000	0	0	0	0	0	
	New Waste Management IT Solution (SCDC Share)	150,000	0	0	0	0	0	
	Desktop Transformation Programme	0	360,000	0	0	89,000	89,000	
	Customer Portal to Website	0	51,000	0	0	0	0	
	Communications							
13,495	Website Development	25,000	0	0	0	0	0	
0	Digital By Default Project	45,000	0	0	0	0	0	
	South Cambridgeshire Hall							
	Secure Storage Facility at SC Hall	0	30,000	0	0	0	0	
	Fire Escape Enclosures	0	50,000	0	0	0	0	
	Planning Shared Service- Adaptions for flexible working on first floor		28,000					
	Enhancement of ground flor facilities and catering provision		233,000					
	Meeting room relocation	150,000	0	0	0	0	0	
475,706		705,000	1,401,500	171,500	60,250	149,250	160,500	
	Finance and Staffing Portfolio							
	Advance funding for housing company pilot scheme	0	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
	CLIC investment		1,850,000					
	Contribution towards A14 upgrade	0	0	0	5,000,000	0	0	
0		0	16,850,000	15,000,000	20,000,000	15,000,000	15,000,000	

CAPITAL PROGRAMME - GENERAL FUND							
(at outturn prices, with grants adjusted to commitments basis)							
Actuals		Estimate	Actuals	Estimate	Actuals	Estimate	Estimate
2016/2017		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
£		£	£	£	£	£	£
	Environmental Services Portfolio						
	Refuse Collection Service						
0	Supervisor Vehicles	0	44,000	15,000	23,000	0	0
527,249	Refuse Collection Vehicles	2,637,000	335,000	0	100,000	372,000	372,000
	Awarded Watercourses						
0	Tractors	0	0	80,000	0	0	80,000
42,850	Flail Mowers	100,000	0	37,000	10,000	0	37,000
41,857	4 x 4's						
9,500	Trailer		8,000		8,000		
	Street Cleansing						
	Pavement Street Sweepers	0	160,000	0	0	0	0
	Road Sweeper and Truck Replacements	37,000	179,000	0	0	304,800	304,800
0	Environmental Protection						
17,388	Air Quality Monitoring Equipment	50,000	0	0	0	0	0
0	Noise Monitoring Equipment	0	16,000	16,000	0	0	0
	Environmental Services Enforcement Vehicle						
	Envirocrime Enforcement Vehicle			20,400	0	0	0
0	Footway Lighting						
	LED Pilot Scheme	0	7,000				
638,844		2,824,000	749,000	400	141,000	676,800	793,800
	Housing Portfolio						
0	Required GF Share of HRA Capital Expenditure	10,000	10,000	10,000	10,000	10,000	10,000
1,310,957	Repurchase of General Fund Sheltered Properties	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
16,962	Refurbishment of General Fund Equity Share Properties	50,000	0	0	0	0	0
90,000	Grants for the provision of Social Housing	500,000	716,100	500,000	500,000	500,000	500,000
0	Empty Homes Grants	0	0	0	0	0	0
18,048	Travellers Sites	0	0	0	0	0	0
	Improvement Grants/Loans						
67,424	Home Repairs Assistance	100,000	100,000	100,000	100,000	100,000	100,000
	Disabled Facilities						
560,735	Mandatory	660,000	660,000	660,000	660,000	660,000	660,000
1,606	Discretionary	10,000	10,000	10,000	10,000	10,000	10,000
2,065,732		2,430,000	2,596,100	2,380,000	2,380,000	2,380,000	2,380,000
	Planning Portfolio						
0	Webbs Hole Sluice	0	0	0	0	0	0
	ICT new Planning system	0	30,000	0	0	0	0
9,884	Sawston Tannery	0	0	0	0	0	0
9,884		0	30,000	0	0	0	0
	Strategic Planning and Transport Portfolio						
0	Bike Bus Trailer	0	0	0	0	0	0
0		0	0	0	0	0	0
3,190,166	Gross Capital Expenditure (General Fund)	5,959,000	21,626,600	17,719,900	22,581,250	18,206,050	18,334,300

Hill David:
Funded From
Renewables
Reserve

CAPITAL PROGRAMME - GENERAL FUND								
(at outturn prices, with grants adjusted to commitments basis)								
Actuals 2016/2017 £		Estimate 2017/2018 £	Actuals 2018/2019 £	Estimate 2019/2020 £	Actuals 2020/2021 £	Estimate 2021/2022 £	Estimate 2022/2023 £	
3,190,166	Gross Capital Expenditure (General Fund)	5,959,000	21,626,600	17,719,900	22,581,250	18,206,050	18,334,300	
	Analysed by:							
2,460,517	Fixed Assets	4,689,000	3,260,500	1,449,900	1,311,250	1,936,050	2,064,300	
729,649	Revenue Expenditure funded from Capital under Statute	1,270,000	18,366,100	16,270,000	21,270,000	16,270,000	16,270,000	
3,190,166	Gross Capital Expenditure (General Fund)	5,959,000	21,626,600	17,719,900	22,581,250	18,206,050	18,334,300	
	Financed by:							
(1,825,143)	Capital Receipts	(1,355,000)	(2,148,500)	(1,133,500)	(1,106,250)	(1,195,250)	(1,206,500)	
0	Specified Government Grant (DCLG)	0	0	0	0	0	0	
(90,000)	S106 Agreement Contribution (ring fenced for Housing)	(500,000)	(716,100)	(500,000)	(500,000)	(500,000)	(500,000)	
0	Housing Capital Grant	0	0	0	0	0	0	
	Cambridgeshire County Council (DFG)	(591,110)	(312,000)	(312,000)	(312,000)	(312,000)	(312,000)	
(16,962)	Revenue	(270,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	
(9,884)	Other Grant Funding	0	0	0	0	0	0	
(478,783)	Housing Capital Reserve	(188,890)	(468,000)	(468,000)	(468,000)	(468,000)	(468,000)	
(111,595)	Other Reserves	(150,000)	(231,000)	(152,400)	(141,000)	(676,800)	(793,800)	
(130,550)	Revenue contribution from HRA towards software etc.	(230,000)	(270,000)	(119,000)	(19,000)	(19,000)	(19,000)	
(527,249)	Internal Borrowing - re Commercial Vehicles	(2,674,000)	(335,000)	0	0	0	0	
	Internal Borrowing - re other projects	0	0	0	0	0	0	
0	Earmarked Reserves	0	(261,000)	0	0	0	0	
0	External Borrowing. For onward lending to ESHsg and CLIC	0	(16,850,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	
0	New Homes Bonus Infrastructure Reserve	0	0	0	(5,000,000)	0	0	
(3,190,166)	Total Capital Financing	(5,959,000)	(21,626,600)	(17,719,900)	(22,581,250)	(18,206,050)	(18,334,300)	

Section 8

Risks and reserves

Risks and their mitigation

Risks and sensitivities

The council is exposed to a number of risks and uncertainties, which could affect its financial position, and the deliverability of the proposed budget. These risks include:

- Savings plans may not deliver projected savings to expected timescales;
- Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
- Funding from central government (NHB and other grants) may fall below projections;
- The actual impact and timing of local growth on the demand for some services may not reflect projections used;
- The economic impact of the United Kingdom leaving the European Union may impact the council's income and expenditure, for example, planning fee income and inflation on good and services;
- Increases in council tax and business rates receipts due to local growth may not meet expectations;
- Business rates appeals, which may be backdated to 2010, may significantly exceed the provision set aside for this purpose. In particular, claims for mandatory charitable relief in relation to NHS hospitals may adversely impact business rates income;
- The business rates revaluation, which came into effect in April 2017, may reduce business rates receipts and increase the level of appeals;
- The impact of 100%/75% business rates retention, coupled with any additional responsibilities handed down to the council at that time and the outcome of the Fair Funding Review, may create a net pressure on resources;
- New legislation or changes to existing legislation may have budgetary impacts; and
- Unforeseen capital expenditure may be required.

Section 25 Report

Section 25 (s. 25) of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) reports to the authority, when it is making the statutory calculations required to determine its council tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations, and
- The adequacy of the proposed levels of financial reserves.

This includes reporting and taking into account:

- the key assumptions in the proposed budget and to give a view on the robustness of those assumptions;
- the key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council; and
- it should be accompanied by a reserves strategy

This report has to be considered and approved by full council as part of the budget approval and council tax setting process.

The majority of the material required to meet the requirements of the Act has been built into the key reports prepared throughout the corporate budget cycle, in particular:

- MTFS 2017
- The corporate plan and the budget reports to the February cycle of meetings.

This reflects the fact that the requirements of the Act incorporate issues that the council has, for many years, adopted as key principles in its financial strategy and planning; and which have therefore been incorporated in the key elements of the corporate decision-making cycle.

This also reflects the work in terms of risk assessment and management that is built into all of the key aspects of the council's work.

The Section 25 report will be included as Appendix 5 to the main MTFS report.

General reserves

GF reserves are held as a buffer against crystallising risks, and to deal with timing issues and uneven cash flows. As such, the level of reserves required is dependent on the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of GF reserves were reviewed and confirmed in the MTFS. No further changes are recommended at this time.

GF reserves	£m
November 2016 MTFS / February 2017 BSR – Recommended levels	
- Target level	3.05
- Minimum level	2.54

The projected levels of reserves for the budget setting period, based on the proposals included in this report, and assuming that all net savings requirements are delivered, are as follows:

Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Balance as at 1 April (b/fwd)	(9,451)	(9,763)	(9,763)	(9,263)	(6,509)	(4,254)
Contribution (to) / from reserves	(312)	0	500	2,754	2,255	1,754
Balance as at 31 March (c/fwd)	(9,763)	(9,763)	(9,263)	(6,509)	(4,254)	(2,500)

GF BSR Appendix A

Fees and charges

The council's constitution delegates the approval of fees and charges to the relevant portfolio holder, with the exception of the HRA rents and charges, which are to be recommended by the Cabinet to Council for approval.

HRA rents and charges are addressed in the HRA BSR, presented in Appendix 2 to the main MTFs report.

Home Improvement Agency fees

Approval of the Portfolio Holder (Housing) is requested to delegate the decision in respect of any variation in fees to be charged by the Home Improvement Agency (HIA), to the Director of Housing, following agreement of the proposed level of charges by the Shared HIA Board. Although a consistent fee needs to be agreed for the HIA, the formal approval of each of the three partner authorities is required, as the fees are payable as part of the capital Disabled Facilities or Repair Assistance Grants awarded by each Council.

An increase in fees may be necessary to replace the annual revenue support for the HIA, which is being progressively reduced by Cambridgeshire County Council and the Clinical Commissioning Group, as part of wider plans for the future funding and delivery of Disabled Facilities Grants through the Better Care Fund across Cambridgeshire as a whole. Revenue support from the Clinical Commissioning Group is withdrawn in full from April 2018.

GF BSR Appendix B

Precautionary items

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

	Total approved £000	Used in 2017-17 to Jan 2017 £000
Precautionary Items for 2017/18		
Agency Staff - Growth Agenda (To Cover if Unable to Recruit)	50	0
Planning Policy - 2 Principal Planning Officers	115	0
Homelessness - additional accommodation	60	0
Awarded Watercourses - emergency works	15	0
Contaminated Land - remedial works	82	0
Clearance of Private Sewers	6	0
National Assistance Burials Act	5	0
District Emergencies	50	0
Additional insurance for Shared Waste Fleet	13	0
Potential cost of the holiday back pay	27	0
Total	423	0

Precautionary Items for 2018/19		
Homelessness - additional accommodation	60	
DWP grant reduction - Universal Credit roll out	50	
Additional use of credit cards - related fees	15	
Awarded Watercourses - emergency works	15	
Contaminated Land - remedial works	82	
Clearance of Private Sewers	6	
National Assistance Burials Act	5	
District Emergencies	50	
Material Price Managed Through MRF Contract	50	
Fuel Inflation above the CPI allowance	20	
Community Street Cleansing Initiative	30	
Total	383	

GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Category	Reference	Bid / Saving	Description	Bid / (Saving)				
				2018/19	2019/20	2020/21	2021/22	2022/23
Unavoidable Revenue Pressure	HES2	Footway lighting contract (maintenance, inspection and testing, and replacement) potential uplift	Current maintenance arrangements end in November 2018. A new contract is to be procured, market indications are that the annual cost per light could increase by c.50% over the current (2010) cost.	10,000	20,000	20,000	20,000	20,000
Unavoidable Revenue Pressure	HES4	Waterbeach facilities maintenance costs	Charges for maintenance and service as per the lease agreement for the site, now to be passed on to the Waste service. The charges relate to use of fueling station and vehicle washoff area, both of which are required to fulfill the service operation.	9,600	9,600	9,600	9,600	9,600
Unavoidable Revenue Pressure	HES6	Additional staff requirements for Shared Waste Service to support household growth	The service is currently experiencing an annual property growth in the region of 2,700 properties per year. The collection service has been modelled and have determined that an additional three collection staff are required to support collection across the three collection streams.	80,000	83,000	86,000	89,000	89,000
Unavoidable Revenue Pressure	ICTR2	Adjusted revenue budget due to resubmitted 3cICT business case	Re-modelled business case to be agreed via 3C governance process during October and November 2017.	173,000	148,000	133,000	109,000	109,000
Unavoidable Revenue Pressure	FS3	Credit Card surcharges	From January 2018, the council will not be able to levy surcharges on credit card payments. The current annual spend is approximately £15k pa.	15,000	15,000	15,000	15,000	15,000
Unavoidable Revenue Pressure	FS5	Grant reduction- Universal Credit implementation transfer of payment of housing costs to DWP	The introduction of UC may reduce the grant the Council receives from Department of Work and Pensions towards the cost of administer Housing Benefit .	50,000	89,000	0	0	0
Unavoidable Revenue Pressure	FS7	Apprenticeship Levy	Apprenticeship Levy - Statutory charge based on 0.5% of Total Payroll less £15,000	88,300	90,700	94,000	97,000	97,000
Unavoidable Revenue Pressure	PLAN1	Costs awarded against the Council	Increase of budget due to the amount of outstanding 5 year land supply appeals, that have potential for costs appeals being submitted.	200,000				
Unavoidable Revenue Pressure	PLAN2	Appeals	Increase of budget due to the amount of outstanding 5 yr land supply appeals, that have yet been through the appeal process. We have a known appeal that will be submitted and we estimate that it will cost in the region of £150,000 to defend the appeal.	150,000				
Unavoidable Revenue Pressure	CCS1	Funding whole council elections in 2018	There is no significant election budget for 2017/18 as this was a County Council election year. A budget of £226K will be required for elections in May 2018, <u>but this is offset by there being no scheduled district council elections until 2022.</u>	226,000	56,500	56,500	56,500	56,500
Unavoidable Revenue Pressure	HGF4	Homeless Reduction Act implementation - ongoing staffing costs to deliver new legislative requirements	The Homeless Reduction Act will come into force in April 2018 and represents a significant change in homelessness legislation. to ensure statutory compliance, it is estimated that the staffing capacity will need to increase by 60%.	109,931	109,931	0	0	0
Bid	CCS7	Renewable energy investment proposal 1	Grant scheme for Parishes - assumes matches the amount in Community Chest grant fund.	55,000				

GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Bid	CCS8	Renewable energy investment proposal 2	Loan energy firm - assumes 10 Parishes awarded £10,000 loans.	100,000				
Bid	CCS9	Renewable energy investment proposal 3	SCDC street lighting improvements - installing LED bulbs in 1255 columns - this is a provisional bid pending Council review of the proposals	400,000				
Shared Surplus	HES8(a)	Increased surplus - Shared Waste Commercial Service	50% of the above bid for additional commercial profit shared with Cambridge City Council.	17,500	17,500	17,500	17,500	17,500
Bid	HGF5	Creation of new role of Housing Delivery & Innovations Manager	To be responsible for exploring investment opportunities for the Council and pursuing land deals, joint ventures and commercial projects that could deliver additional homes and income to the District. This role could become self sustaining by year 3 by setting a circa 2% fee income of any capital projects. Discussions are beginning with the Greater Cambridgeshire Partnership to see if they will seed fund the post for year 1 and year 2.	58,300	58,300	58,300	58,300	58,300
Bid	HGF6	Creation of a Self Build Development Officer and p/t Self Build Project Support Officer	South Cambs DC is a self build Vanguard Authority. The posts will form a small self build team under a regional manager and the Head of Development (new build).	60,800	60,800	60,800	60,800	60,800
Bid	HGF7	Re-defining role of Head of Development (New Build) to reflect changes in delivery methods	There is a need to review the role of the Head of Development (New Build). On July 12th an EMT report approved interim position. HoD(NB) role focus on 3 key priorities : Self Build programme / Modular construction / Manging the new build budget,act as client/ programme manager for new build delivered by HDA for SCDC.	16,400	16,400	16,400	16,400	16,400
Bid	HWB2	Delivery of political priorities - 3 Year Fixed Term Post	Additional priorities include Renewables Fund Grant (CCS7), timebanking, social isolation toolkit, faith audit, mental health in schools feasibility study, monitoring delivery of agreed recommendations from Orchard Park scrutiny report, revamp of youth engagement, delivery of community forums in growth areas.	29,900	31,100	32,300	0	0
Bid	HWB3	Implementation of time banking project	This funding will be used to contract an external organisation to provide this support. Future funding would be dependant on the outcomes of the evaluation and ongoing political support for the project.	20,000				
Reduced Income	PLAN5	Planning fees	There is a risk of reduced planning fee income due to the 5 year land supply applications falling away as the council gets closer to be able to demonstrate a 5 year land supply of housing.	850,000	700,000	700,000	700,000	700,000
Bid	PLANSH2	Planning Shared Service - Project management costs	Project assistant - part time. The new shared planning service requires significant project management input and support to mitigate the risks and issues of changes.	21,000				
Bid	PLANSH3	Planning Shared Service - Project management costs	Backfill for two secondees for 25 weeks (Based on Grade 7 pay band including on cost). The Business Case proposed the use of secondees from within the current services to provide input. Given the pressures that exist on the existing service it is proposed to backfill existing roles for the duration of this Phase.	30,000				
Bid	PLANSH4	Planning Shared Service - Project management costs	Additional Senior Manager to support Director as per business case (based on grade 9 with on-costs for the year). During the preparation of the Business Case there was an emerging concern that with the scale of change envisaged with a high profile service already under pressure there was a need for additional temporary support for the Director.	90,000				

GF BSR Appendix C(a) – Bids and Savings – Revenue bids

Bid	PLANSH5	Planning Shared Service - Protection of Benefits	Continue to pay Professional Fees (based on 76 planners at £290 per person) as a retention/recruitment issue To be paid in January 2019 (Tentative)	12,805				
Bid	PLANSH6	Planning Shared Service - Retention costs	Cost of seeking to retain staff who may seek to leave. E.g. market supplement (Tentative)	100,000				
External Bid	ICTR1	Desktop transformation	As per business case submitted by the Head of 3c ICT. Covers Microsoft Licensing cost increase and higher cost due to the change in the value of the pound against the US dollar.	66,000	66,000	66,000	66,000	66,000
Bid	CCS10b	Digital resourcing package	Commissioning of 3C ICT to provide digital development services to SCDC. Previously an external contract	75,000	55,000	55,000	55,000	55,000
Total funding	All	Funding	Funding allocated against individual bids, consisting of use of earmarked reserves, existing budgets, grant funding and funding from shared services partners, as applicable	(2,312,276)	(831,971)	(724,340)	(693,540)	(693,540)
Total Net Bids / (Savings)				802,260	794,860	696,060	676,560	676,560

GF BSR Appendix C(b) – Bids and Savings – Capital bids

Category	Reference	Bid / Saving	Description	Bid / (Saving)				
				2018/19	2019/20	2020/21	2021/22	2022/23
Bid	HES14	Street lighting	A pilot scheme is under development to upgrade the 18 SCDC street lights in Ickleton with LED lights. This will inform the potential upgrade of the entire SCDC network and is a PFH priority.	7,000	0	0	0	0
Bid	HES16	Procure, purchase and implement a Waste Management IT system solution.	Procured as a joint initiative with HDC and Cambridge City. £354k indicative costs would represent the charge to the Shared Waste Service which will be joint funded with Cambridge City Council.	354,000	0	0	0	0
Bid	HES17	Noise monitoring equipment	To replace existing equipment now in excess of 10-12 years of age and regularly proving faulty with impacts on officer time and service delivery within a statutory function.	16,000	16,000	0	0	0
Bid	FS10	Enclose fire escape staircases to South Cambs Hall	To prevent access to the stairs from unauthorised personnel.	50,000	0	0	0	0
Bid	FS11	Supply of storage at South Cambs Hall	The storage facility needs to be within the curtilage of the building and large enough to provide a central storage facility, allowing the council to keep South Cambs Hall a safe and pleasant environment for all building users.	30,000	0	0	0	0
Bid	FS12	Adaptation costs of accommodation for flexible working	A review of office accommodation is scheduled from March 2018 – August 2018. This is a proposal to reconfigure part of the office space at first floor level to provide accommodation suitable for more flexible working. This would enable a move to a 70% occupancy rate in accordance with the approved policy of the Council, with the potential to free up space for use by others.	28,000	0	0	0	0
Bid	FS13	Enhancement of ground floor facilities and catering provision	Enhance the ground floor facilities - meeting and interview rooms. Change the vending service to a concession service and upgrade the current catering outlet.	233,000	0	0	0	0
Bid	PLANSH7	ICT new planning system for Shared Planning Service	A new joint ICT service is required as the existing solution of each Council is not fit for future purposes. The proposal results from an evaluation of the two existing systems by an independent consultant.	80,000	0	0	0	0
Bid	ICTC1	Council Anywhere ICT project	Investment in a Desktop Transformation Programme to provide a platform fitting the ICT strategy, to support the work of the council and provision of its services, improving efficiency and support. £89k p.a. from 2021-22 is to begin contributions to a 4-year rolling hardware replacement reserve.	360,000	0	0	89,000	89,000
Bid	ICTC2	Procure, Purchase and Implement a H&ES ICT system.	To fully meet the requirements of 3c's H&ES Services, is fit for purpose and offers additionality to 3c's and partner services. Current M3 System becomes "end of life" in 2018-19.	150,000	0	0	0	0
Bid	ICTC5	Customer portal to website	To give one central point for residents and businesses to log, track and review all their electronic requests for services.	51,000	0	0	0	0
Funding		Total funding	Total funding from existing approved funding, earmarked reserves and contributions from shared services	(678,000)	(405,000)	(20,000)	(20,000)	0
Total All Net Capital Position Bids / (Savings)				681,000	(389,000)	(20,000)	69,000	89,000
			MRP	0	176,000	177,600	177,600	182,850

GF BSR Appendix D – Earmarked and specific funds

Fund	Balance at 1 April 2017	Potential spend 17-18	Forecast Balance on 31 March 2018	Recommended withdrawal to fund 2018-19 bids	Forecast Balance on 31 March 2019
	£000	£000	£000	£000	£000
Revenue reserves					
New Homes Bonus Infrastructure Reserve	(7,637)	517	(7,120)	58	(7,061)
Business Rates Growth and Renewables Reserve	(5,744)		(5,744)	1,230	(4,514)
Pension Deficit Reserve	(702)	346	(356)		(356)
Planning Enforcement Reserve	(500)		(500)		(500)
Business Efficiency Reserve	(340)	100	(240)		(240)
Sustainability - climate change reserve	(117)		(117)	40	(77)
Business accommodation reserves	(98)		(98)	98	(0)
Private Stock Condition Survey	(75)		(75)		(75)
Children & Young People	(75)		(75)		(75)
Land Charges- appropriations	(19)		(19)		(19)
Subtotal	(15,373)	963	(14,410)	1,496	(12,984)
Planning reserves (revenue)					
Major Developments and Parish Liaison Fees Reserve	(472)	150	(322)	322	(0)
Northstowe Reserve	(128)		(128)	128	(0)
Planning Fee Reserve excl Northstowe - growth agenda	(179)		(179)	179	(0)
Service Contingency- Planning	(100)		(100)	100	(0)
Planning other	(95)		(95)	95	0
Subtotal	(974)	150	(824)	708	(0)
Other	(326)		(326)		(326)
Total General Fund Revenue Earmarked reserves	(16,673)	1,113	(15,560)	2,250	(13,310)
Capital reserves					
Refuse Collection sink fund	(407)		(407)		(407)
Supervisors' vehicles sink fund	(46)		(46)		(46)
Street Cleansing sink fund	(229)		(229)		(229)
Air Quality Monitoring	(119)		(119)		(119)
Footway Lighting	(87)		(87)		(87)

Cambourne Office	(83)		(83)	83	0
Heritage Initiatives and historic buildings	(40)		(40)	40	0
Community Development - Capital	(35)	35	0		0
Other	(39)		(39)		(39)
Total General Fund Capital Earmarked reserves	(1,084)	35	(1,049)	123	(926)
Total General Fund Earmarked reserves	(17,757)	1,148	(16,609)	2,373	(14,236)
Shared Waste Service	(45)		(45)		(45)
Breakdown of "Other" in GF Revenue					
Swavesey Byeways Fund	(6)		(6)		(6)
South Cambs Crime & Disorder Partnership	(33)		(33)		(33)
2012/13	(3)		(3)		(3)
Land Charges- new burdens grant	(9)		(9)		(9)
Economic Development Portfolio Reserve	(13)		(13)		(13)
Community Chest Grants	(1)		(1)		(1)
Taxi Licencing Reserve	(67)		(67)		(67)
RCV's Sinking Fund	(41)		(41)		(41)
Street Cleansing Vehicles Sinking Fund	(24)		(24)		(24)
Air Quality Monitoring	(29)		(29)		(29)
Air Quality Monitoring	(6)		(6)		(6)
Health & Environmental Services	(24)		(24)		(24)
Travellers Site Reserve	(50)		(50)		(50)
Waterbeach Depot	(5)		(5)		(5)
Webb's Hole Sluice	(3)		(3)		(3)
Contributions-Cambridge Sports Lake Trust	(6)		(6)		(6)
Insurance All Risks	(6)		(6)		(6)
Total General Fund Revenue Earmarked reserves "Other"	(326)		(326)		(326)

This page is left blank intentionally.

**South Cambridgeshire District
Council
Housing Revenue Account
Budget Setting Report
2018/19**

**February
2018**

Version Control

	Version	for :	Anticipated Content
Current	1	Draft	Draft content for consultation - EMT
	2	Scrutiny and Cabinet	Member Scrutiny
	3	Council	Recommended final budget proposals
	4	FINAL	Final version for publication following Council

Contents

Section No.	Topic	Page No.
1	Introduction	2
2	Review of National and Local Policy and Context	4
3	Housing Revenue Account Resources	12
4	Housing Revenue Account Budget	18
5	Housing Capital Budget	21
6	HRA Treasury Management	31
7	Summary and Overview	33

Appendices

Reference	Topic	Page No.
A	Business Planning Assumptions	38
B	Service Charges 2018/19	40
C	HRA Ear-Marked & Specific Funds	42
D	Retained Right to Buy Receipts	43
E	New Build Cash-flow Investment Profile	44
F	Sensitivity Analysis	45
G (1)	Revenue Budget Proposals 2018/19 to 2021/22	46
G (2)	Capital Budget Proposals 2018/19 to 2021/22	51
H	Capital Budget Amendments	52
I	HRA Summary Forecast 2017/18 to 2022/23	54
J	Housing Capital Investment Plan – 2017/18 to 2022/23	56

Section 1

Introduction

Foreword by the Portfolio Holder for Housing

The challenges continue for stock holding authorities like South Cambridgeshire District Council, and the final details of some of the residual changes in national housing policy, if they are published in 2018/19, will require a further review of the strategic position for the Housing Revenue Account to be undertaken. There has been some relief of uncertainty with details having been published of the National Rent Setting Policy from April 2020.

The introduction of changes in respect of welfare benefits, and particularly the rollout of direct payment as part of the introduction of Universal Credit, is anticipated to put significant pressure on the Housing Revenue Account to continue to collect the rental income due in a timely and effective manner. The authority will continue to work proactively to support tenants through the transition period, and to recognise when additional resource may need to be deployed to ensure that the risk of any increase in rent arrears is mitigated as far as possible.

The Council continues with its ambition to increase its own stock and now has an established pipeline of schemes on which feasibility work is being carried out. The sites identified offer opportunities both for direct build out by the Council and negotiation on acquisition of affordable housing provision from developers. Importantly, this pipeline offers some assurance that South Cambridgeshire District Council will use Right to Buy receipts within the time constraints that Government imposes.

The Housing Revenue Account budget for 2018/19 reflects both the challenges and resourcefulness of South Cambridgeshire District Council in facing them.

Background

Housing Revenue Account budgets continue to be set in the context of a 30-year business plan, which is reviewed in November and February of each year.

The resource available to invest in housing services is dependent upon income streams for the Housing Revenue Account, the most significant of these being the rental income for the housing stock. The authority is now required to comply with a national approach to rent setting, where rents will be reduced by 1% per year, for a further two years, from April 2018, after which rent increases will return to inflation as measured by CPI, plus 1% for the following five years.

With income reducing in the short-term, it is imperative that the Housing Revenue Account continually reviews its priorities for investment, considering:

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

The Council sets housing budgets in the context of the long-term impact on the financial viability for the Housing Revenue Account 30-Year Business Plan, to ensure delivery of council housing in perpetuity.

There is a key requirement to ensure that the HRA can support a significant level of housing debt whilst also ensuring ongoing delivery of housing services. As at April 2017, the authority was supporting a housing debt of £204,429,000. The current policy does not assume set-aside of resource to allow for repayment of housing debt, but instead assumes the resource is used to deliver a new build programme in the medium term, in an attempt to ensure sustainability of the HRA.

Section 2

Review of National and Local Policy Context and External Factors

Review of National Policy Context

National Rent Setting Policy

The authority is still subject to imposed rent reductions of 1% for a further two years following legislation approved as part of the Welfare Reform and Work Bill 2015.

Where actual (transitional) rents have still not reached property specific target rent levels, local authorities are permitted to increase the rent to the target rent level only at re-let, recognising that the target rent for each property will also reduce by 1% each year for the next two years.

In respect of affordable rents, the government requires local authorities to assess what 80% of the market rent would be for a property, and to apply the 1% reduction to this rent level, with the resulting sum being the maximum which a local authority can charge.

Following some uncertainty as to what national rent policy will be from April 2020, it has now been confirmed that local authorities will be able to revert to the previously agreed rent increases of CPI plus 1% per annum for a minimum of 5 years from that point. This gives some certainty for business planning purposes, at least in the medium term.

National Tenancy Policy

The Housing and Planning Bill introduced a requirement for local authorities to grant fixed term tenancies of between 2 and 10 years. A longer tenancy can be granted where a child under 9 years of age is resident as part of the household, with the tenancy expiring when the child reaches 19 years of age.

It was confirmed in November 2016 that compulsory fixed term tenancies would be the 'tool' used to introduce control over long-term occupancy of council housing, in place of the abolished 'Pay to Stay' proposals.

Implementation is still subject to confirmation through the release of formal regulations, and until these are received, we do not know what level of local discretion may be available to Councils.

Mandatory Disposal of High Value Housing Stock

The ability, as included in the Housing and Planning Act 2016, for Central Government to impose a financial levy on stock owning authorities in respect of the assumed sale of higher value housing stock, is still subject to regulation.

It is anticipated that any levy will vary for each financial year, with the value arrived at on a formulaic basis, after a period of consultation with local authorities. Although regulations are not forthcoming, it is still anticipated that the authority would have some discretion over which assets it disposes of, in order to meet the levy.

It was confirmed in an interview with the Housing Minister in late November 2016, that the government would not be requesting any higher value voids levy payments from councils during 2017/18, recognising the need for local authorities to prepare once any regulations are published. As there was still no secondary legislation in place for the policy, the decision was taken as part of the HRA Medium Term Financial Strategy to defer the assumption of any payment until at least April 2019.

The income generated from any sale of higher value void council homes would be expected to fund right to buy for housing association tenants, with a wider pilot scheme now set up. The initial pilot scheme was not as successful as anticipated, and this in turn raised questions nationally about whether the forced sale of council homes is the right route to fund the scheme.

In the absence of any confirmation as to the future of the proposed policy, the HRA Budget Setting Report has been constructed on the assumption that the compulsion to sell will still

require the equivalent of approximately 1.8% of the housing stock each year to be disposed of, representative of just under 100 properties per annum initially, but with any payment deferred until 2019/20.

Welfare Reforms

Universal Credit

Universal Credit was introduced in Cambridge on the 29th February 2016 and is currently only applicable to single, working age customers, otherwise entitled to make a claim for Jobseekers Allowance. Universal credit generally includes housing costs for this group and this is paid directly to the customer unless it can be demonstrated that there are budgeting concerns. Claims must be made online. The full digital service that will allow claims from couples and those with children will not now be rolled out to Cambridge Job Centre until October 2018, however there are a small number of full digital claims which are being paid for residents who have to make a claim from Haverhill Job Centre (Balsham, Horseheath, Hinxton, Ickleton, Linton, Shudy Camps and West Wickham where full digital service commenced in October 2017. The impact of Universal Credit is at present small as there are only 13 HRA tenants currently in receipt of Universal Credit. The rollout to Cambridge Job Centre will have a bigger impact on residents.

Following the November 2017 budget, it has been confirmed that the intention is to retain payment for stays in temporary housing in housing benefit and not to transfer claims for this to universal credit. As part of the November 2017 budget, a two week overlap for Universal Credit claimants moving from Housing Benefit was also introduced, to mitigate the impact of the change.

As part of the Delivery Partnership Agreement, requests for Personal Budgeting Support are being accommodated by Cambridge Citizens Advice Bureau (CAB). Whilst there has been low take up via the referral process, some Universal Credit customers are still able to contact Cambridge CAB directly.

Benefit Cap

The reduced Benefit Cap has had limited impact on our residents and there are currently 37 families within South Cambridgeshire affected being approximately 12 are HRA tenants, a

number of those initially affected have started work or increased the number of hours they are working and the cap is no longer applicable. The council has contact all those affected to promote and advise of Discretionary Housing Payments, which continue to be available to those families in the most need and at risk of homelessness. There are currently 4 HRA tenants who receive a Discretionary Housing Payments as a result of the Benefit Cap.

Removal of the Spare Room Subsidy

Numbers of customers affected by the removal of the spare room subsidy continue to reduce slowly and currently there are 238 HRA tenants affected by the reform, with 202 impacted by a reduction of 14% and 36 by 25%. There are currently 31 HRA tenants who receive Discretionary Housing Payments to help towards their rent as due to removal of spare room subsidy.

Limiting the Child Element to two children

From 1 April 2017, new benefit claims and current benefit claims which increase the family element above two children, do not have additional child elements included in the Housing Benefit calculation. There are some exemptions for multiple births, result of abuse and adoption, or similar. The impact of the change has been small and there are currently 18 families who are HRA tenants who are affected by the change

This change did not affected claimants who claims started prior to 1 April 2017 with more than two children, unless they have more children, then the child allowances will not increase or no longer claim housing benefit and then reclaim.

Local Housing Allowance (LHA) Restriction

Social sector rents used in the calculation of Housing Benefit and the Housing Costs element of Universal Credit were anticipated to be restricted to the prevailing Local Housing Allowance rates from April 2019, with the rates being the maximum Housing Benefit payable, towards both rent and any service charges.

Following a number of representations at national level, at the present time, Government have indicated that they will not apply the Local Housing Allowance restriction to tenants in supported housing, nor the wider social rented sector.

Supported Accommodation Review

DWP and DCLG have launched a further consultation considering new funding for supported housing with an effective date of April 2020.

There are three broad groups being proposed:

- Sheltered housing schemes – a new sheltered rent based on existing social sector rent controls plus eligible service charges. This will be met through claims for Housing Benefit or Universal Credit.
- Short-term and temporary housing schemes with support provided will be supported through a ring fenced grant paid to upper tier authorities who will be responsible for the commissioning of this type of accommodation.
- Longer-term supported housing – these arrangements will continue much as they are with 100% of eligible rent and eligible service charges being met through claims for Housing Benefit or Income Support.

The deadline for the consultation is 23rd January 2018.

Right to Buy Sales

During 2016/17, 65 right to buy applications were received and recorded, resulting in 33 completions. This compares to 80 applications in the previous year, which gave rise to 23 completions.

The table below highlights the activity over the last 5 years, with projections for the following 5 years:

Status	Year	RTB Sales
Actual Sales	2012/13	24
	2013/14	28
	2014/15	29
	2015/16	23
	2016/17	33
Estimated Sales	2017/18	25
	2018/19	20

	2019/20	20
	2020/21	20
	2021/22	15

In the first 9 months of 2017/18, 27 right to buy applications were received and 16 sales completed, supporting a view that there is now a slowing down in interest following the peak that the threat of 'Pay to Stay' was believed to cause.

Accurately predicting future sales continues to be difficult, but with a small increase in the Bank of England base rate and nothing on the horizon that is anticipated to encourage heightened interest, it is anticipated that interest will remain low, as predicted mid-year.

For the HRA Budget Setting Report 25 sales are assumed in 2017/18, 20 sales from 2018/19 for 3 years, then reducing to 15 per annum from 2021/22 onwards.

Right to Buy Receipts

At 31 March 2017, the authority held £5,893,756 of right to buy receipts under the retention agreement with CLG, to be spent within 3 years of their original receipts date, to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Council's own resources, or through borrowing if headroom is available, and not on replacement dwellings or dwellings receiving any other form of public subsidy.

With a recent increase in the Bank of England base rate to 0.5%, any penalty interest payable on receipts not re-invested appropriately will now be at the rate of 4.5%.

Appendix D summarises the latest position in respect of receipts held and appropriately re-invested, highlighting that although a deadline has not yet been breached, the timing of investment through our capital programme is critical if we are to avoid payment of any penalties.

As with last year, during 2017/18 a small number of strategic acquisitions have, or will have, taken place to ensure that sufficient resource has been invested by March 2018.

The option to pass retained receipts to registered providers still remains, with the same time constraints applicable in this instance, as well as the need for the 70% top up funding.

Newly arising receipts continue to be retained at the end of each quarter, subject to the delegated approval of the Executive Director (Corporate Services), in consultation with the Director of Housing, with the Portfolio Holder for Housing informed if the recommendation were to be to pay receipts directly back to Central Government.

Any additional capital spending, and top up funding, required as a result of decisions to retain right to buy receipts are built into the Housing Capital Investment Plan at the next available opportunity.

Review of Local Policy Context

Housing Stock

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

Housing Category	Actual Stock Numbers as at 1/4/2017	Estimated Stock Numbers as at 1/4/2018
General Housing (incl. use as Temporary Housing)	4,183	4,181
Sheltered Housing	1,054	1,054
Sheltered Housing – Equity Share	80	80
Equity Share – General Needs	0	1
Miscellaneous Leased Dwellings	11	11
Shared Ownership / FTB Dwellings	50	57
Awaiting Disposal / Demolition / Transfer to HA	23	0
Total Dwellings	5,401	5,384

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

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2017	Estimated Stock Numbers as at 1/4/2018
Bedsits	32	20
1 Bed	1,023	1,016
2 Bed	2,279	2,286
3 Bed	1,861	1,849
4 Bed	71	70
5 Bed	1	1
6 Bed	4	4
Total Dwellings	5,271	5,246

Leasehold Stock

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

Support for Vulnerable People

South Cambridgeshire District Council has agreed to enter into a new contract with the County Council to deliver a reduced level, £267,000 per annum, of tenure neutral support services to older people across the district, with a new contract term of 3 years from April 2018, and an option to extend for one year from April 2021.

External Factors

Factors outside of the direct control of the authority continue to impact strategic decision making, with judgements having to be made about the likely direction of travel for many of these.

Appendix A provides details of the latest assumptions being incorporated into the financial forecasts, with any amendments since the last iteration of the business plan highlighted.

Section 3

Housing Revenue Account Resources

Rent

Rent Arrears, Bad Debt Provision and Void Levels

Performance in the collection of current tenant debt fell marginally during 2016/17, and has worsened during the first 9 months of 2017/18.

At the end of December 2017, current tenant arrears stood at £391,541 and former tenant arrears at £126,107, compared with £337,081 and £83,498 retrospectively at 31 March 2017. Although there are always some seasonal fluctuations in arrears levels throughout the year, there does appear to be an upward trend emerging due to welfare reforms and the position is being carefully monitored.

Staff continue to work proactively with tenants in arrears, with the long-term position still anticipated to become more challenging when the phased introduction of direct payment, which began locally in February 2016, is expanded to all client groups from October 2018.

The level of annual contribution to the bad debt provision was reviewed as part of the HRA Medium Term Financial Strategy, taking into consideration the dip in collection rates. A contribution of 0.3% of rental income was retained for 2017/18, increasing incrementally to 0.4% for 2018/19 and 0.5% for 2019/20 and beyond. This assumption has been retained.

At 31 March 2017, the provision for bad debt stood at £300,000, representing 71% of the total debt outstanding.

The estimated value of rent not collected as a direct result of void dwellings in 2016/17 was £306,577, representing a void loss of 1.07%, with higher than desired levels partly due to 'management' voids held pending disposal or re-development of a site.

At the end of 2016/17, 88 properties were unoccupied, representative of 1.6% of the housing stock, with approximately 28% of these being intentionally held vacant pending re-development. At the end of the third quarter in 2017/18, 56 properties were vacant, with approximately 6 of these being intentionally held vacant included in this. In the first 9 months of 2017/18, rent of approximately £251,600 was recorded in the housing rent system as being lost due to vacant dwellings.

The current assumption of 1.1% voids in general housing is still considered appropriate for the longer-term. Any requirement to sell higher value void properties in the future would impact this assumption in future iterations of the business plan, with the deferred loss of estimated rental income already incorporated into the financial forecasts as a separate assumption.

Rent Restructuring and Rent Levels

Property specific target social rents under the rent restructuring regime still apply for the properties held in the HRA prior to April 2012, but the requirement to reduce social housing rents, by 1% for a further 2 years, means that target rents will continue to reduce in line with this. The authority has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, only when a property becomes void.

The average target 'rent restructured' rent, excluding elderly equity share properties, at the time of writing this report in 2017/18 across the socially rented housing stock was £107.59, with the average actual rent charged being £102.60, both recorded on a 52 week basis. By the end of December 2017, 32% of the social rented housing stock was being charged at target rent levels, compared with 27.5% in the previous year.

The gap between actual and target rent levels now equates to an annual loss of income of approximately £1,357,000 across the HRA, compared with the income assumption in the Self-Financing Settlement, where full convergence was anticipated.

There were 61 new build or acquired properties charged at the higher 'affordable rent' levels, equivalent to the Local Housing Allowance at the end of December 2017.

Rent Setting

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

From April 2018, the authority is required to apply the third year of a four year rent cut in social housing rents of 1% per annum.

The assumption being made, in respect of longer-term financial forecasts, that the authority will be able to revert to the previous policy of increasing rents by CPI (as measured at the preceding September), plus 1% each year, from April 2020, has been confirmed by government, with a commitment at these levels given for at least 5 years.

For affordable rented homes, the requirement for local authorities to determine what 80% of the market rent is for each dwelling, and ensure that the combined rent and service charges levied for a property does not exceed this level, minus the 1% reduction required each year for the four years from April 2016 remains. As local policy limits affordable rents to the Local Housing Allowance level from the point of introduction, it is argued that the 4 year reduction has already been applied for these properties at inception. As a result, affordable rents are reviewed in line with the Local Housing Allowance each year, with an indication that these allowances may be increased by 3% from April 2018 for the Cambridge Broad Market Rental Area.

Service Charges

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

The approach to setting service charge levels for 2018/19 is detailed at **Appendix B**.

Other Sources of Income

Garages

The Housing Revenue Account had 943 residential garages at 1st April 2017, which are outside the curtilage of the dwelling. Approximately 230 garages were vacant at the time of compiling this report.

A number of the vacant garages have been identified as needing repairs or major works prior to being ready to let, or are being considered for demolition, disposal, self-build sites or re-development.

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

Other Property

In addition to dwellings held for rent, the HRA has a number of communal rooms and hub offices in sheltered schemes. Currently the costs of these buildings are recovered through service charges levied to residents.

A review of these assets is in progress to ensure that they are either well utilised for the purpose intended, or that consideration is given to alternative options for the use of each site, generating an income for the HRA where possible.

Interest / Investment Income

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

The interest rates available to the Council generally remain low, and market recovery is slow, although lending to Ermine Street Housing still provides a better return than lending to external third parties currently.

Other External Funding

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

- Section 106 Funding – The authority has a policy in respect of Section 106 Commuted Sums, which includes the provision for resource to be to be utilised to fund delivery of new build affordable housing in the Housing Revenue Account. The assumption that a proportion of this funding is utilised to deliver new affordable homes is incorporated into the Housing Capital Investment Plan.
- Support Funding – The authority expects to receive £267,000 per annum for tenure neutral support provided to older people across the district, with a contract which can be extended up to March 2021.

Earmarked & Specific Funds

Earmarked Funds – Revenue Reserves

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

Self-Insurance Fund

This reserve is maintained to mitigate the risks associated with the authority self-insuring its housing stock. Costs in lieu of insurance claims are charged to the HRA in year, with the reserve available to meet any higher than anticipated remedial costs, allowing the HRA time to react to the additional expenditure incurred.

Major Repairs Reserve

A statutory reserve which receives a sum, transferred from the revenue account, equivalent to the depreciation in respect of the housing stock each year. Resource in the Major Repairs Reserve is then used as a source of funding in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt.

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

Change in national housing policy, and the continued desire to invest resource in new build to replace lost stock and appropriately spend retained right to buy receipts, impacts the ability to set-aside resource to repay debt. This means the authority will have no alternative but to re-finance a significant proportion of the loan portfolio as each loan matures. The approach of using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), allows the HRA to retain flexibility over the use of the limited resource that is available for set aside in the future.

Earmarked Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt

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

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

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

Section 4

Housing Revenue Account Budget

Revised Budget - 2017/18

In-Year Budget Amendments

Service budgets for the current financial year are not routinely reviewed as part of the budget setting process for the coming year, and any variations against the budget set are reported at outturn. Exceptions are made, however, in respect of items which are significant in nature, or which will materially affect projections for the budget year if amendments are not made in year.

For 2017/18 the only in year changes are in respect of the level of rent income expected to be received for the year and the anticipated interest that will be received by the HRA, directly impacted by the latest spending assumptions in the Housing Capital Investment Plan. The changes are summarised in the table below:

2017/18 Revised Budget	Original Budget February 2017 £	HRA MTFS November 2017 £	HRA BSR Proposed Changes £	HRA BSR January 2018 £
Net HRA Use of / (Contribution to) Reserves	180,250	613,620		
Savings / Increased Income			(97,360)	
Unavoidable Revenue Bids			0	
Non-Cash Limit Adjustments			0	
Revised Net HRA Use of / (Contribution to) Reserves				516,260
Variation on previously reported projection				(97,360)

The above figures include rollover approvals from 2016/17 in the second column, in addition to any changes approved as part of the Medium Term Financial Strategy in November 2017, with the net reduction in the planned use of reserves identified in the current year, as part of the January 2018 committee cycle, incorporated in the right-hand column.

The net increase in income for 2017/18 will result in a marginally lower call on the use of Housing Revenue Account reserves than previously anticipated.

Budget - 2018/19

Overall Budget Position

The approach to setting the HRA budget for 2018/19 include a requirement to identify £600,480 of savings or areas where increased income could be generated across the remaining 3 years of a 4 year efficiency programme, which sought to reduce cost by £1,000,000 in total over this period. Following an over-achievement against year 1 of the target, savings of £100,480 were sought for 2018/19, followed by the two remaining years at £250,000 per year ongoing.

Proposed savings and any identified increases in income are detailed in **Appendix G (1)**, with the savings partially offset by unavoidable revenue pressures and reduced income in some areas.

The table below show a summary of the proposals included at **Appendix G (1)**, showing a net over-achievement against the £100,480 target set for 2018/19, before the impact of any non-cash limit adjustments. This is predominantly due to significant savings in non-responsive repairs and recognition in the budgets of the current level of service charge income which is received for the sheltered housing and elderly equity share housing stock.

Savings and increased income identified are partially offset by some areas of unavoidable revenue pressure and bids, with the most significant of these being an increase in the cost of services and overheads recharged to the HRA and the introduction of a new Compliance Manager post to ensure that legislation is adhered to and health and safety issues are identified and addressed across the housing stock.

Proposal Type	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Cumulative Savings Target Proposed	100,480	350,480	600,480	600,480	600,480
2018/19 Budget Changes					
Savings	(397,640)	(397,640)	(397,640)	(397,640)	(397,640)
Increased Income	(364,930)	(364,930)	(364,930)	(364,930)	(364,930)
Unavoidable Revenue Pressures	196,930	196,930	196,930	196,930	196,930
Reduced Income	23,960	0	0	0	0
Bids	148,800	133,400	112,700	108,100	108,100
Net Savings Position - (Over) / Under-Achieved against Savings Target	(292,400)	(81,760)	147,540	142,940	142,940
Non-Cash Limit Items	631,700	0	0	0	0
Net Position for the HRA - (Over) / under-Achieved against overall assumptions	339,300	(81,760)	147,540	142,940	142,940

For financial forecasts, the assumption has been retained that the balance of savings to be sought from the £1,000,000 savings programme, which currently equates to £147,540, will be identified from 2020/21.

This level of savings will enable the HRA to set a balanced revenue budget over the 30 year life of the business plan, and will release sufficient resource, along-side the use of any funds currently set-aside for debt redemption, to fund both the required investment in the housing stock over the next 30 years and meet commitments in respect of new build housing in the medium term. If the authority is to attempt to utilise retained right to buy receipts to build homes for HRA ownership in the long-term, consideration will need to be given to where further savings may be found from.

During 2018/19, if the final details of some of the residual changes in national housing policy are clear, a further review of the strategic position for the HRA will be undertaken.

The overall revenue budget position for the Housing Revenue Account for 2018/19 is presented in **Appendix I**. A balanced budget can be set for 2018/19, assuming the delivery of savings as identified.

Section 5

Housing Capital Budget

Stock Investment and Decent Homes

Stock condition data is continually updated in respect of the housing stock, improving the information held to inform future decision making. The procurement, being undertaken jointly with Cambridge City Council, to procure updated software to record and report asset management data, as part of a wider project to procure a fully integrated housing management information system is progressing well. The authorities expect to confirm the preferred supplier early in 2018, which will then allow implementation of the new systems in the following year.

At 31 March 2017, 93.75% of the housing stock was reported as decent, compared with 87.5% at 31 March 2016, with 329 properties that were considered to be non-decent (in addition to refusals), and another 457 anticipated to become non-decent during 2017/18.

The level of investment in the housing stock as a whole, including that which falls outside of the decent homes standard, has been subject to review as part of the 2018/19 budget setting process, with some resulting changes proposed. Any reduction in the level of investment in the existing housing stock will help to ensure that the authority is able to set a balanced budget for the HRA over the longer-term, without breaching the HRA debt cap, whilst also maximising any resource available to increase the limited supply of new affordable housing.

Changes proposed in the level of investment in the housing stock are detailed at **Appendix H**, with capital bids and savings identified at **Appendix G (2)**. The latest Housing Capital Investment Plan is included at **Appendix J**.

New Build & Re-Development

New Build and Re-Development Schemes Completed

At the time of writing this report 43 new homes had been completed since April 2012, all of which were built as affordable rented homes, with a further 7 shared ownership homes also completed.

Scheme	Date Completed	Affordable Units	Scheme Composition	Percentage Affordable Housing on Site
Fen Drayton Road, Swavesey	May 2016	20	4 x 1 Bed House 10 x 2 Bed House 5 x 3 Bed House 1 x 4 Bed House	100%
Horseheath Road, Linton	July 2016	4	1 x 2 Bed Bungalow 2 x 2 Bed Flat 1 x 2 Bed House	40%
Hill Farm, Foxton	January 2017	15	4 x 1 Bed House 6 x 2 Bed House 5 x 3 Bed House	100%
Bannold Drove, Waterbeach	November 2017 to January 2018	4 plus 7 shared ownership	4 x 2 Bed House 5 x 3 Bed House (Shared Ownership) 2 x 2 Bed House (Shared Ownership)	TBC
Total		43 plus 7 shared ownership		

New Build and Re-Development Schemes in Progress or Approved to Proceed

The table below updates the position in respect of schemes either in progress or with portfolio holder approval, based upon previous versions of the business plan, confirming their status and the current budget allocation which is required for each of the schemes, with the budgeted cashflow included at **Appendix E**.

Scheme	Status	Estimated Affordable Units	Indicative Scheme Composition (Subject to Change)	Scheme Budget (Net of subsidy / capital receipts)
Robinson Court, Gamlingay	On site 5/5/2017	6 plus 4 shared ownership and 4 market sale	4 x 1 Bed Flat 2 x 2 Bed Flat 2 x 1 Bed House (Shared Ownership) 2 x 2 Bed House (Shared Ownership) 2 x 2 Bed House (Market Sale) 2 x 3 Bed House (Market Sale)	2,309,540
Pembroke Way, Teversham	Re-designed scheme. Pre-planning stage	6	4 x 1 Bed Flat 2 x 2 Bed House	860,230
Pampisford Road, Great Abington	On site	6 plus 2 shared equity	2 x 1 Bed Flat 2 x 2 Bed House 1 x 2 Bed Bungalow 2 x 2 Bed Bungalow (Shared Equity) 1 x 3 Bed House	1,383,080
Woodside, Longstanton	On site	3	3 x 2 Bed House	422,230
Balsham Buildings, High Street, Balsham	On site	9 plus 4 shared ownership	7 x 1 Bed Flat 2 x 2 Bed Flat 4 x 2 Bed House (Shared Ownership)	1,848,900
Bannold Drove, Waterbeach	On site, with first phases now taken	12 remaining	6 x 1 Bed Flat 6 x 2 Bed Flat	Balance of 4,309,440
Gibson Close, Waterbeach	Planning approved. Contracts being prepared	6 plus 3 shared ownership	4 x 1 Bed Flat 2 x 2 Bed House 3 x 2 Bed House (Shared Ownership)	1,452,340
Highfields, Caldecote	Planning approved. Contracts being prepared	3	1 x 1 Bed House 2 x 2 Bed House	449,000
Total		51 rented, 11 shared ownership, 2 shared equity 4 market sale		13,034,760

New Build and Re-Development Schemes in the Pipeline

There are a number of schemes where feasibility work is being carried out with a view to building out the sites for the HRA directly, or alternatively negotiations are in progress with developers, for the HRA to acquire the affordable housing on existing new build development schemes. These schemes do not yet have formal approval, and as such have not yet been built in to the Housing Capital Investment Plan on a scheme specific basis. Instead an unallocated new build budget is included, which when a scheme receives Portfolio Holder approval, allows resource to be vired from this unallocated new build / acquisition budget to the scheme specifically to allow monitoring of progress.

Schemes currently in the pipeline include:

Scheme	Status	Estimated Affordable Housing Units	Indicative Scheme Composition (Subject to Change)
Hardwick	Outline planning approval. Offer agreed with developer	27	16 x 1 Bed Flat 9 x 2 Bed House 1 x 3 Bed House 1 x 4 Bed House
Great Abington	Planning stage. Offer agreed with developer	13 plus 5 shared ownership	6 x 1 Bed Flat 2 x 2 Bed House 5 x 3 Bed House 2 x 2 Bed House (Shared Ownership) 3 x 3 Bed House (Shared Ownership)
Melbourn	Planning approved. Offer made to developer	6 plus 3 shared ownership	2 x 1 Bed Flat 1 x 1 Bed House 3 x 2 Bed House 1 x 2 Bed House (Shared Ownership) 2 x 3 Bed House (Shared Ownership)
Thriplow	Pre-planning. Offer agreed with developer	10 plus 4 shared ownership	4 x 1 Bed Flat 2 x 2 Bed Flat 4 x 2 Bed House 2 x 2 Bed House (Shared Ownership) 2 x 3 Bed House (Shared Ownership)
Hauxton	Offer made to developer, but may be declined due to planning changes	2	2 x 2 Bed House

Toft	Planning approved. Offer made	25 plus 11 shared ownership	12 x 1 Bed Flat 13 x 2 Bed House 5 x 2 Bed Flat (Shared Ownership) 5 x 3 Bed House (Shared Ownership) 1 x 4 Bed House (Shared Ownership)
------	----------------------------------	-----------------------------------	---

The majority of schemes deliver new provision of affordable housing and as such will be eligible for 30% of the scheme to be funded using retained right to buy receipts. Shared ownership dwellings or schemes where some or all of the new homes will replace existing social housing which is no longer considered fit for purpose, are not eligible for use of this resource, but instead can be part funded using Section 106 commuted sums if they are available.

New Build – Other (including use of RTB Funding)

The pipeline new build schemes above would be sufficient to ensure that the authority can appropriately re-invest all of the right to buy receipts currently retained, only if all of the offers made were successful, and South Cambridgeshire District Council were subsequently contracted to acquire the new build affordable homes on all of these sites. It is, however, unlikely that all of the pipeline schemes will proceed with the Council as the registered provider partner, and therefore other options continue to be explored. This is also critical in terms of identifying schemes where future right to buy receipts can be re-invested, with the need to identify and fund further new build schemes, acquire existing homes for use as social housing, or pass the resource over to a registered provider for re-investment.

The assumption has been retained, that the authority utilise resource previously set-aside for the potential redemption of housing debt, combined with revenue resource that can be released as a result of capital receipts that have been received from the sale of HRA land and dwellings on the open market in recent years, to fund building new homes. This is anticipated to provide sufficient resource to allow the appropriate re-investment of existing and anticipated retained right to buy receipts in the medium term, without the immediate need to pass any funding to a registered provider.

New build housing in the HRA is no longer being managed by The Housing Development Agency (H.D.A), and instead staff have been brought back in house to manage the schemes

directly. The in-house team are continually working to identify potential new build sites and future development opportunities, in a bid to ensure that the HRA has sufficient pipeline schemes to meet investment commitments.

Self-Build Plots

Work is progressing well in preparing and marketing parcels of HRA land that provide self-build opportunities, releasing capital receipts which are then available for re-investment by the HRA to release resource elsewhere in the capital programme, facilitating the delivery of new homes in the district.

Officers have identified HRA sites with the potential to provide in the region of 100 self-build plots in total. A rolling programme of potential plots is currently being progressed, with the first single plot having now been sold. Outline planning approval has been gained for 7 of the plots, which will be marketed in early 2018 and a further 4 are in the planning process with committee dates scheduled.

The authority has now recruited to a dedicated post to take forward work in respect of the sale of these plots.

It is anticipated that each plot may realise a gross capital receipt of up to £250,000, which after financing the costs of site preparation, could leave a net receipt of up to £200,000 per plot available to the HRA for re-investment.

Assumptions are incorporated into the HRA Business Plan that capital receipts from plot sales will be available to HRA as a funding source, in line with the latest business case for the self-build project.

Section 106 Funding

Commuted Sums Money received in lieu of Affordable Housing

If the Council receives commuted sum payments, often time limited, where approval has been granted as part of the planning decision to receive payment in lieu of affordable housing, the default position is that the HRA utilises the resource to invest in affordable housing.

The Council currently holds £4.5m in commuted sums for affordable housing. The following table identifies when the money has to be spent (year-end prior to deadline date), against the resource committed to date

Year	Section 106 sum to be spent £	Cumulative Section 106 sum to be spent £	Resource committed General Fund £	Resource committed HRA £	Cumulative resource still to be committed £
2017/18	104,973	104,973	62,000	580,000	-
2018/19	509,258	614,231	50,000	145,000	-
2019/20	571,040	1,185,271	0	0	348,271
2020/21	235,518	1,420,789	0	0	583,789
2021/22	94,500	1,515,289	0	0	678,289
2022/23	293,180	1,808,469	0	0	971,469
2023/24	68,824	1,877,293	0	0	1,040,293
2024/25	381,213	2,258,506	0	0	1,421,506
2025/26	2,002,615	4,261,121	0	0	3,424,121
2026/27	0	4,261,121	0	0	3,424,121
2027/28	233,839	4,495,602	0	0	3,657,960
			112,000	725,000	

Commitments to date include:

Scheme	Fund	2017/18 £	2018/19 £	Ongoing £
Emmaus – 10 en-suite bed-spaces	General Fund	0	50,000	0

Little Gransden Almshouses – refurbishment of 4 dwellings	General Fund	42,000	0	0
Robinson Court, Gamlingay – redevelopment	HRA	75,000	0	0
Organisational cost for delivery of Affordable Housing using Section 106	General Fund	20,000	0	0
High Street Balsham – contribution towards delivery of 4 shared ownership homes	HRA	100,000	100,000	0
Bannold Road, Waterbeach – contribution towards 7 shared ownership homes	HRA	350,000	0	0
Gibson Close, Waterbeach – contribution towards 3 shared ownership homes	HRA	55,000	45,000	0
		642,000	195,000	0

With £3,657,960 of resource still to be re-invested, and a commitment to invest the sum in new HRA homes wherever possible, expenditure of £500,000 per annum, and associated Section 106 match funding has been retained in the Housing Capital Plan for the next 5 years.

As the resource can't be combined with retained right to buy receipts for the delivery of a specific social rented housing dwelling, it is likely, although not guaranteed, that the funds will be utilised predominantly to deliver other forms of affordable and intermediate housing, such as shared ownership or shared equity.

Asset Acquisitions & Disposals

Consideration is given to the strategic acquisition or disposal of assets, in line with the current HRA Acquisition and Disposal Policy.

The Right to Buy Retention Agreement allows the acquisition of existing dwellings, as an alternative to building new homes. Although not the first priority for the use of this resource, market acquisition does increase the supply of affordable homes available in the district, and is a valid option when new build is not possible within a quarterly deadline for the use of retained

receipts. If a decision is taken at the end of a quarter that there is a risk that new build schemes will deliver in the required timeframes, resources can be vired from the unallocated new build / acquisition budget into the budget for direct market acquisition.

In 2017/18, the following properties have been acquired to date, to ensure that right to buy receipts are appropriately invested within the required timescales:

Property Address / Location	Property Type	Status
52 Whitegate Close, Swavesey	2 Bed House	Complete
45 Hudson Road, Cambourne	2 Bed House	Complete
61 Jeavon's Lane, Cambourne	3 Bed House	Complete

Receipts from individual asset disposals are currently recognised in the HRA's reserves only at the point of receipt and after all relevant costs have been provided for. This approach will be reviewed if regulations are made available in respect of the sale of higher value voids levy, as it will then be necessary to forecast the number of sales which will take place in each period, in order to plan effectively to meet any levy set.

Receipts from the sale of self-build plots are however, already incorporated into financial planning, in anticipation of the need to utilise them to top up existing retained right to buy receipts. Any delay in the receipt of these capital sums will significantly impact the authority's ability to spend right to buy receipts appropriately.

As part of the quarterly decision as to whether the authority should retain right to buy receipts, pass them to a registered provider, or as a last resort pay them over to central government, officers need to consider the progress in respect of the sale of self-build plots and any other capital receipts which may have been received by that point in any year, as these release funds elsewhere in the capital programme that can be re-directed into investment in new homes built using right to buy receipts as a funding source. There is a risk judgement that needs to be made as part of this quarterly decision making process.

Capital Bids, Savings and Re-Phasing

There are capital bids and savings incorporated as part of the 2018/19 HRA Budget Setting Report, alongside a number of areas of re-allocation and re-phasing.

Detailed changes are presented in **Appendix H** and capital bids are described in **Appendix G(2)**, with the overall financial and presentational impact of the following items being incorporated into the Housing Capital Investment Plan presented at **Appendix J** :

- Inclusion of a bid for £200,000 for the replacement of the Housing Management Information System, to add to the existing allocation for the project which is deemed insufficient to meet the cost of the breadth of services tendered for.
- Inclusion of a saving of £140,000 per annum, recognising a reduction in the need for investment in structural works to the housing stock.
- Inclusion of a saving of £820,000 per annum, effective from 2019/20 in respect a reduced level of investment in energy conservation initiatives, particularly recognising the anticipated completion of the current external wall insulation programme.
- Adjustments to budgets for new build schemes that have now received approval, recognising the need to vire resource from the unallocated new build budget to scheme specific budgets, as identified in **Appendix H**.
- Re-phasing of new build schemes as identified in **Appendix H**.
- Re-phasing of the unallocated new build programme utilising retained right to buy receipts, recognising the current schemes in the pipeline and their estimated delivery timescales.
- Adjustment to the level of resources held for works to new build dwellings and to meet the cost of inflation, as a result of the changes above.

Section 6

HRA Treasury Management

Background

Statutorily, the Housing Revenue Account is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions, and is also required to review this budget again during each year.

HRA Borrowing

As at 1 April 2017, the Housing Revenue Account was supporting external borrowing of £205,123,000 in the form of 41 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.44% and 3.53%. The loans have varying maturity dates, with the first £5,000,000 due to be repaid on 28th March 2037 and the last loan on 28th March 2057.

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

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

The Housing Revenue Account is still subject to a debt cap of £205,123,000, which provides no borrowing headroom.

Announcements as part of the Autumn 2017 Budget, included confirmation that the government will lift the borrowing cap in areas of high affordability pressure, so that more council homes can be built. Local authorities will be invited to bid for increases in their borrowing caps from 2019/20, up to a total of £1 billion by the end of 2021/22. Detail surrounding this is now awaited.

A subsequent report by the Treasury Select Committee has called for the HRA 'borrowing cap' to be abolished completely so that council's can contribute effectively towards the government's target of 300,000 new homes per year.

South Cambridgeshire District Council is fully committed to exploring any freedoms or flexibilities which may be made available to councils to facilitate the delivery of increased affordable homes within the district, and in the HRA particularly.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

The current debt repayment strategy for the HRA, not to set-aside resource to repay housing debt, but to instead invest resource in new build housing, assumes the need to re-finance the borrowing when loans mature.

The potential debt repayment or re-investment reserve stood at £8,500,000 at 1 April 2017, with the current assumption being that this will be re-invested in full by 2029/30 in order to extend the life of the business plan, once other resources are exhausted, and the debt cap would otherwise be breached.

Regular consideration will need to be given, in the context of the current financial climate and the expectation that HRA stock numbers will fall significantly over the coming years if the higher value voids levy comes into force, whether the authority wants to retain the current re-investment strategy, or re-consider some element of set-aside if resources allow.

Section 7

Summary and Overview

Uncertainties and Risk

Risk Assessment

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

The authority maintains a risk registers, which incorporate specific risks affecting the Housing Revenue Account, considering the likelihood and impact associated with each risk, and the mitigation in place to counteract these. Risk registers are regularly updated and are reviewed by the Executive Management Team a number of times each year.

HRA Reserves

Housing Revenue Account General Reserves

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

Reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over

more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

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

Financial Assumptions and Sensitivity

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

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

Appendix F provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2018/19.

Options and Conclusions

Overview

The budget for 2018/19 has been constructed in the wider context of the national position for social housing. The authority still seeks to achieve a balance in investment against key housing priorities as follows, although this still proves challenging:

- Investment in the existing housing stock
- Investment in the delivery of new affordable homes
- Investment in new initiatives and income generating activities
- Spend on landlord services (i.e. housing management, responsive and void repairs)

- Support for, and potential repayment of, housing debt

1% rent cuts for a further 2 years, the continued uncertainty in respect of the need to meet a higher value voids levy and the time and top up constraints associated with the retention and re-investment of right to buy receipts, continue to pose significant financial challenges for the HRA into the future.

Summary and Conclusions

As part of the 2017/18 HRA Budget Setting Report, a savings target of £1,000,000 over 4 years was incorporated into future financial forecasts. Although the net savings position for 2017/18 exceeded the year 1 target, there was still the need to identify the balance of £600,480 of savings in the following three years, to be able to present a balanced HRA revenue budget over the longer term.

Significant net savings have been identified from 2018/19, which not only deliver against the target set for the year, but contribute to the target incorporated into the Medium Term Financial Strategy for future years.

Savings have also been identified in capital investment in the existing housing stock, with significant reductions in budgets for energy conservation and structural works. The reduction in spending in these areas allows for the continuation of a small programme of new build housing, sufficient to utilise current and anticipated retained right to buy receipts, up to 2029/30, i.e.; for a further 12 years. After this point, there will not be resource available to either build new homes or repay any of the existing housing debt, unless further savings are identified or assumptions change with a positive impact on the financial forecasts for the HRA.

The additional longer-term pressures identified in respect of investment in our existing housing stock, mean that the HRA Capital Investment Plan is just financially viable for the full 30 years of the business plan, but with the need to consider how the authority will control costs or increase income to be in a position to extend the life of the plan.

Once the impact of the remaining changes in national housing policy are clear, and regulations are available, it will be necessary to undertake a strategic review of the financial

position for the HRA, with a view to balancing any revenue savings to be sought going forward, with the need to have a 30 year capital investment plan which can be fully funded, whilst also meeting aspirations to deliver new affordable homes.

The review will include:

- Reviewing options for greater income generation, to include section 20 recharges to leaseholders and the use of communal rooms
- Reviewing spending on HRA revenue services
- Reviewing spending on the existing housing stock, to include both decent homes and discretionary expenditure
- Exploring alternative delivery models for the provision and ongoing management of social housing
- Exploring alternative delivery models to maintain a new build housing programme

During February 2018, both Cabinet and Council will consider the budget proposals for the HRA, prior to decision.

The HRA Budget Setting Report recommends, in summary:

- Approval of changes in property rents, with social housing rents subject to a 1% rent cut from April 2018, whilst new affordable rents will be reviewed to ensure that rents and charges are no higher than 80% of market rent, less the 1% reductions from April 2017. Locally affordable rents are set at Local Housing Allowance level, which ensures that this is the case without the need for detailed review on a property by property basis.
- Approval of garage rents as detailed in **Appendix B**
- Approval of service charges as detailed in **Appendix B**
- Approval of the unavoidable revenue pressures, reduced income, savings and increased income summarised in Section 4 of this report, and include in detail at **Appendix G(1)**
- Approval of the HRA revenue budget for 2018/19 as shown in **Appendix I**
- Approval of capital bids and savings as detailed at **Appendix G(2)**

- Approval of the Housing Capital Programme for 2018/19 to 2022/23 as shown in **Appendix J**
- Agreement to retention of the balance of the £1,000,000 revenue savings target, and to the approach to delivering both a balanced revenue budget for the next 30 years, alongside a sustainable capital investment programme.

Business Planning Assumptions

Appendix A

Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2.6% for 2018/19, 2.2%, 2.3%, then 2% ongoing	General inflation on expenditure included at 2.6% for 2018/19, then 2.2%, 2.3% and 2% ongoing, per Bank of England projections.	Retained
Capital Inflation	3.6% for 2018/19, 3.2%, 3.3%, then 3% ongoing	Based upon inflation as measured by the Retail Price Index (RPI), assuming this to be 1% above CPI over the longer-term. This concurs with the majority of current contracts held by the HRA.	Retained
Debt Repayment	Set-aside to repay debt if resource allows	Assumes set-aside to repay debt as loans reach maturity dates only if resource allows, after any surplus re-invested in income generating assets. No resource currently available.	Retained
Capital Investment	Partial Investment Standard	Base model assumes a partial investment standard in the housing stock, compared with a basic decent homes standard. This will be reviewed again during 2018/19.	Retained
Pay Inflation	1.3% Pay Progression plus: 2018/19 – 1.0% 2019/20 – 1.0% 2% ongoing	Assume allowance for increments at 1.3%. Pay inflation at 1% for 2 years, then 2% ongoing, with a return to long-term government aim from 2020/21, reflecting economic recovery.	Retained
Employee Vacancy Allowance	HRA share of £500,000 total	Employee budgets assume a vacancy allowance of £500,000 per annum for the Council as a whole, apportioned to the HRA on an FTE basis	Amended
Rent Increase Inflation	-1% from 2016/17 for 4 years, CPI plus 1% for 5 years, then CPI plus 0.5% from 2025/26	Rent decreases of 1% per annum per government guidelines from 2016/17 to 2019/20, then CPI plus 1% for 5 years, then reverting to inflation plus 0.5%. Assume CPI in preceding September is as above. Affordable rents and charges reviewed in line with Local Housing Allowance levels.	Retained
Rent Convergence	VOIDS ONLY	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained
External Lending Interest Rate	2.08% for 2017/18, then 2%	Interest rates based on latest market achievement, including interest from Ermine Street Housing	Retained

Key Area	Assumption	Comment	Status
Internal Lending Interest Rate	2.08% for 2017/18, then 2%	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment the General Fund over the longer term.	Retained
External Borrowing Interest Rate	2.8% from 2018/19	Assumes additional borrowing using Capita predictions of PWLB rates, currently 2.8%, including assumed certainty rate.	Retained
Internal Borrowing Interest Rate	2.8% from 2018/19	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Retained
HRA Minimum Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, pending a review once the impact of the higher value voids levy and other housing policy changes are clear.	Retained
Right to Buy Sales	25 for 2017/18, 20 for 3 years, then 15 sales ongoing	Retain assumption of 25 for 2017/18, 20 for 3 years from 2018/19, until 15 are assumed ongoing from 2021/22.	Retained
Right to Buy Receipts	Settlement receipts excluded. Retained receipts included.	Debt settlement receipts excluded as assumed to fund General Fund housing capital expenditure. Anticipated one-for-one receipts included. Debt repayment proportion reported as at 1/4/2017 and assumed available for intended use.	Retained
Void Rates	1.1%	Assumes 1.1% per annum from 2017/18 onwards.	Retained
Bad Debts	0.3% for 2017/18, 0.4% for 2018/19, then 0.5% from 2019/20	Bad debt provision of up to 0.5% over 3 years to reflect the requirement to collect 100% of rent directly for new benefit claimants, following phased implementation of Universal Credit by 2020.	Retained
Savings Target	£250,000 per annum for 4 years	Inclusion of a savings target at £250,000 per year ongoing, for 4 years from 2017/18 to 2020/21, reducing base budgets by £1,000,000 over this period.	Retained
Responsive Repairs Expenditure	Adjusted pro rata to stock changes	An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers.	Retained
Policy Space	£0	No policy space incorporated at present, but if included would recognise a desire to be able to facilitate strategic investment and respond to pressures. To be reviewed again as part of 2018/19 budget process.	Retained
Service Reviews and Restructures	On case by case basis	Service review outcomes assumed to deliver to the HRA as indicated in the review business case, and incorporated once impact is known.	Retained

Service Charges

Appendix B

Charge Description	Charge Basis	Current Charges 2017/18 (£)	Proposed Charges 2018/19 (£)	Increase (%)	Increase (£)
General Housing					
Use and Occupation Fee	Weekly	As per Target Rent	As per Target Rent	-1%	Variable
Sewage	Weekly	4.38 to 4.76	As per Anglian Water Standard Rates	TBC	TBC
White Goods Charge (per item)	Weekly	1.50	1.50	0%	0.00
Management Charge (Third Party)	Weekly	As per third party charge	As per third party charge	TBC	TBC
General Stock - Flats					
Blocks with Door Entry	Weekly	3.37	3.37	0%	0.00
Blocks without Door Entry	Weekly	2.24	2.24	0%	0.00
General Sheltered Schemes					
Sheltered Charge (Staffing)	Weekly	4.56 to 6.16	4.78 to 6.44	Variable	Variable
Communal Premises Charge	Weekly	0.00 to 15.84	0.00 to 15.61	Variable	Variable
Grounds Maintenance Charge	Weekly	0.28 to 2.34	0.23 to 2.35	Variable	Variable
Communal Heating / Lighting (Elm Court)	Weekly	8.83	7.71	-12.7%	-1.12
Water (Elm Court)	Weekly	3.20	2.72	-15%	-0.48
White Goods Charge (per item)	Weekly	1.50	1.50	0%	0.00
Alarm Charge	Weekly	3.00	3.00	0%	0.00
Mobile Alarm Solution	Weekly	3.50	3.50	0%	0.00
Elderly Equity Share (As per Sheltered Housing recovered quarterly, plus charges below)					
External Property Repairs	Quarterly	14.30 to 27.56	14.30 to 28.34	Variable	Variable
Management Fee (10%)	Quarterly	9.23 to 33.28	9.23 to 34.06	Variable	Variable
Temporary Accommodation					
Temporary Let Charge	Weekly	31.00	32.00	3.2%	1.00
Community Alarm Service					
Council Supplied Alarm	Weekly	4.47	4.47	0%	0.00

Group Alarms	Weekly	4.47	4.47	0%	0.00
Mobile Alarm Solution	Weekly	5.47	5.47	0%	0.00
Installation Charge (Within 30 mile radius)	One-Off	30.00	30.00	0%	0.00
Installation Charge (Outside 30 mile radius)	One-Off	36.00	36.00	0%	0.00
Replacement Pendant Charge	One-Off	50.00	50.00	0%	0.00
Garage and Storage Unit Rents					
Garages or Storage Unit Rented to Tenant	Weekly	8.53	8.75	2.6%	0.22
More than 2 Garages Rented to Tenant	Weekly	8.53 plus VAT	8.75 plus VAT	2.6%	0.22 plus VAT
All Other Garage and Storage Unit Rentals	Weekly	11.54 plus VAT	11.84 plus VAT	2.6%	0.30 plus VAT
Leasehold Charges for Services					
Solicitors' pre-sale enquiries	One-Off	110.00	110.00	0%	0.00
Copy of lease	One-Off	30.00	30.00	0%	0.00
Re-mortgage Enquiry/Copy of Insurance schedule	One-Off	30.00	30.00	0%	0.00
Notice of Assignment/Notice of Charge/Notice of Transfer	One-Off	75.00	90.00	20%	15.00
Deed of Variation – Administration plus CCC Solicitor fees and own solicitor	One-Off	150.00	50.00 550.00+	New Basis	New Basis
Home Improvements – Administration Only Inclusive of Surveyor Visit	One-Off	30.00 125.00	30.00 125.00	0%	0.00
Retrospective consent for improvements	One-Off	Above + 25.00	Above + 25.00	0%	0.00
Registering sub-let details	One-Off	50.00	50.00	0%	0.00
Advice interview for prospective purchasers	One-Off	N/A	50.00	New Charge	New Charge

HRA Earmarked & Specific Funds

Appendix C

2017/18 (£'000)

HRA Earmarked & Specific Revenue Funds (£'000)

Self-Insurance Reserve

	Opening Balance	Contributions	Expenditure to December	Current Balance
Self-Insurance Reserve	(1,000.0)	0.0	0.0	(1,000.0)

Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to December	Current Balance
Debt Set-Aside	(8,500.0)	0.0	0.0	(8,500.0)

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to December	Current Balance
Debt Set-Aside	(4,096.6)	(501.7)	0.0	(4,598.3)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to December	Current Balance
MRR	0.0	0.0	0.0	0.0

RTB Retained Receipts Reserve

	Opening Balance	Contributions	Expenditure / Use to December	Current Balance
RTB Retained Receipts	(5,893.8)	(1,985.5)	1,232.1	(6,647.2)

Capital Receipts

	Opening Balance	Contributions	Expenditure to December	Current Balance
Capital Receipts	(2,548.4)	(95.5)	0.0	(2,643.9)

Retained Right to Buy Receipts

Appendix D

Quarter date for Receipt	Retained 1-4-1 Receipt Value (Per Quarter)	Retained 1-4-1 Receipt Value (Cumulative)	Amount of New Build Expenditure Required (Cumulative)	Deadline for Receipt to be spent on New Dwelling	Qualifying Spend by Deadline (Cumulative)	Retained 1-4-1 Receipt Spent (Cumulative)	Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative)	Further New Build Spend Required by Deadline (Cumulative)
30/06/2012	273,807.59	273,807.59	912,691.97	30/06/2015	4,803,740.45	1,441,122.14	0.00	0.00
30/09/2012	110,185.59	383,993.18	1,279,977.27	30/09/2015	5,486,448.80	1,645,934.64	0.00	0.00
31/12/2012	786,867.59	1,170,860.77	3,902,869.23	31/12/2015	6,535,409.29	1,960,622.79	0.00	0.00
31/03/2013	257,177.59	1,428,038.36	4,760,127.87	31/03/2016	7,792,759.75	2,337,827.93	0.00	0.00
30/06/2013	180,159.83	1,608,198.19	5,360,660.63	30/06/2016	8,427,139.03	2,528,141.71	0.00	0.00
30/09/2013	408,259.67	2,016,457.86	6,721,526.20	30/09/2016	8,837,392.15	2,651,217.65	0.00	0.00
31/12/2013	405,074.37	2,421,532.23	8,071,774.10	31/12/2016	10,121,126.99	3,036,338.10	0.00	0.00
31/03/2014	1,012,895.75	3,434,427.98	11,448,093.27	31/03/2017	13,017,810.92	3,905,343.28	0.00	0.00
30/06/2014	190,149.46	3,624,577.44	12,081,924.80	30/06/2017	13,297,663.86	3,989,299.16	0.00	0.00
30/09/2014	542,412.66	4,166,990.10	13,889,967.00	30/09/2017	16,388,697.43	4,916,609.23	0.00	0.00
31/12/2014	490,971.13	4,657,961.23	15,526,537.43	31/12/2017	17,124,841.80	5,137,452.54	0.00	0.00
31/03/2015	417,089.12	5,075,050.35	16,916,834.50	31/03/2018			0.00	0.00
30/06/2015	417,483.31	5,492,533.66	18,308,445.53	30/06/2018			355,081.12	1,183,603.73
30/09/2015	527,469.65	6,020,003.31	20,066,677.70	30/09/2018			882,550.77	2,941,835.90
31/12/2015	446,035.59	6,466,038.90	21,553,463.00	31/12/2018			1,328,586.36	4,428,621.20
31/03/2016	330,902.72	6,796,941.62	22,656,472.07	31/03/2019			1,659,489.08	5,531,630.27
30/06/2016	310,654.33	7,107,595.95	23,691,986.49	30/06/2019			1,970,143.41	6,567,144.69
30/09/2016	687,638.84	7,795,234.79	25,984,115.96	30/09/2019			2,657,782.26	8,859,274.19
31/12/2016	1,410,994.28	9,206,229.08	30,687,430.25	31/12/2019			4,068,776.54	13,562,588.45
31/03/2017	592,869.81	9,799,098.89	32,663,662.95	31/03/2020			4,661,646.35	15,538,821.15
30/06/2017	1,045,231.50	10,844,330.39	36,147,767.95	30/06/2020			5,706,877.40	19,022,924.65
30/09/2017	412,813.15	11,257,143.09	37,523,810.29	30/09/2020			6,119,690.55	20,398,968.49
31/12/2017	527,534.91	11,784,678.00	39,282,259.99	31/12/2020			6,647,225.46	22,157,418.19

Page 223

New Build Investment Cashflow

Appendix E

New Build / Re-Development Scheme	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
	£'0	£'0	£'0	£'0	£'0	£'0
Robinson Court Re-Development	1,802,940	450,000	0	0	0	0
Pembroke Way, Teversham	15,590	470,000	336,000	0	0	0
Pampisford Road, Great Abington	1,377,680	0	0	0	0	0
Woodside, Longstanton	209,830	210,000	0	0	0	0
High Street, Balsham	644,000	1,195,000	0	0	0	0
Bannold Road, Waterbeach	4,309,440	0	0	0	0	0
Gibson Close, Waterbeach	145,510	1,306,830	0	0	0	0
Highfields, Caldecote	32,070	416,930	0	0	0	0
Acquisitions	718,700	0	0	0	0	0
Unallocated New Build / Acquisition	0	9,971,430	11,214,290	9,228,570	6,785,710	5,700,000
New Build / Acquisition - Section 106 funded	0	616,100	500,000	500,000	500,000	500,000
Total Expenditure	9,255,760	14,636,290	12,050,290	9,728,570	7,285,710	6,200,000
Use of Retained Right to Buy Funding						
Pembroke Way, Teversham	(3,120)	(94,000)	(67,200)	0	0	0
Pampisford Road, Great Abington	(309,980)	0	0	0	0	0
Woodside, Longstanton	(62,950)	(63,000)	0	0	0	0
High Street, Balsham	(117,100)	(217,200)	0	0	0	0
Bannold Road, Waterbeach	(826,850)	0	0	0	0	0
Gibson Close, Waterbeach	(27,020)	(242,680)	0	0	0	0
Highfields, Caldecote	(9,620)	(125,080)	0	0	0	0
Acquisitions	(215,610)	0	0	0	0	0

New Build / Re-Development Scheme	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
	£'0	£'0	£'0	£'0	£'0	£'0
Unallocated New Build / Acquisition	0	(2,991,430)	(3,364,290)	(2,768,570)	(2,035,710)	(1,710,000)
Total Use of Retained Right to Buy Funding	(1,572,250)	(3,733,390)	(3,431,490)	(2,768,570)	(2,035,710)	(1,710,000)
Section 106 Funding						
Robinson Court, Gamlingay	(75,000)	0	0	0	0	0
High Street, Balsham	(100,000)	(100,000)	0	0	0	0
Bannold Road, Waterbeach	(350,000)	0	0	0	0	0
Gibson Close, Waterbeach	(55,000)	(45,000)	0	0	0	0
New Build / Acquisition - Section 106 funded	0	(616,100)	(500,000)	(500,000)	(500,000)	(500,000)
Total Section 106 Funding	(580,000)	(761,100)	(500,000)	(500,000)	(500,000)	(500,000)
Total to be funded from HRA Resources (DRF & MRR) and Sales Receipts	(7,103,510)	(10,141,800)	(8,118,800)	(6,460,000)	(4,750,000)	(3,990,000)
Total HRA Borrowing	0	0	0	0	0	0

Key Sensitivity Analysis

Appendix F

Page 226

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
General Inflation	General Inflation using CPI at 2% for expenditure long-term	Volatility in the economy could lead to an increase in external costs. 1% increase in general inflation for expenditure only for the life of the plan.	Debt cap is breached in year 21, with inability to set a balanced revenue budget from the following year onwards.
Sale of Higher Value Voids Levy	Assumed deferred payment from April 2019	The implementation of the policy could be accelerated. Assume payment due from April 2018.	Debt cap is breached in year 28, with inability to set a balanced revenue budget from the following year onwards.
Sale of Higher Value Voids Levy	Assumed deferred payment from April 2019	Uncertainty over the policy could lead to an announcement that the legislation is to be abolished. Assume no higher value voids levy.	Ability to redeem approximately 95% of HRA debt, or alternatively re-invest in new homes if policy for this were to be retained.
Capital Investment Real Increase Inflation	Capital Investment Inflation at 3% in the longer-term	A real increase of 1% is allowed for building inflation for the longer-term. Assume that real inflationary increase required is 2% for remaining life of the plan.	Debt cap is breached in year 23, with inability to set a balanced revenue budget from the following year onwards.
Arrears and Bad Debts / Welfare Reforms	Based on historic activity, with no increase built in to financial assumptions	Universal Credit results in 100% of rent being collected directly from tenants. Assume an increase in transactional costs of £60,000 and a bad debt rate of 10% per annum from 2018/19.	Debt cap is breached in year 2, with inability to set a balanced revenue budget from the same year. HRA is completely unsustainable immediately.

Revenue Budget Proposals

Appendix G (1)

HRA Revenue Bids and Savings - 2018/19 Budget

Page 227

Category	Bid / Saving	Description	Linked Proposal	Bid / (Saving)				
				2017/18	2018/19	2019/20	2020/21	2021/22
Saving	Reduction in non-responsive revenue maintenance	Reduction in non-responsive revenue maintenance		0	(317,800)	(317,800)	(317,800)	(317,800)
Saving	Reduction in hours of the Resident Involvement Team Leader	Permanent reduction in hours of the Resident Involvement Team Leader from 5 days to 4 days per week		(5,000)	(10,000)	(10,000)	(10,000)	(10,000)
Saving	Increase in vacancy allowance for HRA services	The previous unallocated vacancy allowance of £50,000 has been replaced with a figure calculated on a formulaic basis by employee		0	(51,980)	(51,980)	(51,980)	(51,980)
Saving	Inflation allowance not required in full	Inflation allowed for in the HRA business plan was not required in full once allocated out to individual budget heads		0	(17,860)	(17,860)	(17,860)	(17,860)
Increased Income	Fee income for the Development Project Officer (HRA New Build)	To recognise the fee income associated with funding the post of Development Project Officer (HRA New Build)	A	0	(50,200)	(50,200)	(50,200)	(50,200)

Increased Income	Fee income for the Head of Development (New Build)	Recognising the fee income associated with funding the re-defined role of Head of Development (New Build)	B	0	(32,900)	(32,900)	(32,900)	(32,900)
Increased Income	Increased income for sheltered housing	Based upon service charges being levied in 2017/18, there is anticipated to be a continued higher level of income for sheltered housing services than has been reflected in the budget		0	(203,500)	(203,500)	(203,500)	(203,500)
Increased Income	Increased income from rechargeable repairs	Based upon income received in the last 2 years, it is anticipated that the budget for rechargeable repair income can be increased to match actual activity		0	(58,890)	(58,890)	(58,890)	(58,890)
Increased Income	Increase in rent income	Based upon the latest stock numbers and rent levels charged, there is expected to be marginally more rent income received from 2018/19 than previously anticipated		0	(19,440)	(19,440)	(19,440)	(19,440)
Unavoidable Revenue Pressure	Creation of a Compliance Manager post	Creation of a Compliance Manager post		18,300	43,800	43,800	43,800	43,800
Unavoidable Revenue Pressure	Increase in recharges to the HRA	The cost of services, indirect costs and overheads recharged to the HRA by the Council is expected to increase from 2018/19		0	143,600	143,600	143,600	143,600

Unavoidable Revenue Pressure	Increase in apprenticeship contributions to Mears	Based upon contractual commitments, the HRA is required to contribute to the cost of an additional repairs apprentice as part of the Mears contract		0	9,530	9,530	9,530	9,530
Reduced Income	Reduction in anticipated interest received	Based upon the estimated balances that will be held in 2018/19, the level of interest received is expected to be lower than previously assumed		0	23,960	0	0	0
Bid	Tenancy Profiling Project	Tenancy Profiling Project		0	15,400	0	0	0
Bid	Funding for Resident Involvement Project Support Officer	Extension of fixed term contract for the existing Resident Involvement Project Support Officer to allow extension of contract up to May 2020		0	25,300	25,300	4,600	0
Bid	Funding for the Development Project Officer (HRA New Build)	To fund on a permanent basis the Development Project Officer (HRA New Build), with costs fully met by fee income	A	0	50,200	50,200	50,200	50,200
Bid	Funding for the Head of Development (New Build)	To fund the re-defined role of Head of Development (New Build) to reflect changes in delivery methods, with costs fully met by fee income	B	0	32,900	32,900	32,900	32,900

Bid	Increased support and maintenance costs for Housing IT System	Increase in support and maintenance costs anticipated for the new Housing IT System		0	25,000	25,000	25,000	25,000
Total Net Bids / (Savings)				13,300	(392,880)	(432,240)	(452,940)	(457,540)

Category	Bid / Saving	Description	Linked Proposal	Bid / (Saving)				
				2017/18	2018/19	2019/20	2020/21	2021/22
Non-Cash Limit Adjustments								
Non-Cash Limit Adjustment	Increase in Direct Revenue Financing of Capital Expenditure (DRF)	Delay in the sale of self-build plots results in the need to increase the use of revenue resource to fund the capital programme in 2018/19		0	733,060	0	0	0
Non-Cash Limit Adjustment	Reduction in depreciation estimates for the HRA	Based upon the latest valuation information held and the estimated number of dwellings that will be in the HRA at 1st April, the level of depreciation is lower than previously assumed		0	(101,360)	0	0	0
Total Net Non-Cash Limit Adjustments				0	631,700	0	0	0

Capital Budget Proposals

Appendix G(2)

Page 231

Category	Bid / Saving	Description	Bid / (Saving)				
			2017/18	2018/19	2019/20	2020/21	2021/22
Capital Saving	Reduction in structural works	Based upon recent investment demand and the latest stock condition data, it is considered possible to reduce the budget allocation held for structural works to the existing housing stock	0	(140,000)	(140,000)	(140,000)	(140,000)
Capital Saving	Reduction in energy conservation budget	A reduction in the budget for energy conservation works is proposed, with specific reference to the anticipated completion of the current external wall insulation programme	0	0	(820,000)	(820,000)	(820,000)
Capital Saving	Reduction in budget for works to flats	The call on funding for works to the communal areas of flats is marginally lower than previously anticipated	0	(10,000)	(10,000)	(10,000)	(10,000)
Capital Saving	Removal of contribution to corporate capital investment	Re-allocation of staff time and associated overheads means that costs previously borne in capital, no longer exist	0	(19,000)	(19,000)	(19,000)	(19,000)
Capital Bid	Replacement of Housing IT System	Based upon market research, the capital budget held for the purchase and implementation of a new integrated housing management information system will be insufficient to complete the project.	0	200,000	0	0	0
Total Net Capital Position Bids / (Savings)			0	31,000	(989,000)	(989,000)	(989,000)

Capital Budget Amendments

Appendix H

Area of Expenditure and Change	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Total Housing Capital Plan Expenditure per HRA MTFS	19,782	22,109	20,723	17,715	13,892
Improvements – Existing Stock					
Removal of inflationary element of drainage upgrade works for 2018/19	0	(20)	0	0	0
Reduction in budget for structural works to HRA dwellings	0	(140)	(140)	(140)	(140)
Reduction in investment for heating installation in 2018/19	0	(60)	0	0	0
Reduction in discretionary investment in energy conservation	0	0	(820)	(820)	(820)
Virement of investment from estate roads, paths and lighting to parking areas	0	(70)	(72)	(73)	(74)
Virement of investment to parking areas from estate roads, paths and lighting	0	70	72	73	74
Adjustment to decent homes investment due to anticipated stock changes	0	9	46	66	85
Other Improvements					
Increased capital investment in sheltered housing in 2018/19	0	55	0	0	0
Reduction in capital investment in sheltered housing from 2019/20	0	0	(5)	(5)	(5)
Reduction in investment in communal areas of flatted accommodation from 2018/19	0	(10)	(10)	(10)	(10)
Removal of future years of HRA share of corporate capital investment	0	(19)	(19)	(19)	(19)
Re-Provision of Existing Homes					
Re-phase budget for the re-provision of homes at Robinson Court, Gamlingay	(450)	450	0	0	0
Acquisition and New Build					
Inclusion of scheme specific budget for Highfields, Caldecote	32	417	0	0	0
Re-phase part of budget for new build scheme at High Street, Balsham into 2018/19	(71)	71	0	0	0

Area of Expenditure and Change	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Re-phase part of budget for new build scheme at Gibson Close, Waterbeach into 2018/19	(356)	356	0	0	0
Re-phase part of budget for new build scheme at Pembroke Way, Teversham into 2019/20	(40)	(105)	145	0	0
Adjustment to unallocated new build budget based upon latest spending requirements	0	(286)	0	0	1,086
Re-phase unallocated budget for new build investment to be funded using Section 106 resources into 2018/19	(116)	116	0	0	0
Other HRA Capital Spend					
Inclusion of additional budget for replacement of the Housing Management Information System	0	200	0	0	0
Inflation Allowance					
Adjustment in inflation allowed as spend changes	0	0	0	0	0
Total Housing Capital Plan Expenditure per HRA BSR	18,781	23,143	19,920	16,787	14,069

HRA Summary 2016/17 to 2021/22

Appendix I

Description	2017/18 £0	2018/19 £0	2019/20 £0	2020/21 £0	2021/22 £0	2022/23 £0
Income						
Rental Income (Dwellings)	(28,085,430)	(27,633,370)	(27,191,520)	(27,976,890)	(28,658,730)	(29,286,820)
Rental Income (Other)	(419,430)	(426,990)	(436,160)	(445,970)	(454,680)	(463,580)
Service Charges	(813,300)	(1,001,970)	(1,022,960)	(1,045,390)	(1,065,350)	(1,085,700)
Other Income	(327,140)	(280,840)	(289,190)	(289,700)	(290,160)	(23,620)
Total Income	(29,782,900)	(29,463,490)	(29,062,800)	(29,883,750)	(30,597,230)	(30,990,600)
Expenditure						
Supervision & Management - General	3,166,980	3,465,500	3,544,220	3,663,900	3,783,740	3,901,690
Supervision & Management - Special	1,923,420	1,826,420	1,849,770	1,629,150	1,680,130	1,732,750
Repairs & Maintenance	5,601,240	5,429,650	5,577,320	5,746,300	5,696,690	5,836,220
Depreciation – to Major Repairs Res.	9,757,010	9,880,840	10,073,810	10,159,050	10,203,550	10,243,050
Debt Management Expenditure	1,780	1,400	1,430	1,460	1,490	1,520
Other Expenditure	294,080	317,390	348,130	210,300	218,880	227,150
Total Expenditure	20,744,510	20,921,200	21,394,680	21,410,160	21,584,480	21,942,380
Net Cost of HRA Services	(9,038,390)	(8,542,290)	(7,668,120)	(8,473,590)	(9,012,750)	(9,048,220)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(630,410)	(571,240)	(523,350)	(495,190)	(499,560)	(529,490)
(Surplus) / Deficit on the HRA for the Year	(9,668,800)	(9,113,530)	(8,191,470)	(8,968,780)	(9,512,310)	(9,577,710)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance						
Loan Interest	7,178,370	7,178,930	7,178,930	7,178,930	7,178,930	7,178,930
Housing Set Aside	0	0	0	0	0	0
Appropriation from Ear-Marked Reserve	0	0	0	0	0	0
Depreciation Adjustment	0	0	0	0	0	0
Direct Revenue Financing of Capital	3,006,690	2,925,720	2,289,370	1,973,070	933,270	279,180
(Surplus) / Deficit for Year	516,260	991,120	1,276,830	183,220	(1,400,110)	(2,119,600)

Balance b/f	(8,991,940)	(8,475,680)	(7,484,560)	(6,207,730)	(6,024,510)	(7,424,620)
Total Balance c/f	(8,475,680)	(7,484,560)	(6,207,730)	(6,024,510)	(7,424,620)	(9,544,220)

Housing Capital Investment Plan

Appendix J

Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Improvements - Existing Stock						
Water / Drainage Upgrades	78	80	81	83	84	86
Drainage Upgrades	320	310	341	351	0	0
Disabled Adaptations	832	849	866	883	901	919
Change of Tenancy - Capital	500	500	500	500	500	500
Rewiring	950	318	325	331	338	345
Heating Installation	2,000	1,980	2,081	2,122	2,165	2,208
Energy Conservation	1,000	1,020	220	241	262	268
Estate Roads, Paths & Lighting	84	15	15	16	16	16
Garage Refurbishment	51	52	53	54	55	56
Parking/Garages	15	86	88	89	91	93
Window Replacement	265	271	276	282	287	293
Re-Roofing	437	446	455	464	473	482
Full Refurbishments	200	200	200	200	200	200
Structural Works	150	10	10	10	10	10
Non-Traditional Refurbishment	0	0	0	0	0	0
Asbestos Removal	34	34	35	35	36	37
Kitchen Refurbishment	728	743	758	773	788	804
Bathroom Refurbishment	312	318	325	331	338	345
Wilford Furlong, Willingham Refurbishment	644	0	0	0	0	0
Assumed adjustment in spend for varying stock numbers	0	(25)	(28)	(96)	(150)	(234)

Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Total Improvements Existing Stock	8,600	7,207	6,601	6,669	6,394	6,428
Other Improvements						
Sheltered Housing and Other Stock	55	110	50	50	50	50
Flats	20	20	20	20	20	20
Central / Departmental Investment	19	0	0	0	0	0
Total Other Improvements	94	130	70	70	70	70
Re-provision of Existing Homes						
Robinson Court, Gamlingay	1,803	450	0	0	0	0
Other Re-provision	0	0	0	0	0	0
Total Re-provision of Existing Homes	1,803	450	0	0	0	0
HRA Acquisition and New Build						
Pembroke Way, Teversham	16	470	336	0	0	0
Campisford Road, Great Abington	1,378	0	0	0	0	0
High Street, Balsham	644	1,195	0	0	0	0
Woodside, Longstanton	210	210	0	0	0	0
Bannold Drove, Waterbeach	4,309	0	0	0	0	0
Gibson Close, Waterbeach	146	1,307	0	0	0	0
Highfields, Caldecote	32	417	0	0	0	0
Acquisitions	719	0	0	0	0	0
Unallocated New Build / Acquisition Budget	0	9,971	11,214	9,229	6,786	5,700
Unallocated New Build / Acquisition - Section 106 funded	0	616	500	500	500	500
Grants to Registered Providers for New Homes	0	0	0	0	0	0
Total HRA New Build	7,454	14,186	12,050	9,729	7,286	6,200

Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Other HRA Capital Spend						
Shared Ownership Repurchase	300	300	300	300	300	300
Self-Build Vanguard - Up front HRA Land Assembly Costs	300	600	780	0	0	0
HRA Share of Corporate ICT Development	230	270	119	19	19	19
Total Other HRA Capital Spend	830	1,170	1,199	319	319	319
Total HRA Capital Spend	18,781	23,143	19,920	16,787	14,069	13,017
Inflation Allowance for New Build and Other HRA Spend	0	0	0	0	0	123
Total Inflated Housing Capital Spend	18,781	23,143	19,920	16,787	14,069	13,140
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Other Capital Receipts (Self-Build Plot Sales)	(250)	(2,500)	(3,250)	(1,000)	0	0
Major Repairs Reserve	(9,738)	(9,902)	(10,076)	(10,159)	(10,203)	(10,243)
Direct Revenue Financing of Capital	(3,007)	(2,926)	(2,289)	(1,973)	(933)	(279)
Other Capital Resources (Grants / Shared Ownership / S106 funding)	(1,878)	(3,870)	(874)	(886)	(897)	(908)
Retained Right to Buy Receipts	(1,572)	(3,733)	(3,431)	(2,769)	(2,036)	(1,710)
Retained Right to Buy Receipts (Used by Registered Provider)	0	0	0	0	0	0
HRA CFR / Prudential Borrowing	0	0	0	0	0	0
Total Housing Capital Resources	(16,445)	(22,931)	(19,920)	(16,787)	(14,069)	(13,140)

Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Net (Surplus) / Deficit of Resources	2,336	212	0	0	0	0
Capital Balances b/f	(2,548)	(212)	0	0	0	0
Use of / (Contribution to) Balances in Year	2,336	212	0	0	0	0
Capital Balances c/f	(212)	0	0	0	0	0

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

This page is left blank intentionally.

Appendix 3

Capital Strategy 2018-19 to 2022-23

1. Introduction

1.1 The Capital Strategy forms a key part of the council's overall corporate planning framework. It provides the mechanism by which the council's capital investment and financing decisions can be aligned with the council's overarching corporate priorities and objectives over a medium term, five years, planning horizon.

1.2 The strategy sets the framework for all aspects of the council's capital expenditure; including planning, prioritisation, management and funding. The strategy has direct links to the council's corporate Asset Management Plan (AMP) and forms a key part of the council's Medium Term Financial Strategy (MTFS).

1.3 The key aims of the Capital Strategy are to:

- Provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the council's vision, aims, approaches and actions;
- Deliver projects that focus on delivering revenue benefits in the form of spend to save, spend to earn or generate growth in revenue income;
- Set out how the council identifies, programmes and prioritises capital requirements and proposals arising from business plans, service plans, the AMP and other related strategies;
- Consider options available for funding capital expenditure and how resources may be maximised, to generate investment in the area, to determine an affordable and sustainable funding policy framework whilst minimising the ongoing revenue implications of any such investment;
- Identify the resources available for capital investment over the MTFS planning period; and

- Establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of value for money.

2. Capital programme needs and priorities

- 2.1 Underlying the Capital Strategy is the recognition that the financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for capital investment has reduced significantly over the last few years, along with these reductions is the recognition that the council must rely on internal resources and find ways in which investment decisions can be either self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.
- 2.2 Against the background of limited central government support the AMP identifies the total capital investment needed to support the Council's aims and objectives such as housing and economic development.
- 2.3 Significant investment in council housing over the last few years has succeeded in producing a property portfolio generally at or above the decent homes standard and, the delivery of a new build programme with the first 61 new properties being completed by December 2017. Government proposals to reduce property rentals by 1% for 4 years from April 2016 have impacted the Council's ability to continue this level of programme in the longer term, necessitating a strategic review of assets, service delivery and financing. In the short to medium term a new build programme can be maintained by utilising resources previously ear-marked for potential debt redemption, but this does mean that the authority will need to re-finance its housing debt when it matures.
- 2.4 As the majority of the council's assets are housing there are limited opportunities to raise capital receipts through disposals, therefore the limited capital resources available through grant, capital receipts and private sector contributions are prioritised to maximise outputs with minimum ongoing future revenue costs.
- 2.5 Capital investment in the council's wholly owned subsidiary, Ermine Street Housing (ESH), offers the opportunity to realise interest receipts which will contribute to the council's revenue funding.

2.6 Cambridgeshire is an area of growth with the Greater Cambridge Partnership (formerly City Deal) offering financial support to deliver infrastructure to facilitate the delivery of homes and business space, as set out in the draft local plans for Cambridge City and South Cambridgeshire council areas. This will in turn contribute towards council funding in the longer term in the form of additional council tax and business rates receipts.

2.7 Another opportunity is the designation of Enterprise and Development Zones, including sites at Cambourne Business Park, Cambridge Research Park and Northstowe, which have the potential to offer incentives to enable the creation of new businesses and employment.

2.8 In detail:

- **Economic Investment:** The council will continue to seek investments that generate longer term growth. These projects will yield a combination of revenue generation (business rates or interest), jobs and capital infrastructure investment, based on sound business cases.
- **Existing Housing:** Significant investment has been made in recent years to raise the standard of council dwellings to meet the government's decent homes standard, In addition to the decent homes investment the authority invests in energy conservation projects such as external wall insulation, solar energy initiatives and renewable heating sources. Some planned energy conservation programmes will continue but within the changed and challenging restrictions resultant from future reductions in rental income.
- **New Housing Supply and Housing Partnerships:** South Cambridgeshire District Council are no longer formerly part of the joint venture with Cambridge City Council to deliver a shared governance Housing Development Agency, but continue to work closely with the authority on strategic housing delivery issues. South Cambridgeshire District Council are now managing a new build programme in-house, which is anticipated to deliver between 25 and 50 new homes per annum to meet local housing need. Opportunities to work with the Combined Authority to deliver new affordable homes in the district are also being fully explored.
- **Corporate Property:** To manage its maintenance liability the council is rationalising its office accommodation through sub-let of office space, providing a contribution

to ongoing revenue savings. A process of on-going reviews will identify potential alternative use of office buildings and car park for capital investment to generate long term revenue savings.

- ICT: The council's ICT service is shared with Cambridge City and Huntingdonshire District Councils, appropriate investment into ICT hardware and software will be undertaken on a case by case basis, the primary focus being improved technologies on a spend to save basis.
- Refuse and Recycling Collection: A shared trade and domestic waste collection service with Cambridge City Council supported by capital investment will achieve long term revenue savings through service rationalisation and vehicle efficiencies.
- Community Projects: Capital grants to other organisations where the council incurs no staff or other recurring costs; these organisations are expected to raise additional capital resources from the National Lottery, Sports Council, etc. The council has a funding toolkit on its website to assist organisations seeking funding.

3. Governance

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

3.2 An integrated service and financial planning process is followed. Within this framework all proposals for capital investment are required to demonstrate how they contribute to the council's aims and objectives. The evaluation process for investment proposals aligns corporate objectives with costs and benefits ensuring delivery of efficiency and value for money. Investment appraisal forms and the criteria for prioritising capital bids are available to managers on the Council intranet.

3.3 Specific governance processes include:

- Democratic decision making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the capital programme. These processes include:
 - The Council which is ultimately responsible for approving investment and the capital programme;

- The Cabinet which is responsible for setting the corporate framework and political priorities to be reflected in the capital programme, Cabinet receiving quarterly monitoring reports;
 - The Scrutiny and Overview Committee which is responsible for scrutiny of the Capital Strategy and capital programme.
- Officer groups which bring together a range of service interests and professional expertise. These include:
 - The Executive Management Team which has overall responsibility for the strategic development, management and monitoring of the capital programme;
 - Corporate Management Team, providing service manager review and monitoring of key areas;
 - Specific project boards with wide ranging membership, for example the Greater Cambridge Partnership Board;
 - Management teams which overview reports for investments prior to Executive Management Team and Cabinet approval;
 - Management groups, created to oversee significant capital projects as required.

3.4 Council assets are kept under review, valuations of land and property being undertaken by a professionally qualified valuer every five years, with an annual review at year end to ensure material changes in asset value are accounted for. The Corporate Asset Management Plan, Housing Revenue Account Business Plan and capital programme ensuring a comprehensive forward plan of maintenance and improvement work is maintained and delivered.

4. Funding strategy

4.1 In general terms, the major source of capital funding available to the council has been grant approvals allocated by central government to specific or non-specific projects. This is a diminishing resource and where a priority is identified alternative funds need to be sourced.

4.2 There are a range of other potential funding sources which may be generated locally either by the council or in partnership with others. Each project or programme will be

subject to the approval process to include funding and lifetime costings of the asset going forward.

- 4.3 New sources of funding are being identified in partnership with neighbouring authorities and organisations, for example the Greater Cambridge Partnership.
- 4.4 Unallocated capital receipts received prior to April 2012 are available for general use and as such will be used for GF and/or HRA capital expenditure. Capital receipts received after April 2012 primarily relate to HRA property and land sales, the use of which is subject to detailed national regulations and associated guidance. The HRA Business Plan and council capital programme provide details of anticipated capital receipts and the proposed use of these within the constraints imposed.
- 4.5 The council sets aside a Minimum Revenue Provision (MRP) for debt repayment in accordance with its MRP policy as set out in the Treasury Management and Investment Strategy presented alongside this Capital Strategy.
- 4.6 The Capital Strategy considers all potential funding options open to the council and aims to maximise the financial resources available for investment in service provision and improvement within the framework of the MTF. The main sources of capital funding are summarised below:
- Central government
 - Grants are allocated in relation to specific programmes or projects and the council would seek to maximise such allocations, developing appropriate projects which reflect government and partnership led initiatives and agendas while addressing the needs of the district.
 - A significant amount of current funding is in the form of the New Homes Bonus (NHB) part of which is allocated to fund future capital infrastructure through the Greater Cambridge Partnership.
 - Third party funding
 - Capital grants represent project specific funding for capital projects, in addition to those from central government, more usually received from quasi-government sources or other national organisations. In developing capital proposals, the council will seek to maximise such external contributions, subject to any related grant conditions being consistent with the council's policy, aims and outcomes.

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

- Locally generated funding
 - The council has discretion to undertake prudential 'unsupported' borrowing under the Prudential Code. This discretion is subject to compliance with the Code's regulatory framework which requires any such borrowing to be prudent, affordable and sustainable.
 - Given the pressure on the council's revenue budget in future years, prudent use will be made of this discretion in cases where there is a clear financial benefit such as invest to save, spend to earn or regeneration schemes which do not increase expenditure in the longer term.

- Capital receipts from asset disposal
 - The majority of disposals relate to dwellings sold under the government right to buy scheme, the scheme allows the retention of some of the receipts subject to certain conditions i.e. used to fund the delivery of new social housing to a maximum of 30% of any dwelling funded through this method, the balance being funded from the council's own resources or through borrowing.
 - Capital receipts from asset disposal are a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment as and when received.

- Lease finance
 - where alternative funding is not available for vehicles or minor equipment and the revenue budget does not allow for a full capital repayment and there is a robust business case then the option of leasing may be considered.

- Revenue
 - Capital expenditure may be funded directly from revenue as specific budget provision, however, the general pressures on the council's revenue budget and council tax levels limits the extent to which this may be exercised as a source of capital funding.

4.7 Council resources will be allocated to programmes based on asset values to manage long term yield and revenue implications. Where possible capital receipts will be focussed on those assets with short term life span, e.g. vehicles and equipment, and the unsupported borrowing on long term assets e.g. land and buildings.

5. Capital programme

5.1 The council's capital programme and its funding for 2018/19 to 2022/23 is summarised below. The detailed capital programmes for the GF and HRA can be found in the relevant Budget Setting Report (BSR).

Capital Programme 2017/18 to 2021/22

Capital Programme	Estimate 2018/2019 £	Estimate 2019/2020 £	Estimate 2020/2021 £	Estimate 2021/2022 £	Estimate 2022/2023 £
General Fund	21,626,600	17,719,900	22,581,250	18,206,050	18,334,300
Housing Revenue Account ¹	22,873,000	19,801,000	16,768,000	14,050,000	13,121,000
Total Capital Expenditure	44,499,600	37,520,900	39,349,250	32,256,050	31,455,300
¹ – HRA capital expenditure excludes the contribution to corporate ICT and therefore differs from totals in the HRA BSR.					
Financed by :					
Capital Receipts	(8,593,500)	(7,814,500)	(4,875,250)	(3,231,250)	(2,916,500)
Other Grants and Contributions	(4,898,100)	(1,686,000)	(1,698,000)	(1,709,000)	(1,720,000)
HRA Depreciation Reserve	(9,902,000)	(10,076,000)	(10,159,000)	(10,203,000)	(10,243,000)
Reserves	(699,000)	(620,400)	(609,000)	(1,144,800)	(1,261,800)
Housing Revenue Account (Revenue Contribution)	(2,926,000)	(2,289,000)	(1,973,000)	(933,000)	(279,000)
General Fund (Revenue Contribution)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Internal Borrowing re Commercial vehicles	(335,000)	0	0	0	0
Internal Borrowing re other projects	0	0	0	0	0
External Borrowing	(16,850,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
New Homes Bonus Infrastructure Reserve	0	0	(5,000,000)	0	0
Earmarked Reserves	(261,000)	0	0	0	0
	(44,499,600)	(37,520,900)	(39,349,250)	(32,256,050)	(31,455,300)

This page is left blank intentionally.

Appendix 4

Treasury Management Strategy Statement 2018-19

1 Introduction

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

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

- increases in interest charges caused by increased borrowing to finance additional capital expenditure,
- any increases in running costs from new capital projects,
- the loss of interest on balances or reserves arising from their use in financing the capital expenditure, are limited to a level which is affordable within the projected income of the council for the foreseeable future.

2 Defined Activities

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

3 Policy

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

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

3.3 The council attaches a high priority to a stable and predictable revenue cost from treasury management activities. The council's objectives in relation to debt and investment can accordingly be stated as follows:

- To assist the achievement of the council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of interest cost stability and a low risk to sums invested.
- This means the council takes a low risk position but is not totally risk averse. Treasury management staff have the capability to actively manage treasury risk within the scope of the council's treasury management policy and strategy.
- The following activities may be appropriate, depending on the circumstances at the time, to the extent that skills and resources are available:
 - The council will borrow at fixed or variable rate across a wide range of maturities, taking account of a liability benchmark which represents the lowest risk position,
 - Within limits, however, the council will seek to borrow more at maturities that it believes offer better value, and will consider early repayment and replacement of loans to rebalance portfolio risks as market conditions change
 - When investing surplus cash, the council will not limit itself to making deposits with the UK Government, but may invest in other bodies including high

investment grade financial institutions, or other organisations as set out in the investment policy.

- The council will seek to limit the risk of adverse interest rate changes on the budget, and will maintain a level of treasury skills, knowledge and access to information commensurate with managing risks at this level.

4 **Governance**

4.1 This council will create and maintain, as cornerstones for effective treasury management:

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

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

4.3 This council will receive reports on its treasury management policies (TMPs), practices and activities, including as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. The TMP is supplemented by a systems document covering treasury management procedures; the detail of how to apply practices for use by officers in their 'day to day' work on treasury management.

4.4 The prudential indicators including those relating to treasury management will be approved by council in February each year. The indicators for 2018-19 are set out in Appendix A to this statement.

4.5 This council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Finance and Staffing Portfolio Holder, and for the execution and administration of treasury management decisions

to the Chief Financial Officer, who will act in accordance with the council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

- 4.6 This council nominates the Audit and Corporate Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 4.7 Any decision to outsource all or part of the treasury management function will require the approval of the Cabinet.

5 **Borrowing strategy**

- 5.1 On 1st April 1996 the council became debt-free but under the Government scheme for Housing Revenue Account (HRA) Self-financing was required to take on debt of around £205 million on 28 March 2012. The council raised this money from the Public Works Loan Board in order to take advantage of the special (lower) rate available only to local authorities with debt under HRA Self-financing. The debt transactions were arranged on 26 March 2012 and effected on 28 March 2012.
- 5.2 The HRA Business Plan includes 41 maturity loans in tranches of £5 million each at fixed rates of interest with maturities every six months from March 2037 to March 2057 (25 to 45 years). This debt is regularly monitored with a view to rescheduling if advantageous for the HRA to do so.
- 5.3 Following HRA Self-financing the council has adopted a two pool approach whereby long term loans are split between the HRA and General Fund (GF), the principles to be applied are:
- Future charges to the HRA in relation to borrowing are not influenced by GF decisions, giving a greater degree of independence, certainty and control
 - Un-invested balance sheet resources which allow borrowing to be below the capital financing requirement (CFR) are properly identified between GF and HRA
- 5.4 Credit arrangements are forms of credit which do not involve the borrowing of money and are defined by Section 7 Local Government Act 2003. The Chief Financial Officer shall only commit the council to credit arrangements which have been approved either specifically or as part of the financing of the capital programme by the cabinet and/or council.

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

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

6 **Minimum Revenue Provision (MRP) policy statement**

6.1 MRP is the revenue charge that the council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets that have a life expectancy of over one year it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.

6.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.

6.3 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year. Furthermore, the HRA share of the CFR is not subject to an MRP charge. There is also no requirement to make an MRP charge on an asset until the financial year after that asset becomes operational.

6.4 The government has issued draft revised guidance (expected to be finalised in the new year) on the calculation of MRP. The council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required. However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.

6.5 In general, the council will make MRP based on the equal instalment method, amortising expenditure equally over the estimated useful life of the asset for which

the borrowing is required. However, no provision will be made where the chief Financial Officer determines that receipts will be generated by the project to repay the debt.

6.6 Where a loan is made to a wholly owned subsidiary of the council, the loan is deemed to be secured on the assets of the company. Evidence of the ability to repay the loan will be based on the company's business plan and asset valuation, and no minimum revenue provision will be made. The Council will review the loan and business plan annually, where there is evidence which suggests the full amount of the loan will not be repaid it will be necessary to reassess the charge to recover the impaired amounts from revenue.

6.7 Exceptionally, where capital expenditure is part of a loan agreement to other than a wholly owned subsidiary, the Council may register a fixed and floating charge over the counterparty assets to secure the Council interest in the investment, or alternately an equity share interest in an asset with value.

7 Investment strategy

7.1 The Chief Financial Officer will formulate:

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

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

	Maximum investment limit to any one organisation within a group	Maximum proportion which may be held by each group at any time during the financial year
Groups of organisations	(£ million)	
The Treasury (the UK Debt Management Office's Debt Management Account)	unlimited	100%
Money Market Funds subject to the highest possible credit rating.	10.0	30%
UK Local Authorities (excluding Parish Councils) and LGA Municipal Bond Agency	10.0	75%
UK Banks (which are also retail)	10.0	60%
South Cambs Housing Ltd	45.0	60%
Subsidiaries of UK Banks (provided the subsidiaries are UK-incorporated deposit takers under the Financial Services and Markets Act 2000 and provided loans are for a maximum period of three months)	3.0	10%
Other Banks, Property Funds and Financial Institutions specifically approved by the Finance and Staffing Portfolio Holder (or formerly by Cabinet or Finance, Resources and Staffing Committee)	5.0	20%
Registered Housing Associations, subject to credit rating	5.0	20%
Building Societies:		
with assets greater than £10,000 million	10.0	
with assets between £10,000 million and £5,000 million	5.0	
with assets between £1,500 million and £5,000 million	3.0	100%

7.3 Investment may be made in share capital, as non-specified investments, to the following approved organisations:-

- The Local Capital Finance Company (Municipal Bond Agency),
- South Cambs Limited (trading as Ermine Street Housing),
- the CCLA Local Authorities Property Fund, and

- other organisations specifically approved by Cabinet.

7.4 Total combined investments and loans to South Cambs Limited, a wholly owned subsidiary of the council, will be subject to a maximum value of £107 million; the council borrowing in accordance with paragraph 5.6, to on-lend to the company for periods of five years or greater.

8 Investment security

8.1 The Chief Financial Officer shall review at least annually the list of approved organisations and make appropriate amendments to individual organisations on the list, but not to the principles on which it is compiled without the approval of the cabinet.

8.2 The guidance determines specified investments as investments denominated in sterling, for less than twelve months, not in share or loan capital and with a high credit quality or with the government or local authorities. Non-specified investments may have greater potential risk and are any investments which are not specified. The groups of organisations set out above are restricted in order to give priority to security and will be used for both specified (less than twelve months) and non-specified investments (twelve months or more).

9 Credit risk assessment

9.1 The criteria for high credit quality will apply (except to public sector bodies) to both specified and non-specified investments and will apply to organisations as set out in paragraph 7.2 with a credit rating as set out in Appendix B to this statement and a bank financial strength rating greater than D+. The credit rating and bank financial strength rating of all approved organisations will be checked on a weekly basis and of a specific approved organisation immediately before an investment is made with that organisation. Ratings watch (heightened probability of rating change in the short term) and ratings outlook (credit rating may change in the next one to two years) will also be taken in to account.

10 Investment consultants

10.1 External contractors offering information, advice and/or assistance are currently not used by the Council, benchmarking of treasury management performance against

other organisations is used instead. However, the use of consultants will be considered in the coming year.

11 Investment training

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

12 Investment of money borrowed in advance of need

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

13 Loans to approved organisations

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

14 Investments - delegation and reporting

14.1 Delegation may be summarised as:

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

- to the Chief Financial Officer and Finance and Portfolio Holder:
 - long term borrowing
 - loans to approved organisations

- to the cabinet:
 - external management / use of external consultants; and

- to the council:
 - approval and any revisions to the annual investment strategy

14.2 The Chief Financial Officer will only have delegated authority to deal in investments which are denominated in sterling and any payments or repayments in respect of the investments are to be payable only in sterling.

14.3 The Chief Financial Officer shall present to:

- the Finance and Staffing Portfolio Holder quarterly updates on treasury management activity; and

- Audit and Corporate Governance Committee an annual report on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to them at the earliest practicable opportunity after the end of the financial year but in any case by the end of September.

Appendix A - Prudential and treasury indicators

Prudential and treasury indicators

Capital expenditure

Capital expenditure	2016-17 Actual £m	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m
General Fund	3.190	5.959	21.627	17.720	22.581
Housing Revenue Account ¹	14.739	18.550	22.873	19.801	16.768
Total capital expenditure	17.929	24.509	44.500	37.521	39.349
Resourced by:					
Capital receipts	-3.698	-7.340	-8.594	-7.815	-4.875
Other contributions	-14.221	-17.169	-35.906	-29.706	-34.474
Total available resources for financing capital expenditure	-17.919	-24.509	-44.500	-37.521	-39.349
Financed from cash balances	-0.01	0	0	0	0

¹ – HRA capital expenditure excludes the contribution to corporate ICT and therefore differs from totals in the HRA BSR.

Capital Financing Requirement (CFR) and external debt

The capital financing requirement is capital expenditure which has not been fully financed from a local authority's own resources in the year but has been covered by raising external or internal debt.

CFR and cumulative external borrowing	31/03/2017 Actual £m	31/03/2018 Estimate £m	31/03/2019 Estimate £m	31/03/2020 Estimate £m	31/03/2021 Estimate £m
General Fund	20.938	43.410	56.338	68.387	79.952
Housing Revenue Account	204.429	204.429	204.429	204.429	204.429
Total CFR	225.367	247.838	260.766	272.816	284.380
Movement in CFR		22.471	12.928	12.049	11.565
External gross debt/borrowing (including HRA)					
Authorised limit for external debt	205.1	205.1	222.0	237.0	252.0

Operational boundary for external debt	205.1	205.1	222.0	237.0	252.0
<p>The GF CFR fluctuates due to the internal financing of refuse vehicles, part of the purchase of wheeled bins and cash overdrawn on equity share repurchases, but this financing is then partly repaid over the period. The increase in capital financing requirement during 2018/19 being due to external borrowing for on-lending to South Cambs Limited, a wholly owned subsidiary of the Council, with further borrowing phased over the period to 2020-21.</p>					
<p>HRA self-financing required the Council to take on external debt of £205.123 million at the end of 2011-12; the Council obtained 41 individual loans with maturity dates between 2037 and 2057. GF external debt of £42.0 million relates to external borrowing for on-lending to South Cambs Limited with borrowing phased over the period to 2020-21.</p>					
<p>The authorised limit is the maximum limit consisting of HRA debt of £205.1 million and General Fund £17.0 million (2018-19) to take advantage of interest rate differentials and to meet immediate cash flow requirements and external debt. The authorised limit is the statutory affordable borrowing limit under Section 3 (1) Local Government Act 2003.</p>					
<p>The operational boundary for external debt is based on the same estimates as the authorised limit but reflects the most likely scenario and is expected to be £222.0 million for both borrowing and other long term liabilities increasing to £252.0 million in 2020-21.</p>					

Affordability (financing costs / net revenue stream)	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Estimate	Estimate	Estimate	Estimate
	£ million	£ million	£ million	£ million	£ million
General Fund	-2%	-3%	-4%	-3%	-3%
Housing Revenue Account	24%	22%	22%	23%	22%
Incremental impact of capital investment decisions	2016-17 Actual	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate
	p	p	p	p	p
Band D council tax (District council element)	1.48	39.43	-37.66	-9.49	0.00
<p>The other affordability indicator is the incremental impact of capital investment decisions on the council tax and on the average weekly housing rents. The latter is considered to be not applicable as the increase/decrease in housing rents is based on government guidance and not on the amount of HRA capital expenditure.</p>					

Maturity structure of borrowing	Under 12 Months	More than 12 months
Upper limit for fixed interest rate exposure	100%	100%
Upper limit for variable rate exposure	100%	0%
The council will undertake long term borrowing to on-lend and a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements. HRA debt is at fixed rates.		

Investments

Liquidity of investments Investment period	Longer than 364 days but less than two years £ million	Longer than one year and 364 days but less than three years £ million	Longer than two years and 364 days but less than four years £ million	Longer than three years and 364 days but less than five years £ million
Maximum Limit	10.0	8.0	8.0	15.0
No investments will be made for more than five years				

Interest rate exposure - Upper limit on gross investments	2018/19	2019/20	2020/21
Fixed Rate	100%	100%	100%
Variable rate	50%	50%	50%
The council will only undertake a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements; the upper limits for interest rate exposures are based on gross investments.			

Long and short term credit ratings

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

SCDC Investment Criteria

Appendix 5

Financial Administration (S25 report)

When a local authority is calculating its budget requirement and consequent council tax, the Chief Financial Officer is now required under Section 25 of the Local Government Act 2003 to report on:

- the robustness of the estimates made for the purposes of the calculations; and
- the adequacy of the proposed financial reserves.

The emphasis is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, that there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2018-19 estimates and the reserves up to 31 March 2019.

At South Cambridgeshire District Council, the Executive Director – Corporate Services as the Chief Financial Officer considers the estimates for the financial year 2018/19 to be sufficiently robust and the financial reserves up to 31 March 2019 to be adequate.

The main areas of risk are with regard to Retained Business Rates, introduced in 2013-14. On 5 October 2015 the Chancellor of the Exchequer set out plans for local government to gain new powers and retain local taxes so that, by the end of Parliament, local government will be able to retain 100% of local taxes including all revenue from business rates. Latest indications are that retention will be limited to 75% and that the baselines within the business rates system will be reset in 2020/21 following the Fair Funding Review. It is therefore difficult to forecast future income with any certainty, especially with high levels of outstanding appeals and the unquantifiable impact of the Fair Funding Review.

Other risks include the actual realisation of savings which have been included in the estimates and the risk that the underlying growth in the number of dwellings may not be achieved.

As at the end of March 2019, the estimated balances are £9.8m and £7.6m on the General Fund and Housing Revenue Account respectively. The prudent minimum balance for the General Fund is £2.5m due to the present period of local government changes and economic uncertainty. The target balance as at 31 March 2024 is £2.5m. The minimum balance for the Housing Revenue Account is £2m as in future years any unexpected capital works may have to be financed from revenue and to provide cover for uninsured losses in excess of the insurance reserve.

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

Document is Restricted

This page is left blank intentionally.

Agenda Item 9



REPORT TO: Scrutiny and Overview Committee

6 February 2018

LEAD OFFICER: Head of People and Organisational Development

WORK PROGRAMME

Purpose

1. To provide the Scrutiny and Overview Committee with an opportunity to plan its work programme for future meetings.

Recommendations

2. It is recommended that the draft Work Programme attached at **Appendix A** is reviewed and approved subject to any amendments put forward at the meeting.

Background

3. The latest version of the Committee's work programme is attached at **Appendix A**.
4. The Scrutiny Prioritisation Tool is attached at **Appendix B**.
5. The Council's latest Notice of Key and Non Key Decisions, is attached at **Appendix C**.

Considerations

The four principles of effective scrutiny

6. The Centre for Public Scrutiny works towards four principles of effective scrutiny, these being:
 - to provide 'critical friend' challenge to executive policy-makers and decision-makers;
 - to enable the voice and concerns of the public and its communities;
 - that scrutiny be carried out by 'independent minded governors' who lead and own the scrutiny process;
 - to drive improvement in public services.
7. Members are asked to give due consideration to these principles when carrying out their role on the Scrutiny and Overview Committee.

Work Programming

8. Members are encouraged to suggest items or topics for potential consideration at future meetings, which will be assessed using the criteria set out in the prioritisation tool.

9. Further items to consider at future meetings may be identified from the Council's Corporate Forward Plan, which is attached as **Appendix C**.

Implications

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

Consultation responses (including from the Youth Council)

11. No consultation has taken place on the content of this report.
12. Consultation with children and young people on the work of the Scrutiny and Overview Committee predominantly takes place through the South Cambridgeshire Youth Council.

Effect on Strategic Aims

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

13. The Scrutiny and Overview Committee will contribute to this strategic aim as it challenges decision takers and holds them to account as part of its deliberations.

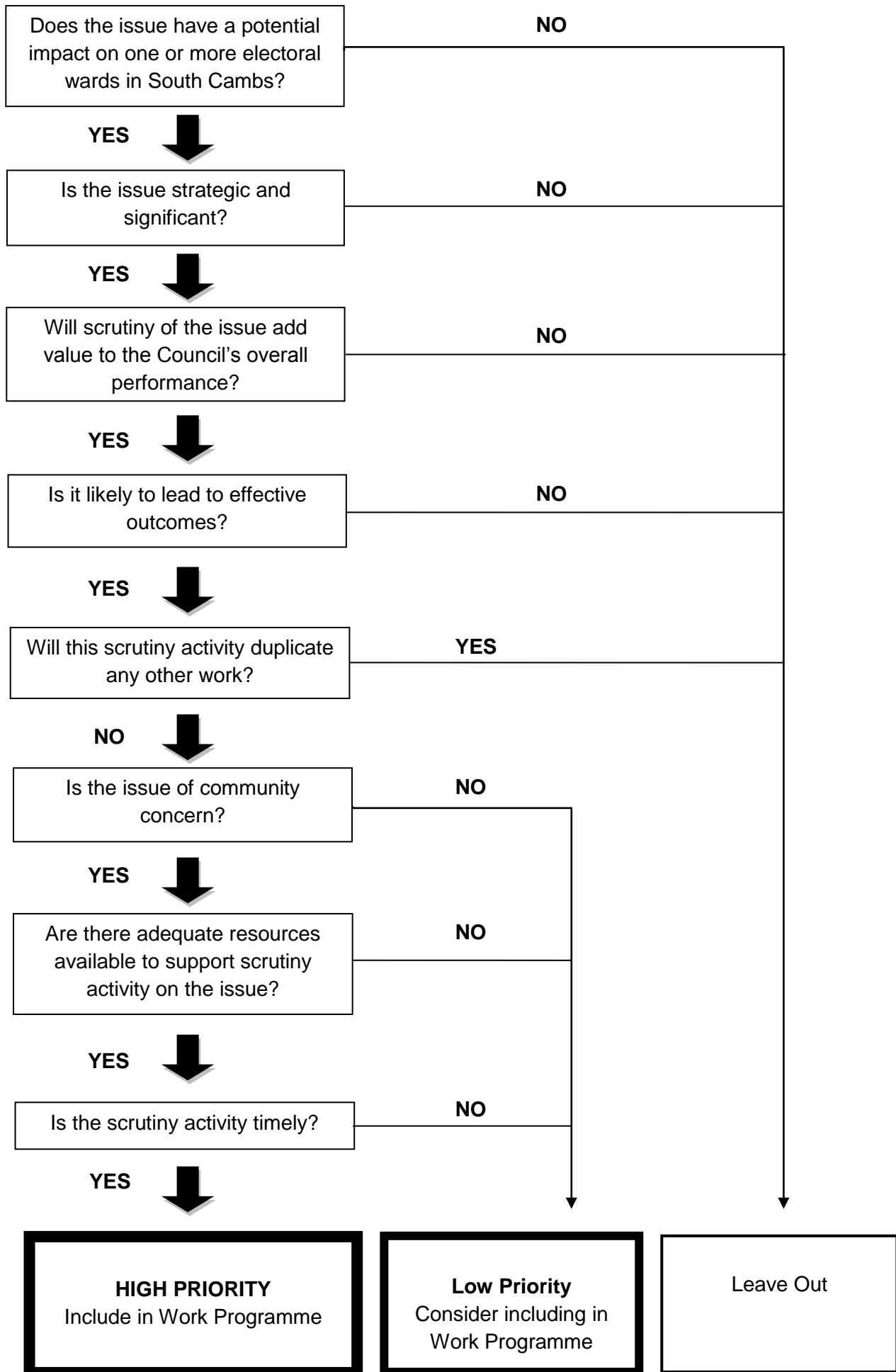
Report Author: Victoria Wallace – Democratic Services Officer
Telephone: (01954) 713026

Scrutiny and Overview Committee Work Programme

Date of meeting	Title of Report
06 March 2018	3C ICT and Legal services quarter two update report
	Development Management Performance
	Contact Centre Annual performance
	Work programme and update from Task and Finish Groups

This page is left blank intentionally.

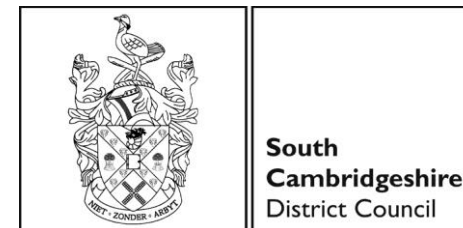
Scrutiny Work Programme Prioritisation Tool



This page is left blank intentionally.

NOTICE OF KEY DECISIONS

To be taken under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 from 9 January 2018



Notice is hereby given of:

- Key decisions that will be taken by Cabinet, individual Portfolio Holders or Officers
- Confidential or exempt executive decisions that will be taken in a meeting from which the public will be excluded (for whole or part)

A Key Decision is a decision, which is likely:

(1) (a) to result in the authority incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or

(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards

(2) On determining the meaning of 'significant' for the purposes of the above, the Council must have regard to any guidance for the time being issued by the Secretary of State in accordance with section 9Q of the 2000 Act (guidance).

A notice / agenda, together with reports and supporting documents for each meeting will be published at least five working days before the date of the meeting. In order to enquire about the availability of documents and subject to any restriction on their disclosure, copies may be requested from Democratic Services, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA. Agenda and documents may be accessed electronically at www.scambs.gov.uk

Formal notice is hereby given under the above Regulations that, where indicated (in column 4), part of the meetings listed in this notice may be held in private because the agenda and reports for the meeting will contain confidential or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. See overleaf for the relevant paragraphs.

*If you have any queries relating to this Notice, please contact
Victoria Wallace on 01954 713026 or by e-mailing victoria.wallace@scambs.gov.uk*

**Paragraphs of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended)
(Reason for a report to be considered in private)**

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes:
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an Order or Direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

The Decision Makers referred to in this document are as follows:

Cabinet

Councillor Peter Topping
Councillor Nick Wright
Councillor Francis Burkitt
Councillor Simon Edwards
Councillor Sue Ellington
Councillor Lynda Harford
Councillor Mark Howell
Councillor Robert Turner
Councillor Tim Wotherspoon

Leader of the Council
Deputy Leader and Business and Customer Services
Greater Cambridge Partnership
Finance and Staffing
Health and Wellbeing
Housing
Environmental Services
Planning
Strategic Planning

Key and non-key decisions expected to be made from 9 January 2018

Decision to be made	Decision Maker	Date of Meeting	Reason for Report to be considered in Private	Portfolio Holder and Contact Officer	Documents submitted to the decision maker
Hackney Carriage and Private Hire Licensing Policy Key	Licensing Committee Council	24 January 2018 22 February 2018		Environmental Services Portfolio Holder Myles Bebbington, Head of Service - Environmental Services & Licensing	Report (publication expected 16 January 2018) Report (publication expected 14 February 2018)
Localised Council Tax Support Scheme Non-Key	Council	25 January 2018		Finance and Staffing Portfolio Holder Dawn Graham, Benefits Manager	Report (publication expected 08 January 2018)
Medium Term Financial Strategy and Budget Setting report - General Fund and Housing Revenue Account Key	Scrutiny and Overview Committee Cabinet Council	06 February 2018 07 February 2018 22 February 2018		Finance and Staffing Portfolio Holder Suzy Brandes, Principal Accountant (General Fund & Projects), Caroline Ryba, Head of Finance	Report (publication expected 30 January 2018) Report (publication expected 14 February 2018)
Quarterly Position Statement on Finance,	Scrutiny and Overview Committee	06 February 2018		Finance and Staffing Portfolio Holder	Report (publication expected 29 January

Page 327

Key and non-key decisions expected to be made from 9 January 2018

Decision to be made	Decision Maker	Date of Meeting	Reason for Report to be considered in Private	Portfolio Holder and Contact Officer	Documents submitted to the decision maker
Performance and Risk Non-Key	Cabinet	07 February 2018		Richard May, Policy and Performance Manager, Suzy Brandes, Principal Accountant (General Fund & Projects)	2018) Report (publication expected 30 January 2018)
Corporate Plan Priorities Non-Key	Scrutiny and Overview Committee Cabinet Council	06 February 2018 07 February 2018 22 February 2018		Business and Customer Services Portfolio Holder Richard May, Policy and Performance Manager	Report (publication expected 29 January 2018) Report (publication expected 30 January 2018) Report (publication expected 14 February 2018)
Orchard Park Feasibility Study Key	Cabinet	07 February 2018 2 February 2018	By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972	Planning Portfolio Holder David Ousby, Housing Development Officer (Growth)	Report (publication expected 30 January 2018)
Cambourne High Street	Cabinet	07 February 2018	By virtue of paragraph	Planning Portfolio	Confidential report

Key and non-key decisions expected to be made from 9 January 2018

Decision to be made	Decision Maker	Date of Meeting	Reason for Report to be considered in Private	Portfolio Holder and Contact Officer	Documents submitted to the decision maker
Key			3 of Part 1 of Schedule 12A of the Local Government Act 1972	Holder David Ousby, Housing Development Officer (Growth)	(publication expected 08 November 2017) Report (publication expected 30 January 2018)
Business case for the creation of an Energy Loan Fund Key	Cabinet	07 February 2018		Finance and Staffing Portfolio Holder Kevin Ledger, Revenues and Benefits Support Officer	Report (publication expected 30 January 2018)
South Cambridgeshire District Council Energy Investment Opportunities Key	Cabinet	07 February 2018		Finance and Staffing Portfolio Holder Kevin Ledger, Revenues and Benefits Support Officer	Report (publication expected 30 January 2018)
Community Assets Scheme: Compulsory Purchase of The Tree Key	Cabinet Council	07 February 2018 22 February 2018		Business and Customer Services Portfolio Holder Kathryn Hawkes, Partnerships Officer	Report (publication expected 30 January 2018) Report (publication expected 14 February 2018)

Key and non-key decisions expected to be made from 9 January 2018

Decision to be made	Decision Maker	Date of Meeting	Reason for Report to be considered in Private	Portfolio Holder and Contact Officer	Documents submitted to the decision maker
Recommendations from the Member Task and Finish Group on supporting rural businesses Key	Cabinet	07 February 2018		Cllr Grenville Chamberlain Business and Customer Services Portfolio Holder Johanna Davies, Development Officer	Report (publication expected 30 January 2018)
Waste Offs 2018 Key	Finance and Staffing Portfolio Holder Finance and Staffing Portfolio Holder Finance and Staffing Portfolio Holder	20 February 2018 15 May 2018 21 August 2018		Finance and Staffing Portfolio Holder Katie Brown, Revenues Manager	Report (publication expected 12 February 2018) Report (publication expected 07 May 2018) Report (publication expected 13 August 2018)
Swavesey Byways Rate Non-Key	Council	22 February 2018		Environmental Services Portfolio Holder Pat Matthews, Drainage Manager	Report (publication expected 14 February 2018)
Lettings Policy	Housing Portfolio Holder	21 March 2018		Housing Portfolio Holder	Report (publication expected 13 March)

Page 330

Key and non-key decisions expected to be made from 9 January 2018

Decision to be made	Decision Maker	Date of Meeting	Reason for Report to be considered in Private	Portfolio Holder and Contact Officer	Documents submitted to the decision maker
Key				Charles Clay, Housing Options and Allocations Team Leader, Heather Wood, Interim Assistant Director of Housing (Statutory and Strategic Services)	2018)
Mare Fen Bank Improvement Works Key	Cabinet	19 April 2018		Environmental Services Portfolio Holder Paul Quigley, Head of Environment Commissioning	Report (publication expected 11 April 2018)

This page is left blank intentionally.