



2 December 2022

To: The Leader – Councillor Bridget Smith  
Deputy Leader – Councillor Brian Milnes  
Members of the Cabinet – Councillors Henry Batchelor, John Batchelor,  
Bill Handley, Dr. Tumi Hawkins, Peter McDonald and John Williams  
Quorum: Three, including the Leader or Deputy Leader

Dear Councillor

You are invited to attend the next meeting of **Cabinet**, which will be held in the **Council Chamber - South Cambs Hall** at South Cambridgeshire Hall on **Monday, 12 December 2022 at 10.00 a.m.**

Yours faithfully  
**Liz Watts**  
Chief Executive

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

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2.	<b>Apologies for Absence</b> To receive Apologies for Absence from Cabinet members.	
3.	<b>Declarations of Interest</b>	
4.	<b>Minutes of Previous Meeting</b> To authorise the Leader to sign the Minutes of the meeting held on Monday, 14 November 2022 as a correct record.	1 - 8
5.	<b>Public Questions</b> The deadline for receipt of public questions is 23:59 on Tuesday, 6 December 2022. The Council's scheme for public speaking at committee meetings may be inspected here: <a href="#">Public Speaking Scheme</a>	
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### **Disturbance by Public**

If a member of the public interrupts proceedings at a meeting, the Chair will warn the person concerned. If they continue to interrupt, the Chair 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 Chair may call for that part to be cleared. The meeting will be suspended until order has been restored.

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### **Declarations of interest**

As a Councillor, you are reminded of the requirements under the Council's Code of Conduct to register interests and to disclose interests in a meeting. You should refer to the requirements set out in the Code of Conduct which are summarised in the notes at

the end of this agenda frontsheet.

### **Disclosable pecuniary interests**

A “disclosable pecuniary interest” is an interest of you or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) which falls within the categories in [Table 1 of the code of conduct, which is set out in Part 5 of the Constitution](#).

Where a matter arises at a meeting which directly relates to one of your disclosable pecuniary interests you must:

- disclose the interest;
- not participate in any discussion or vote on the matter; and
- must not remain in the room unless you have been granted a dispensation.

If it is a ‘sensitive interest’, you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

It is a criminal offence to:

- fail to notify the monitoring officer of any disclosable pecuniary interest within 28 days of election
- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register
- fail to notify the Monitoring Officer within 28 days of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting
- participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting.

### **Other registerable interests**

These are categories of interest which apply to the Councillor only (not to their partner) and which should be registered. Categories are listed in [Table 2 of the code of conduct, which is set out in Part 5 of the Constitution](#). Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your Other Registerable Interests, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

### **Disclosure of non-registerable interests**

Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where a matter arises at a meeting which affects – a. your own financial interest or well-being; b. a financial interest or well-being of a relative or close associate; or c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in Table 2 you must disclose the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied. Where a matter (referred to in the paragraph above) affects the financial interest or well-being: a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and; b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest, you may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

[Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it]

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# Agenda Item 4

## South Cambridgeshire District Council

Minutes of a meeting of the Cabinet held on  
Monday, 14 November 2022 at 10.00 a.m.

Present: Councillor Bridget Smith (Leader of Council)

Councillors:	John Batchelor	Lead Cabinet Member for Housing
	Bill Handley	Lead Cabinet Member for Communities
	Peter McDonald	Lead Cabinet Member for Economic Development
	John Williams	Lead Cabinet Member for Resources

Officers in attendance in the Council Chamber for all or part of the meeting:

Aaron Clarke	Democratic Services Technical Officer
Kirstin Donaldson	Service Manager - Acquisitions and Development
Peter Campbell	Head of Housing
Peter Maddock	Head of Finance
Jonathan Malton	Cabinet Support Officer
Rory McKenna	Monitoring Officer
Liz Watts	Chief Executive

Officers in attendance remotely for all or part of the meeting:

Anne Ainsworth	Chief Operating Officer
Gareth Bell	Communications and Communities Service Manager
Lesley Beevers	Service Manager (People Protection and Planning)
Rory Cosgrove	Principal Officer (People and Protection)
Dawn Graham	Benefits Manager

Councillors Dr. John Loveluck, Brian Milnes (Deputy Leader and Lead Cabinet Member for the Environment), Dr. Lisa Redrup and Heather Williams were in attendance remotely.

### 1. Announcements

There were no announcements.

### 2. Apologies for Absence

There were Apologies for Absence from Councillor Dr. Tumi Hawkins, Lead Cabinet Member for Planning.

### 3. Declarations of Interest

Councillor Bridget Smith, Leader of the Council, and Councillor John Williams, Lead Cabinet Member for Resources, declared non-registerable interests for item 7 Minimum Energy Efficiency Standards Policy, being landlords to properties within South Cambridgeshire.

Councillor John Batchelor, Lead Cabinet Member for Housing declared a non-registerable interested for item 9, Future Use of Plots of HRA Land, regarding Horseshoes Lane, Weston Colville.

#### **4. Minutes of Previous Meeting**

Cabinet **authorised** the Leader to sign, as a correct record, the Minutes of the meeting held on Monday, 12 September 2022.

#### **5. Public Questions**

There were two public requests to speak at Cabinet:

##### **a) From Sylvia Sullivan, Little Gransden Parish Council**

Councillor Bridget Smith invited Mrs. Sullivan to make her statement during item 9, Future Use of Plots of HRA Land.

##### **b) From Dr. Douglas de Lacey**

I am delighted to see the proposed expansion of the warm packs grants to include other vulnerable residents in our community (Item 10.27). The pack is proposed to include a water bottle, blanket, thermal socks, gloves, and a hat, and possibly an electric blanket. It also includes a thermos flask.

While I applaud this initiative, may I request that it should also include a pamphlet explaining how the flask might be used. I ask because a very intelligent neighbour of mine, in discussion with me, had never considered using a flask, of which he had several, to keep the surplus water from his kettle hot and so reduce his energy usage. To achieve his, of course, the flask needs to be of the quality to guarantee keeping the water hot for 12 hours; many on the market fail this test.

#### **Response from Councillor Bill Handley, Lead Cabinet Member for the Community**

Thank you for the question and positive endorsement for the work we are doing to support residents.

Officers are primed and ready to award a contract for the additional warm packs we are being asked to agree at Cabinet today. The specification for the thermos flask will ensure high quality and to keep liquids warm for 12 hours.

I have asked officers to consider how further tips and advice could be provided as part of the warm pack to maximise the benefit. Until we confirm a supplier and how the packs will be distributed, I cannot give a cast iron guarantee we will be able to include the extra information. But officers will be asking suppliers if this is feasible, and we will aim to do it if it is logistically feasible.



Thank you again for the question and helpful suggestions for this important scheme.

Dr. Douglas de Lacey was invited to ask a supplementary question and commented on an article he had written for Girton Parish Council. Councillor Bill Handley responded that an article is currently being drafted for South Cambs magazine but requested if Dr. de Lacey's article could be shared with the Communications and Communities Service Manager.

#### **6. Issues arising from the Scrutiny and Overview Committee**

Cabinet noted the Scrutiny and Overview report summarising the meeting held on Thursday, 20 October 2022, relating to the following agenda item:

- Fees and Charges

#### **7. Minimum Energy Efficiency Standards Policy**

Cabinet received the Minimum Energy Efficiency Standards Policy. After previously declaring an interest, Councillors Bridget Smith, Leader of the Council, and John Williams, Lead Cabinet member for Resources, left the Council Chamber for this item. Councillor Peter McDonald, Lead Cabinet Member for Economic Development, assumed the Chair, and moved the recommendations.

Councillor Brian Milnes introduced the report, commenting that this policy complied with Government regulations, and thanked the Principal Officer (People and Protection) for his work on the report.

Councillor John Batchelor, Lead Cabinet Member for Housing, commented that the properties that were part of Ermine Street Housing, along with the Council's housing stock, which were not required to meet the standards set out in the policy, were already compliant.

After a short discussion, Councillor Peter McDonald closed the item, and Cabinet:

**Approved** the proposed Minimum Energy Efficiency Standards policy.

#### **8. Mobile Homes (Fit & Proper Person Policies and Fees & Charges)**

Cabinet received the Fit and Proper Persons Policies and Fees and Charges for Mobile Homes. Councillor Bridget Smith, Leader of the Council, moved the recommendations. Councillor Brian Milnes, Deputy Leader, and Lead Cabinet Member for the Environment introduced the report, commenting on the importance for the policies for residents, and thanked the Principal Officer (People and Protection) for his work on drafting the policies.

After a short discussion, Cabinet:

**Approved** the two proposed Mobile Homes – Fit & Proper Person policies (determination policy and fees policy) as well as the proposed fees & charges for Mobile Homes.

## **9. Future Use of Plots of HRA Land**

Cabinet received the Future Use of Plots of HRA (Housing Revenue Account) Land. Councillor Bridget Smith, Leader of the Council, invited Sylvia Sullivan, the Clerk for Little Gransden Parish Council, to make her statement:

“Little Gransden has no public open space area and no playground. Our residents have no space to meet up in an outdoor area to socialise, or to partake in group outdoor exercise. We wish to provide a carefully designed playground area with a variety of biodiverse stations that can be educational in the appreciation, care and preservation of native plants, trees and flowers.

We propose to consult residents and actively involve them in its design. Many members of our local community have professional expertise and skills in land management, wildlife conservation, biodiversity and horticulture. We shall make a pitch to recruit and coordinate a rota of volunteers in its up-keep and future developments.

The sub-group of Parish Councillors allocated to this project will also be conferring with organisations, including the local branch of the Wildlife Trust and the Cambridgeshire and Peterborough Environmental Records Centre (CPERC) to obtain the best advice on the type of plants to grow to attract insects, birds and other wildlife to the area.

Our exciting vision for developing this green space for our community intends to explore and implement innovative ways so that our residents can enjoy a peaceful space as well as having the opportunity to plant commemorative trees and shrubs in celebration of important life events, such as birthdays and anniversaries. We hope also to make the space a focal point where visitors are reminded about the urgent need to address climate change and how they can contribute towards a Zero Carbon Community.

Our ambition is to secure and realise this acquisition in time to commemorate the coronation of King Charles III in May 2023.”

Councillor Bridget Smith moved an alternative recommendation for the plot of land at Primrose Walk in Little Gransden to defer the decision until the Cabinet meeting scheduled for Monday, 12 December 2022.

Councillor Heather Williams commented that while affordable housing was required, she request the Cabinet refer back to a previous planning application on Primrose Walk discussed at Planning Committee on Wednesday 17 January 2022, noting the refusal was not due to the Parish Council's preference for a green space.

Councillor Bridget Smith summarised the discussion, and Cabinet:

**Noted** the history of the self-build project and **approved**:

Primrose Walk, Little Gransden: delegated authority be granted to the Lead Cabinet Member for Housing in consultation with the Head of Housing to conduct negotiations with the Parish Council and defer the recommendation to Cabinet in December 2022

Councillor John Batchelor, Lead Cabinet Member for Housing, introduced the report, commenting on the sites across the district, and referred to Councillor Heather Williams' comment on the request of affordable properties for each of the relevant plots of HRA Land.

After a short discourse, Cabinet:

**Noted** the history of the self-build project and **approved** the below actions on a site-by-site basis:

- a) Blakeland Hill, Duxford: seek market valuation and sell without self-build restrictions;
- b) Coploe Road, Ickleton: offer on license to the neighbour as garden land;
- c) Falkner Road, Sawston: retain as garages and explore clustering development opportunity in future;
- d) Church Street, Harston: explore opportunities to support Doubling Nature Strategy;
- f) Orchard Close, Cottenham: explore opportunity for "clustering" with other Council projects in the village. If viability cannot be established at tender, seek valuation and sell without self-build restrictions;
- h) Balsham Road, Linton: offer land on license to adjoining council tenant

After previously declaring an interest regarding the plot of land at Horseshoes Lane, Weston Colville, Councillor John Batchelor left the Council Chamber for this item.

Councillor Bridget Smith moved the recommendation for this item and after a short conversation, Cabinet:

**Noted** the history of the self-build project and **approved**:

Horseshoes Lane, Weston Colville: seek market valuation and sell without self-build restrictions;

## **10. Cost of Living Crisis Support for Residents**

Cabinet received the Support for Residents proposals for the Cost-of-Living Crisis. Councillor John Williams, Lead Cabinet Member for Resources, introduced the report, noting the package of support for residents throughout the winter.

Councillor Bill Handley, Lead Cabinet Member for Communities, commented on the Council's continued support for residents across the district.

After a short discussion, Councillor Bridget Smith, Leader of the Council, closed the item, and thanked Officers for their continued work with supporting residents, and Cabinet:

**Approved** the priorities and allocated funding set out in paragraphs to support South Cambridgeshire communities during the current cost-of-living crisis.

#### 11. Local Council Tax Support

Cabinet received the Local Council Tax Support Scheme for 2023-2024. Councillor John Williams, Lead Cabinet Member for Resources, introduced the report, explaining that this report formed part of the Support for Residents during the Cost-of-Living Crisis, expected to be voted on during the Council meeting in February 2023 and the support scheme expected to come into effect by April 2023. There would be a consultation expected to last until the end of December 2022.

After a short discussion, Cabinet:

**Approved** Option 1 for consultation with residents, stakeholders, including Precepting Authorities and Parish Councils.

#### 12. 2021/22 Provisional General Fund Revenue and Capital Outturn

Cabinet received the 2021/2022 Provisional General Fund Revenue and Capital Outturn. Councillor John Williams, Lead Cabinet Member for Resources, introduced the report and commented on the lateness of the report, due to the closure of the 2021-2022 accounts.

After a short discussion, Cabinet:

- a) **Acknowledged** the 2021/22 general fund revenue outturn position as summarised in Appendix A, and the net overspend (after income from Taxation and Government Grants) in the year of £0.698 million and the explanations provided for the variances compared to the revised 2021/22 revenue budget;
- b) **Acknowledged** the consequent increase in the General Fund as at 31 March 2022 of £2.514m to around £14.5m;
- c) In relation to the Capital Programme:
  - i) **Noted** the 2021/22 capital outturn of £32,420 million;
  - ii) **Acknowledged** the performance achieved in relation to the Capital Programme schemes substantially completed in 2021/2022, summarised in Appendix B.
  - iii) **Recommended** to Council the carry forwards of £3.344 million in relation to General Fund capital projects due mainly to slippage.
  - iv) **Noted** that a full review of the Capital Programme will be submitted to Cabinet at its December 2022 meeting to include re-phasing of the existing programme and new Capital bids for the next budget cycle.

#### 13. Fees and Charges

Cabinet received the Fees and Charges for 2023-2024. Councillor John Williams, Lead Cabinet Member for Resources, introduced the report and commented on the review from the Scrutiny & Overview Committee.

Councillor John Batchelor, Lead Cabinet Member for Housing, noted the Council could not determine the rents for the Council's housing stock for 2023-2024 and was awaiting a final decision from the Government on the rent cap.

After a short discussion, Cabinet:

- a) **Approved** the fees and charges as detailed in Appendix A of the report to take effect from 1 April 2023 (unless otherwise stated) or the earliest feasible date thereafter.
- b) **Noted** the proposed variations to fees and charges in comparison to the prevailing inflation rate detailed in the report.

#### 14. **Exclusion of Press and Public**

Cabinet **agreed** by affirmation that the press and public be excluded from the meeting during consideration of item 15 in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (as amended) (exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act). Paragraph 3 refers to information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 15. **Minutes of the Previous Meeting - Exempt**

Cabinet **authorised** the Leader to sign, as a correct record, the exempt Minutes of the meeting held on Monday, 12 September 2022.

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**The Meeting ended at  
10.49 a.m.**

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# Agenda Item 6



**South  
Cambridgeshire**  
District Council

**Report to:** Cabinet 12 December 2022

**Lead Cabinet Members:** Councillors John Batchelor, Bill Handley, Brian Milnes, Bridget Smith, and John Williams

**From:** Councillor Stephen Drew, Chair of the Scrutiny and Overview Committee  
Councillor Graham Cone, Vice-Chair of the Scrutiny and Overview Committee

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## Update from Scrutiny and Overview Committee

### Purpose

1. This report is to inform Cabinet about relevant discussion among members of the Scrutiny and Overview Committee at their meeting on 15 November 2022 and the Committee's recommendations at paragraphs 10, 12, 16, 23 and 25.

### Quarter 2 Performance report – Key Performance Indicators

2. With reference to FS104 (Percentage of Business Rates collected (year to date)), Councillor Sue Ellington accepted assurances from both Councillor John Williams (Lead Cabinet Member for Resources) and the Head of Finance that the current position was generally positive and said that an attempt should be made to demonstrate this by creating a Key Performance Indicator (KPI) that more clearly reflected the state of business in South Cambridgeshire. Councillor Heather Williams asked that the KPI should differentiate between those businesses struggling to pay business rates and those simply not paying.
3. PN510 to PN512 related to Development Management. Councillor Peter Fane said that a differentiation should be made between those planning applications determined within the period set by statutory targets and those determined within a timescale set by an Extension of Time Agreement. Councillor Fane asked that the percentage of appeals against major planning permission refusals allowed should specify the proportion allowed in respect of appeals against non-determination. Despite her initial concern, Councillor Heather Williams was pleased to note that the number of Extension of Time Agreements and refusals made in order to meet determination targets was unrelated to the time taken to validate applications.
4. Councillor Graham Cone questioned how realistic the target of 17 days was referred to in AH211 (Average days to re-let all housing stock). In reply, the Head of Housing gave an assurance that the Council had deliberately set itself

a challenging target after benchmarking itself against a group of similar local authorities. Councillor Heather Williams expressed concern about the impact of stated problems with electricity meters on tenants' cost of living. She was pleased to note that there was now a greater focus on voids and re-lets and that this had increased confidence that this KPI would show improved performance as a result.

5. After clarifying that CC303 (percentage of calls to the Contact Centre that are handled (answered)) referred to calls answered by a contact centre agent, Councillor Sally Ann Hart asked that future statistics should include a measure as to the effectiveness of the call-back option.
6. Councillor Helene Leeming expressed concern with KPI CC307 (Average call answer time (seconds)). The Head of Transformation, HR and Corporate Services acknowledged that the Contact Centre was subject to peaks in demand and assured the Committee that the situation was constantly monitored to make sure that available resources (considered to be sufficient) were deployed in an appropriate and effective manner dependant on demand at any given time.

## **Quarter 2 Performance report –Performance against the Business Plan**

7. Councillor Richard Stobart asked the Leader to explain why the proposed development of a formal engagement programme with schools and employers was being pursued only locally (Measure A2(ii)). In reply, the Leader said that it was right that the Council should focus on 'local' in the first instance but added that it did work with universities when recruiting to higher-paid jobs. South Cambridgeshire was an expensive area to move into although it was hoped that initiatives such as a four-day-week would help compensate for that.
8. Action B5 related to the delivery of two new sports pavilion, community centre and civic hub (containing health, library, and community facilities) at Northstowe. Councillor Heather Williams said that there was an urgent need for Full Council to consider again the provision of temporary community facilities in the new town especially as a planning application for the civic hub was not anticipated before Quarter 4.
9. Councillor Sue Ellington used Action C6 (Upgrade our stock of 1,800 streetlights to LED, which will reduce energy consumption and save Parish Councils money) to highlight the very significant financial pressures currently being faced by smaller villages in maintaining their streetlights. Both Councillor Brian Milnes (Deputy Leader) and Councillor John Williams (Lead Cabinet Member for Resources) sympathised with the sentiment but regretted that South Cambridgeshire District Council simply did not have the necessary resources with which to help.



## **Recommendation**

10. **Subject to** the comments in paragraphs 2 to 9 above, the Scrutiny and Overview Committee supported submission of the Quarter 2 Performance Report to Cabinet on 12 December 2022.

## **General Fund Revenue Bids & Savings**

11. Referring to paragraph 9 of the draft Cabinet report and the budget gap likely to be between £700,000 and £1 million, Councillor Heather Williams said that future such reports should make it clear what bids had already been discounted so that Members could decide whether resources were being allocated in the most effective way for the benefit of residents.

## **Recommendation**

12. **Subject to** the comment in paragraph 11 above, the Scrutiny and Overview Committee supported submission of the General Fund Revenue Bids & Savings report to Cabinet on 12 December 2022.

## **The future use of South Cambridgeshire Hall, Cambourne**

13. This topic had been selected for review by Scrutiny and Overview Committee members independently from the corporate Forward Plan.
14. Councillor Heather Williams said that great care must be taken to make sure that space was only let to businesses adhering to South Cambridgeshire District Council's ethical standards. Several Councillors said that the personal safety of Council staff and security of the Council's business interests were important given the open-plan nature of South Cambridgeshire Hall. In reply, Councillor Brian Milnes (Deputy Leader) and the Head of Transformation, HR and Corporate Services acknowledged these concerns and assured the Scrutiny and Overview Committee that such concerns would be considered when developing detailed aspects of the project.
15. Having reviewed proposals for the best use of space at South Cambridgeshire Hall, the Chair concluded by saying that, while safety and security had rightly been highlighted as concerns, the general principle offered significant opportunities in finding ways to help address the budget funding gap faced by the Council. An update report would be presented to the Scrutiny and Overview Committee at an appropriate date so that it could continue to review progress.

## **Recommendation**

16. Cabinet is asked to **note** the Scrutiny and Overview Committee's input into this project.

## Young People Task & Finish Group

17. This is simply an update for Cabinet.
18. The Task & Finish Group has met twice (20 October 2022 and 2 November 2022) and, by the time of this Cabinet meeting, will have met again on 7 December 2022.
19. Most of its work to date has involved information gathering and project planning. The Group will start gathering evidence in January 2023 and aims to complete this aspect of its work by the end of March.
20. Task & Finish Group members will work collaboratively with officers to prepare a detailed report with recommendations for consideration by the Scrutiny and Overview Committee.
21. It will then be for that Committee to report to Cabinet (which might further want to report to Full Council).
22. It is anticipated that the Young People Task & Finish Group will have completed its work by the end of July 2023.

## Recommendation

23. Cabinet is asked to **note** that the Scrutiny and Overview Committee has endorsed Terms of Reference for the Young People Task & Finish Group meaning that the Group is now formally constituted and therefore able to carry out its work plan.

## Ice Rink

24. The Scrutiny and Overview Committee received an update report and noted that South Cambridgeshire District Council would not in any case entertain extending the loan period until new leasing arrangements (not involving the Council) had been completed.

## Recommendation

25. The Scrutiny and Overview Committee noted, and asks Cabinet to **note**, that CLIC no longer requires additional finance to keep the rink operational and that agreement to a revised loan schedule requiring payment by 2048-49 (instead of 2043-44 as originally planned) will meet the original objective of keeping the rink operating and should ensure South Cambridgeshire District Council receives its money back in full.

## Report Author:

Ian Senior – Scrutiny and Governance Adviser  
Telephone – 01954 713028



<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor Brian Milnes, Deputy Leader	
<b>Lead Officer:</b>	Jeff Membery, Head of Transformation, HR and Corporate Services	

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## 2022-23 Quarter Two Performance Report

### Executive Summary

1. This report presents Cabinet with the Council's Quarter Two (Q2) position regarding its operational Key Performance Indicators (KPIs) and 2020-25 Business Plan actions, for consideration and comment.

### Key Decision

2. No

### Recommendations

3. It is recommended that Cabinet:
  - a) Review the KPI results and comments at **Appendix A** and progress against Business Plan actions at **Appendix B**, recommending, where appropriate, any actions required to address issues identified, and approving onward submission to Cabinet.

### Reasons for Recommendations

4. These recommendations are required to enable management and members to understand the organisation's performance. The information included within performance reports 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.

## Details

### Key Performance Indicator (KPI) Report

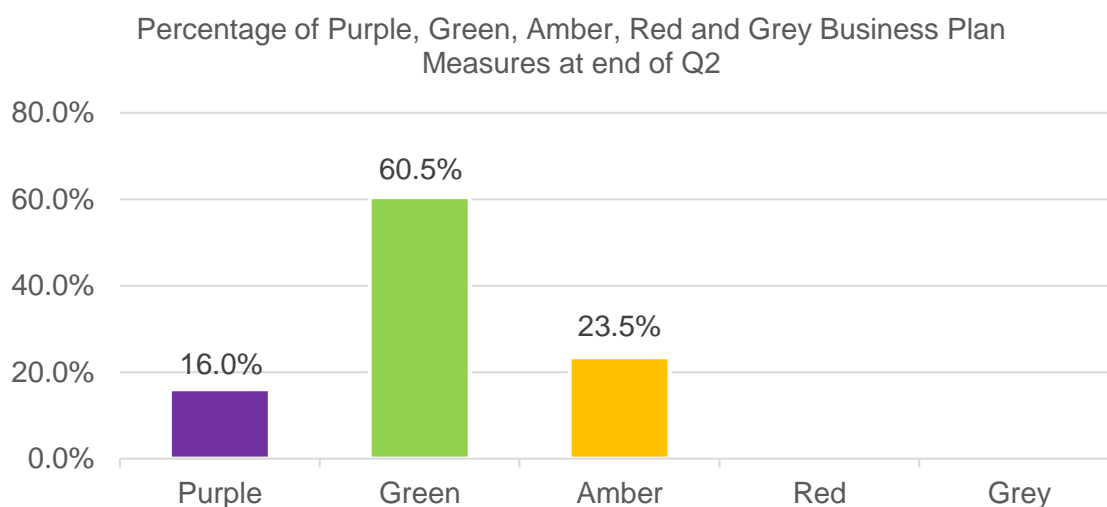
5. This report presents Key Performance Indicator (KPI) results that are aligned to high-level, business-as-usual activities that underpin the successful delivery of the Council's services.
6. The data in **Appendix A** shows actual performance against target and intervention levels and accompanying comments, as provided by performance indicator owners. The Council uses a 'traffic light' system to denote performance, whereby:
  - **Green** signifies performance targets that 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 to raise standards as required.
  - **Red** denotes performance below the intervention level. This represents underperformance of concern and should prompt interventions and may involve the reallocation of resources or proposals to redesign how services are provided.
7. This report also contains a column called 'Outlook RAG' which was a new addition for the quarter one report. The purpose of this column is to provide an indication of expected performance levels over the following quarter. This is based on estimates provided by service managers and helps to flag any risks to performance levels and prompt discussion about how these may be mitigated.

### Business Plan Update Report

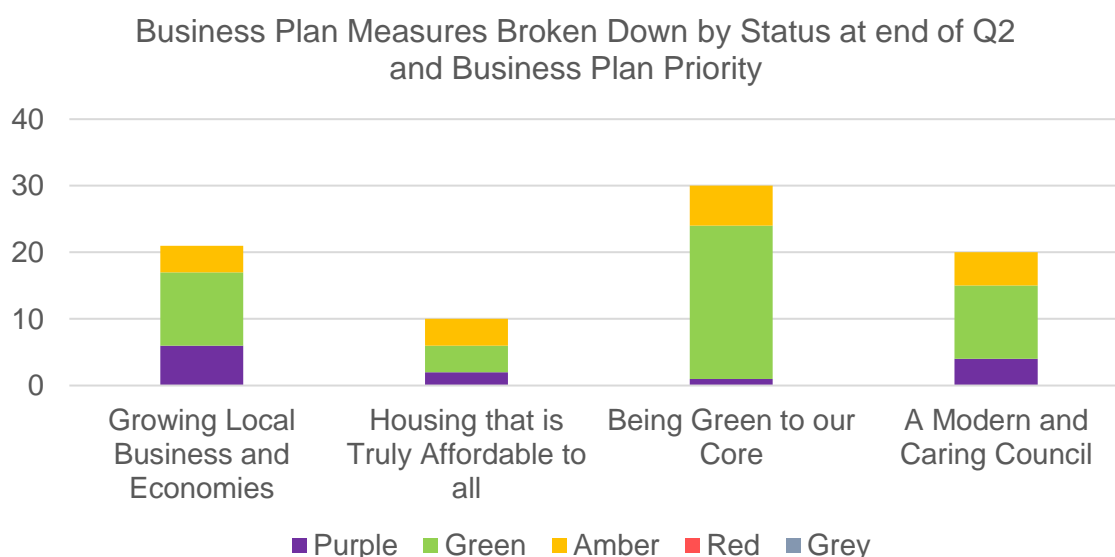
8. **Appendix B** provides updates in relation to the 2020-25 Business Plan actions and timescales. This report presents progress towards the 2022-23 iteration of the Business Plan Action Plan for the first time.
9. A colour-coding system is applied to this element of the report whereby:
  - **Purple** signifies that the measure has been completed
  - **Green** signifies that completion of the measure by the end of the stated target quarter is on target
  - **Amber** signifies that completion of the measure has been delayed, but is on track to be delivered by a revised delivery date
  - **Red** signifies that the measure will not be delivered or that a delivery plan is needed
  - **Grey** signifies that information is not available to indicate progress at this time

10. The number of Purple, Green, Amber, Red and Grey Business Plan measures at end of quarter two, broken down by each Business Plan priority, is as follows (previous quarter numbers are shown in brackets by way of comparison):

Status	Growing Local Business and Economies	Housing that is Truly Affordable to all	Being Green to our Core	A Modern and Caring Council	Total
Purple	6 (4)	2 (2)	1 (0)	4 (1)	13 (7)
Green	11 (13)	4 (6)	23 (30)	11 (14)	49 (63)
Amber	4 (4)	4 (2)	6 (0)	5 (4)	19 (10)
Red	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Grey	0 (0)	0 (0)	0 (0)	0 (1)	0 (1)



\*Please see colour coding definitions at paragraph 9 above.



\*Please see colour coding definitions at paragraph 9 above.

## Implications

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

There are no significant implications beyond those raised by performance indicator owners within the comments section of the Key Performance Indicator report at (**Appendix A**) or lead officers within the Business Plan update report at (**Appendix B**).

## Consultation responses

12. All performance indicator results, and commentaries are provided by or at the instruction of performance indicator owners. Business Plan updates have been provided by lead officers for each individual action.

## Alignment with Council Priority Areas

13. The KPI report (**Appendix A**) allows business-as-usual performance to be monitored and managed across the Council's range of activities, whilst the Business Plan Update report (**Appendix B**) provides a view of progress towards each of the actions and timelines outlined within the within the 2020-25 Business Plan priority areas, as detailed below:

- Growing local businesses and economies
- Housing that is truly affordable for everyone to live in
- Being green to our core
- A modern and caring Council

## Background Papers

South Cambridgeshire District Council Business Plan 2020-25

## Appendices

Appendix A: Key Performance Indicator Report  
Appendix B: Business Plan Update Report

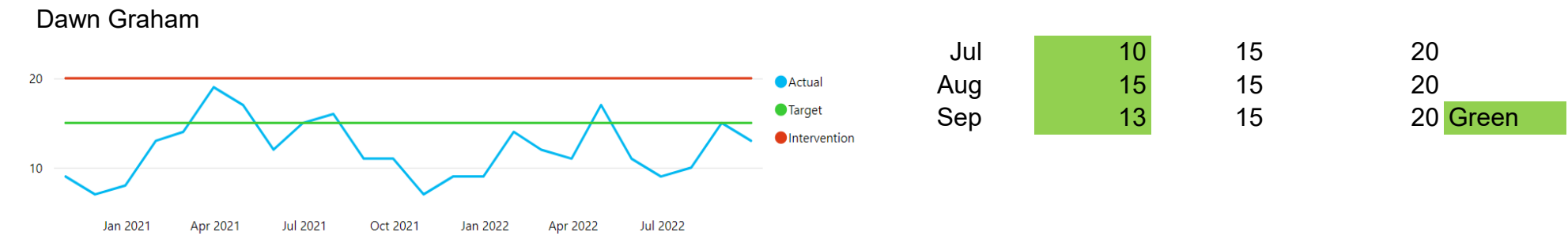
## Report Author:

Kevin Ledger – Senior Policy and Performance Officer  
Telephone: (01954) 713018

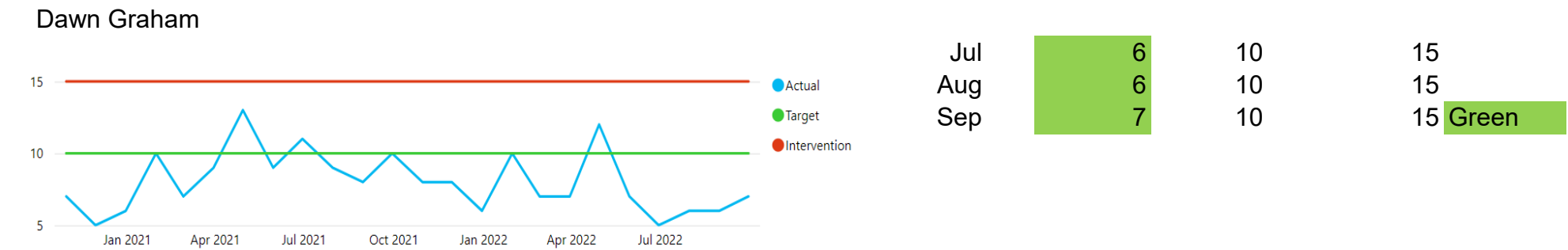
Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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Benefits

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

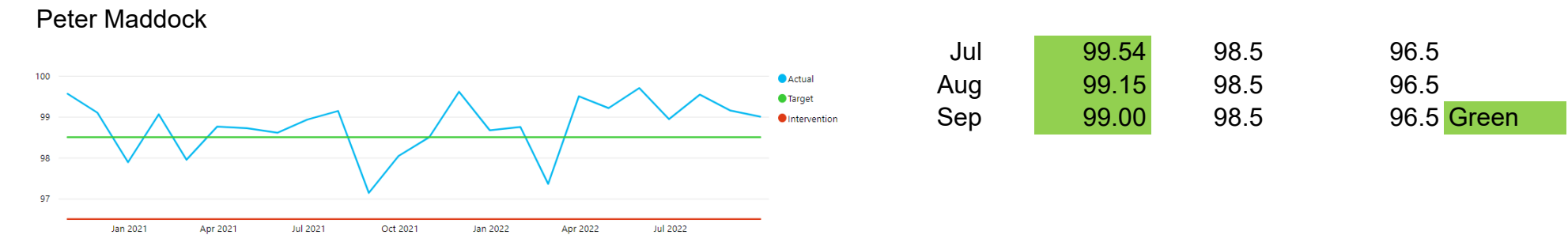


FS113 Average number of days to process HB/CTS change events



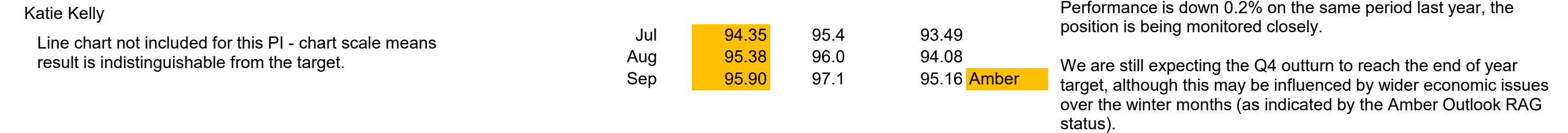
Finance

FS109 % undisputed invoices paid in 30 days



Revenues

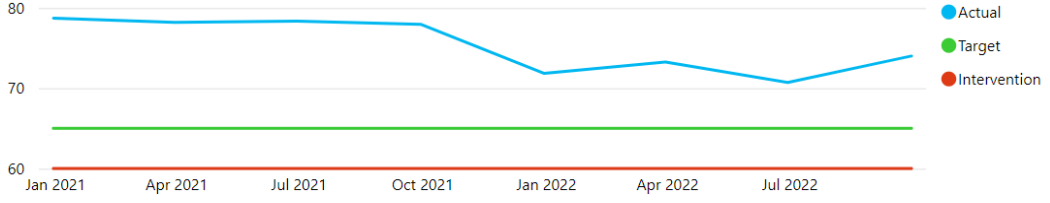
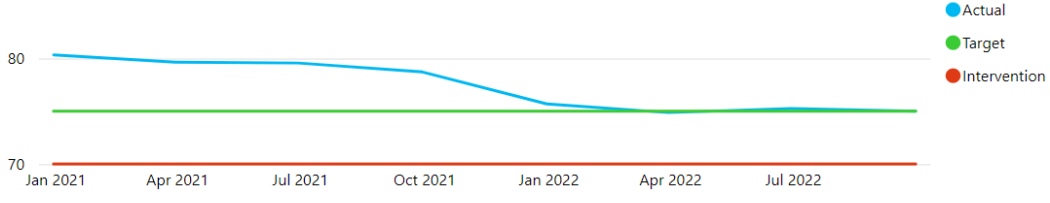
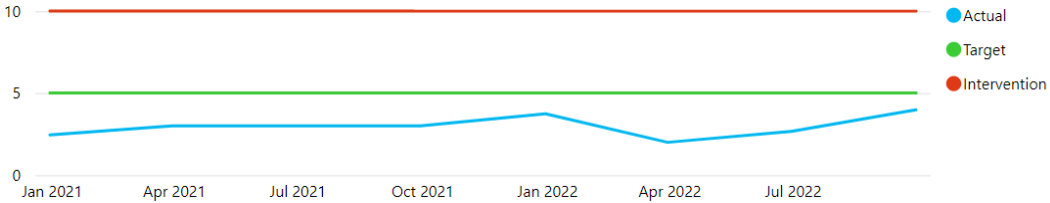
FS102 % Housing Rent collected



Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)

Key Performance Indicator and Owner, organised by Directorate and Service Area				Actual	Target	Intervention	Outlook RAG	Comments
FS104 % Business Rates collected (year to date)								
Katie Kelly								
		Jul	42.40	40.98	40.16			We are still expecting the Q4 outturn to reach the end of year target, although this may be influenced by wider economic issues over the winter months. Performance will continue to be monitored closely.
Line chart not included for this PI - chart scale means result is indistinguishable from the target.		Aug	51.00	50.20	49.20			
		Sep	59.80	59.78	58.58	Green		
FS105 % Council Tax collected (year to date)								
Katie Kelly								
		Jul	39.90	40.5	39.69			Whilst performance is slightly lower than target, this represents an increase compared to the same period last year.
Line chart not included for this PI - chart scale means result is indistinguishable from the target.		Aug	49.10	50.0	49.00			We are still expecting the Q4 outturn to reach the end of year target, although this may be influenced by wider economic issues over the winter months (as indicated by the Amber Outlook RAG status). Performance will continue to be monitored closely.
		Sep	59.50	59.8	58.60	Amber		



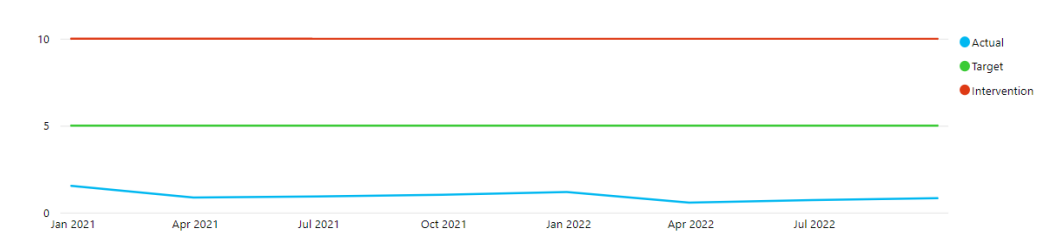
Key Performance Indicator and Owner, organised by Directorate and Service Area				Actual	Target	Intervention	Outlook RAG	Comments
Dev. Management								
PN510 % of major applications determined within 13 weeks or agreed timeline (2 year reporting period cumulative)								
Heather Jones								
				Jun Sep	70.71 74.00	65 65	60 60	Green
								September's result was the final result in the Oct 2020 - Sep 2022 two year reporting period for both <b>PN510</b> and <b>PN511</b> . These results show that the government-set target for local authorities was exceeded for both KPIs.
								September's Outlook RAG status is set as Amber for PN511. This is because we are entering into the next 2 year reporting period from October onwards. This will have an impact because strong monthly results from before Oct 2021 will no longer contribute to the 2 year cumulative, while slightly lower results from this time last year will continue to be included.
PN511 % of non-major applications determined within 8 weeks or agreed timeline (2 year reporting period cumulative)								
Heather Jones								
				Jun Sep	75.26 75.00	75 75	70 70	Amber
								We continue to make progress in reducing the backlog of applications (as can be seen in the PN519 result) and are looking at bringing in additional validation resource to further build on this.
PN512 % of appeals against major planning permissions refusal allowed (2 year reporting period cumulative)								
Heather Jones								
				Jun Sep	2.65 3.97	5 5	10 10	Green

Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)

Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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PN513 % of appeals against non-major planning permission refusal allowed (2 year reporting period cumulative)

Heather Jones



Jun	0.72	5	10	
Sep	0.83	5	10	Green

PN519 Average time to determine validated householder Planning applications (weeks)

Heather Jones

New KPI - line chart will be provided once additional results

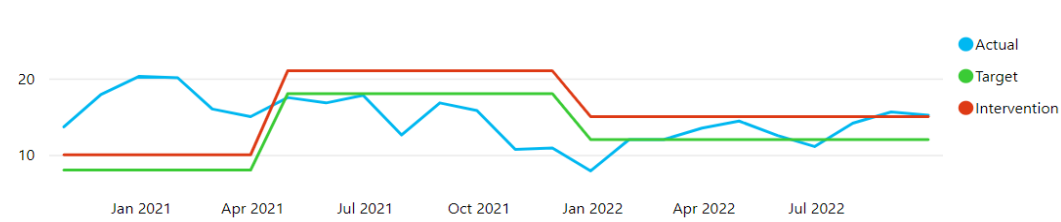
Jun	10.90	10	12	
Sep	9.00	10	12	Green

PN519 was introduced for the 22-23 financial year to allow closer measurement of performance and the impacts of improvement activities throughout the year. Both the Q1 result and Outlook RAG were Amber, with performance expected to improve later in the year as backlogs are reduced. The Q2 result shows that performance has improved in this area slightly quicker than anticipated, with September's result better than target. The September Outlook RAG is now Green, with performance expected to continue to be better than target as we continue to reduce the backlog.

Land Charges

SX025 Average Land Charges search response days

Heather Jones



Jul	14.14	12	15	
Aug	15.62	12	15	
Sep	15.20	12	15	Amber

There was an increase in turnaround time during Q2 as we worked to reduce the backlog. During this period we have also resolved the Building Control Data migration issue. We have also been testing a new TLC software upgrade, which are due to switch to in Oct.

We were still experiencing delays from Highways, who are suffering with staff shortages but we are working closely with them to manage needs and expectations and expect this to be resolved early in Q3.

Search request numbers remained high but showing a slight decline at the end of the quarter. We expect to see an improvement in Q3 and the Outlook RAG has been set to Amber to reflect this.

Report continues on the following page.

Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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Housing Advice

AH230 Number of households with children leaving B&B accommodation after longer than 6 weeks

Heather Wood

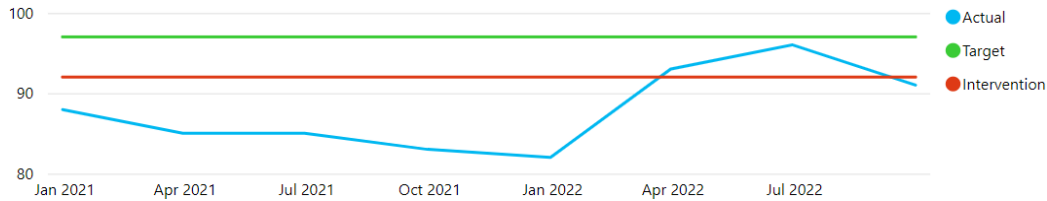
New KPI - line chart will be provided once additional results become available later in the year.

Jun	0	0	1	
Sep	0	0	1	Green

Housing and Property Services

AH204 % tenants satisfied with responsive repairs

Eddie Spicer

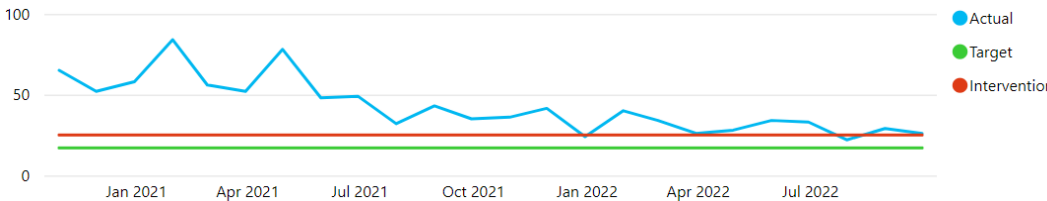


Jun	96	97	92	
Sep	91	97	92	Amber

Individual month results were July 93%, August 89% and September 92%. There was a dip in performance in Aug due to staffing issues at Mears and demobilising of the existing contract and closing down as much existing work as possible. There was a considerable delay in some trades due to the volume of works and material supplies which caused appointment delays. Performance has shown a slight increase during September and the new contract staffing levels have now been achieved, along with the start of the new contract for October. We expect Q3 and beyond to show improving results.

AH211 Average days to re-let all housing stock

Eddie Spicer



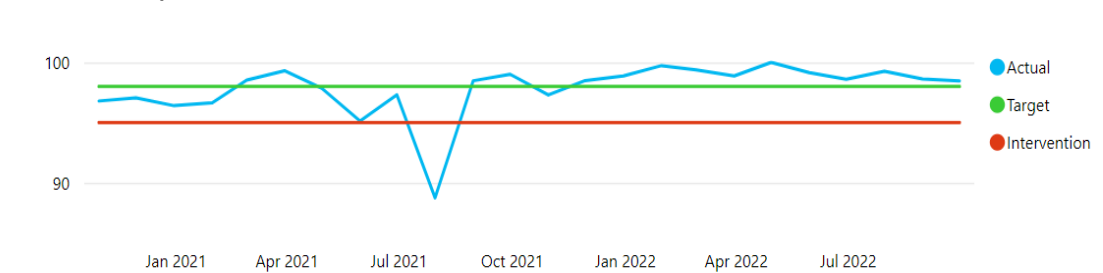
Jul	22	17	25	
Aug	29	17	25	
Sep	26	17	25	Amber

A new issue has arisen over recent months related to problems with electrical meters, which can cause delays. One of the parts on a meter that sometimes requires an upgrade (the isolator switch) needs to be completed by a specialist contractor. We have experienced issues with contractors cancelling after appointments have been made. There have also been some issues with the void management supplier. These have bow been resolved and a new supplier is in place, which should help to reduce re-let days.

Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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SH332 % emergency repairs in 24 hours

Eddie Spicer



Jul	99	98	95
Aug	99	98	95
Sep	98	98	95

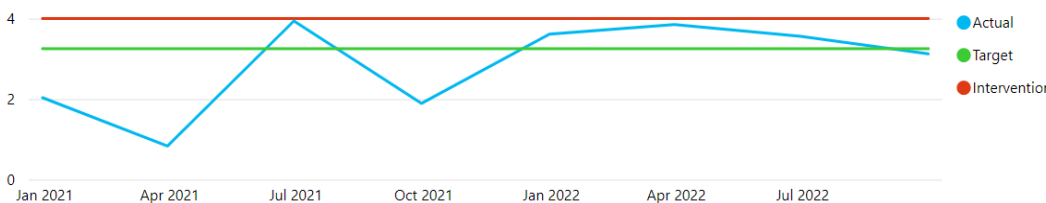
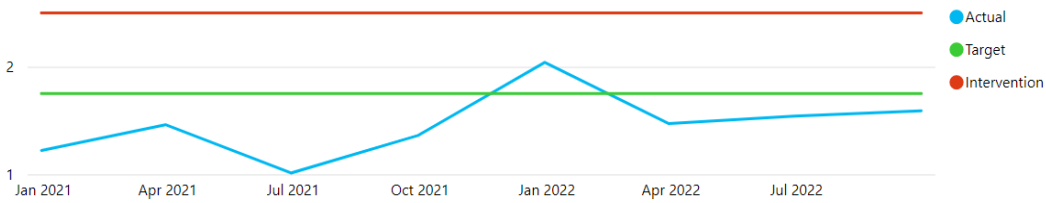
Green

Report continues on the following page.

Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)

Key Performance Indicator and Owner, organised by Directorate and Service Area		Actual	Target	Intervention	Outlook RAG	Comments
Democratic Services						
CC314 % of public hybrid meetings run without issues causing downtime exceeding 5 minutes						
Rebecca Dobson						
New KPI - line chart will be provided once additional results become available later in the year.	Jun	92.31	90	80	Green	
	Sep	94.12	90	80		

HR

FS117 % Staff turnover (non-cumulative)								
Jeff Membery								
	Jun	3.56	3.25	4	Green	The number of leavers during Q2 was similar to Q1, with the result dipping to better than target.		
	Sep	3.12	3.25	4				
While the number of advertised posts increased, there was a drop in the number of posts appointed to in Q2. Ongoing issues in recruiting to the SSWS and Planning predominantly, although some roles were re-advertised in Housing and Transformation. Recruitment for External Apprentices was challenging, having to re-advertise a few roles. A Golden Hello is currently being applied for these roles, alongside an increase in Apprenticeship pay as part of the Pay Negotiations.								
FS125 Staff sickness days per FTE excluding SSWS (non-cumulative)								
Jeff Membery								
	Jun	1.54	1.75	2.5	Amber	We are continuing to focus on mental wellbeing initiatives, and ensure that an HR Advisor or Business Partner is allocated to the manager of staff who are absent from work for mental health reasons. This is to ensure we are offering as much support as possible, as soon as possible.		
	Sep	1.59	1.75	2.5				
An amber Outlook RAG has been applied due to approaching the winter season.								

Report continues on the following page.

Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)

Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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Shared Waste Service

ES408 % of bins collected on schedule

Bode Esan

Month	Actual	Target	Intervention
Jan 2021	99.8	99.5	99.5
Apr 2021	99.7	99.5	99.5
Jul 2021	99.8	99.5	99.5
Oct 2021	99.7	99.5	99.5
Jan 2022	99.8	99.5	99.5
Apr 2022	99.6	99.5	99.5
Jul 2022	99.6	99.7	99.7

Jul	99.83	99.7	99.25		There was a marginal reduction in September following results that were better than target in July and August. The overall result for Q2 was 99.73%. This sits within the context of consistently good performance in relation to this KPI over the past two years and an increase in target from 99.5% to 99.7% for the new financial year.
Aug	99.74	99.7	99.25		
Sep	99.61	99.7	99.25	Green	

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

Bode Esan

Month	Actual	Target	Intervention
Jan 2021	52.5	50	50
Apr 2021	51.5	50	50
Jul 2021	53.5	50	50
Oct 2021	53.5	50	50
Jan 2022	52.5	50	50
Apr 2022	50.5	50	50
Jul 2022	50.5	52	52

Jul	50.98	52	48		August and September results are provisional while we await finalised tonnage details from partners. This will be adjusted to account or final verified results prior to submission to cabinet
Aug	50.82	52	48		
Sep	50.77	52	48	Amber	

The Outlook RAG is Amber due a reduction in Green bin recycling as a result of summer drought. This continues to impact on results due to the year to date format of this KPI. Further campaigns will take place throughout the rest of the year are taking place to encourage recycling.

SF786a Staff sickness days per FTE - Shared Waste Service Only

Bode Esan

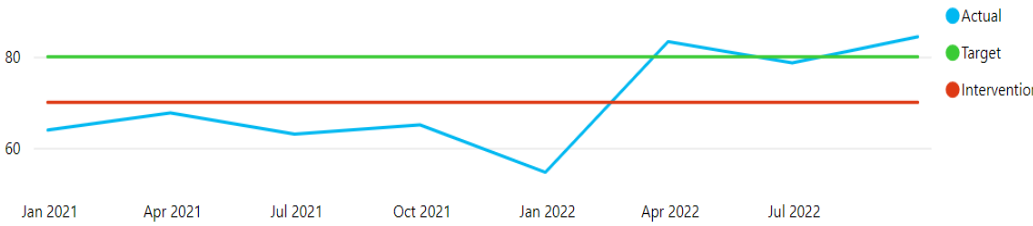
Month	Actual	Target	Intervention
Jan 2021	4.5	3.5	3.5
Apr 2021	1.5	3.5	3.5
Jul 2021	5.0	3.5	3.5
Oct 2021	3.0	3.5	3.5
Jan 2022	4.5	3.5	3.5
Apr 2022	4.5	3.5	3.5
Jul 2022	3.0	3.5	3.5

Jun	2.97	3	3.5		An amber Outlook RAG has been applied due to approaching the winter season.
Sep	2.97	3	3.5	Amber	

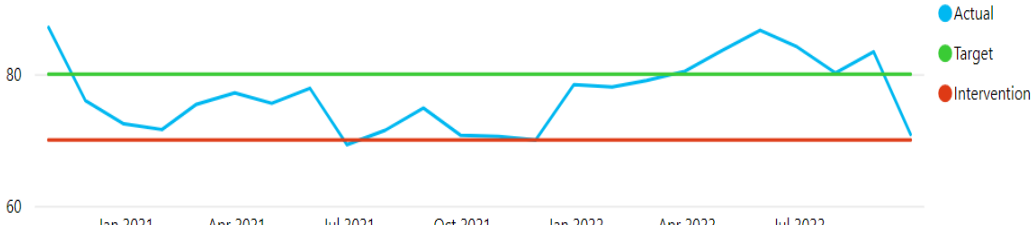
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Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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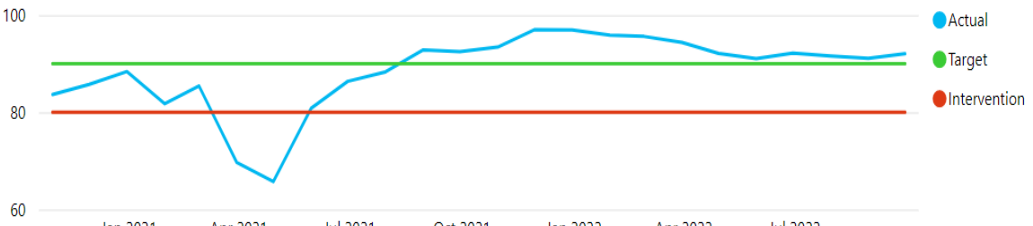
Complaints

CC305 % of formal complaints resolved within timescale (all SCDC)					
Jeff Membery					
	Jun	78.65	80	70	The line chart to the left shows that there was a significant improvement in the percentage of complaints being resolved within timescale during Q4 of 21-22 and that this has been largely maintained in the two quarters since. Although there was a slight dip in Q2, this was a result of work that was taking place to clear the last of the complaints backlog in the Planning team. The Outlook RAG was set as Green in the Q1 report in anticipation of backlog completion, and Q2 result now also reflects this. The breakdown of results is as follows:  Corporate Services and Finance 12 of 12 within time (100%); GCPS 6 of 8 (75%); Housing 26 of 28 (82%); Shared Waste and Environment 13 of 16 (81%)
	Sep	84.38	80	70	

Contact Centre

CC302 % calls to the Contact Centre resolved first time					
Jeff Membery					
	Jul	80.19	80	70	There was a reduction in September following results that were better than target in July and August. This was a result of staff changes and we expect performance in relation to this KPI to increase in Q3 as new staff become fully trained.
	Aug	83.40	80	70	
	Sep	70.83	80	70	

CC303 % of calls to the Contact Centre that are handled (answered)

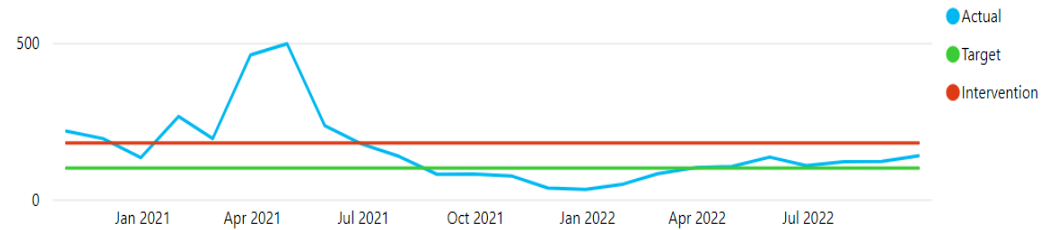
Jeff Membery					
	Jul	91.59	90	80	Green
	Aug	91.08	90	80	
	Sep	92.04	90	80	

Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)

Key Performance Indicator and Owner, organised by Directorate and Service Area	Actual	Target	Intervention	Outlook RAG	Comments
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CC307 Average call answer time (seconds)

Jeff Membery



Jul	120	100	180
Aug	121	100	180
Sep	139	100	180

Amber

Particularly heavy turnover of staff has lead to a slight increase in call answer times whilst training is undertaken. This coincided with a high volume of calls in relation to the energy rebate scheme, which we know has been generating in excess of 100 additional calls per week and has led to the distribution of more than £6.5 million of funding.

We will be undertaking a mystery shopper exercise in the next quarter to obtain an independent perspective on the service we deliver. We will also be analysing daily call data to identify opportunities for improvement going forward.

During Q2 there were 5 days where the average call answer time exceeded (the same number as in Q1), the longest of these being on 5th Aug, with an average answer time of 7m 23s (the longest in Q1 was 9m 19s).

Note: Whilst some KPIs are reported monthly, others are reported quarterly. For quarterly KPIs the results are labelled based on the month at the end of the quarter (e.g. Q1 = Jun, Q2 = Sep)



Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A1) Support Businesses through COVID with help, advice and support for a green recovery that enables them to survive, adapt and grow, and to respond flexibly as the national and local situation develops.	A1i) Implement a Customer Relationship Management system to improve our engagement with, and services for, local businesses (Quarter 3)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Members of the Transformation team are currently liaising with the Business Support Team to review the best options for delivering this piece of work. This includes consideration of whether to use existing IEG4 Portal capabilities, or undertake further procurement. A decision will be made on this during Q3 with work to implement commencing after this.</li> </ul>	Amber
A1) Support Businesses through COVID with help, advice and support for a green recovery that enables them to survive, adapt and grow, and to respond flexibly as the national and local situation develops.	A1ii) Expand our Visit South Cambridgeshire brand alongside wider collaboration with Cambridgeshire and Peterborough partners, to support local businesses. (Quarter 3)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Visit South Cambs has just celebrated its first anniversary and has now had 9000 unique users, viewing over 40,000 pages, with more than 240 events and 220 venues listed since launch.</li> <li>The anniversary marketing campaign is encouraging residents and businesses to use a new hashtag #WeLoveSouthCambs.</li> <li>Initial meeting has taken place with City to look at needs for tourism across Greater Cambridgeshire, including putting itineraries together.</li> <li>We continue to develop the site and hope to have new templates ready by end of Q3 so we can start adding more content.</li> <li>We intend to launch the newsletter during Q3, to share news of content development, up-coming events, welcome new listers, promote itineraries and also to feature local businesses in more depth.</li> </ul>	Green
A1) Support Businesses through COVID with help, advice and support for a green recovery that enables them to survive, adapt and grow, and to respond flexibly as the national and local situation develops.	A1iii) Deliver at least 8 Sector specific events/webinars/support initiatives as part of an ongoing engagement programme (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Four webinars have taken place to date. 3 on 'How to tender for council contracts' and one hosted as part of Chambers of Commerce events around recruitment aimed at helping business understand how to rebrand as an employer of choice. A further procurement event is planned for December.</li> <li>We are exploring a series of mental health and wellbeing events around supporting businesses through the 'energy and cost of doing business' crisis. Topics will include financial wellbeing, resilience, wellbeing and better conversations. These will take place over Q3 and Q4.</li> <li>Roadshows remain on the agenda - to take place in Q4.</li> </ul>	Green
A1) Support Businesses through COVID with help, advice and support for a green recovery that enables them to survive, adapt and grow, and to respond flexibly as the national and local situation develops.	A1iv) Implement a new and improved policy to support the street trading sector across South Cambridgeshire. This policy will ensure high levels of safety compliance and enable the sector to thrive through the introduction of flexible trading models. (implementation by March 2023)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The policy is now fully implemented. The take-up for street trading consents has been steady, but there is a need to further promote the regime with the licensed trade. Officers have engaged with trade representatives and the Nationwide Caterers Association, reaching out to other representatives in the licensed trade (such as the British Innkeepers Institute).</li> <li>We expect the demand for licensing to steadily increase in the next quarter.</li> </ul>	Purple

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A1) Support Businesses through COVID with help, advice and support for a green recovery that enables them to survive, adapt and grow, and to respond flexibly as the national and local situation develops.	A1v) Support the private hire and hackney carriage sector through an updated and improved taxi strategy and policy. These policy measures will contribute to the overall green agenda and support the taxi trade through this transition. Public safety measures will also be progressed including the advancement of taxi CCTV provisions. (Implementation over 2022 - 2023 and ongoing)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The policy to require new vehicles to be either ultra-low or zero-emission vehicles by 2023 is still on track.</li> <li>Good progress has been made in advancing the policy requirements of installing CCTV into taxis. Legal justification to ensure such a policy is proportionate, has been established and an appropriate CCTV specification is being finalised. Procurement procedures have also been clarified.</li> <li>CCTV particulars and vehicle age limits will be discussed at a Licensing Member Workshop on 26th Sep, which will form the basis of the Policy review at the Licensing Committee in October. The intention is to implement CCTV in a phased approach from 1 April 2023. This will enable smooth implementation for both the taxi trade and licensing authority.</li> </ul>	Green
A2) Develop a District specific skills and training package to ensure career enhancement, and that re-skilling and up-skilling opportunities for residents and business are widely known and accessed. Adjusting the skills and training agenda to mitigate the impact of covid on the local workforce.	A2i) Create an SCDC specific operational/ implementation plan based on the Nov 2021 refreshed CPCA Employment and Skill Strategy (Quarter 1)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>The SCDC Employment and Skills operational plan has been created leading to the following the completion of a number of actions, as detailed within the update for A2ii), below.</li> <li>Additional initiatives are being explored and discussions taking place with external partners such as Region of Learning and Form the Future as to how these can be taken forward in partnership.</li> </ul>	Purple
A2) Develop a District specific skills and training package to ensure career enhancement, and that re-skilling and up-skilling opportunities for residents and business are widely known and accessed. Adjusting the skills and training agenda to mitigate the impact of covid on the local workforce.	A2ii) Develop a formal engagement programme with local schools and employers (Quarter 2)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>The HR team are engaging with 'Form the Future' regarding a careers event planned for Feb 2023, to coincide with National Apprenticeships Week. A follow up meeting has also been arranged to develop the formal engagement programme further.</li> <li>Students from several schools participated in work experience during summer 2022 and we continue to offer work experience placements.</li> <li>The SCDC apprenticeship scheme is on-going and we have several employees who have recently completed or are currently undertaking apprenticeships.</li> <li>We have recruited a new member of staff through the National Graduate Development Programme.</li> </ul>	Amber

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3i) Hold 8 business support workshops including Retrofit training from ENE project (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• As mentioned above in A1iii), four webinars have taken place to date on a range of subjects, with more to follow.</li> <li>• The Business Support Team have received a 'Train the Trainer' session delivered to allow them to run discussion sessions with businesses about sustainable business. Two sustainable 1-2-1 business advice sessions have taken place.</li> </ul>	Green
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3ii) Working with partners, provide business support advice to 100 businesses (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• We have conducted 115 in person visits in the year to date, some of which were topic specific, such as greening.</li> <li>• We have received approximately 100 incoming enquiries to open4business, who have been signposted to support/partner organisations.</li> <li>• We have worked with Cambs Acre to set up 12 new markets.</li> <li>• Supported The Avenue Business Park in Elsworth with diversification of business units to become a community food centre.</li> <li>• We have worked with Job Centre Plus and helped employers with vacancies by promoting the Ukrainian Jobs fair. 26 employers and 377 Ukrainians attended, with 26 job offers made on the day and 108 second interviews arranged. Second Jobs Fair event planned for November.</li> <li>• We have developed support and advice for businesses to help navigate the energy fuel crisis, including publishing a new section on the webpages providing guidance.</li> <li>• We are promoting re-opening of Covid Additional relief fund (CARF) and encouraging businesses to apply.</li> </ul>	Purple
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3iii) Complete a feasibility study looking at how South Cambs Hall could be used to provide workspace for businesses, including start-ups (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• A feasibility study has been completed presenting a range of usage options for the building, including the provision of workspace for small businesses.</li> <li>• Work will take place in the 2022-23 financial year to build on this study.</li> <li>• A report will be presented to Scrutiny and Overview committee in October seeking support and direction on the proposed accommodation strategy for South Cambs Hall.</li> <li>• An overview of the strategy was presented to colleagues/members who logged on to the town Hall Q&amp;A session 13th October 2022.</li> </ul>	Purple

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3iv) Provide a new space for growing small businesses or shared workspace for start-ups or micro businesses (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• See update in relation to A3iii above detailing progress on the provision on work space for start-ups and small businesses at South Cambs Hall. In addition to this:</li> <li>- We now have data on available business spaces across South Cambs including opportunities for co-working spaces.</li> <li>- Work continues on compiling details of vacant shop premises.</li> <li>- Northstowe engagement platform will help shape and identify future workspace requirements.</li> </ul>	Green
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3v) Establish an up-to-date list of Business Premises for start-ups (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• This measure has been completed and we now have a database of business premises in South Cambs which will be updated going forward.</li> <li>• Our database is helping business space providers with diversification, as many offices have now moved to a hybrid model accommodating working from home. Some of these spaces are looking at providing 'hub' or 'co-working' spaces for those needing a shared serviced office facility.</li> <li>• We have helped a farm in Elsworth find business for units which were previously office facilities and are now becoming a community food hub.</li> <li>• We are hopeful to launch some new funding for start-up businesses through the Shared Prosperity Fund.</li> </ul>	Purple
A3) Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit.	A3vi) Appraise our own commercial inventory (including South Cambs Hall) and investigate meanwhile/partial let use for start-ups during void periods and/or designate space specifically for this purpose (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• Two leases have been agreed on our commercial property at 270 Cambridge Science Park, with viewings under way for other available suites.</li> <li>• See updates at A3iii) and A3iv) for further details about use of South Cambs Hall for this purpose.</li> </ul>	Green
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4i) 500 additional jobs created on Enterprise Zones by end of 2024/25 financial year	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>• This is a longer term target to be achieved by end of 24/25 financial year.</li> <li>• A decision to pause the development of the Northstowe Enterprise Zone for 9-12 months was taken at Full Council in July 2022. This is to allow further business surveys and due diligence to take place and to concentrate resources on delivering the Community Building at pace.</li> </ul>	Green



Appendix B - Business Plan Progress Report (Growing local businesses and economies)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4ii) Submit the planning application for the Northstowe Enterprise Zone (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Please see the above update in relation to A4i. This is shown as Amber to reflect the impact of additional due diligence work on timescales.</li> </ul>	Amber
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4iii) Complete the strategy for Northstowe Enterprise Zone and begin actively promoting the site to secure new businesses locating there (Quarter 3)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>A digital platform and survey was launched on 19th Sep, which will run for 6 weeks. This was a result of funding from Department of Levelling Up, Housing and Communities.</li> <li>So far 48 businesses have completed the online survey. Of those, 14 have completed an expression of interest form.</li> <li>This website and the expression of interest details will be used for marketing over the next 12 months.</li> </ul>	Green
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4iv) Business Team to engage businesses for the Enterprise Zones (Quarter 1)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>The Business team have been engaged in work on the creation of the Digital business platform and survey (launched 19th Sep), and are now in the process of producing a business newsletter for Northstowe EZ to send to businesses who express interest. This will be sent once the survey finishes at the end of October.</li> </ul>	Amber
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4v) Alongside DTI and other colleagues, develop ongoing sector specific narratives to attract, grow and retain high growth sectors in our area (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Work ongoing by the Business Development Team to continue to build relationships and engage with businesses in our local area.</li> <li>Site specific work is underway at both Northstowe and Cambourne Enterprise Zones.</li> <li>Business Support Officers have been key in championing The Growth Fund and have so far allocated £1,377,500 to support and grow businesses in our district with recipients finding premises in the region, implementing green measures, expanding and creating new jobs.</li> </ul>	Green

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
A4) Promote SCDC as a vibrant, attractive and commercially welcoming place in which to launch and scale businesses across multiple sectors. Continue to focus on Enterprise Zone development and regional GVA creation, complementing wider activity.	A4vi) Increase rates for recycling and food waste collections for new start-ups and new SMEs within the District (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"><li>• The Commercial Waste Service currently has a 36% recycling rate, this includes dry recycling and food waste. 2019-20 was at 26%</li></ul>	Green
A5) Continue to deliver on our Investment Strategy to ensure positive local Economic Development and growth outcomes	A5i) Review our approach to identify new Green Investment opportunities (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"><li>• The approach to Green Investment opportunities is being reviewed within the context of the overall review of SCDC's Investment Strategy, following changes to Public Works Loan Board (PWLb) borrowing.</li><li>• Business cases are being scoped to invest in solar and heat pumps for commercial premises to support local businesses to decarbonise.</li></ul>	Green
A5) Continue to deliver on our Investment Strategy to ensure positive local Economic Development and growth outcomes	A5ii) Undertake a market review to inform the development of plot 4010 at Cambourne (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"><li>• Cambourne Demand and Needs Assessment has been undertaken for plot 4010.</li><li>• The development of plot 4010 is linked to SCDC's refreshed Investment Strategy as well as the delivery of South Cambs Investment Partnership (SCIP) Cambourne scheme and the wider Cambourne Business Park opportunities.</li><li>• A detailed plan for plot 4010 will be dependent on these other workstreams and is expected in Q4.</li></ul>	Purple

\*Purple = Completed, Green = On target to deliver by timescale, Amber = Delayed but on target for revised timescale, Red = Not going to be delivered or delivery plan needed, Grey = Information not available

## Appendix B - Business Plan Progress Report (Housing that is truly affordable for everyone to live in)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
B1) Increase the number of Council homes each year to support people on lower incomes. These will include high energy standards and renewable energy.	B1i) 74 New Homes Completed (acquired or built) this year (part of a plan to double delivery to 350 over a five-year period) (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>We are on target to meet the annual business plan target. Year to date we have delivered 37 new affordable homes.</li> </ul>	Green
B2) Work with local people to set out where and how new homes and communities will be built across the Greater Cambridge area.	B2i) Produce a report assessing feedback provided by local people from the first Local Plan consultation. This will inform the next steps in the Local Plan process (Quarter 1)	Stephen Kelly (Director of GCSPS)	<ul style="list-style-type: none"> <li>Work on the draft Local Plan is continuing, with a report to Cabinet on the proposed development strategy scheduled for January 2023.</li> <li>More information about the Local Plan is available at <a href="http://www.greatercambridgeplanning.org/emerging-plans-and-guidance/greater-cambridge-local-plan/">www.greatercambridgeplanning.org/emerging-plans-and-guidance/greater-cambridge-local-plan/</a></li> </ul>	Purple
B2) Work with local people to set out where and how new homes and communities will be built across the Greater Cambridge area.	B2ii) Complete and publish a North East Cambridge draft Area Action Plan for consultation (Quarter 2)	Stephen Kelly (Director of GCSPS)	<ul style="list-style-type: none"> <li>The North East Cambridge Area Action Plan (NECAAP) has been published in it's 'Proposed Submission' form. This is essentially a final draft that SCDC and Cambridge City Councils propose to adopt. Prior to formal public consultation the Councils have paused the process for the relocation of the Cambridge Waste Water Treatment Plant, which will enable this new district to come forward. Therefore we currently expect that the consultation period on the Proposed Submission for the NECAAP will take place around 2024. More information about the NECAAP is available at <a href="http://www.greatercambridgeplanning.org/emerging-plans-and-guidance/north-east-cambridge-area-action-plan/">www.greatercambridgeplanning.org/emerging-plans-and-guidance/north-east-cambridge-area-action-plan/</a></li> </ul>	Amber
B3) Create and continue to run liaison meetings and forums where significant new developments are being planned to minimise disruption and help new residents settle in.	B3i) Continue to support the liaison meetings in Cottenham, Sawston, Hardwick, Caldecote, Swavesey and Barrington and community forums in Northstowe, Waterbeach, North-West Cambridge, Cambridge East, North-East Cambridge and Bourn Airfield and Cambourne (Quarter 4)	Jeff Membery (Head of Transformation)	<ul style="list-style-type: none"> <li>All Community forums and liaison meetings are now fully operational and running on a regular basis. The latest series of forums are being held October and November 2022.</li> </ul>	Green
B4) Improve the energy efficiency of existing Council housing to reduce carbon impact and running costs.	B4i) Produce an Asset Management Plan (Quarter 1)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>The Asset Management Plan was approved at Feb Cabinet. This is now implemented and will continue to develop over the next 3 years. A number of the actions have already been started and some are coming to completion. This will provide good direction and a robust basis for the future of our housing stock.</li> </ul>	Purple

\*Purple = Completed, Green = On target to deliver by timescale, Amber = Delayed but on target for revised timescale, Red = Not going to be delivered or delivery plan needed, Grey = Information not available

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
B4) Improve the energy efficiency of existing Council housing to reduce carbon impact and running costs.	B4ii) Commission a Stock Condition Survey including an audit of energy efficiency of existing housing stock relative to zero carbon target (Quarter 2)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>We are currently in the process of scoping and specifying the tender requirements for the Stock Condition Surveys, with an intended start date late-2022 and completion during 2023.</li> <li>It is important to obtain a service that will provide the best value for money and to effectively inform our investment plan for the long-term future of our housing stock.</li> <li>We are looking at suitable options for engaging a surveying company to commence the project in early 2023 alongside PAS2035 assessments for energy-saving improvements.</li> </ul>	Amber
B4) Improve the energy efficiency of existing Council housing to reduce carbon impact and running costs.	B4iii) Approve a work programme for insulation measures over the next four years to narrow the gap on the zero-carbon target (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>A detailed review of options is underway. Our priority is to reduce carbon emissions but also to prevent fuel poverty.</li> <li>We have installed solar PV systems on 60 properties and added insulation to about 100 properties during Q4/Q1&amp;2 2022.</li> <li>The longer-term plan is to finalise and secure grant funding under Social Housing Decarbonisation Fund (SHDF). Using the new repairs contract terms has enabled us access to powerful and advanced planning and forecasting tools to prepare advanced option appraisals for the project.</li> <li>The first phase will commence in April 2023 consisting of bringing our portfolio up to EPC band C by 2025, with the majority completed, this if accepted will gain funding via SHDF of over £2M.</li> <li>We will continue to carry out improvements on our properties as they become vacant. This will feed into the continuing improvements plan for creating the medium to long term plan.</li> </ul>	Green
B5) Deliver 2 new sports pavilion, community centre and civic hub (containing health, library and community facilities) at Northstowe	B5i) Complete local engagement to understand what the community wants in the new community centre (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Approval received from full Council to proceed with the development of the community centre at pace. We are finalising a contract extension for the Client Advisory Team, who will design the community building and decide the location on plot 6. They will engage with the local community and will be attending the Community Forums going forward.</li> <li>As previously stated under A4iii) the digital platform for stakeholder engagement launched on 9th September. Preliminary feedback indicates that community centre provision will be beneficial for the EZ as it will offer benefits to workers, including a cafe and lunchtime/after work leisure activities. This will help shape the 'place making' element of this area of Northstowe.</li> </ul>	Amber
B5) Deliver 2 new sports pavilion, community centre and civic hub (containing health, library and community facilities) at Northstowe	B5ii) Submit planning application for the Community Centre (Quarter 2)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>Work is currently underway to extend the contract of our Client Advisor. They will lead on the Planning Performance Agreement with the aim to submit this in Q1 2023.</li> </ul>	Amber



Appendix B - Business Plan Progress Report (Housing that is truly affordable for everyone to live in)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
B5) Deliver 2 new sports pavilion, community centre and civic hub (containing health, library and community facilities) at Northstowe	B5iii) Submit planning application for new Civic Hub (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"><li>• Discussions are ongoing to agree the blueprint for the Civic Hub, once agreed, wider consultation will take place.</li><li>• We have appointed project management consultants to drive the project through it's next phases (design, planning, construction) in line with agreed principles.</li><li>• Submission of planning application to take place Q3/Q4.</li></ul>	Green

\*Purple = Completed, Green = On target to deliver by timescale, Amber = Delayed but on target for revised timescale, Red = Not going to be delivered or delivery plan needed, Grey = Information not available

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1i) identify and deliver further opportunities to reduce carbon emissions from our estate and operations	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• With the aim of meeting the 45% reduction by 2025-26. The WREN project (on-site generation of renewable electricity to power electric refuse collection vehicles) is progressing to investment decision in Q3.</li> <li>• We are now proceeding with plans to increase use of HVO (hydrogenated vegetable oil) to replace diesel use which presents significant net carbon reduction.</li> </ul>	Green
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1ii) review community rooms and other small sites to identify and deliver opportunities for carbon reduction (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• 10 remote heating monitors and controls have been fitted in communal rooms. Plans to install a further 15 are ongoing and pending the arrival of some stock.</li> <li>• We have received a business case proposal for the installation of green energy measures at Elm Court sheltered housing facility and will present this for approval and funding in Q3. The contractor is repricing the proposal due to market fluctuations and delays in securing funding. This project will restart in Q3.</li> <li>• The Communal rooms project is being assessed under PAS2035 and proposals are being made for efficiency measures.</li> <li>• Further measures are being explored for flat blocks. There are some possible external funding options being explored for this element.</li> </ul>	Green
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1iii) develop planning policies consistent with zero carbon by 2050 for adoption in the Greater Cambridge Local Plan, in partnership with Cambridge City Council (Quarter 4)	Stephen Kelly (Director of GCSPS)	<ul style="list-style-type: none"> <li>• The Greater Cambridge Local Plan - First Proposals document includes a net zero carbon buildings policy as well as wider policies related to the role of new development in responding to the climate emergency.</li> <li>• A full draft plan will be developed during 2022/23 with further consultation in 2023.</li> </ul>	Green
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1iv) identify and deliver opportunities to invest in publicly accessible electric vehicle charge points in priority locations in the district, working with partners - pilot installations of fast EV Chargers at Sheltered Housing Schemes for public use, and install one rapid charger for public use (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• Two dual socket EV chargers have been installed at two sheltered accommodation communal buildings (Willingham and Meldreth) for public use. A rapid charger at Babraham Road Car park is being progressed with the County Council but is subject to the final build out being undertaken by the County as part of their wider site redevelopment.</li> </ul>	Green

Appendix B - Business Plan Progress Report (Being green to our core)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1v) continue to pursue opportunities to invest in green energy schemes (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Investment opportunities are curtailed due to change in economic conditions for borrowing - the focus will be on specific opportunities that meet a number of 'public good' criteria.</li> </ul>	Amber
C1) In response to the global climate crisis we will continue to work towards a zero-carbon future by 2050.	C1vi) Develop carbon reduction targets as part of the Asset Management Strategy (Quarter 3)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The Asset Management Strategy for all commercial properties is due to be reviewed and prioritised to identify appropriate timing for environmental improvements.</li> <li>This has been categorised as Amber as we now think it's more likely that this will be completed in Q4, rather than by the original Q3 target.</li> <li>270 Cambridge Science Park solar pv install completed.</li> </ul>	Amber
C2) Work with partners to protect and enhance the environment with the aim of doubling nature	C2i) identify and deliver new opportunities to plant trees, establish wildflower strips and in other ways enhance nature on our own estate, in consultation with residents (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>Formal Estate Inspections have continued and this has given us an opportunity to consider area's for additional tree planting and wildflower areas.</li> <li>We have continued to carry out scheduled tree surgery work that was identified as part of our tree audit which is helping to maintain our existing stock.</li> <li>The bid we made with the County Council to the Local Authority Treescape Fund was successful and we now have funding to plant about 35 new trees in two previously identified locations in the district. This funding also provides after care to ensure the tree planting is successful.</li> <li>We are reviewing the use of weedkiller with our grounds maintenance contractor after resident feedback received asking us to explore alternatives due to the negative effects it can have on the environment.</li> </ul>	Green
C2) Work with partners to protect and enhance the environment with the aim of doubling nature	C2ii) work to ensure that development in South Cambridgeshire contributes to the goal of doubling nature by developing planning policies for adoption in the Greater Cambridge Local Plan, and by adopting a new Biodiversity Supplementary Planning Document in partnership with Cambridge City Council (Biodiversity SPD Quarter 3)	Stephen Kelly (Director of GCSPS)	<ul style="list-style-type: none"> <li>The Greater Cambridge Local Plan 'First Proposals' document was published for consultation in Autumn 2021. This includes biodiversity, green infrastructure, tree canopy cover and river corridor policies, all seeking to contribute towards the goal of doubling nature. Project planning is underway to identify the tasks needed to develop these into full policies for the draft plan consultation.</li> <li>The Biodiversity Supplementary Planning Document (SPD) was adopted by both Councils in February 2022 and is now being used.</li> </ul>	Green

Appendix B - Business Plan Progress Report (Being green to our core)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C2) Work with partners to protect and enhance the environment with the aim of doubling nature	C2iii) work with partners to develop landscape-scale habitat creation projects (Quarter 4)	Stephen Kelly (Director of GCSPS)	<ul style="list-style-type: none"> <li>The Heritage Lottery Fund bid is currently being written for submission to fund a new post in the ecology team to facilitate the delivery of the C2iii projects working with Parishes.</li> </ul>	Green
C2) Work with partners to protect and enhance the environment with the aim of doubling nature	C2iv) Deliver '6 Free Trees' initiative to increase the amount of tree cover of parish council land, enhancing biodiversity and carbon capture (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Preparations are on track to deliver a third round of this scheme with trees available in time for the winter planting season.</li> </ul>	Green
C3) Retrofit our Council Commercial Property including South Cambs Hall with renewable energy generation and energy efficiency measures	C3i) Complete retrofit of Cambourne office (Quarter 2)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The carpark resurfacing has had some issues with the sublayer as well as the surface and after investigation, these will need to be replaced which will impact the delivery of the solar panels and EV chargers.</li> <li>Expected completion is now Q4.</li> </ul>	Amber
C3) Retrofit our Council Commercial Property including South Cambs Hall with renewable energy generation and energy efficiency measures	C3ii) Reduce mains gas and electricity demands from our Cambourne office by over 50% per year (from March 2021 onwards compared to baseline in 2019)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>These benefits will be realised post project completion (see C3i).</li> </ul>	Amber
C3) Retrofit our Council Commercial Property including South Cambs Hall with renewable energy generation and energy efficiency measures	C3iii) Reduce carbon emissions from our Cambourne office by 47% compared to the baseline in 2019 (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>These benefits will be realised post project completion (see C3i).</li> </ul>	Amber
C3) Retrofit our Council Commercial Property including South Cambs Hall with renewable energy generation and energy efficiency measures	C3iv) Undertake energy efficiency and generation audits of other Council owned commercial properties (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>A key part of the Asset Management Strategy (referred to at C1vi) will be to assess all commercial properties to understand the baseline and opportunities for decarbonisation.</li> <li>This has been categorised as Amber as we now think it's more likely that this will be completed in Q4, rather than by the original Q3 target.</li> </ul>	Amber

## Appendix B - Business Plan Progress Report (Being green to our core)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C4) Continue to transition to electric vehicles for the waste service, including the investigation of on-site solar panel energy generation.	C4i) Define and implement required improvements at the depot to prepare for further electric refuse collection vehicle (eRCV) charging (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Final business case and Investment Grade Proposal is to be delivered in Q4. Grid connection application has been submitted; planning application discharging of condition is in process; financial commitment approvals been obtained.</li> </ul>	Green
C4) Continue to transition to electric vehicles for the waste service, including the investigation of on-site solar panel energy generation.	C4ii) Procure up to 3 eRCVs to replace diesel version (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The service is awaiting delivery of the third electric RCV which now has an estimated delivery date of Dec 2022.</li> </ul>	Green
C4) Continue to transition to electric vehicles for the waste service, including the investigation of on-site solar panel energy generation.	C4iii) Develop outline business case for on-site solar PV energy generation with partners to aid the charging of vehicles (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Outline business case progressing. We have submitted electricity grid connection request and have received planning opinion and no new applications are required.</li> <li>Cambridge City capital bid request for their portion of project costs has been approved, with South Cambs having already allocated funding for the project.</li> </ul>	Green
C5) Support Parish Council and community group projects to reduce reliance on fossil fuels, move toward the zero-carbon target and help Double Nature through habitat enhancement, advisory support for community land acquisition, local green space designation and tree-planting.	C5i) Deliver fourth round of funding through our Zero Carbon Communities grant scheme, awarding grants totalling £100,000 to community-based projects (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Payments have gone out to 13 parish councils and community groups under the Zero Carbon Communities grant scheme totalling £128,544. This included an underspend from last year.</li> <li>Progress and outcome reports are expected over the next two quarters and into 23/24 from grant recipients.</li> </ul>	Green

## Appendix B - Business Plan Progress Report (Being green to our core)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C5) Support Parish Council and community group projects to reduce reliance on fossil fuels, move toward the zero-carbon target and help Double Nature through habitat enhancement, advisory support for community land acquisition, local green space designation and tree-planting.	C5ii) Continue to strengthen the Zero Carbon Parish and Community Network through our programme of workshops, web-based resources and e-bulletins for community-based zero carbon and nature recovery initiatives (Quarter 4 - at least 6 workshops to be delivered)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• The Zero Carbon Parish and Community Network continues to grow through active engagement including attendance at Eco-Fairs around the district.</li> <li>• Green Connect online networking sessions are both in-person and online including an eco community building tour at Gamlingay Eco Hub and talks on circular economy and grant-funded projects.</li> <li>• The quarterly e-bulletin includes information and news targeted at different audiences with topics on the climate and ecological emergencies.</li> <li>• A Facebook page has been set up to engage with a wider audience and provide targeted messaging around the Council's action on the climate and ecological emergencies.</li> </ul>	Green
C6) Upgrade our stock of 1,800 streetlights to LED, which will reduce energy consumption and save Parish Councils money.	C6i) Install energy saving LED fittings in remainder of council owned streetlights (ornate lights) to bring them in line with standard lights already upgraded (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• The close out programme for phase 1 is planned for October.</li> <li>• The tender returns for ornate lights (phase 2 of the project) have been received and the contract award and start will be in Q3.</li> </ul>	Green
C7) Adopt and review key actions arising from the Air Quality Strategy in relation to monitoring air pollution within statutory objectives; reduce air quality impacts from future developments in growth areas; public engagement to reduce air quality impacts.	C7i) Submit annual statutory reporting to DEFRA on-time; monitor air quality in at least 6 targeted areas utilising portable equipment; compile report following each monitoring period and publish this on the council's website (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• The Annual Status Report has been submitted to DEFRA and the findings accepted. Portable monitoring continues at various locations and is published on our website.</li> </ul>	Green
C7) Adopt and review key actions arising from the Air Quality Strategy in relation to monitoring air pollution within statutory objectives; reduce air quality impacts from future developments in growth areas; public engagement to reduce air quality impacts.	C7ii) Provide required technical inputs to consultations on major developments to ensure good air quality is experienced (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• We continue to respond to planning applications supporting air quality. This work will continue to be ongoing.</li> </ul>	Green



Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C7) Adopt and review key actions arising from the Air Quality Strategy in relation to monitoring air pollution within statutory objectives; reduce air quality impacts from future developments in growth areas; public engagement to reduce air quality impacts.	C7iii) Subject to air quality monitoring results, explore the feasibility of creating a Public Space Protection Order (PSPO) specifically targeting idling vehicles (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>We are continuing to review the Public Space Protection Order (PSPO) around schools. Monitoring around the schools doesn't support the introduction of a PSPO. We will continue to examine this.</li> </ul>	Green
C8) Improve recycling and reduce waste at community events.	C8i) Provide equipment and information kit to minimise waste and separate recycling at community events - at least 12 kits to be issued (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>A guide to minimising waste and separating recycling has been advertised in the South Cambs magazine and is due to be delivered by end of November (winter issue).</li> <li>Additional equipment is still being delivered to parishes and community groups upon request following the provision of equipment to 20 parishes for litter picking events in Q1.</li> </ul>	Purple
C9) Review of service and development of a plan to address the outcomes of the New Environment Bill, to include: Food waste service, Impact of the Bill on dry recycling, Working with RECAP on a shared county-wide approach to implementation.	C9i) Review impact and outcomes of existing food waste collection trial and determine future of the scheme including budget requirements. (Quarter 3)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>Final review scheme impacts to be scheduled for Q4. Budget requests for continuation of the trial have been made.</li> </ul>	Green
C9) Review of service and development of a plan to address the outcomes of the New Environment Bill, to include: Food waste service, Impact of the Bill on dry recycling, Working with RECAP on a shared county-wide approach to implementation.	C9ii) Develop feasibility plan for the wider role out of separate food waste collection in line with the Environment Bill and National Waste Strategy (Quarter 3)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>DEFRA guidance on segregated food waste delayed - expected October.</li> </ul>	Green

\*Purple = Completed, Green = On target to deliver by timescale, Amber = Delayed but on target for revised timescale, Red = Not going to be delivered or delivery plan needed, Grey = Information not available

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
C10) Reduce the amount of non-recyclable household waste collected.	C10i) Develop campaigns to improve recycling based on the outcomes of the waste composition analyses (Quarter 3) to achieve key targets: monthly average of 17.08kg dry recycling per household; monthly average of 34.17kg of residual waste or below per household; monthly 6% or below rate of rejection from the recycling materials processed at the Materials Recycling Facility	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• Campaign work has included supporting international Plastic Free July campaign, promotion of local Repair Cafes in regular print communications and promotion of circular economy apps and purchasing of home compost bins through social media.</li> <li>• Regular direct communications with households that have contaminated their recycling is being developed.</li> <li>• Current running figures are; average of 14.94kg dry recycling per household per month; average of 33.98kg of residual waste per household per month and 5.51% rejection rate of materials from the Materials Recycling Facility (MRF).</li> </ul>	Green
C11) Run a pro-recycling & food waste promotional campaign aimed at businesses in the area throughout 2022/23	C11i) Reporting of all sites (existing and new) that take up recycling / food bins & note our increased volumes / tonnes collected with associated savings. (On-going/Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• A recycling and food waste promotional campaign targeting businesses is currently being planned for the second half of the year. Following this we will report on the impact in terms of additional take up of recycling and food bins.</li> </ul>	Green
C12) Take action to minimize fly tipping.	C12i) Install trial cameras at 6 locations and monitor numbers of visits required at those sites to establish a baseline (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• The cameras have continued to be effective in deterring fly tipping at the locations where they were installed. This has been confirmed by visits to look at the condition of the sites.</li> <li>• We will be installing another 6 cameras over the post Christmas period.</li> <li>• We are also working on a procedure to capture all fly tips through a single system. This will give accurate time/date and location data.</li> </ul>	Green
C12) Take action to minimize fly tipping.	C12ii) Deliver targeted educational campaign in the area about fly tipping and increase awareness of responsible methods for disposal. To include the delivery of at least 12,000 leaflets (Quarter 4)	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>• Leaflets have started to be delivered to Parishes and it is expected that all 12,000 leaflets will be delivered within the year.</li> </ul>	Green



## Appendix B - Business Plan Progress Report (A Modern and caring Council)

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
D1) Make sure that the Council is structured and appropriately resourced to deliver the ambitions of our communities.	D1i) Complete 3 service reviews as part of a plan to complete reviews of all services by 2023 (Quarter 4)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• HR Service Review paused, scoping of Finance Service Review underway.</li> <li>• Corporate Admin Review is nearing the recommendation stage.</li> </ul>	Amber
D1) Make sure that the Council is structured and appropriately resourced to deliver the ambitions of our communities.	D1ii) Review employment policies relating to recruitment and retention (Quarter 3)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• There have been some delays with the Itrent system implementation of the recruitment module and it is still at testing stage. The policy will be updated when module ready to go live.</li> </ul>	Green
D2) Review recruitment processes to attract and retain the best talent and ensure that we are an employer of choice.	D2i) Complete and analyse a staff satisfaction survey (Quarter 3)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• Staff well-being survey has been completed and results presented to LT.</li> </ul>	Green
D2) Review recruitment processes to attract and retain the best talent and ensure that we are an employer of choice.	D2ii) Introduce hybrid working arrangements further increasing our attractiveness as an employer (Quarter 2)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• The hybrid policy has been agreed by Cabinet and the Unions. Work continues on an ongoing basis to ensure this is fully embedded.</li> </ul>	Purple
D2) Review recruitment processes to attract and retain the best talent and ensure that we are an employer of choice.	D2iii) Introduce a modular management skills program for middle managers (Quarter 2)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• The procurement process is complete and provider agreed. This programme is entitled the Leadership Academy and the first workshop starts on 25 October.</li> </ul>	Purple
D3) Generate income through delivering the Council's investment strategy.	D3i) Income from investments and other commercial activity to be at least 25% of our Taxation and Central Government Grant income by 2023/24.	Peter Maddock (Head of Finance)	<ul style="list-style-type: none"> <li>• We are on target to achieve the target by 2023/24.</li> </ul>	Green
D4) Make it easier for customers to access and carry out transactions online.	D4i) Make a further 12 services available for customers to self-serve online	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>• The project to digitise the 12 processes is underway.</li> <li>• The timeline for delivery has been agreed as September 2023 and is on target.</li> </ul>	Green

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
D4) Make it easier for customers to access and carry out transactions online.	D4ii) Provide an integrated portal for businesses to access SCDC online services (Quarter 2)	Jeff Membery (Head of Transformation)	<ul style="list-style-type: none"> <li>Members of the Transformation team are currently liaising with the Business Support Team to review the best options for delivering this piece of work. This includes consideration of whether to use existing IEG4 Portal capabilities, or undertake further procurement. A decision will be made on this during Q3 with work to implement commencing after this.</li> </ul>	Amber
D5) Council and committee meetings will be run paper-free wherever possible.	D5i) Councillors to be provided with increased access to Teams and Office 365 enabling file sharing and collaboration. (Quarter 1)	Jeff Membery (Head of Transformation)	<ul style="list-style-type: none"> <li>36 councillors now have the ability to operate in a paperless manner, either using personal devices or Council supplied laptops to access the Modern.Gov app for all Committee agendas, decisions and minutes.</li> <li>By the end of quarter three, all councillors will be able to be paperless.</li> <li>Training is being offered to councillors to increase their confidence in using the paperless solutions.</li> <li>Further Council laptops are likely to be purchased to meet demand.</li> <li>A further project with 3C ICT to enable file sharing and collaboration is ongoing and will allow councillors to work more collaboratively with officers.</li> </ul>	Amber
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6i) Use the Council's Community Led Plan toolkit to support local communities identify, plan and address the issues they identify in their communities (Quarter 4)	Jeff Membery (Head of Transformation)	<ul style="list-style-type: none"> <li>A toolkit and support package to allow Community-led Plans to be carried out is now available.</li> <li>This has been launched to all communities in South Cambridgeshire to allow them to lead, and be supported where necessary, on their own projects on themes such as sustainability, health and well-being, loneliness and isolation.</li> <li>The support package includes regular workshops, grant advice and signposting to relevant services. A £50,000 Community-led Plan grant fund has also been set up and available to support work by parish and town councils. Ongoing support will continue to be provided to parish and town councils to help them develop their individual plans.</li> </ul>	Green
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6ii) Support 150 new clients through the housing department's visiting support service (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>The number of referrals the Visiting Support team took on in Q2 is 57, which is in line for this time of year. In the same period, 48 clients were able to have their cases closed and leave the service. The service is currently supporting 111 clients, and has a small waiting list.</li> </ul>	Green

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6iii) Provide the lifeline service to 100 new users during the year (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>The Life Line service took on 29 new customers in Q2 (33 in Q1). However, in the same period 41 customers cancelled the service (largely due to a contract issue with the Call Centre handler which is being addressed). The overall impact is a net loss of 12 customers during the period. (In previous years the net/loss gain has not been taken into account when measuring performance).</li> <li>The ongoing issue with the third party call handler has significantly improved and it is hoped that the impact on cancellations will reduce in subsequent quarters.</li> </ul>	Amber
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6iv) Spend £500,000 in total in the form of disabled facilities grant and repairs grant to allow people to live independently and safely in their homes (Quarter 4)	Peter Campbell (Head of Housing)	Current spend £149,056 as of 31st August 2022, with a further £420,137 committed works to date.	Green
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6v) Prevent homelessness for at least 50% of the people who approach us who are at risk of becoming homeless throughout the year, and offer support to those who are homeless (Quarter 4)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>These figures become available one quarter in arrears. As such Q2's result will be reported within the Q3 report.</li> <li>In Q1 we prevented homelessness for 50.4% of the people who approached us who were at risk of becoming homeless. This figure remains above the 50% target.</li> </ul>	Green
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6vi) Continue the proactive working relationship with the job centre in delivering mentoring circles plus upskilling and cross training initiatives throughout the year (Quarter 4)	Anne Ainsworth (COO)	<ul style="list-style-type: none"> <li>We continue to explore cross-training and development opportunities, this work is ongoing.</li> </ul>	Green
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6vii) To complete a survey of all council tenants to better understand their priorities and to be able to compare satisfaction with other organisations (Quarter 1)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>Briefings have been held and an action plan is being developed following analysis of the survey results.</li> <li>Plan to be agreed by the Housing Engagement Board in December 2022.</li> </ul>	Purple
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6viii) Adopt an Empty Homes Strategy (Quarter 1)	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>The Empty Homes Strategy has now been completed.</li> </ul>	Purple

Action	Measure (and target timescale)	LT Owner	Position at end Q2	Q2 RAG*
D6) Work with communities and individuals to tackle issues that are affecting them locally.	D6ix) To work with partners to produce an agreed cultural strategy and action plan for South Cambs (2023-24)	Jeff Mambery (Head of Transformation)	<ul style="list-style-type: none"> <li>Following discussions with Cabinet this objective was temporarily paused to allow resource requirements and project scope to be clarified. The target timescale has been updated to 2023-24 to account for this.</li> </ul>	Green
D7) Ensuring that our homes are safe places for our tenants and their families.	D7i) 100% compliance with landlord safety checks to council housing including, electrical safety, gas installations and where appropriate fire risk assessments and water safety tests	Peter Campbell (Head of Housing)	<ul style="list-style-type: none"> <li>We are currently 100% compliant on gas safety inspections.</li> <li>All yearly fire risk assessments are up to date and we are undertaking remedial work where necessary.</li> <li>Legionella managed plans are up to date and remedial works are complete.</li> <li>Electrical testing - we are working towards 100% compliance, some work is held up due to difficulties with gaining access. We are aiming to be at least 97% complete for the 22/23 programme. We are rebooking where possible to aim for 100% overall compliance during 2022/23. New regulations due later in 2022 will assist in our access to properties for these inspections.</li> <li>During 22/23 we will be looking at updating KPI's and the reporting process to show a clearer picture of overall compliance and report nationally to Housemark to benchmark our performance.</li> </ul>	Green
D8) Assess current mobile home sites and ensure all are licenced correctly.	D8i) Refresh caravan site licencing policy, fees and charges (Quarter 2). The new policy will ensure that caravan sites are inspected periodically and that residents have suitable housing provision	Bode Esan (Head of Climate and Environment)	<ul style="list-style-type: none"> <li>The policy is due to go to Cabinet for approval in Q3.</li> </ul>	Amber

# Agenda Item 8



**South  
Cambridgeshire**  
District Council

<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor John Batchelor, Lead Cabinet Member for Housing	
<b>Lead Officer:</b>	Peter Campbell, Head of Housing	

## Providing Additional Self-Contained Accommodation for Single Homeless

### Executive Summary

1. Whilst levels of rough sleeping are relatively low in South Cambs we do have a lot of single homelessness and we often struggle to find suitable accommodation for some of the most vulnerable who are unable to live in shared accommodation. This results in them spending considerable time in B&B accommodation, which is also unsuitable and an expensive option for the Council.
2. It is proposed that we work with Ermine Street Housing and purchase some self-contained single person accommodation. This will include using up to £350,000 from our homeless prevention grant. Ermine Street will use their existing model for assessing financial viability, and South Cambs will pay Ermine Street the amount required to bridge the gap between actual costs and those required to make the purchase financially viable, using their agreed modelling.
3. Properties will then be leased from Ermine Street to Shire Homes Lettings, our private sector leasing scheme, where they will be let on an assured shorthold tenancy to single people who are homeless or at risk of homelessness and have been referred by the Housing Advice service.

### Key Decision

4. No

### Recommendations

5. It is recommended that Cabinet supports this proposed scheme to increase the supply of self-contained single person accommodation.

## Reasons for Recommendations

6. It is recommended that the arrangement is supported. It uses existing financial resources available for preventing homelessness and will help to reduce use of B&B for vulnerable single people.

## Details

7. The Council receives a Homeless Prevention Grant (HPG) each year. For the last two years this has been £508,937.
8. Whilst levels of rough sleeping are relatively low in South Cambs we do have a lot of single homelessness and we often struggle to find suitable accommodation for some of the most vulnerable who are unable to live in shared accommodation. This results in them spending considerable time in B&B accommodation, which is also unsuitable and an expensive option for the Council.
9. We have therefore been working with Ermine Street Housing to help find a solution. We aim to enter into an arrangement where Ermine Street will purchase reasonably priced single person self-contained properties (1 bed or studios), which will then be leased to Shire Homes Lettings. It is usually not possible for Ermine Street to purchase these types of properties within South Cambridgeshire due to the high prices which make them financially unviable. However, Ermine Street will use their existing model for assessing financial viability, and South Cambs will use HPG to pay Ermine Street the amount required to bridge the gap between actual costs and those required to make the purchase financially viable, using their agreed modelling.
10. This meets one of the aims of the homeless prevention grant which is:  
To fully enforce the Homeless Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness.
11. There will be a target of 5-7 properties (depending on individually agreed costs).
12. Maximum amount to use for the scheme - £350,000 (available from HPG).
13. Properties will be leased to Shire Homes Lettings, using their lease agreement, who will actively manage the properties.
14. Potential tenants will be referred from the Council's housing advice service and will include single people who are homeless or are at risk of homelessness.
15. When the property is sold or no longer used for the purpose of this agreement, Ermine Street will repay the grant to the council on the basis of a % profit (% equivalent to the proportion of grant to purchase price).

16. Where the property value has reduced, the Council will be responsible for reimbursing Ermine Street with the same %.
17. For example, where a purchase price is £250,000 and South Cambridgeshire District Council provided a grant of £50,000 this represents 20% of the purchase price. If the property is subsequently sold or valued for £350,000, Ermine Street will repay South Cambridgeshire District Council £70,000.

## **Options**

18. Members could chose not to proceed with this scheme. This is not recommended as it does not address the need to increase options for single homeless people.

## **Implications**

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

## **Financial**

20. Using this accommodation to rehouse single homeless people will provide a saving on Bed & Breakfast expenditure. This is estimated as £xxx [er year

## **Legal**

21. A written agreement between the Council and Ermine Street has been agreed between the parties covering the terms of this arrangement. This has been achieved in consultation with the shared Legal Service.

## **Risks/Opportunities**

22. Risks are minimised by using homeless prevention grant funding, however, this has the opportunity to reduce costs on B&B type accommodation which is both expensive and often unsuitable for vulnerable individuals.

## **Alignment with Council Priority Areas**

### **Housing that is truly affordable for everyone to live in**

23. By letting the properties through our private sector leasing scheme, Shire Homes Lettings, the rents to the tenants will be within the Local Housing Allowance levels, ensuring they are affordable to single people.

### **A modern and caring Council**

24. The proposal provides a better solution than unsuitable forms of temporary accommodation such as B&B for single homeless households who are vulnerable and in need of a safe home, which will often help them to access other support needs.

## **Background Papers**

None

## **Report Author:**

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Telephone: (01954) 712999





<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor Henry Batchelor, Lead Cabinet Member for the Environment	
<b>Lead Officer:</b>	Bode Esan, Head of Climate, Environment and Waste	

## Waterbeach Renewable Energy Network (WREN) Business Case Update

### Executive Summary

1. This report presents a summary of the business case and implementation plan for Waterbeach Renewable Energy Network (WREN). WREN is a microgrid solution to increase electricity capacity at the Greater Cambridge Shared Waste Depot. The microgrid integrates smart technologies to maximise the use of solar generated electricity on site and minimise mains grid electricity. The business case headlines are electricity capacity to power 20-24 electric refuse Collection Vehicles (e-RCVs), lower cost of energy than upgrading the grid (without solar or battery components), independence from both national grid decarbonisation and the cost of main grid electricity, displacement of at least 1,345 tonnes CO<sub>2</sub>e over lifetime of project and on-site renewable electricity generation of at least 65% of the site demand.
2. The Council has allocated funding from the capital programme for this project and therefore no funding consideration is required. However, this update shows the business case review undertaken and the next steps for implementation.

### Recommendations

3. The Cabinet are asked to note the update for the Waterbeach Renewable Energy Network (WREN) Business Case.

### Reasons for Recommendations

4. The update has been brought to Cabinet to provide an update on the WREN business case and its contribution to the Council's climate change and environmental ambitions.

### Details

5. The Greater Cambridge Shared Waste Service (GCSWS) for Cambridge City Council and South Cambridgeshire District Council (SCDC) has made firm policy commitment to decarbonise the fleet of refuse collection vehicles by 2030. The Council has declared a Climate Emergency, and has established targets and an Action Plan to reach net zero carbon by 2050. The Council has a fleet decarbonisation target of 50% reduction by 2025 and a 90% reduction by 2030, based on 2018-19 levels.
6. This requires significant fleet decarbonisation for the 50 vehicles currently in operation by the Service. It will require a mix of alternative fuels including electric Refuse Collection Vehicles (e-RCVs) making up approximately half of the fleet. However, electricity grid capacity is constrained due to local/national increase of electricity for transportation and space heating within buildings. Therefore, there is an urgent need for grid capacity at the Depot as once the third e-RCV (currently on order, whilst two e-RCVs are already in operation) is operational no further e-RCVs can be charged on-site.
7. The Waterbeach Renewable Energy Network (WREN) is a microgrid solution to increase electricity capacity at Waterbeach depot. The microgrid is comprised of:
  - a ground-mounted solar photovoltaic (PV) array 825kWp on adjacent land to the depot (planning consented),
  - an Energy Storage System (ESS) 2MWh storage capacity to maximise the use of renewable energy from the solar PV array,
  - an Energy management System to control energy and optimise performance,
  - 20 x 50kW smart e-RCV chargers and associated infrastructure,
  - new electrical infrastructure across site,
  - and a point of connection to the electricity distribution network
8. The total project cost is projected at £6m with £2.7m from Cambridgeshire and Peterborough Combined Authority (CPCA) and the residual funding from Cambridge City Council and South Cambridgeshire District Council (£1.67m per authority). The final ratification of the project and agreement to move to contract and project initiation will be recommended to SCDC Cabinet on 12 December 2022.
9. The business case has concluded that to achieve net zero, investment in the WREN project is required, as grid capacity limits curtail our fleet decarbonisation. The WREN microgrid option modelled a lower cost of energy, 26p versus 35p per unit energy, than upgrading the grid (without solar or battery) and provides independence from both national grid decarbonisation rates and cost unpredictability of mains grid electricity. The business case estimates at least 1,345 tonnes carbon saving on current fleet emissions. The microgrid solution will also enable the addition of more 'generating assets' i.e. further solar photovoltaic arrays or other sources of renewable energy which can accommodate additional electricity demand on-site.
10. With the business case reviewed, and subject to ratification by Cabinet, the project team will proceed to review the design and implementation phase plan as

well as agree commercial contracts with the delivery team. The indicative programme is to complete commercial contracts/procurement exercise by Q4 2022/23 with start-on-site Q1 2023/24 and completion by Q4 2023/24.

## **Options**

11. The business case options have included a comparison between the WREN microgrid solution with the counterfactual which is an upgrade to the mains electricity grid without solar PV and battery storage components. The long-list options assessment did assess 'do nothing' option however achieving net zero carbon targets requires investment and change to current operations. A relocation option was considered however there are strong co-location benefits of the current GCSWS operational site.

## **Implications**

12. There are no significant implications.

## **Consultation responses**

13. The Lead Member for Environment has been consulted on this report. The Climate and Environment Advisory Committee are providing scrutiny on the report and their comments will be verbally delayed during the Cabinet meeting on 12 December 2022.

## **Alignment with Council Priority Areas**

### **Being green to our core**

14. The WREN project will enable the significant decarbonisation of SCDC carbon emissions from fleet enabling the Council to move towards their carbon reduction targets.

## **Background Papers**

Waterbeach Renewable Energy Network (WREN) Investment Grade Proposal Summary – commercially sensitive

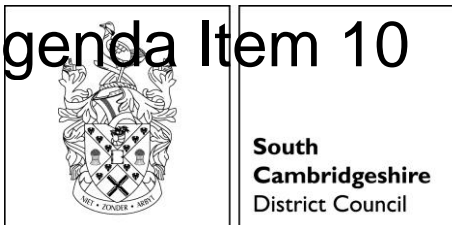
## **Appendices**

None

**Report Authors:**

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Waste Policy, Climate and Environment Team Manager

# Agenda Item 10



<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor John Williams, Lead Cabinet Member for Resources	
<b>Lead Officer:</b>	Peter Maddock, Head of Finance	

## 2022/2023 Revenue and Capital Budget Monitoring (Quarter 2)

### Executive Summary

1. To consider the latest monitoring data and trends in respect of the 2022/23 General Fund revenue, Housing Revenue Account (HRA) and capital budgets and emerging budget issues.

### Key Decision

2. No.

### Recommendations

3. It is recommended that cabinet considers the report and, if satisfied, to:
  - (a) Note the 2022/23 revenue position against the approved revenue budget to date shown in Appendix B, the projected major variances with reasons for these variances at Appendices C1 to C7 and the action being taken to address the underlying issues.
  - (b) Note the latest Capital Programme 2022/23 position [and variances, if any] as shown in Appendix D.

### Reasons for Recommendations

4. To advise the Cabinet of the latest monitoring information in respect of the 2022/23 revenue and capital budgets and emerging budget issues, for the second quarter period to 30 September 2022.

### Details

#### 2022/23 Revenue Budget Monitoring – Overview

5. Effective budget monitoring is a requirement of the Council's Financial Regulations and the Medium-Term Financial Strategy (MTFS) and is critical to sound financial management. This process enables the Cabinet to monitor the approved budget, to

identify emerging issues and, where appropriate, to put plans in place to address forecast budget issues.

6. A framework for budget monitoring has been established and this enables budgetary performance and agreed efficiency actions to be monitored through the use of performance flags (**Red**, **Amber** and **Green** – **RAG** Status) and Direction of Travel indicators. This provides a statement of financial health and an overview of how the Council is utilising its resources.
7. An integral part of the monitoring process is the regular meetings with Budget Holders to proactively monitor compliance with the approved budget. This enables the identification of potential risks and emerging budget pressures so that appropriate action can be taken at an early stage.
8. The monitoring process also needs to recognise since the budgets were approved at Council in February 2022 the costs associated with providing some of the Council services and functions have risen owing to a number of national and global factors: Brexit, the Covid-19 pandemic, global supplies production, rising inflation, the fuel crisis and Russian sanctions.
9. The Council like many other organisations will be affected by this in one way or another and the Council's planned income and expenditure could be impacted. Over the forthcoming months, there will be some significant financial challenges as a result of the cost of living crisis and the General Fund, by its nature, will have to bear the majority of the additional costs borne by the Council.

#### Revenue Budget Monitoring – 2022/23 Efficiency Assumptions

10. The ongoing process also includes the monitoring of compliance with the efficiency assumptions built into the 2022/23 revenue budget. The evaluation of the efficiencies has been made on the basis of a RAG rating using the following criteria:

The proposal has been implemented and is on target to achieve the budgeted saving.	<b>Green</b>
The proposal has or is being implemented but there is a delay on the delivery of the savings when compared to that in the budget	<b>Amber</b>
The proposed saving will now not be delivered or the level of saving is expected to be lower than that included in the budget.	<b>Red</b>

11. The original budget for 2022/23 included efficiency proposals totalling £1,558,000. The range of efficiency proposals are summarised at **Appendix A** the current status of these are shown in the appendix.
12. The areas of efficiency savings continue to be subject to ongoing review and there are no further areas of concern at this stage.

#### Revenue Budget Monitoring

13. This report represents the revenue monitoring information for the period 1 April 2022 to 30 September 2022.

14. A summary of budget variances is reported at **Appendix B**, with explanations for significant items of variance reported at Appendix C1 to C6 (General Fund) and Appendix C7 (Housing Revenue Account). The variances have been assigned a RAG status (Red, Amber and Green) based on the following:

Under spends and overspends up to 2% of the budget	Green
Overspends between 2% and 10% of the budget	Amber
Overspends greater than 10%	Red

15. It is to be noted where negative variances are shown in the appendices, they represent underspends against the budget or when income is greater than the budget.

#### Revenue Budget Monitoring –Variances

16. The ongoing monitoring and assessment of the 2022/23 revenue budget has identified a number of issues that require action to avoid budgetary pressures and issues that need to be kept under review. The key issues that require further reference are discussed in the following paragraphs:

#### Salary Budgets

The table below identifies the variance on salary budgets by service area as at 30 September 2022:

	2022/23			
	Budget to date (30 Sept 2022)	Actual to date (30 Sept 2022)	Variance	Variance %
Chief Exec Office	663,330	604,777	(58,553)	-9%
Climate, Environment & Waste	4,313,760	4,122,950	(190,810)	-4%
Finance	1,733,150	1,740,496	7,346	0%
Housing	2,939,466	2,601,605	(337,861)	-11%
Greater Cambridge Shared Planning	3,180,980	3,417,992	237,012	7%
Transformation, HR & Corporate	2,066,520	2,100,036	33,516	2%
<b>Total</b>	<b>14,897,206</b>	<b>14,587,856</b>	<b>(309,530)</b>	<b>-2%</b>

The analysis takes account of the cost of agency staff backfilling vacant permanent posts (with agency costs generally much higher than permanent appointment). The overall variance stands at -2%.

17. The area with the highest overspend comparative to the budget at the end of quarter two is Planning. Additional costs have been incurred in the short term due to the usage of agency and temporary staffing arrangements particularly in Development Management, Strategic Sites and the Technical Support Team which relates to vacant posts and growing

pressure of clearing the backlog of applications. The expenditure will be offset by £73,000 Planning Performance Agreement (PPA) income, £26,000 from Greater Cambridge Partnership and £96,000 will be funded from the Planning reserve. Work is underway to minimise the use of agency staff.

18. The Transformation, HR and Corporate service have recruited several agency staff to assist services to manage the various Ukraine Crisis schemes. The unbudgeted agency costs of £47,000 will be offset by grant funding.

#### Virement Movements

19. A virement is when a sum of money set aside in the budget for one purpose is then moved and used for another purpose. There have been no virement movements in the period 1 April 2022 to 30 September 2022.

#### Revenue Budget – Summary Position

20. The table below summarises the budgetary position relevant to each Service Area, with detailed information included at **Appendix B**, and further explanation of significant variances in **Appendices C(1) to C(7)**.

Directorate	Full Year Budget £'000	Budget to date £'000	Actual to date £'000	Variance to date £'000	Variance to date %
Chief Executives Office	2,899	1,623	1,297	(326)	-20%
Climate, Environment & Waste	9,703	3,033	2,391	(642)	-21%
Finance	3,970	1,767	1,320	(447)	-25%
Housing General Fund	2,585	225	54	(171)	-76%
Greater Cambridge Shared Planning	7,041	2,843	2,773	(70)	-2%
Transformation, HR & Corporate	3,546	1,770	1,348	(422)	-24%
<b>Net Service Costs</b>	<b>29,744</b>	<b>11,261</b>	<b>9,184</b>	<b>(2,077)</b>	<b>-18%</b>
Overheads	<b>13,526</b>	<b>4,347</b>	<b>4,188</b>	<b>(159)</b>	<b>-4%</b>

21. The Council has a current underspend position of £2.077 million (18%) on its net cost of service when compared to the budget. with some quite significant variances within the figures.
22. The Council received £555,000 income during quarter one above the reported budget. This comprises of a grant of £224,000 for fuel poverty and the cost of living crisis, £189,000 was received from the County Council for the Community Development Support contribution related to the Northstowe Phase 2 project and £117,000 for resident engagement at Northstowe using a digital platform was received. These sums will be spent on the projects in question over the remainder of the financial year. This has obviously had a significant impact on the figures presented in the above table. Whilst there are several large variances, some of these might be significant in percentage terms but are not significant in monetary terms and others are delays in income and expenditure.
23. The position at the end of September 2022 is not necessarily a good guide to the final outturn and needs to be treated as such. Any extrapolations of the figures over the whole



year will not give a true indication of the final outturn. The budgetary position relevant to each Service Area reported to Cabinet for quarter three will be against the revised estimate which will be further aligned to the actual outturn.

#### Energy Bills Support

24. During February 2022 the government announced a £15 billion package of support for rising energy bills worth up to £550 each for around 28 million households. This included:
- A £400 grant for all domestic energy customers which will appear as a credit from energy suppliers from October onwards.
  - A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
  - £144 million of discretionary funding for billing authorities to support any household in needs, regardless of their council tax band, known as the Discretionary Fund.
25. On 30 March 2022 funding of £6.741 million was received by the Council in relation to the Council Tax Rebate Scheme. £6.531 million of this relates to non discretionary funding to support the main Council Tax Rebate scheme and £0.210 million discretionary funding to support the local scheme within the district.
26. The Council has paid out around £6.497 million to 43,315 households for the main scheme which is 99% of distribution from the Councils allocated funding and £0.187 million to 6,103 households for the local scheme which is 89% of the amount received by the government. The payments made under the local scheme are largely related to households in Bands A-D who do not fall within the criteria of the main scheme.

#### Crisis in Ukraine

27. The crisis in Ukraine is causing considerable volatility in the fuel markets and prices have been increasing substantially since the Autumn of 2021/22 when the budget was set for 2022/23. The most significant effect will be in shared waste where the latest price paid for diesel in September was up at £1.47 per litre – the average paid over the first half of the year was £1.46 compared to £1.16 assumed in the 2022/23 budget. In summary, every 10p increase in fuel price, equates to a spending pressure of £68,000 for the shared waste service, so currently if the cost of diesel stabilises at the current average rate, this will mean a forecast spending pressure of approximately £204,000 to be shared between the two partner Authorities.
28. Homes for Ukraine scheme was launched in March 2022 with funding of £10,500 per person made available to local authorities for the provision of wraparound service that also encompasses sponsors. South Cambridgeshire has been at the forefront of that scheme with nearly 700 people arriving in the district. Funding received from the government via Cambridge County Council to date amounted to £70,700 towards payments to hosts (£350 per dwelling) and £631,575 general funding. This has been used for several local initiatives, including host DBS checks, payments to new arrivals and funding for a grant scheme. There have been Guest Payments of £248,150 and £383,604 Host payments in the period 1 April 2022 to 30 September 2022.

#### Capital Budget Monitoring

29. The Cabinet monitors the performance of the capital programme by reviewing on a regular basis the progress of all schemes. Regular reports on the Capital Programme to the Cabinet should identify the following changes:
- any schemes that are not being progressed as originally envisaged or those that are no longer required;
  - the revised phasing of a scheme(s) having regard to the latest information and any changes in forecast funding;
  - changes in funding requirements of committed schemes and the reasons relating thereto;
  - any budget amendments.
30. The Capital Programme is summarised at **Appendix D**. It should be noted that the Capital Programme set out is that as approved by Council on 22 February 2022.

## **Options**

31. The report provides monitoring information to ensure awareness of budget trends and emerging budget issues.

## **Implications**

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

## **Financial**

33. The financial implications are outlined in the details section of the report.

## **Legal**

34. The legal position and relevant issues can be summarised as follows:

### **(a) Revenue Budget**

The Council is required, by law, to set a balanced revenue budget each year which for 2022/2023 this was approved by Council on 22 February 2022. The purpose of this report in accordance with best financial management practice is to advise Cabinet of any significant variations from that budget.

### **(b) Capital Programme**

Prudential Indicators that underpin the Council's capital investment demonstrate that the investment is prudent, sustainable and affordable. The Council is required, in compliance with the Code, to monitor and report performance against established Prudential Indicators. The ongoing review of the capital programme is required to effectively monitor

these indicators.

## **Risks/Opportunities**

35. The risk implications can be summarised as follows:

(a) Revenue Budget

When the Council considers each revenue service and function budget it is important that endeavours are made to identify potential risks. Inevitably, during the course of the financial year, some of these risks will occur and impact on the budget by either requiring further expenditure or by reducing the Council's budgeted income.

The budget is monitored on a regular basis to identify risks and take action to mitigate the risks when they arise. The Council holds a contingency with regard to budgetary risk in year, together with a range of Reserves to deal with specific issues.

(b) Capital Programme

In relation to Capital resources, the following risks should be taken into account when considering this report:

- (i) Capital schemes can emerge at any time based on newly identified needs or changes in legislation which require funding to be identified;
- (ii) The forecast cost/timing of existing schemes may vary as implementation is undertaken;
- (iii) Forecast capital receipts may not be achieved which could result in some schemes not proceeding until other sources of capital finance become available or unless further recourse is made to borrowing;
- (iv) Key risks associated with the Capital Programme are that budgets are not adequate, leading to overspend with consequent financial implications or that the schemes will not meet the desired objectives.

## **Consultation responses**

36. None

## **Alignment with Council Priority Areas**

### **Growing local businesses and economies**

37. The report provides an update on the latest budget position of those service areas who are providing extra support to local businesses adapting to Covid secure measures via several different grant schemes as directed by Central Government.

## **Housing that is truly affordable for everyone to live in**

38. This report supports the Councils business plan by providing an update on the New Build Programme within the Capital Programme and HRA budgets for 2022/23.

## **Green to our core**

39. The 2022/23 revenue and capital position provides reasons for variances on a number of schemes relating to the green to our core element of the Councils business plan.

## **A Modern and caring Council**

40. The Council provides an update on the income position which was generated from investments and other commercial activities. In addition, the report supports the Councils business plan by providing an update on expenditure that it would not normally incur to support residents and businesses within the district especially those in hardship.

## **Background Papers**

- Medium Term Financial Strategy – Report to Council: 23 September 2021
- Capital Programme Update – Report to Cabinet: 06 December 2021
- Budget Report – Report to Cabinet: 07 February 2022
- Business Plan 2020/2025 – Report to Council: 22 February 2022

## **Appendices**

Appendix A: Service Efficiency/Income Generation Assumptions 2022/23: Update

Appendix B: Budget Monitoring by Service Area – Position as at 30 September 2022.

Appendix C: Explanation: General Fund & HRA Budget Variances – Position as at 30 September 2022.

Appendix D: Capital Programme – Financial Update Position as at 30 September 2022.

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## Service Efficiencies/Income Generation Assumptions: 2022-2023

Directorate	Cost Centre	Title	Description of Budget Proposal	2022/23	Forecast	Update on Delivery	Performance
				£'000	£'000		RAG
All	All	Revenues and Benefits	Transformation programme savings	(155)	(155)	On Target	Green
All	All	ESH recharges	To undertake a review of the Ermine Street Housing recharge model for both housing and support staff.	(10)	(15)	On Target	Green
Chief Executive	Commercial Development and Investments	Investment income	Net income to the General fund from investment in Commercial Properties	(1,008)	(1,150)	Income from commercial properties is down on expectations due in part to delays in letting 270 Science Park however this is more than offset by additional interest income from Ermine Street and other counterparties.	Green
Climate, Environment and Waste	GCSWS	Commercial waste income	Expand and grow the commercial waste collection service.	(25)	(25)	On Target	Green
Climate, Environment and Waste	Environment	Environmental Health ensure that Permitted Processes are invoiced correctly	Fees for LA-PPC (permitted processes) is set by central government, historically we have not collected this income. This year we are collating all the information for the processes we have and these will be invoiced in April 2022 and then annually from that point	(8)	(8)	On Target	Green
Climate, Environment and Waste	Commercial and Licensing	Commercial income generation	Fee increase in Primary Authority work and full cost recovery within Private Water Supply operations.	(5)	(3)	There has been minimal growth in the fee increase in Primary Authority work and full cost recovery within Private Water Supply operations. 2022/23 is expected to produce additional income of £3,000, however it is envisaged that the full year fee increase may materialise in the latter part of the year.	Amber
Climate, Environment and Waste	Commercial and Licensing	Taxi plate procurement savings	There is a potential to reduce the taxi plate budget by switching to an adhesive plate which is an environmentally greener alternative. However, this will be subject to Council approval as it will require a change in the Taxi Policy.	(5)	0	This saving (due to reduction in taxi plate budget) has been wiped out by increase in drivers and operators seeking licensing options within the district, it would be prudent to accept that this saving will not occur. Though this is offset by an increase in taxi licensing fee income.	Red
Climate, Environment and Waste	Greater Cambridge Waste Service	Increased use of the Bulky Waste Service and related income	An increase for collection requests has generated more income than expected. This is partly due to changes in the way the booking service is operated. This is a one off saving of £30,000 pa, shared 50:50 across City & South Cambs.	(15)	(10)	Additional income of £15,000 was expected from an increase for collection requests but the cost of living crisis has impacted on the level of income that can be achieved.	Amber
Climate, Environment and Waste	Greater Cambridge Waste Service	Bringing contracted vehicle cleaning work in-house	The service will be able to provide commercial cleaning of containers/ sites as an extra commercial income stream and improve service to customers. (Total saving £20,000, shared 50:50 between City & South Cambridgeshire Councils).	(10)	0	The tendering process for the purchase of the bin washing equipment has been unsuccessful on two occasions as suppliers have failed to meet the specification requirements. A further attempt is to be made during 2023/24 and therefore this will be delayed as a result.	Red
Climate, Environment and Waste	Greater Cambridge Waste Service	Fleet vehicle washing & bin washing new service offering	Full time operative to work on service, operating 3 days a week commercially & 2 days a week on RCV washing & Depot jobs. Will become a self-financing position once established. (Total increased income £15,000 in first year, split 50:50 between South & City Councils)	(8)	0		Red
Climate, Environment and Waste	Greater Cambridge Waste Service	Additional income from increasing profitable business for the Commercial Waste Service.	The service expects to improve profitable customer base to a value of at least £25,000 pa focusing particularly on the SME & R&D business sectors. (Shared 50:50 across both City & South Cambridgeshire councils.)	(13)	(13)	On Target	Green
Climate, Environment and Waste	Greater Cambridge Waste Service	Recycling credit income	This year has seen an increase in the amount of recycling collected via the blue bin service and therefore a corresponding increase in the amount of income from recycling credits paid by the County Council. It is anticipated that this will continue in to next year, so some income can be offered, (please note this is not certainty).	(10)	(10)	On Target	Green
Finance	Revenues and Benefits	Ctax review	Review of all council tax exemptions/discounts using data matching techniques (countywide project).	(35)	0	There have been significant delays in agreeing the memorandum of understanding with all parties which is yet to be resolved and given the time needed to set the scheme up this is unlikely to happen until 2023/24. On the positive side the savings should be significantly more than that included in the budget.	Red
Planning	Development Management	Charging for file retrieval	New income stream based on cost recovery	(9)	(9)	On Target.	Green
Planning	Development Management	Reducing Press advert to one periodical	Advertising of applications only in one newspaper	(6)	0	The work related to the advertising of applications only in one newspaper has commenced though later than expected. It is difficult to anticipate whether this saving will be achievable given the current economic climate of rising costs of goods and services.	Red

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## Service Efficiencies/Income Generation Assumptions: 2022-2023

Directorate	Cost Centre	Title	Description of Budget Proposal	2022/23	Forecast	Update on Delivery	Performance
				£'000	£'000		RAG
Planning	Consultancy - Built Environment	Increasing commercial revenue	The business plan focusses on moving BNE staff time away from applications work to revenue generating work on PPAs, Pre-Apps etc. Recurrent item.	(46)	(46)	On Target.	Green
Transformation, HR and Corporate Services	HR	Rationalise processes and budgets to focus on efficient service delivery and effective resource deployment	A review of the HR function following the implementation of a new Human Resource Information System, including an extension of self-service arrangements.	(50)	(50)	On Target.	Green
Transformation, HR and Corporate Services	Facilities management	To pursue, in line with the Business Plan Theme "Green to Our Core", the following specific investment opportunities:	Energy efficiency and green energy measures at South Cambridgeshire Hall, including Ground Source Heat Pump, solar canopies in the car park, internal LED lighting upgrades, electric vehicle charging points and chiller modifications and enhancements.	(80)	(50)	The proposed energy efficiency and green energy measures at South Cambridgeshire Hall has not gone as initially planned, a delay due to failings surrounding the works related to the carpark. The project is expected to be completed by January 2023 when the cost savings will start to accrue.	Amber
Transformation, HR and Corporate Services	3CICT	Discontinuing 0345 number	The 0345 number makes a charge to the customer and the council where as the existing number would just charge the customer at the same rate as the 0345 number and no charge to the Council	(60)	(60)	On Target.	Green
			<b>Total Estimated Savings</b>	<b>(1,558)</b>	<b>(1,604)</b>		
			<b>Value Attributable to HRA *</b>	<b>(50)</b>	<b>(44)</b>		
			<b>Value Attributable to General Fund</b>	<b>(1,508)</b>	<b>(1,560)</b>		

\*Some initiatives will bring savings to the Housing Revenue Account because they are of a corporate nature.

## 2022/23 Quarter Two - Financial Position &amp; Variance

Directorate	Full Year Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Variance to Date %
<b>General Fund</b>					
Chief Executive & Chief Operating Officer	2,899	1,623	1,297	(326)	-20%
Head of Climate, Environment & Waste	9,703	3,033	2,391	(642)	-21%
Head of Finance	3,970	1,767	1,320	(447)	-25%
Head of Housing	2,585	225	54	(171)	-76%
Director of Greater Cambridge Shared Planning	7,041	2,843	2,773	(69)	-2%
Head of Transformation, HR & Corporate Services	3,546	1,770	1,348	(421)	-24%
<b>Net Service Costs</b>	<b>29,744</b>	<b>11,261</b>	<b>9,184</b>	<b>(2,077)</b>	<b>-18%</b>
<b>Overhead Costs</b>	<b>13,526</b>	<b>4,347</b>	<b>4,188</b>	<b>(159)</b>	<b>-4%</b>
Council Approved Contingencies	250	0	0	0	0%
Finance Charge Reversals	(1,968)	0	0	0	0%
Internal Drainage Board Levies	236	118	104	(14)	-12%
Contribution to Combined Authority from EZ Income	237	0	0	0	0%
Pension Deficit Funding	1,413	707	589	(118)	-17%
Interest Payable	1,319	179	126	(53)	-30%
Investment Income	(5,456)	(2,728)	(2,763)	(35)	-1%
Revenue Contribution to Capital	3,420	0	0	0	0%
Appropriations to/(from) General Reserves	2,115	0	0	0	0%
Contributions to/(from) Earmarked Reserves	(3,025)	0	0	0	0%
Minimum Revenue Provision	1,090	0	0	0	0%
IAS 19 Reversals	(4,206)	0	0	0	0%
<b>Total General Fund Expenditure</b>	<b>25,169</b>	<b>13,883</b>	<b>11,428</b>	<b>(2,456)</b>	<b>-18%</b>
New Homes Bonus	(2,376)	(1,188)	(1,188)	(0)	0%
Rural Services Grant / Lower Tier Service Grant	(432)	(216)	(220)	(4)	-2%
Business Rates Pool Gain	(1,100)	(550)	(437)	113	20%
(Surplus) / Deficit on Collection Fund re Council Tax	(195)	(98)	(98)	0	0%
(Surplus) / Deficit on Collection Fund re Business Rates	2,786	1,393	1,393	0	0%
Retained Business Rates (incl. Section 31 Grant)	(13,327)	(6,663)	(6,765)	(102)	-2%
Council Tax Sharing Agreement	(35)	0	0	0	0%
Council Tax	(10,489)	(5,245)	(5,245)	(0)	0%
<b>Total General Fund Income</b>	<b>(25,169)</b>	<b>(12,567)</b>	<b>(12,560)</b>	<b>7</b>	<b>0%</b>
Directorate	Full Year Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Variance to Date %
<b>HRA</b>					
Supervision & Maintenance General	5,040	1,487	1,267	(220)	-15%
Supervision & Maintenance Special	1,099	368	335	(33)	-9%
Repairs & Maintenance	5,090	2,413	2,528	115	5%
Capital Charges	6,902	0	0	0	0%
Corporate Management	740	0	0	0	0%
Other	160	5	2	(3)	-60%
Interest Payable on Loans	7,193	3,537	3,537	0	0%
Revenue Funding of Capital Expenditure	9,162	0	0	0	0%
Pension Deficit Funding	206	103	86	(17)	-17%
<b>Total HRA Expenditure</b>	<b>35,592</b>	<b>7,913</b>	<b>7,755</b>	<b>(158)</b>	<b>-2%</b>
Income	(32,158)	(16,104)	(16,105)	(1)	0%
Interest Receivable	(960)	0	0	0	0%
IAS 19 Reversals	(613)	0	0	0	0%
<b>Total HRA Income</b>	<b>(33,731)</b>	<b>(16,104)</b>	<b>(16,105)</b>	<b>(1)</b>	<b>0%</b>
<b>Deficit / (Surplus) for the Year</b>	<b>1,861</b>	<b>(8,192)</b>	<b>(8,350)</b>	<b>(159)</b>	<b>-2%</b>

Directorate	Full Year Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Variance to Date %
<b>General Fund Capital</b>					
Chief Executive & Chief Operating Officer	33,600	800	535	(265)	-33%
Head of Climate, Environment & Waste	3,740	312	607	295	94%
Head of Finance	259	0	0	0	0%
Head of Housing	9,871	738	576	(162)	-22%
Head of Transformation, HR & Corporate Services	1,422	687	696	9	1%
<b>Total General Fund Capital</b>	<b>48,892</b>	<b>2,537</b>	<b>2,414</b>	<b>(123)</b>	<b>-5%</b>

Directorate	Full Year Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Variance to Date %
<b>HRA Capital</b>					
Improvement to the Housing Stock	7,219	3,609	3,201	(408)	-11%
New Homes Programme	17,164	8,046	4,829	(3,217)	-40%
Repurchase of HRA Shared Ownership Homes	150	0	0	0	0%
Preparation of Self-Build Plots	25	0	0	0	0%
<b>Total HRA Capital</b>	<b>24,558</b>	<b>11,655</b>	<b>8,030</b>	<b>(3,625)</b>	<b>-31%</b>



## Chief Executive & Chief Operating Officer Revenue Financial Monitoring

		Second Quarter			Variance Budget v Actual		
Expenditure Items by Directorate	22/23 Full Year Budget £'000	22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	Reason for Variance
Major Income Items:							
Investment Properties Rent	(1,808)	(904)	(525)	(603)	379	42%	Rent received from investment properties is lower than profiled budget at the end of quarter due to a void property at the Cambridge Science Park. This will be partially occupied during the next quarter.
Explained variances	(1,808)	(904)	(525)	(603)	379	42%	

## Head of Climate, Environment &amp; Waste Financial Monitoring

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		Second Quarter			Variance Budget v Actual		
Expenditure Items by Directorate	22/23 Full Year Budget £'000	22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	Reason for Variance
Major Expenditure Items:							
Greater Cambridge Shared Waste Operations	3,918	1,734	1,871	1,798	137	8%	The overspend at the end of quarter two relates to the operational running costs of the fleet which is impacted by the volatility of the current market. The increase in the fuel prices have substantially affected shared waste and will potentially be further exacerbated by the current cost of living crisis.
Flood Defence and Land Drainage	128	66	74	19	8	12%	A change in legislation which prohibits the use of red diesel fuel on any vehicles not used solely for agricultural use has led to a small increase in the actual comparative to budget to date at the end of quarter two.
Green to the Core	316	150	53	5	(97)	-65%	2022/23 has seen minimal spend in the first half of the year. A total of £114,000 of grants have been awarded which will be paid in October. The budget is expected to be fully spent by year end.
Explained variances	4,362	1,950	1,998	1,822	48	2%	
Major Income Items:							
Greater Cambridge Shared Waste Operations	(5,714)	(3,351)	(3,676)	(3,037)	(325)	-10%	<p>The Greater Cambridge Shared Waste Operations income has significantly fluctuated over the last few years by the ever-changing economic situation. However, 2022/23 is beginning to show signs of recovery by having generated additional income above the budget to date.</p> <p>The £325,000 additional income received in comparative to the budget at the end of quarter two includes £157,000 commercial waste income, £91,000 from the sale of recycled material passing through the materials recycling facility (MRF), £8,000 sales and service charges and £69,000 from the bulky waste collection and wheeled bin deliveries.</p>
Licensing: Taxi & Other	(381)	(158)	(232)	(124)	(74)	-47%	Taxi Licensing has seen an increase in fee income during the first half of 2022/23. Changes in the application process applied by Cambridge City Council (which are more stringent than South Cambs) has resulted in drivers and operators seeking licensing options within the district.
Explained variances	(6,095)	(3,509)	(3,908)	(3,161)	(399)	-11%	

## Head of Finance Revenue Financial Monitoring

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		Second Quarter			Variance Budget v Actual		
Expenditure Items by Directorate	22/23 Full Year Budget £'000	22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	Reason for Variance
Major Expenditure Items:							
Rent Rebates (non HRA)	127	64	75	85	11	17%	2022/23 has seen an increase in the number of people placed in bed and breakfast. This is due to the rising demand for support as the effects of the cost of living crisis begins to impact the nation.
Explained variances	127	64	75	85	11	17%	
Major Income Items:							
Investment Income - Interest	(3,648)	(1,824)	(2,238)	(1,703)	(414)	-23%	Interest income at the end of the second quarter of 2022/23 is above expectations, mainly due to cash holdings being higher than expected following the sale of one of the Councils commercial properties and additional interest income from Ermine Street Housing. The increase in interest rates has also had a positive effect on the income received to date.
Explained variances	(3,648)	(1,824)	(2,238)	(1,703)	(414)	-23%	

## Head of Housing Revenue Financial Monitoring

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Expenditure Items by Directorate	22/23 Full Year Budget £'000	Second Quarter			Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	
Major Expenditure Items:							
Homelessness	425	218	195	209	(23)	-10%	The variance arises from a timing difference in the billing for the cost of Bed and Breakfast and Hostel accommodation. It is expected in the last two quarters of the financial year the actual and comparative will be on target.
Explained variances	425	218	195	209	(23)	-10%	
Major Income Items:							
Homelessness	(615)	(566)	(612)	(630)	(46)	-8%	The variance of £46,000 at the end of quarter two 2022/23 comprises of £37,000 additional grant received for Domestic Abuse Victim support and £9,000 for housing benefit receipts to cover Bed & Breakfast costs.
Improvement Grants	(730)	(730)	(730)	(730)	0	0%	No significant variances.
Community Lifeline Alarm Service	(205)	(102)	(87)	(94)	15	15%	The second quarter of 2022/23 has continued to see a reduction in the levels of fee income due to the increased competition the service is facing from other lifeline suppliers.
Explained variances	(1,550)	(1,398)	(1,428)	(1,454)	(31)	-2%	

## Director of Greater Cambridge Shared Planning Revenue Financial Monitoring

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		Second Quarter			Variance Budget v Actual		
	22/23 Full Year Budget £'000	22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	Reason for Variance
Major Expenditure Items:							
Greater Cambridge Local Plan	794	20	20	205	0	0%	No significant variances.
Explained variances	794	20	20	205	0	0%	
Major Income Items:							
Development Management	(2,489)	(1,185)	(1,112)	(1,406)	73	6%	Development Management application fees have seen a decrease of £155,000 in comparative to the budget during the first half of 2022/23. Though this decline is offset by £37,000 additional pre assessment consultation fees and £45,000 recovered from HM Courts & Tribunal costs.
Greater Cambridge Local Plan	(397)	0	0	(7)	0	0%	No variances.
Strategic Sites	(686)	(454)	(522)	(455)	(68)	-15%	Strategic Sites income has exceeded both the budget to date and the previous year actual due to number of planning applications received. The £68,000 additional income received at the end of quarter two includes £38,000 application related fees, £5,000 planning performance agreement (PPA) monies and £25,000 Section 106 (S106) contributions. The S106 contributions will offset the expenditure incurred for improvements at Waterbeach Station by Network Rail.
Built & Natural Environment	(233)	(111)	(164)	(75)	(53)	-48%	Income generated by the Built and Natural Environment service has seen an increase at the end of quarter two 2022/23. £47,000 additional income has been received relating to planning performance agreement (PPA) and for Design Review Panel & Walking Tours in comparison to the budget.
Land Charges	(620)	(335)	(328)	(338)	7	2%	No significant variances.
Explained variances	(4,425)	(2,085)	(2,126)	(2,281)	(41)	-2%	

## Head of Transformation, HR &amp; Corporate Services Financial Monitoring

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Expenditure Items by Directorate	22/23 Full Year Budget £'000	Second Quarter			Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	
Major Expenditure Items:							
ICT	1,804	451	415	407	(36)	-8%	The variance arises from a timing difference in the billing from 3CICT for all the ICT expenditure incurred until the end of quarter two . It is expected in quarter three the actual and comparative will be on target.
Mobile Warden Scheme	224	39	117	113	78	200%	Expenditure at the end of quarter two is higher than the profiled budget and previous year actual because of payments to Age UK (£58,000) and the Handyperson service (£20,000) which were expected to occur in October.
Transformation	600	0	30	32	30	100%	The actual to date is in line with the previous year actual though budgets for 2022/23 have been profiled to the second half of the year as it was initially unknown how spend would occur under the transformation programme. It is envisaged that the budget to date will be aligned to the work that is planned and programmed.
Voluntary Sector Grants	143	97	92	99	(5)	-5%	No significant variances.
Cambourne Offices	1,253	649	615	657	(34)	-5%	Expenditure fluctuates from year to year due to Cambourne Office works being determined by a planned programme which identifies and prioritises the works required for the year. Generally works are undertaken in the latter part of the year to allow for preparation work to take place initially.
Explained variances	4,024	1,236	1,269	1,308	33	3%	

## Housing Revenue Account Financial Monitoring

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Expenditure and Income Items by Directorate	22/23 Full Year Budget £'000	Second Quarter			Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	21/22 Actual £'000	22/23 £'000	22/23 %	
Housing Revenue Account - Expenditure							
Housing Repairs Planned	1,779	889	780	665	(109)	-12%	The 2022/23 smoke alarm project as part of the annual planned cyclical works programme commenced with a slow start. It is expected that majority of the costs relating to this project will not occur until the latter part of the year.
Housing Repairs Response	3,423	1,579	1,685	1,829	106	7%	This budget covers the responsive repairs programmes, including repairs on change of tenancy and maintenance of disabled adaptations as well as the responsive repairs contract. Expenditure generally fluctuates throughout the year due to a timing difference in the works carried out and the billing process, though it is expected this will be aligned before the year end.
Explained variances	5,202	2,468	2,465	2,494	(3)	0%	
Housing Revenue Account - Income							
Non Rent of Dwellings	(490)	(233)	(229)	(231)	4	2%	No significant variances.
Gross Rent of Dwellings	(31,668)	(15,871)	(15,876)	(14,939)	(5)	0%	No significant variances.
Explained variances	(32,158)	(16,104)	(16,105)	(15,170)	(1)	0%	

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## Capital Financial Monitoring

Page 5

Expenditure Items by Directorate	22/23 Full Year Budget £'000	Second Quarter		Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	22/23 £'000	22/23 %	
General Fund Revenue						
Chief Executive & Chief Operating Officer						
Investment Strategy	33,600	800	535	(265)	-33%	The full year budget includes the council's costs related to the Investment strategy, 270 Cambridge Science Park and Waterbeach Renewable Energy Network (WREN) project. Fewer investment opportunities have arisen since the change in the terms of Public Works Loans Board which means that the Council are unable to invest in assets that are purchased purely for income. The Capital Programme has been re-profiled as a result and a report on this appears elsewhere on the agenda.
Explained variances	33,600	800	535	(265)	-33%	
Head of Climate, Environment & Waste						
Greater Cambridge Shared Waste Service	3,115	75	424	349	466%	The expenditure to date relates to the purchase of the electric refuse collection vehicle ordered during the previous year. A delay in the delivery of the vehicle has resulted in expenditure incurring against a budget which has yet to be rolled forward from the 2021/22 capital programme.
Street Cleansing	280	0	0	0	0%	No variances.
Environmental Health	0	0	98	98	100%	Equipment totalling around £98,000 for the installation of air quality monitors, collate baseline data and commence remedial action at sensitive sites was not delivered during quarter four of 2021/2022 as planned due to a short delay from the supplier. The budget has yet to be rolled forward from the 2021/22 capital programme.
Land Drainage	90	62	49	(13)	-21%	No significant variances.
Footway Lighting: Parish Maintained Street Lights	145	145	23	(122)	-84%	There is significant underspend in the phase 2 of the footway lighting replacement project, including ornate lamps due to ongoing issues with the contractor. It is expected that the work related to this scheme will now fall into 2023/24.

Expenditure Items by Directorate	22/23 Full Year Budget £'000	Second Quarter		Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	22/23 £'000	22/23 %	
Renewable Energy: Additional EV Rapid Charging Facility	110	30	13	(17)	-58%	There is a delay in the scheme at the Babraham park and ride site whilst Cambridgeshire County Council evaluate the costs associated with this project.
<b>Explained variances</b>	<b>3,740</b>	<b>312</b>	<b>607</b>	<b>295</b>	<b>94%</b>	
<b>Head of Finance</b>						
Cash Receipting System	39	0	0	0	0%	No variances.
Corporate Fraud Case Management System	20	0	0	0	0%	No variances.
Contribution towards A14 upgrade (Inf)	200	0	0	0	0%	No variances.
<b>Explained variances</b>	<b>259</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	
<b>Head of Housing</b>						
Northstowe Community Projects	8,369	0	0	0	0%	No variances. The capital programme has been re-profiled in recognition that much of this spend will now occur in 2023/24.
Purchase of GF Sheltered Properties	525	250	338	88	35%	This budget is reactive, and spend is dependent upon the number of homes which are re-presented to the Council in any year, and the value at which they are re-acquired.
Improvement Grants	977	488	238	(250)	-51%	A substantial amount of grant monies has been committed to improvement works during the first half of 2022/23 though these are work in progress. It is envisaged that expenditure will increase as works are completed which will align the actual and comparative budget.
<b>Explained variances</b>	<b>9,871</b>	<b>738</b>	<b>576</b>	<b>(162)</b>	<b>-22%</b>	
<b>Head of Transformation, HR &amp; Corporate Services</b>						
ICT Development	152	0	22	22	100%	The budget was profiled to be spent in the final half of the year, however the purchase of replacement laptops scheme has begun earlier than initially anticipated. This will be amended as part of the revised capital programme.
Cambourne Offices	1,270	687	674	(13)	-2%	The budget generally covers the Greening of South Cambs Hall which is an ongoing project which was not fully completed in 2021/22 as expected and slipped into 2022/23. Other related projects will now not commence until the latter part of the year, this will be revised in the capital programme during the budget setting process.
<b>Explained variances</b>	<b>1,422</b>	<b>687</b>	<b>696</b>	<b>9</b>	<b>1%</b>	

Expenditure Items by Directorate	22/23 Full Year Budget £'000	Second Quarter		Variance Budget v Actual		Reason for Variance
		22/23 Budget £'000	22/23 Actual £'000	22/23 £'000	22/23 %	
<b>Total General Fund Capital Expenditure</b>	<b>48,892</b>	<b>2,537</b>	<b>2,414</b>	<b>(123)</b>	<b>-5%</b>	
<b>Housing Revenue Account</b>						
Improvement to the Housing Stock	7,219	3,609	3,201	(408)	-11%	The 2022/23 planned works has suffered some setbacks due to delays in receiving materials within expected time frames. Spend will continue to fluctuate as the service seeks to catchup on slippage to some of the improvement programmes
New Homes Programme	17,164	8,046	4,829	(3,217)	-40%	There is a significant underspend in the new build programme although a number of schemes have been approved during quarter two including sites at Gamlingay, Melbourn, Over & Cottenham. Work will commence on these later in the calendar year with the full year budget expected to be fully utilised.
Repurchase of Shared Ownership	150	0	0	0	0%	No variances.
HRA Land	25	0	0	0	0%	No variances.
<b>Total HRA Capital Expenditure</b>	<b>24,558</b>	<b>11,655</b>	<b>8,030</b>	<b>(3,625)</b>	<b>-31%</b>	

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<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor John Williams, Lead Cabinet Member for Resources	
<b>Lead Officer:</b>	Peter Maddock, Head of Finance	

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## General Fund Medium Term Financial Strategy

### Executive Summary

1. The Council reviews its Medium-Term Financial Strategy (MTFS) and financial forecasts twice a year in accordance with best practice. This report updates the MTFS to the financial year 2027/2028 and sets out the updated medium term financial plan following the outcome of a mid-year review of financial forecasts.
2. The assumptions in the document may need to be updated as the budget progresses and information becomes available. The provisional 2023/2034 Local Government Finance Settlement in December 2022 should provide more clarity for future forecasts.

### Key Decision

3. No.

### Recommendations

4. That Cabinet is requested to consider the report and, if satisfied, to:
  - (a) Acknowledge the projected changes in service spending and the overall resources available to the Council over the medium term to 2027/2028.
  - (b) Recommend to Full Council the updated Medium Term Financial Strategy once the 2023/2024 budget is complete and the settlement finalised.

### Reasons for Recommendations

5. To ensure that the Cabinet is aware of the financial challenges over the medium-term and the strategy that is required to ensure that the Council will be in a position to deliver sustainable public services in the future.
6. To provide Cabinet with an update of the financial position and forecasts for the General Fund over the medium term following a review of financial assumptions.
7. To enable the Cabinet to recommend the MTFS to Council for approval in order to assist in the Council's financial planning.

## Details

### Background

8. The MTFS is the Council's overarching Financial Strategy document and gives financial expression to the Council's plans and fiscal challenges over the medium term. It sets out a range of financial assumptions and in so doing sets parameters within which the Council will deliver key public services over the medium term. This report includes an updated financial forecast, including risks due to high inflation and cost of living crisis.
9. The MTFS comprises two key elements (i) an assessment of the resources available to the Council over the medium term and (ii) an assessment of spending pressures based on existing levels of service delivery and known policy/legislative changes. Taken together the movement over the planning period of these two elements represents the financial challenge facing the Council.
10. There is a need, as part of effective medium term financial planning, to undertake a mid-year review of financial forecasts and projected changes in service spending. This will enable an updated forecast of the level of savings that need to be achieved to deliver the indicative Council Tax level.
11. The impact of COVID-19 previously, and now the cost of living crisis and rising inflation, have impacted on the financial forecasts and projections have, therefore, been further refreshed from the report that was submitted to Cabinet on 6 September 2021 to take account of (i) the subsequent announcements made by the Department for Levelling Up, Housing and Communities (DLUHC) on public sector funding and (ii) actual experience in the year to date. Specifically, the forecast takes account of:
  - Forecast pressures against the Council Tax Yield in the initial MTFS period.
  - Forecast pressures against Business Rates Yield in the initial MTFS period.
  - Forecast reduction in service-related income in the initial MTFS period; and
  - Forecast additional expenditure in the initial period of the MTFS.
12. It should be noted that these forecasts are based on assumptions around the impact of rising inflation, the cost of living crisis and the speed of the UK economic recovery. A longer duration will increase costs and reduce income to a greater degree; an increased severity in economic terms will increase demand led spending and suppress recovery of income levels. The MTFS assumes that the economy will broadly recover by the end of financial year 2023/2024.
13. To be able to deliver the Council's aspirations, set out in the refreshed Business Plan approved by Council on 22 February 2022, and meet its statutory responsibilities the Council must take a proactive approach to managing its resources effectively. The MTFS is a key tool for proactive financial management which allows for future projected funding requirements to be identified thus enabling the Council to identify appropriate actions to deal with any funding shortfalls. Coupled with the Service Transformation Programme, introduced during 2019/2020, the Council is able to manage its resources effectively in line with its established priorities.
14. The MTFS covering the period 2022/2023 to 2026/2027 was considered by Cabinet on 6 September 2021 and subsequently approved by Council at its meeting on 23 September 2021. The document sets out the framework within which financial forecasts, as part of the medium-term financial plan, are determined. The Strategy has now been reviewed and refreshed to cover the period 2023/2024 to 2027/2028. The updated version of the MTFS is attached at **Appendix A** with the proposed minor changes identified in red and crossed through text.

15. This document sets out the framework within which the financial forecast, summarised at **Appendix B**, has been determined. The forecast shows the estimated funding gap between expected resources and expenditure, and between the period 2023/2024 and 2027/2028, stands at **£6.302 million**.
16. In considering the impact of the financial forecasts on revenue budgets during the MTFS period and the key issues for consideration, due regard has been given to the local and national policy context, current financial position, economic indicators, risks and assumptions relating to financial planning. It must be stressed, however, that the financial forecasts, and imminent budget setting process, are being prepared in the context of difficult economic circumstances with the ongoing financial challenges associated with the recovery from the Coronavirus pandemic (COVID-19) and high inflation levels; these factors have created real uncertainty and some market volatility.
17. Whilst the UK inflation is expected to ease slightly, prices are still continuing to rise at nearly their fastest rate in 40 years. Inflation, as a measure of price rises, increased marginally to 10.1% in the 12 months to September 2022, from 9.9% in August 2022 (based upon the Office for National Statistics (ONS) information). The prospects for economic growth look somewhat limited and a cautious approach is, therefore, being maintained given the level of uncertainty. In response to the prevailing economic conditions the Bank of England Base Rate has been increasing during the financial year 2022/2023, with the base rate now at 3.00% (compared to 0.75% at the start of the financial year, effective from 17 March 2022).

#### Spending Review and Autumn Budget 2021

18. The Chancellor of the Exchequer announced, on 27 October 2021, details of the Government Spending Review and the Autumn Budget. The latter set out the Governments' taxation and public expenditure plans for the year ahead, and the Spending Review confirmed resource and capital budgets for the three-year period 2022/2023 to 2024/2025.
19. The Spending Review did not address a number of long-standing funding issues for Local Government that remain unresolved. There was no announcement made on business rates retention (BRR) reset or funding reform although the Government did announce that the BRR pilots would continue throughout the spending review period. It was expected that the pilot would end when there was a reset. It is reasonable to assume that these reforms are likely to be further delayed beyond 2024/2025, some six years later than originally planned. These reforms are expected to fundamentally change how, and to what level, all Local Authorities are to be funded. Therefore, despite the three-year spending review, there remains significant uncertainty as to the level and distribution of local government funding beyond 2024/2025.

#### Resources

20. The Provisional Local Government Finance Settlement for 2022/2023, announced on 17 December 2021, made no significant changes to the funding allocations compared to 2021/2022. Whilst this benefitted the Council in 2022/2023, there remains very significant risks to the funding level for District Council's in future years with the expectation that the Council will lose a significant share of its funding as a result of the funding changes – the deferred business rate baseline reset could be particularly damaging. To offset any adverse impact of the local government funding reforms, when

implemented, some form of damping support would be inevitable, although it will be phased out over time.

21. The Settlement for 2022/2023 provided a potential increase of 6.9 per cent in Council core spending power in cash terms, including new government grants, to support vital local services. The potential increase will support councils to meet extra cost and demand-led pressures next year to keep providing services at pre-pandemic levels. The Government forecasts are, however, based on the assumption that every local authority will raise their Council Tax by the maximum permitted without a referendum. This leaves Councils facing the tough choice about whether to increase Council Tax bills to bring in desperately needed funding at a time when they are acutely aware of the significant burden that could place on some households.
22. The other key headlines in relation to the Provisional Local Government Finance Settlement were as follows:
  - (i) Council Tax referendum principle of the higher of 1.99% or £5 per dwelling for 2022/2023.
  - (ii) Continuation of the existing Business Rate Retention Scheme for a further year, with 100% business rates pilots continued for a further year. The Cambridgeshire Business Rates Pool was also confirmed for a further year.
  - (iii) Continuation of the Rural Service Grant of £137,000 for a further year in recognition of the additional cost of providing services in sparse rural areas, pending implementation of the Fair Funding Review.
  - (iv) Continuation of the additional Lower Tier Services Grant un-ringfenced grant of £113,000 in 2022/2023. Indications in the 2021/2022 settlement were that this was a one-off grant for that year, but it continued for 2022/2023 and is expected to continue until 2024/2025.
  - (v) A one-off services grant of £182,000. Although the settlement states this is for one year only it also states the total amount of £882 million will remain within local government but be allocated differently in future years.
  - (vi) Continuation of the New Homes Bonus (NHB) scheme with an allocation of £2,376,000. This is higher than assumed in the MTFS which is at least a positive outcome for 2022/2023.
23. The Local Government Finance Settlement for 2022/2023 was confirmed on 7 February 2022 and, in financial terms, overall Core Spending Power increased by 7.3% (rather than the 6.9% in the provisional settlement).

#### Autumn Statement 2022

24. The Chancellor's Autumn 2022 Statement was announced on 17 November 2022 with four main areas potentially affecting local government at District Council level:
  - The Council Tax referendum limit will rise from 2% to 3% in 2023/2024 (with the adult social care precept flexibility rising from 1% to 2% for Cambridgeshire County Council). It is understood that increases of up to £5 on a Band D property will continue to be permitted.
  - Business rates will be subject to a revaluation but relief schemes to offset the impact of the revaluation will continue. The business rates multiplier (which



usually increases with CPI) will be frozen in 2023/2024 for the third year running and local authorities will be fully compensated for any loss of income as a result of the 2023 revaluation.

- Social housing rents will be capped at 7% – this though affects the Housing Revenue Account rather than the General Fund.
- Local Housing Allowance rates will remain frozen in cash terms at the current levels.

25. Like most local authorities in England, South Cambridgeshire District Council is facing a shortfall in its budget, made worse by the impact of inflation with increased running costs, including employee and utility costs. The announcement that Council Tax can be raised does provide flexibility, though the £5 increase will still be the determining factor for the Council. There is, however, a significant impact on households from the prevailing economic situation and the Council will need to be responsible in budget setting; thus minimising the inflationary increase and to, wherever possible, absorb cost increases. The Council is, therefore, facing some very difficult decisions in helping to tackle a cost-of-living crisis coupled with increasing demand for services and a reduction in budgets.
26. The funding allocations that the Council will receive from the government for 2023/2024 will not be known until later this month, but it can now be reasonably assumed that allocations will follow the methodology that existed for 2022/2023.

#### Medium Term Financial Planning

27. The MTFS forecast, reproduced at **Appendix A**, has now been updated to outline the current financial position, economic forecasts and the headline figures for the medium term based upon the risks and assumptions relating to financial planning. The financial forecasts are based upon the latest modelling data, but the medium-term forecasts should be treated with caution as the final position is uncertain until the outcome of the local government funding review is known.
28. The revised financial forecasts are set out in the table below which incorporates a number of planned savings and estimated additional investment income but factors in only limited additional service pressures beyond 2022/2023. Further service pressures will exaggerate the funding gap and, wherever possible, these should be managed within existing budgets.

	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000
Council Tax	11,193	11,824	12,468	13,051	13,618
Retained Business Rates	10,804	11,530	5,613	5,693	5,767
Revenue Support Grant	-	-	754	766	781
New Homes Bonus	1,800	1,000	-	-	-
Rural Services Grant	137	137	137	137	137
Services Grants	303	303	-	-	-
Section 31 Grant	-	-	-	-	-
Collection Fund Deficit	(364)	-	-	-	-
<b>Total Resource</b>	<b>23,873</b>	<b>24,794</b>	<b>18,972</b>	<b>19,647</b>	<b>20,303</b>

Net Budget Requirement	23,979	22,438	22,233	22,566	22,675
<b>Net Resource Position</b>	<b>(106)</b>	<b>2,356</b>	<b>(3,261)</b>	<b>(2,919)</b>	<b>(2,372)</b>

29. Spending pressures are, however, inevitable as the Council responds effectively to the needs of the service and customer expectations and, in this regard, Service Areas have been tasked to identify the existing budget pressures that need to be managed, and to prepare growth bids where existing resources and budgets need to be strengthened; these will be subject to review and refinement as part of the 2023/2024 budget setting process. Service Areas are also continuing to identify efficiency opportunities across the Council's services that are realistic, achievable and sustainable (including possible invest to save and income generation opportunities). The forecast includes the bids currently being considered but this list is subject to change.
30. The forecast assumes the continuation of the service transformation programme that was developed during 2019 in response to the funding gap and the financial challenges over the medium term. This includes a programme of targeted service reviews to ensure that value for money is obtained in the delivery of services. The transformation agenda will continue to be pursued to target and deliver financial savings to contribute to the inevitable funding challenges that will arise from the review and redistribution of local government funding. It is also relevant that the impact of COVID-19 has to some extent necessitated a reorientation of the programme and a reassessment of some projects and lead times and the resulting impact of the range of planned savings and areas of potential additional income has been regularly reported to Cabinet as part of the ongoing budget monitoring. The forecast assumes that £2 million savings will be achieved, and these are phased over the three-year period from 2022/2023 until 2024/2025 and included in the financial forecast.
31. The overall impact of the budget pressures, planned savings opportunities and other base budget adjustments (such as the cost of borrowing, investment income and pay and price inflation) is shown in the table below:

	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000
Net Budget Requirement: Before Adjustments	24,527	23,979	22,438	22,233	22,566
Budget Pressures	323	99	22	-	-
Savings/Income Identified	(2,327)	(1,125)	-	-	-
Borrowing Cost Changes	1,809	(748)	50	150	100
Other Base Budget Changes	(353)	233	(277)	183	9
<b>Budget Requirement c/f</b>	<b>23,979</b>	<b>22,438</b>	<b>22,233</b>	<b>22,566</b>	<b>22,675</b>

\* Further service pressures will exaggerate the funding gap and, wherever possible, should be managed within existing budgets.

\*\* Other base budget adjustments include investment income variations and pay/price inflation.

32. It is inevitable that the expected major review of local government financing will be accompanied by some form of "damping support" to reduce any sudden, adverse impact, on Council finances although it is acknowledged that this reduction would be phased out over a number of years.
33. The financial forecasts are based upon the latest modelling data, as explained in the report below, but the medium-term forecasts should be treated with caution as the final position is uncertain until decisions on future local government funding are eventually

confirmed. There is also concern that any further service pressures over the medium term will exaggerate the funding gap. The estimated damping has not, therefore, been included in the current figures.

#### Financial Modelling: Assumptions

34. The Council subscribes to an external funding advisory service, with access to well developed and well-respected modelling data. The financial modelling is based upon the latest available data and the following key assumptions have been made in deriving the latest MTFS financial planning forecast:

#### **(1) Council Tax**

35. Council Tax has been the most predictable and stable element of Local Government funding. This source of income is predicted to yield £10,489 million in 2022/2023 based upon an assumed £5 increase in Council Tax (the maximum level permitted by Government) and an increase in the tax base based upon the latest estimates of housing growth.
36. Council Tax Yield has been adversely affected through a combination of an increased uptake of Council Tax Support (Council Tax Reduction Scheme) and an assumed reduction in Council Tax collected in year. The Secretary of State for Local Government has put in place arrangements to allow local authorities with a Council Tax deficit to phase the cost over three years. The MTFS allows for a repayment of the authority's share of the overall exceptional balance deficit of £72,000 which is being phased equally over the three years 2021/2022, 2022/2023 and 2023/2024.
37. It is expected that the authority will continue to see moderate growth in the number of dwellings introduced through the introduction of new developments across the MTFS period, with an assumed Council Tax base increase of between 1.6% and 3.6%. The financial forecast continued to include an increase in Council Tax of £5 each year. The increase is for planning purposes only, and no decision has been made on the actual level of Council Tax increases in the medium term.

#### **(2) Business Rates**

38. The Business Rate Retention Scheme (BRRS) was introduced in April 2013 to provide Councils with stronger financial incentives to support property development and boost the economy in their local area. The scheme provides that Councils bear a proportion of the real terms change in business rates revenues in their area: gaining when revenues grow in real terms, losing when they fall. The proportion was initially set at 50% across England. In two-tier areas, like Cambridge, 40% is retained by the District Council and 9% is retained by Cambridgeshire County Council and 1% by the Cambridgeshire Fire Authority.
39. In estimating rates yield from retained business rates for the purpose of the MTFS, COVID-19 has been considered in terms of the immediate and medium-term impact on business activity and economic recovery. The following key assumptions have also been made:
- The current provision for existing Appeals is materially sufficient.
  - There are no further significant changes to valuation schemes resulting from Tribunal or Court decisions.
  - There are no significant variations to the levels of rate reliefs.
  - Projected bad debts is higher than historical trends, with the potential impact of the COVID crisis on business bankruptcies and, therefore, non-payment of

business rates. The overall forecast used is that bad debts will be around 2.5% of gross rates.

- The compensation to Local Authorities by way of Section 31 grants to cover the cost of measures introduced to help businesses (e.g. Small Business Rates Relief) will continue and will be increased annually in-line with inflation levels (it is further assumed that, if the grants are discontinued, it is anticipated there will be a compensating increase in the yield).
40. Significant relief has been awarded to a number of businesses during the current financial year to recognise the pressures on trading opportunities. The Council was recompensed for the lost rates income in the form of section 31 grants. For the purposes of the MTFS, it is assumed that reliefs will be consistent with those recorded prior to the pandemic.
41. It is also expected that the Council will see some growth in rates yield as a result of new developments across the MTFS period. The financial forecast assumes neither a surplus or deficit in the period to 2027/2028.
42. There continues to be uncertainty over the timing of the local government funding reforms, previously planned for introduction from April 2021, including the originally proposed Fair Funding Review, the expected increase in local business rate share to 75% (from 50%), a business rate baseline reset or a potential alternative BRR system, and further other changes to key funding streams, such as social care and New Homes Bonus (NHB). The issues highlighted in previous MTFS reports (and set out below), therefore, remain relevant:
- (a) There is no recognition of the proposed increase in local business rate share to 75% (from 50%) in that it is unclear when (or indeed whether) this will be introduced given current public finance turbulence. It should be noted that in the event of this being introduced that it is intended to be fiscally neutral, i.e. existing grants will be funded by Business Rates.
  - (b) The Government will consult on Fair Funding proposals that will form the mechanism to allocate a share of the Local Government Control Total to Local Authorities. The Review will look at factors that drive spend (population, deprivation) as well as a Council's ability to raise local finance (Council Tax).
  - (c) The Government is additionally looking at how best to build on the current business rates retention scheme and will consider issues such as appeals, growth and revaluation frequencies/baseline resets.
43. Given the extent of unknowns in relation to the Fair Funding Review and 75% Business Rates Retention, it has been assumed that Business Rates (for modelling purposes) will continue at a 50% retention level as at present (movement to 75% will be funding neutral for councils). It is further assumed that the Fair Funding Review may not now be implemented until 2025/2026.

### **(3) Rural Services Grant**

44. The Council currently receives a Rural Services Grant in the sum of £137,000 in recognition of the additional cost of providing services in sparse rural areas. It is now assumed that this grant will be continued for the foreseeable future.

### **(4) Lower Tier Services Grant**

45. This is a new one-off grant of £113,000 provided to lower tier authorities to support service provision and is un-ringfenced. It has been assumed in the financial forecast that this will not continue in subsequent years.

**(5) New Homes Bonus**

46. The New Homes Bonus (NHB) was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The aim of the bonus was to provide a financial incentive to reward and encourage local authorities to help facilitate housing growth. It is based on the amount of extra Council Tax revenue raised from new-build homes, conversions and long-term empty homes brought back into use. NHB funding has been based on the following:

- (a) Housing growth over a threshold of 0.4% of the Tax Base.
- (b) Payments are based on a rolling 4-year period.

47. The Government launched a consultation in 2021/2022 regarding the reform of the NHB that was due to be introduced in the 2022/2023 financial year. The consultation contained a number of options on the operation of the scheme and indicated that legacy payments from the existing scheme would not be continuing in the longer term. It is expected that changes to NHB will be implemented alongside the wider local government reform package but there is insufficient information at this time to determine the impact of the NHB reform and, as such, the situation will be kept under review. The medium-term forecast now assumes the continuation of the existing NHB scheme albeit at a lower level in the period to and including 2024/2025.

**(6) Other Base Budget Changes**

48. The economic landscape has continued with a degree of uncertainty and volatility during 2022/2023, with the ongoing financial challenges associated with the cost of living crisis and high inflation levels.
49. An allowance has also been made for inflation on the Council's key contracts and fees and charges. Allowance for a pay award and pay increments (including National Living Wage) over the period has also been included.
50. The revenue impact of the latest approved Capital Programme has been included in the revised projections. Investment income has been determined having regard to the level of expected balances, including capital receipts and expenditure, together with Reserves and Provisions held by the Council and in line with the Council's approved Treasury Management Strategy.
51. There has also been significant volatility recently with interest rates and it is expected that the base rate will peak at 4.5% during 2023/2024 before falling back again over the following 12 to 18 month period. The Council's General Fund borrowing is predominately short term and, based on the current information, there will be a peak in interest costs during 2023/2024 and this is the main driver for the emergence of a budget gap in that year. The borrowing rates the Council faces are expected to be around 0.5% higher than base rates.

## (7) General Reserve

52. The Council has a healthy General Reserve balance of around £14.7 million, taking into account the 2021/2022 General Fund revenue outturn position and the net underspend (after income from Taxation and Government Grants) in that year of £0.490 million, as reported to Cabinet on 14 November 2022.
53. The risks and assumptions will continue to be reviewed and this, together with planning savings from the transformation agenda and known service pressures, will enable the forecasts, reproduced at **Appendix A**, to be refined and updated as part of the Council's medium term financial planning.
54. It must be recognised, however, that the assumptions used in the financial forecasts could vary significantly for the actual outcome and there is more uncertainty than ever about the long-term funding for Local Government.

### Alternative Scenarios

55. The table and chart below set out the impact of alternative scenarios on the cumulative funding gap. The alternative scenarios reflect a change to Council Tax, Business Rates, Corporate Pressures (including inflation) and the ability to realise planned savings. The Negative Economic View additionally increases the Base Budget reflecting a broader assessment of an increased net spend.

	Pessimistic View (A), (B) and (C):		Optimistic View:	Negative Economic View:
Base Budget Requirement				2.5% increase on Base Budget Requirement due to cost and demand pressure arising from increased economic friction due to a move away from the existing trading relationship with the EU and slower recovery from the pandemic.
Council Tax	2.5% reduction in yield due to weaker economic recovery forecast		2.5% increase in yield due to improving economic conditions	As per Pessimistic View (A)
Business Rates	(A)	2.5% reduction in yield due to weaker economic recovery forecast	2.5% increase in yield due to improving economic conditions	As per Pessimistic View (A)
	(B)	5% reduction in yield due to weaker economic recovery forecast		
	(C)	10% reduction in yield due to weaker economic recovery forecast		
Budget Pressures/Demand	5.0% increase in demand due to socio economic factors arising from a forecast weaker economic recovery		2.5% reduction in demand due to improving socio economic factors leading to less demand for Council services	As per Pessimistic View (A)
Other Base Budget Changes (inc. Inflation)	5.0% increase in demand due to socio economic factors arising from a forecast weaker economic recovery		2.5% reduction in corporate costs due to lower pay and price uplift assumptions	As per Pessimistic View (A)

Ability to realise planned savings/income identified (e.g. due to cost of living crisis and COVID-19 recovery)	5.0% reduction in overall planned savings level from service reviews	No variation from Baseline Scenario	As per Pessimistic View (A)
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56. The impact of the scenarios is set out in the table below. This demonstrates the gap in resources to spend over the medium-term period and compares the scenario to the Baseline Case. It should be noted that, although these are high level assessments, the scenarios nevertheless give an indication of the potential impact on the Council's budgets over the MTFS period.

	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	TOTAL
Baseline Case	(106)	2,356	(3,261)	(2,919)	(2,372)	<b>(6,302)</b>
<b>Outcome of Scenarios:</b>						
Pessimistic View (A)	(806)	1,699	(3,728)	(3,396)	(2,857)	<b>(9,088)</b>
Pessimistic View (B)	(1,076)	1,411	(3,869)	(3,539)	(3,001)	<b>(10,074)</b>
Pessimistic View (C)	(1,616)	834	(4,149)	(3,823)	(3,290)	<b>(12,044)</b>
Optimistic View	461	2,948	(2,801)	(2,446)	(1,888)	<b>(3,726)</b>
Negative Economic View	(1,419)	1,100	(4,289)	(3,952)	(3,421)	<b>(11,981)</b>
<b>Comparison to Baseline:</b>						
Pessimistic View (A)	(700)	(657)	(467)	(477)	(485)	<b>(2,786)</b>
Pessimistic View (B)	(970)	(945)	(608)	(620)	(629)	<b>(3,772)</b>
Pessimistic View (C)	(1,510)	(1,522)	(888)	(904)	(918)	<b>(5,742)</b>
Optimistic View	567	592	460	473	484	<b>2,576</b>
Negative Economic View	(1,313)	(1,256)	(1,028)	(1,033)	(1,049)	<b>(5,679)</b>

## Options

57. The option exists of not approving the new MTFS.

## Implications

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

## Legal

59. It is a legal requirement that the Council set a balanced budget for the ensuing financial year; the MTFS provides the framework for this and brings together funding and spending assumptions over the medium-term thereby identifying funding shortfalls and



providing sufficient time for decisions to be made in order to achieve balanced budgets over the medium term.

## **Policy**

60. To demonstrate financial resilience, the Council sets out its potential funding position over the medium term thereby enabling the most effective strategies to be put in place to ensure that the Council is able to set a balanced budget (as required by statute) on an annual basis. Given the demand for services outstripping income sources, coupled with the prevailing economic situation with high inflation and increased running costs, (including employee and utility costs), and the continued recovery from COVID-19, the MTFS identifies a funding gap that needs to be addressed over the medium term.
61. The financial strategy needs to have regard to the “resource envelope” available to the Council. This includes the transition to the new funding model, introduced in 2013/2014, predicated on the Business Rates Retention Scheme which means that the Council’s net spending is financed from local sources; Business Rates and Council Tax. As part of this continued transition the Government have been consulting on a Fair Funding Formula that will change the method of distributing funding levels across Councils based on “Need” and “Local Resources”. In addition, the MTFS period is outside of the current Spending Review period and, as such, the Government has not set out the spending limits beyond 2022/2023.
62. The Council has adopted its Business Plan for the period 2020-2025 and this was refreshed by Council on 22 February 2022. The areas of focus and key priorities within the Business Plan inform the policy framework for achieving the required ongoing savings whilst meeting the Council’s strategic objectives and statutory obligations.

## **Financial**

63. The MTFS is the Council’s key financial planning document and sets out the Council’s strategic approach to the management of its finances and Council Tax levels over the medium term, thereby allowing sufficient lead time to develop services consistent with the forecast resource envelope.
64. The updated medium-term forecast covering the period 2023/2024 to 2027/2028, is attached at **Appendix B**, and is based upon the assumptions underpinning the financial projections and overarching plan. The forecast shows the level of savings that need to be achieved to deliver the indicative Council Tax level.
65. As further information is available in respect of the review of local government funding, it may be necessary to review the forecasts and provide a further report to Cabinet and Council on the implications.

## **Staffing**

66. None

## **Risk/Opportunities**

67. There are inherent risks in developing a financial strategy over the medium term, not least due to the uncertainty of funding streams (this is particularly relevant as the outcomes of the Fair Funding Review and Spending Review post 2024/2025 are not known) and the demands placed on the Council in delivering services.



68. The current economic environment, arising from the impact of the cost of living crisis and rising inflation, creates further risks in that the Council's resource forecasts take into account the impact on Council Tax and Business Rates yields. These assumptions are based on an economic recovery over the period to 2027.
69. The Council's overall reputation and performance assessment is at risk if it is not aware of the challenges presented by the reduction in resources available to it and their impact on key areas of performance of the Council. There are a number of other risks that need to be understood and these broadly fall into the following categories:
- (a) Savings: It is increasingly more difficult to continue to reduce service costs and identify further areas of savings after an extended period of reduced funding, without impacting on service provision. It is, however, a legal requirement to set a balanced budget on an annual basis and this requires the Council to reduce its net costs in line with funding.
  - (b) Economic: The economic landscape has continued with uncertainty in the last 12 months, with the ongoing financial challenges associated with recovery from the Coronavirus pandemic and high inflation levels acting as a dampener on growth and impacting on Council services. There is, therefore, an impact on the Council's finances over the medium term with potential risk arising from (i) reduced economic activity adversely business rate income and increased levels of unemployment, (ii) reduced income from fees and charges, (iii) increased costs, including welfare related costs and increased demand for services and (iv) potential impact on the Council's supply chain
  - (c) Climate Change: The Office for Budget Responsibility review of Fiscal Risks (July 2019) set out risks in relation to climate change and additionally recognised the need to develop greater sophistication in modelling such impacts. Adverse climate events will have financial consequences; an estimate of the one-off costs will form part of the General Fund risk assessed level whereas those that potentially impact ongoing income/spending need to be considered as potential cost implications over an MTFS period.
70. As the Council reviews the MTFS twice a year, it is able to assess the robustness of the financial forecast, reassess risk and, where appropriate, refresh the forecast.

## **Consultations**

71. Consultations have been undertaken with the Council's advisers on financial planning.

## **Alignment with Council Priority Areas**

72. Timely and robust consideration of the Council's financial forecasts and budget setting is vital to ensure that financial performance is in line with expectations, emerging issues are identified and tackled and that Business Plan priorities are met.

## **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.

The following documents are relevant to this report:

- Service Transformation Programme – Report to Cabinet: 4 December 2019
- Medium Term Financial Strategy – Report to Cabinet: 6 September 2021
- Medium Term Financial Strategy – Report to Council: 23 September 2021
- Capital Programme Update and New Bids – Report to Cabinet: 6 December 2021
- General Fund Revenue Budget 2022/2023 – Report to Cabinet: 7 February 2022
- General Fund Revenue Budget 2022/2023 – Report to Council: 22 February 2022
- Business Plan 2020/2025 – Report to Cabinet: 7 February 2022
- Business Plan 2020/2025 – Report to Council: 22 February 2022

## Appendices

A Medium-Term Financial Strategy

B Financial Forecasts 2023/2024 to 2027/2028

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## Appendix A



**South  
Cambridgeshire  
District Council**



## **Medium Term Financial Strategy ~~2022-2027~~ 2023-2028**

**~~September 2021~~ December 2022**

Councillor John Williams  
Lead Member for Resources

Peter Maddock  
Head of Finance

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## Introduction

1. The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning and policy document. It sets out the:
  - Policy Context of the Strategy;
  - Linkage of the Medium-Term Financial Strategy to the Business Plan;
  - Revenue Budget;
  - Capital Budget;
  - Financial Outlook – Capital and Revenue;
  - Efficiency Requirements;
  - Risk.
2. The MTFS has to be considered as part of a corporate wide process and it links into the wider decision making of the Council.

## Policy Context of the MTFS

3. The MTFS is the Council's overarching Financial Strategy and Policy document. The purpose of the MTFS is to give financial expression to the Council's plans over the medium term in the context of the Council's longer-term plans as set out in the approved Business Plan (approved by Council on ~~20 May 2024~~) **22 February 2022**.
4. The MTFS sets out the Council's funding plan, for achieving its goals and priorities, thus balancing available financing and spending ambitions. It highlights the financial projections for financing, spending (revenue and capital), and reserves. It also highlights the underlying financial strategy, the financial assumptions, and the inherent financial risks. Importantly, it endeavours to link decisions on resource allocation to decisions on policy priorities.
5. In addition, the Council has approved corporate policies which, in addition to the MTFS, act as a cornerstone of its Financial Management. These include:
  - Investment Strategy;
  - Corporate Asset Plan;
  - Value for Money Strategy;
  - Procurement Strategy;
  - Organisational Development Strategy;
  - Risk Management Strategy;
  - Digital Strategy.
6. Looking ahead, the Council's financial planning process will continue to develop. It will promote the best use of limited financial resources and facilitate the alignment of those resources to the Council's priorities. Base budgets will be analysed with increasing sophistication and spending that does not contribute to Council priorities will come under increasing levels of scrutiny.

## Linkage to the Business Plan

7. The Council's key priorities and areas of focus are expressed in its approved Business Plan and the allocation of resources over the medium term is intended to reflect the established priorities.
8. In developing the Business Plan and the MTFS, it is important to give full regard to the following:
  - national and local priorities;
  - stakeholder and partner views;
  - external drivers, including funding variations and requirements to improve economy, efficiency and effectiveness;
  - capital investment plans and their revenue implications;
  - risk assessments and financial contingency planning;
  - sensitivity analysis;
  - expected developments in services.
9. The Council needs to manage the continued high level of population growth and economic growth and the resulting impact on Council services, while continuing to improve, in order to meet its ambition to become an excellent authority. The MTFS must recognise these challenges and, in doing so, takes its lead from the strategic goals and priorities outlined in the approved Business Plan.

## Revenue Budget

### Revenue Budget Planning

10. The Council's financial planning for ~~2022/2023 to 2026/2027~~ **2023/2024 to 2027/2028**, as set out in this Strategy, is to contribute to the Council's overall vision and priorities by:
  - Securing stable and sustainable budgets within the financial resources available;
  - Ensuring that limited resources are focussed towards the Council's highest priorities;
  - Recognise risks and ensure an adequate level of financial protection against risk by maintaining a prudent level of financial reserves;
  - Securing an understanding of sources of potential finance;
  - Building financial capacity for fundamental change;
  - Being flexible to allow shifts in spending if circumstances change;
  - Ensuring that the Council is not overburdened with financial commitments.
11. The Council's MTFS is reviewed twice per year on a rolling basis and, through the revenue budget determination process, seeks to link decisions on resource allocation with decisions on policy priorities.

12. The clear message is that budget setting and medium term financial planning will be tough over the duration of the MTFS and the following financial objectives will, therefore, help guide budget proposals:
- A sustainable medium term financial plan that allows the achievement of the Council's key objectives;
  - Realistic levels of year on year spending which are supportable via annual income streams and do not require the use of general reserves to support recurring expenditure;
  - General reserves should be maintained at all times at or above the agreed minimum level;
  - Constraining annual Council Tax increases to an acceptable level (and within any Referendum Limit issued by The Secretary of State);
  - The pursuance of "invest to save" opportunities with a financial return on the investment in transforming activities over an acceptable payback period;
  - A commitment to explore income generation opportunities and to maximise income from fees and charges;
  - A commitment to maximise efficiency savings.
13. Full regard will be given to Revenue Budget forecasts (annually updated in this Strategy) and any increase in the ongoing annual Revenue Budget (by way of use of the contingency provision or virement) will be subject to the expenditure being either legally unavoidable or considered affordable after taking into account:
- any forecast savings targets;
  - Implications on Council Taxpayers in future years.
14. In the light of any forecast savings targets, every effort will be made to increase annual income sources and reduce annual expenditure without materially reducing front line services provided by the Council.
15. Notwithstanding 14 above, if the Council is facing a position whereby the ensuing year's forecast expenditure is more than the forecast total income to be received, it can elect to consult Council Taxpayers on either the option to reduce service levels or increase Council Tax and the Council will have regard to the consultation outcome before it reaches its final decision. The Council is required to hold a referendum for any Council Tax rise in excess of an amount set by the Secretary of State, in January each year, to ensure that Taxpayers support the proposed Council Tax increase.

#### Revenue Budget Policy

16. To ensure a continuously stable financial base for the provision of Council services and functions, the Council will ensure that annual ongoing General Fund revenue expenditure can be covered by annual income sources across the MTFS period.
17. The Council recognises that any significant use of reserves to fund ongoing expenditure commitments is unsustainable in the medium term.
18. A prudent level of revenue contingency [defined as Precautionary Items] will be maintained to enable unforeseen and "one off" needs (i.e. having no long term ongoing revenue commitment) to be considered for funding.



19. Under Section 25 of the Local Government Act 2003, before approving the ensuing year's Capital and Revenue Budget, the Council is required to receive and take into account a report of the Chief Finance Officer on the robustness of the estimates leading to the Council's Council Tax requirement and the adequacy of financial reserves. Council needs to consider:
- affordability (having regard to Council Tax implications);
  - prudence (having regard to Council policies/strategies);
  - sustainability (having regard to forecast annual expenditure and income);
  - In addition, it must also take into account risks and impact on reserves.
20. The Council's financial strategy reflects the anticipated funding gap over the medium term and, as such, it highlights that over the period resources are not going to be able to sustain the current level of spend. Consequently, the Council has put in place a transformation programme comprising service and efficiency reviews that will look to reduce costs and better focus resources on the Council's Business Plan priorities.

#### Revenue Budget Monitoring

21. There is a need for effective budget monitoring to be undertaken in line with the Council's Financial Regulations as this will enable the Cabinet to put plans in place to address forecast budget issues.
22. The Cabinet will, therefore, receive regularly reports in respect of budget trends and, as part of these monitoring reports, will identify potential variations to the approved budget and consider appropriate action. Where possible, performance data will be developed over time and reported as part of the process of linking budget allocations to performance attainment.

#### Value for Money

23. Each Service/Function Budget submitted to Cabinet/Council as part of the annual budgetary process will have regard to the need to secure economy, effectiveness and efficiency as detailed in the Council's approved Value for Money Strategy.

#### Financial Regulations

24. Council, Cabinet and Lead Cabinet Members shall adhere to all Budgeting (including Budget Preparation, Monitoring and Control) requirements as set out in the approved Financial Regulations of the Council. Officers shall adhere to detailed financial procedures issued by the Head of Finance (as the statutory Chief Finance Officer) as required by Financial Regulations.

#### One-Off Savings, Fortuitous Income and Fixed Term Funding

25. Given that the Council, from time to time, achieves one-off revenue savings or receives fortuitous income these monies will ordinarily accrue to the general contingency and could be used to meet:
- any unavoidable one-off expenditure;
  - one-off expenditure consistent with Business Plan Priorities.



### Growth Prospects

26. The Local Government Finance Act 2012, and associated subsequent regulations, introduced extensive changes to local government finance from April 2013, including provisions for local authorities to retain a portion of the revenue that is collected from the Non-Domestic Rates payable in respect of properties situated in their area.
27. The Business Rates Retention Scheme is based upon a policy initiative to promote economic growth through aligning financial and business growth benefit for Councils and, given the economic outlook and the increased reliance on locally raised taxation, the Council's financial planning needs to address the benefits and risks of this funding structure. The Council will, therefore, actively pursue growth opportunities through its Economic Growth Strategy in order to maximise revenue from this source but also give due regard to the potential for and impact of reduced yield arising, for example, from rating appeals (i.e. reductions in rateable value).

### Investment Opportunities

28. The Council has finite resources and will seek to supplement its resource base by exploring income generation opportunities, with appropriate emphasis on the pursuance of "invest to save" opportunities where statutory powers exist and where there is a financial return on the investment over an acceptable payback period. This includes, for example, returns generated from the wholly owned company (Ermine Street Housing) and investment in the Council's commercial property portfolio in line with the approved Investment Strategy. Investment opportunities solely for yield (i.e. acquisition of commercial assets) is not part of the Council's Capital Strategy.
29. The Investment Strategy sets out how the Council determines its capital investment priorities in particular in relation to corporate priorities taking into account the capital resources available including borrowing in line with the Council's approved Prudential Indicators. In determining the appropriateness of investment opportunities, the provisions of the Investment Strategy should be fully observed.

### Reserves

30. The Cabinet, as part of the annual budgetary process, or at such other times where it is necessary, will identify one-off unavoidable expenditure and one-off expenditure for identified requirements. Such funding will be held in earmarked reserves until spent but will be subject to annual review by the Cabinet as part of the annual budget process to determine whether the monies still need to be held and that the balances held comply with professional guidance.
31. The General Fund Balance is based on a risk assessment and is an integral element of the MTFS in that the General Fund's purpose is Financial Resilience over the medium term.

32. Thus, the policy on reserves is to:
- (a) establish earmarked reserves for specific commitments and make them subject to review as outlined above;
  - (b) only adjust the General Fund Balance based on a full risk assessment.
  - (c) enable Directorates/Service Areas to carry forward legitimate under-spends for project based work and planned expenditure commitments subject to:
    - i. An overall underspend within the Council (with any overspends taking first call on any underspends);
    - ii. An overall underspend within the Directorate (with any overspends taking first call on any underspends);
    - iii. A brief explanation by the service demonstrating the reasons for the underspend and the continuing service requirement;
    - iv. Approval by the Head of Finance.

33. The appropriate level of contingency will be assessed as part of each budget setting process in the context of the risk profile and the level of reserves available. Specific contingency items shall be identified as Precautionary Items in the Council's revenue budget and these Precautionary Items shall not be released until year end, and then should be allocated to areas that have incurred unexpected costs or not achieved expected income levels during the financial year.
34. The contingency is to cover:
  - (a) any net reductions in income sources during the year compared to the levels estimated;
  - (b) any unavoidable expenditure falling on the Council during the year which is not known at this time;
  - (c) any "one-off" expenditure needs which arise during the year and are considered critical to achieving the Business Plan requirements.

## Capital Budget

### Capital Strategy

35. The Council's Capital Programme is determined, prioritised, delivered and monitored in accordance with the Council's approved Capital Strategy. This Strategy is subject to annual review by the Cabinet.
36. The Capital Strategy outlines the Council's approach to capital investment ensuring that it is directed to the Council's Business Plan priorities. It provides the framework for the Council to maximise the finance available for investment together with the allocation of capital reserves.
37. The Strategy, therefore, provides a mechanism for the Council, the Cabinet and its officers to manage, measure and monitor the Council's Capital Programme including an annual review of investment needs targeted to key investment priorities.
38. Capital Scheme Bids will be evaluated and prioritised in accordance with the approved Capital Strategy and based on the priorities in the approved Business Plan.

### Capital Finance Policy

39. The Council has a number of methods of ensuring the most effective use of available capital finance. These include:
  - (i) The Council will each year consider the proposed Capital Programme having regard the CIPFA prudential indicators. Council will consider the extent of borrowing based on these indicators.
  - (ii) The Council will seek to maximise resources for capital investment from all potential sources.
  - (iii) Any savings made on capital schemes will potentially reduce the need for external borrowing.
  - (iv) A prudential financial framework will be maintained so that, once priorities have been determined, no capital scheme can be authorised (and no commitment made) until:
    - (a) capital finance is in place to cover the full capital costs; and
    - (b) it has been determined that the ongoing revenue cost consequences are affordable in the light of forward three year Revenue Budget forecasts and related Council Tax consequences.
40. An annual review of the Capital Programme will be undertaken and, in doing so, full regard will be given to the Prudential Indicators before any proposals/decisions are made in respect of a revised programme. There is a need to be cautious in terms of future borrowing requirements given the capital financing costs and future decisions will need to balance the need for, and cost of, investment or failure to invest. Endeavours will be made to support revenue contributions to capital expenditure to ensure that funding is available for essential ongoing investment needs.

## Efficiency Requirements

41. The ongoing financial challenges will require the Council to continue to make radical changes in order to transform itself to deliver sustainable services to its residents. The indications are that future spend pressures will significantly exceed the forecast growth in resources (with a significant impact on the delivery of services), which requires the Council to plan for ongoing efficiencies in relation to the provision of services. The financial planning process will, therefore, facilitate the identification and delivery of efficiency savings with emphasis on challenging service delivery, comparing performance, outcomes and delivery options, ensuring competitiveness and consulting fully on emerging proposals and service options.
42. In recognition of the level of Government Grant, set against anticipated spending demands, and the ongoing commitment to efficient and cost effective service delivery, the Council has put in place a programme of initiatives designed to review services delivered, review and improve internal processes and reappraise the workforce model required to deliver services in the most efficient and effective manner.
43. The Council will continue to look for efficiencies and better ways of working as part of the day to day operations of the business, including:
  - (a) Creating capacity through additional efficiencies and service delivery options;
  - (b) Implementing demand management strategies including investment in technology to enable Channel Shift, including greater agile working;
  - (c) Increasing Business Rate income through economic development activity;
  - (d) Raising additional revenue such as increasing income and external funding;
  - (e) Identifying opportunities to “invest to save”.
44. As part of this process, all bids for additional resources must be accompanied by a quality business case and such proposals will be subjected to more rigorous challenge through the strong corporate ‘management line’ within Services, as well as peer review by other Services.



## Risk

45. As far as possible, changes in the Council's financing and spending from year to year should be predictable and manageable so that key services can be protected. That can never be entirely the case, hence the need for the Council to recognise and manage financial risks, including the identification of the significant risks in terms of the spending assumptions (see section 43 above). Sound financial planning processes are critical in predicting and managing the limited resources available.
46. The purpose of this strategy is to provide the key financial planning tool of the Council. Without forward financial planning difficulties will arise in respect of:
- not meeting the Council's own policy on Council Tax increases;
  - not meeting any Government targets on Council Tax increases so as to avoid a Council Tax Referendum;
  - not having sufficient Capital Resource to fund the approved Capital Programme.
47. It is important that, in considering Revenue and Capital Budgets, factors which could make the projections worse are identified. The Council will, therefore, as part of its decision making, consider the risk implications of all proposals. By adopting the actions in this Strategy, the risks outlined above should be mitigated.
48. The impact of the COVID-19 pandemic has and continues to have an impact on the demand for Council services, both in terms of how services are delivered and the income generated by the Council. This will have an undoubted impact on the Council during the period of the MTFS. This impact will be kept under review.

## Summary & Conclusion

49. This Strategy sets out how the Council will resource its Revenue Budget and Capital Programme over the Medium-Term having regard to the policy objectives of keeping Council Tax increases within Government guidelines.
50. The MTFS represents the Council's overarching Financial Strategy and Policy document and it gives financial expression to the Council's plans for the next five years, in the context of the plans set out in its Business Plan. It, therefore, sets out the Council's funding plan, for achieving its goals and priorities, balancing available financing and spending ambitions and, in doing so, highlights the underlying financial strategy, the financial assumptions, and the inherent financial risks. Importantly, decisions on resource allocation are linked to decisions on policy priorities.
51. The MTFS will be kept under review and, as a minimum, will be reviewed:
- In Autumn prior to considering the annual budget setting report to Council;
  - As part of the budget setting report, taking into account the financial forecasts that are available at that time.



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## Medium Term Financial Strategy

### Financial Forecasts 2023/2024 to 2027/2028

For Information

	<b>2022/2023 £'000</b>
Council Tax	10,489
Retained Business Rates	9,760
Revenue Support Grant	-
New Homes Bonus (NHB)	2,376
Rural Services Grant/Lower Tier Grant	432
Section 31 Grant	4,667
Collection Fund Surplus/(Deficit)	(2,591)
<b>Total Resource</b>	<b>25,133</b>

Net Budget Requirement: Before Adjustments	
Budget Pressures *	
Savings/Income Identified	
Borrowing Cost Changes	
Other Base Budget Changes **	
<b>Net Operating Expenditure *</b>	<b>24,527</b>

<b>Net Resource Position</b>	<b>606</b>
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<b>2023/2024 £'000</b>	<b>2024/2025 £'000</b>	<b>2025/2026 £'000</b>	<b>2026/2027 £'000</b>	<b>2027/2028 £'000</b>
11,193	11,824	12,468	13,051	13,618
10,804	11,530	5,613	5,693	5,767
-	-	754	766	781
1,800	1,000	-	-	-
440	440	137	137	137
-	-	-	-	-
(364)	-	-	-	-
<b>23,873</b>	<b>24,794</b>	<b>18,972</b>	<b>19,647</b>	<b>20,303</b>

<b>24,527</b>	<b>23,979</b>	<b>22,438</b>	<b>22,233</b>	<b>22,566</b>
323	99	22	-	-
(2,327)	(1,125)	-	-	-
1,809	(748)	50	150	100
(353)	233	(277)	183	9
<b>23,979</b>	<b>22,438</b>	<b>22,233</b>	<b>22,566</b>	<b>22,675</b>

<b>(106)</b>	<b>2,356</b>	<b>(3,261)</b>	<b>(2,919)</b>	<b>(2,372)</b>	<b>(6,302)</b>
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\* Further service pressures will, however, exaggerate the funding gap and, wherever possible, should be managed within existing cash limit budgets.

\*\* Other base budget adjustments include investment income variations and pay and price inflation.

## MTFS: Key Assumptions

The assumptions made in determining the financial forecasts can be summarised as follows:

- (a) Council Tax: An increase in Band D Council Tax of the higher of £5 or 1.99% in each year, together with £35,000 additional income from the sharing agreement with Neighbouring Councils in 2034/2024 rising to £105,000 in 2025/2026.
- (b) Council Tax: The increase in the Council tax-base is calculated using the Council's housing trajectory which results in a Council tax-base increase of between 1.6% and 3.6% per annum.
- (c) Business Rates: Income from Business Rates in 2023/2024 and 2024/2025 is based upon modelling provided by Pixel Financial Management but includes Section 33 compensation grants. In 2025/2026 the level of income is assumed to drastically reduce due to the expected implementation of a new distribution scheme following the Fair Funding review.
- (d) Business Rates: The current provision for existing Appeals is sufficient and there are no further significant changes to valuation schemes resulting from Tribunal or Court decisions or to the levels of rate reliefs.
- (e) New Homes Bonus: A consultation on a potential replacement scheme has concluded but the expected replacement scheme from 2022/2023 did not materialise. A realistic level of bonus has been assumed in the period to 2023/2024 and 2024/2025 before being phased out.
- (f) Other Base Budget Changes: Allowance has been made for the following:
  - The revenue impact of the latest Capital Investment Programme needs and priorities has been included in the projections.
  - Interest rate forecasts have been assumed to continue at relatively low levels for the duration of the MTFS.
  - Investment income has been determined having regard to the level of expected balances, including capital receipts and expenditure, together with Reserves held.
  - An allowance has been included for projects related to the reduction in the Council's carbon footprint in line with the Council's aspiration to be carbon neutral by 2050.
  - An allowance has been made for inflation on the Council's key contracts; and fees and charges. Allowance for a pay award and pay increments (including National Living Wage increases) over the period has also been included.
  - An estimate of the impact of the Welfare Benefit Reforms and, in particular, the impact of the Housing and Council Tax Benefit Grant has been included.
  - The MTFS incorporates estimated income from Ermine Street Housing Limited for the repayment of loans to reflect the commitments made in the Capital Programme.





<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor John Williams, Lead Cabinet Member for Resources	
<b>Lead Officer:</b>	Peter Maddock, Head of Finance	

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## General Fund Revenue Bids & Savings

### Executive Summary

1. To consider the new Revenue bids and savings for 2023/2024.

### Key Decision

2. No

### Recommendations

3. It is recommended that Cabinet consider the report and:
4. **Note the growth bids put forward (both one off and ongoing), detailed at Appendix A and B and consider whether those for 2023/2024 should be included in the Budget to be proposed in February 2023.**
5. **Note the proposed range of service efficiency savings/additional income detailed in Appendix C and D and consider whether those for 2023/2024 should be included in the Budget to be proposed in February 2023.**

### Reasons for Recommendations

6. To enable the Cabinet to consider the new revenue bids and savings for 2023/2024.

### Details

#### New Scheme Bids

6. It is appropriate for Cabinet to consider, all new bids and savings for the General Fund before making recommendations to Council. If Cabinet is satisfied and supports the bids put forward these can be included in the draft budget.
7. Spending pressures are, inevitable as the Council responds effectively to the needs of the service and customer expectations and, in this regard, Service Areas have

been tasked to identify the existing budget pressures that need to be managed, and to prepare growth bids where existing resources and budgets need to be strengthened. The proposed schedule of these bids is attached at Appendix A and B and these will be subject to further refinement as part of the 2023/2024 budget setting process. Service Areas are also continuing to identify efficiency/savings opportunities across the Council's services that are realistic, achievable, and sustainable (including possible 'invest to save' initiatives and income generation opportunities). These are attached at Appendix C and D.

8. The Medium Term Financial Strategy (MTFS) is elsewhere on this agenda and a budget gap of around £6.3m is likely over the forecast period to 2027/28. This figure does include the savings expected from the service transformation programme.

### **Options**

9. The option exists of not approving new revenue funding bids and savings.

### **Implications**

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

### **Financial**

11. The lists represent additions to or reductions from the current 2022/23 budget. These have been reviewed by Leadership Team, budget holders and finance and are felt appropriate and affordable in terms of the overall financial strategy as it currently stands.

### **Risks / Opportunities**

12. The main risk is that the financial settlement will be worse than expected and will increase the budget gap emerges in 2023/2024. This risk is present during every budget cycle and having a robust MTFS adopted in advance of the budget process helps mitigate against this risk materialising.

### **Consultation responses**

13. Leadership Team, Budget Holders and Lead Cabinet Members.

### **Background Papers**

- General Fund Medium Term Financial Strategy – Cabinet: 12 December 2022

- Budget Reports – Report to Cabinet: 07 February 2022
- Budget Reports – Report to Council: 22 February 2022

## **Appendices**

Appendix A: Revenue Bids Ongoing 2023/24

Appendix B: Revenue Bids One Off 2023/24

Appendix C: Revenue Savings and Income Ongoing 2023/24

Appendix D: Revenue Savings and Income One Off 2023/24

## **Report Author:**

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## General Fund Revenue Bids Ongoing - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Directorate	Cost Centre			£'000	£'000	£'000	£'000	£'000	£'000
CEW	Environment Operations	Increase in wholesale fuel costs for SCDC Awarded Watercourses (Plant and road vehicles)	Sharp increase in fuel costs through legislation change for the Awarded Watercourse service to white diesel. Price per litre rose by a total of .90p, this is an unavoidable ongoing increase in service cost.		20				
CEW	Environment Operations	HVO Fuel Bid	The service is intending to run up to 20 Refuse trucks on HVO to help improve and reduce CO2 emissions in the two Authorities. HVO can include raw materials such as cooking oil, vegetable oil processing waste and residues and animal fat from the food industry waste. The increase cost of HVO over diesel is 20ppl. The increase in future years is as a result of the 3-year roll-out transitioning from diesel to HVO.		62	23	22		
CEW	SWSS	Replacement of End of Life Street Furniture (Litter Bins)	Litter bin replacement project within the district.		32				
CEW	SWSS	Increase in staff resource for Awarded Watercourses - flood protection to land, businesses and residential properties	Additional member of staff to maintain the provision of service to cover increased demand by new and existing developments and their drainage requirements.		40				
Planning	Planning - Delivery	Planning - Delivery budget adjustments	Increases due to investment in planning apprentices to ease recruitment issues and reduce agency dependency (£174k (£98k in 2023-24 as starting from July 2023)). Anticipated reduction in application (£99k) and pre-application fees (£33k). Offset by better S106 cost recovery (£30k), Enforcement team restructure (£38k) and increased PPA income (£43k).		119	76			
Transformation, HR, CS	Democratic Services	Move to hosting and on-premise server move for ModernGov - ICT-3	This is the increased revenue cost associated with moving the hosting to an on-site server, due to the current provider withdrawing service.		27				
Transformation, HR, CS	HR	HR Apprentice	An apprentice post is now proposed to be made ongoing.		23				

General Fund Revenue Bids Ongoing - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Directorate	Cost Centre			£'000	£'000	£'000	£'000	£'000	£'000
Transformation, HR, CS	ICT	Windows 2012 Server Migrations - ICT-7	Migration of systems and services to, where possible, cloud based systems, and support from vendors. This is caused by withdrawal of Microsoft support for existing servers.	50					
Transformation, HR, CS	Transformation	Single Point of Contact (SPOC) Role	Creation of one post which encompasses all single point of contact issues and Risk matters instead of 3-4 separate officers maintaining individual contacts.		36				
			Total Net Bids / (Savings)	50	358	99	22	0	0
			HRA SHARE	10	12	0	0	0	0
			Earmarked Reserves						
			General Fund	40	347	99	22	0	0

# General Fund Revenue Bids One Off - 2023/24 Budget

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Directorate	Cost Centre	Title	Edited Description	2023/24	2024/25	2025/26	2026/27	2027/28
				£'000	£'000	£'000	£'000	£'000
CE&COO	Economic Development and Investment	Small team to lead the development at North East Cambridge	Three posts for three years, £60k for next year only, with a view to getting developer funding thereafter	60				
CEW	Environment Operations	Recycling Credit payment reduction	Income reduction from recycling credits due to the reduction of glass in the recycling collections. (Loss of income)	40				
CEW	Climate and Environment	Extension Climate & Environment Project Officer - for energy and EV programme delivery	A Project Officer post submitted as a one-off bid previously, now seeking extension for another year. This will enable the C&E Team to meet the Council's Net Zero targets and deliver key Member priorities as outlined within the business plan. Will use £30k received from CCityC for this role within the Sustainable Warmth project as withdrawal from Earmarked reserves.	12	22			
Housing	Housing	Money advice posts	3 posts to be funded by external flexible homelessness funding. It has been approved previously for 2021/22 & 2022/23, but was delayed due to service demand and team restructure. This is a resubmitted bid.	125	125			
Transformation, HR, CS	Facilities Management	Replacement of the Southern Elevation Curtain Walling Glass Replacement	The revenue bid covers additional security requirement of the curtain wall project.	15				
Transformation, HR, CS	ICT	3C ICT Portfolio Team Extension of Fixed Term Resource - Change Delivery Manager - ICT2	Extension of the Change Delivery Manager Role for an additional 24 months with the aim of making the role self-funded (through recharges) after this period. 75% to be funded next year, 25% the following year then 0%. This is to fund ICT Project delivery support for requirements that arise in year for work that has not been identified as part of service planning and resource bidding in the previous year.	12	8			
Transformation, HR, CS	ICT	Additional Temporary Information Governance resource as discussed by CMT August 2022. ICT-6	A new Request Manager post for 12 months to deal with FOI requests and free up time from the staff currently supporting this function and to allow them to receive training.	25				

General Fund Revenue Bids One Off - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2023/24	2024/25	2025/26	2026/27	2027/28
				£'000	£'000	£'000	£'000	£'000
Transformation, HR, CS	HR	HR Systems Administrator	HR systems administrator post extended for another year due to the requirement to support the system is now seen as ongoing.	39				
Transformation, HR, CS	Transformation	Recruitment of 1 FT Business Analyst to support the Admin review	To support the recommendations to deliver the outcomes from the Corporate Admin review.	49	49			
Transformation, HR, CS	Transformation	Applying for funding for extension of Digital Transformation Consultant	An extension to employ a Digital Transformation Consultant until September 2023.	17				
			Total Net Bids / (Savings)	394	204	0	0	0
			HRA Share	31	11	0	0	0
			Earmarked Reserves	279	193	0	0	0
			General Fund	83	0	0	0	0



General Fund Savings and Income Ongoing - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2023/24	2024/25	2025/26	2026/27	2027/28
				£'000	£'000	£'000	£'000	£'000
CEW	Environmental Protection	Savings on Consultancy Budget within Environmental Protection	Consultancy budgets not required within the service as sufficient skillset is now available internally.	(15)				
Finance	Interest	Additional income from ESH lending	Increase in interest % charged on ESH loans: to increase all loans to Ermine St to 4.25% for 2023/24 the increase in income (or saving) will be £399,000 compared to the current loans at 3.85% and 1%.	(399)				
			Total Net Bids / (Savings)	(414)	0	0	0	0
			HRA SHARE	(80)	0	0	0	0
			Part of Capital Programme					
			Earmarked Reserves					
			General Fund	(334)	0	0	0	0

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General Fund Savings and Income One off - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2023/24	2024/25	2025/26	2026/27	2027/28
				£'000	£'000	£'000	£'000	£'000
CEW	Commercial and Licensing	Additional income from certificate services	Creation of additional income streams through additional primary authority and export certificate services to private sector clients (£10k) and additional street Trading policy income (£5k)	(15)				
Planning	Planning - Strategy and Economy	Planning - Strategy and Economy budget adjustments	Increased revenue from delivery against BNE Business Plan offset by changes in income streams.	(59)				
			Total Net Bids / (Savings)	(74)	0	0	0	0
			HRA SHARE					
			Part of Capital Programme					
			Earmarked Reserves					
			General Fund	(74)	0	0	0	0

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<b>Report to:</b>	Cabinet	12 December 2022
<b>Lead Cabinet Member:</b>	Councillor John Williams, Lead Cabinet Member for Resources	
<b>Lead Officer:</b>	Peter Maddock, Head of Finance	

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## Capital Programme Update & New Bids

### Executive Summary

1. To consider the new Capital Programme bids from 2023/2024 and the revised capital programme for the period 2022/2023 to 2027/2028.

### Key Decision

2. No

### Recommendations

3. It is recommended that Cabinet consider the report and, if satisfied, to:
  - (a) Consider the capital programme bids for new projects outline at Appendix A and to determine whether to approve the new capital schemes.
  - (b) Recommend to Full Council the revised capital programme for the period 2022/2023 to 2027/2028, at Appendix B for the General Fund and at Appendix C for the Housing Revenue Account, to reflect the new scheme bids, amendments to the programme and the reprofiling of expenditure identified in the report.

### Reasons for Recommendations

4. To enable the Cabinet to consider the new capital project bids for 2023/2024 and the updated capital programme incorporating new items and reprofiling of expenditure.

### Details

#### New Scheme Bids

6. It is appropriate for Cabinet to consider, in line with the Capital Strategy, all new bids for capital investment before making recommendations to Council.

7. It should be recognised that the Council has finite resources and there are competing pressures and affordability issues that need to be taken into account. The corporate focus of capital investment should align with the expectations of the approved Capital Strategy and accordingly there will be a need to:
  - (a) invest where the Council has a statutory, contractual or safety obligation including unavoidable requirements emanating from the Council's approved Corporate Asset Plan.
  - (b) invest in discretionary schemes which meet Business Plan priorities.
  - (c) invest in schemes which provide value for money (i.e. invest to save) provided they are consistent with Business Plan priorities.
8. The schedule of capital programme bids for new projects (i.e. over and above those needed for continued operational purposes, or that form part of a rolling programme) is attached at **Appendix A**. The bids have been subject to the completion of a business case in accordance with the Capital Strategy. This covers, amongst other things, project risks, resource implications and compliance with the key priorities of the Council. The bids are considered to fall into the following categories:
  - (1) Legally/contractually unavoidable.
  - (2) Essential for health and safety reasons.
  - (3) Support Business Plan objectives.
  - (4) Benefit from external funding opportunities; and
  - (5) "Invest to Save" projects (for which regard should be given to the length of the investment payback period).

### **Capital Programme Financing**

9. The Council will need to rely on borrowing to fund capital investment going forward and this has a direct impact on the revenue budget. The level of borrowing is clearly a factor that needs to be considered by the Council, but excessive borrowing must be considered with caution as repayment of any loans would fall on Council Tax, at a time when significant budgetary savings must be made to avoid an unacceptable increase in Council Tax or reductions in key services.
10. The ability to generate capital receipts to contribute to the capital programme funding is limited and relates in part to new build shared ownership but more significantly to HRA right to buy sales. The Council is exploring opportunities to market sale of land to generate additional capital receipts which were previously earmarked for self building. The forecast for 2022/2023 £4.25m right to buy receipts with £3.4m retained for investment in new build.
11. In determining its Capital Programme, the Council must comply with the regulations relating to the Prudential Framework for Capital Finance in local authorities and related prudential indicators, i.e., is it prudent, affordable (in Council Tax terms) and sustainable (in the Medium Term). Due regard should, therefore, be given to:
  - (a) The estimate of available capital finance (from borrowing and capital receipts if any) needed to cover existing committed schemes and any residual sum available for uncommitted and future priority schemes.

- (b) The estimate of capital finance resource becoming available in the ensuing four years for uncommitted schemes and new priority schemes (e.g. from external borrowing, forecast new capital receipts (if any) or external funding).
- (c) The estimated revenue implications (estimated at £50,000 per year per £1 million borrowed over 25 years) of the proposed total programme and impact on Council Tax in terms of affordability.
12. Consequently, the number of new priority capital schemes which can be approved at each annual review of the programme will be limited by these affordability factors.
13. To enter into excessive long-term borrowing would only exacerbate the position and, on this basis, it is strongly recommended that the Council carefully considers the level of capital investment.
14. The Capital Programme is prepared on a five-year rolling programme. As such Cabinet/Council in February 2023 will be considering the programme for the financial years 2023/2024 through to 2027/2028.
15. In the event that all new bids in **Appendix A** are eventually approved, and new borrowing is required for those schemes not financed from Earmarked Reserves (totalling £1.235m), the additional cost of the capital programme in 2023/2024 will be **£62,000**. This is in addition to the borrowing required for the existing capital scheme approvals for 2023/2024 (i.e., £3.98 million) at an estimated revenue cost of **£0.2 million**. This is based on an interest rate of 5%
16. The total additional cost to revenue for the borrowing costs of the full capital programme (including existing approvals plus the above new bids) is **£0.262 million** in 2023/2024.

### Capital Programme Monitoring

17. Full Council, at its meeting on 22 February 2022, approved new schemes for inclusion in the General Fund and HRA capital programme for the period 2022/23 to 2026/27 and also the re-profiling of the existing programme.

The full General Fund capital programme, approved by Council in February 2022, is summarised in the table below:

General Fund Capital Programme	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Gross Directorate Budgets:</b>					
Chief Executive	33,600	30,000	30,000	30,000	30,000
Head of Climate, Environment & Waste	3,740	1,833	1,822	9,660	840
Head of Finance	259	200	200	200	200
Head of Housing	9,871	11,405	1,405	1,405	1,405
Head of Transformation, HR & Corporate Services	1,422	49	83	1,075	515

<b>Gross Total</b>	<b>48,892</b>	<b>43,487</b>	<b>33,510</b>	<b>42,340</b>	<b>32,960</b>
<b>Financed By:</b>					
Grants/Contributions	12,550	11,280	2,078	4,560	780
Revenue	3,639	3,114	654	6,084	844
Capital Receipts	2,903	743	778	1,696	1,336
Borrowing	29,800	28,350	30,000	30,000	30,000
<b>Total Financing</b>	<b>48,892</b>	<b>43,487</b>	<b>33,510</b>	<b>42,340</b>	<b>32,960</b>

18. The full HRA capital programme, approved by Council in February 2022, is summarised in the table below:

<b>HRA Capital Programme</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
<b>Gross Directorate Budgets:</b>					
Existing Stock Improvements	7,149	7,293	7,438	7,587	7,739
Other Improvements	70	70	70	70	70
New Build	17,164	12,680	12,680	12,680	12,680
Other	175	175	175	175	175
<b>Gross Total</b>	<b>24,558</b>	<b>20,218</b>	<b>20,363</b>	<b>20,512</b>	<b>20,664</b>
<b>Financed By:</b>					
Grants/Contributions	475	325	325	325	325
Direct Revenue Financing	9,125	8,517	8,517	8,517	9,117
Capital Receipts	7,739	4,013	4,013	4,013	3,413
Major Repairs Reserve	7,219	7,363	7,508	7,657	7,809
Borrowing	-	-	-	-	-
<b>Total Financing</b>	<b>24,558</b>	<b>20,218</b>	<b>20,363</b>	<b>20,512</b>	<b>20,664</b>

19. There is a need to update the capital programme to consider amendments to and the re-phasing of the 2023/2024 and future year schemes following ongoing monitoring of project progress and factors influencing the timing of deliverability.

20. The table below sets out a summary of the revised General Fund Capital Programme with an explanation of the key variations.

<b>General Fund Capital Programme</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
<b>Gross Directorate Budgets:</b>					
Chief Executive	955	10,000	10,000	10,000	10,000
Head of Climate, Waste & Environment	1,835	2,303	5,460	4,484	974
Head of Finance	326	272	261	261	251
Head of Housing	5,458	13,155	13,737	8,271	1,405



Head of Transformation, HR & Corporate Services	1,967	2,049	83	725	515
Advances to Housing Company	5,500	-	-	-	-
<b>Gross Total</b>	<b>16,041</b>	<b>27,779</b>	<b>29,541</b>	<b>23,741</b>	<b>13,145</b>
<b>Financed By:</b>					
Grants / Contributions	3,657	13,575	10,689	6,562	1,290
Revenue	3,554	2,912	2,963	2,986	712
Capital Receipts	3,330	7,312	5,889	4,193	1,143
Borrowing	5,500	3,980	10,000	10,000	10,000
<b>Total Financing</b>	<b>16,041</b>	<b>27,779</b>	<b>29,541</b>	<b>23,741</b>	<b>13,145</b>

**Key variations by directorate are summarised as follows:**

Chief Executive

21. Fewer investment opportunities have arisen since the change in the terms of Public Works Loans Board which means that the Council are unable to invest in assets that are purchased purely for income yield. The revised allocation includes £755,000 for the repairs and preparation work on 270 Science Park which were not completed in 2021/22. An amount of £200,000 for preliminary work is expected to be spent on the Waterbeach Renewable Energy Network (WREN) during 2022/23. The costs of the Waterbeach Renewable Energy Network have escalated exponentially mainly due to inflationary pressures.
22. The proposed update to the capital programme allocates £4m to be spent in 2023/24 and £10m per annum thereafter. The investment strategy will be updated and submitted to be considered as part of the budget papers in February 2023.

Head of Climate, Waste & Environment

23. The purchase of two electric refuse vehicles and air quality monitoring equipment purchase will now occur in 2022/23, allocated budgets have been increased to reflect expenditure likely to occur.
24. The refuse collection vehicle programme has been rephased in line with the WREN project primarily because there is only capacity to charge four electric refuse vehicles. This is impacted by the delay in the Waterbeach Renewable Energy Network project which will not be completed and fully operational until 2024/25.

Head of Finance

25. The Council's annual contribution of £200,000 towards the A14 has been revised to reflect the additional money received from the County council.

Head of Housing

26. Some of the allocation made in 2022/2023 for the Northstowe Civic Hub and Community Centre has been rolled forward to be spent in 2023/2024 in recognition of delays to the programme. The sports pavilion build is currently underway, £3.06 million allocated in

2022/23 and a further £0.34m allocated in 2023/24 with the project to completed by June 2023.

#### Head of Transformation, HR & Corporate Services

27. The greening project of South Cambs Hall has been significantly delayed from its original timeline mainly due to the pandemic and unsatisfactory build works which are still being resolved with the contractor. In recognition of the delays the allocated budget has been rephased to be spent in 2022/2023.
28. The ICT projects totalled around £152,000 within the original programme though this has since been increased to £177,000 mainly due to the new server technologies project.

#### Advances to Housing Company

29. During 2021/22 Ermine Street met the 500 property purchase target, below the original loan requirement from the Council. However, further opportunities have arisen in the current financial year to purchase more properties though this requires the Council to lend £5.5m during 2022/23 which is still within the £100m originally agreed for lending purposes.
30. Inclusion of the new bids listed at **Appendix A**.
31. On the financing side borrowing is required to finance the Investment Strategy.
32. Details of the full General Fund Capital Programme from 2022/2023 (current year) to 2026/2027, incorporating new scheme bids, is shown at **Appendix B**.
33. The table below sets out a summary of the revised HRA Fund Capital Programme with an explanation of the key variations.

HRA Capital Programme	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Gross Directorate Budgets:</b>					
Existing Stock Improvements	7,861	8,346	9,141	8,039	8,200
Other Improvements	195	71	75	76	78
New Build	18,172	24,000	24,000	24,000	24,000
Other	175	175	175	175	175
<b>Gross Total</b>	<b>26,403</b>	<b>32,592</b>	<b>33,391</b>	<b>32,290</b>	<b>32,453</b>
<b>Financed By:</b>					
Grants / Contributions	475	600	450	400	-
Direct Revenue Financing	8,474	9,474	8,724	10,724	10,974
Capital Receipts	9,398	14,101	15,001	7,551	5,201
Major Repairs Reserve	8,056	8,417	9,216	8,115	8,278
Borrowing	-	-	-	5,500	8,000
<b>Total Financing</b>	<b>27,327</b>	<b>32,592</b>	<b>33,391</b>	<b>32,290</b>	<b>32,453</b>

## **Key variations can be summarised as follows:**

### Existing Stock Improvements

34. Budgets for improvements to existing stock are reprofiled each year in line with requirements. The allocation is higher in 2022/2023 revised as result of slippage from the previous year. The budgeted allocation allows for the service to seek catch up on a significant programme of external wall insulation at Musgrave Way, Teversham which was delayed.

### Other Improvements

35. Budgets for other improvements include works at Sheltered Housing, other stock, and flats. The increase in the revised budget allocation comparative to the original budget is mainly related to sheltered schemes at Elm Court, comprising of one block of flats, a communal room and a hub office (solar project £83,000 and fire risk related works £42,000).

### New Build

36. The Housebuilding programme allocations are reprofiled regularly. The previously unallocated amount in 2022/2023 has now been allocated or reprofiled into 2023/2024 where amounts are not expected to be spent in this financial year. The revised budget also includes slippage on schemes at Bennell Farm, Toft, Babraham Road, Sawston and Strawberry Farm, Great Abington which were due to be completed in 2021/22.
37. On the financing side borrowing is not expected to be required until 2025/2026 for HRA schemes.
38. Details of the full HRA Capital Programme from 2022/2023 (current year) to 2026/2027, incorporating new scheme bids, is shown at **Appendix C**.

## **Options**

39. The option exists of not approving new capital funding bids.

## **Implications**

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

## **Financial**

41. The Council has two policies which underpin the Capital Programme, namely the Capital Investment Strategy and the Medium-Term Financial Strategy (MTFS). The former provides the framework for the evaluation, approval and monitoring of capital schemes and this includes a requirement for an annual report each September relating to schemes completed in the previous financial year. The MTFS provides the framework for funding the

Capital Programme and, in line with good practice, no capital scheme can be authorised, and no commitment made until:

42. Capital finance is in place to cover the full capital costs; and it has been determined by Council that the ongoing revenue cost consequences are affordable in the light of forward three-year Revenue Budget forecasts and related Council Tax consequences.
43. The Capital Strategy was approved by Council at its meeting on 22 February 2022 and provides the framework for submitting and considering new bids and for reviewing the performance of schemes in the approved programme.
44. Specifically, it is appropriate to submit an annual report (as part of performance monitoring arrangements) in respect of capital schemes that have reached practical/substantial completion in terms of whether or not the scheme has met the objectives and, where appropriate, relevant performance measures.
45. There are additional resources required to fund the further loans to Ermine Street though interest on lending the Council takes out to fund this will be at a lower rate than the interest income the council receives from Ermine Street.

### **Risks / Opportunities**

46. The main risks associated with the capital programme are that budgets are not adequate, leading to overspend and the financial implications arising from this or that the schemes will not meet the desired objectives.
47. The future aspirations for capital schemes must be affordable (i.e. there is identified capital resource to fund schemes) and capital budgets must be adequate to avoid overspending with consequent financial implications.

### **Consultation responses**

48. None, except budget holders.

### **Alignment with Council Priority Areas Housing that is truly affordable for everyone to live in**

49. The Council is committed to providing new homes for tenants through the New Build programme which has been built into the Capital Programme for 2022/2023 and subsequent years. This report supports the Councils business plan by recommending rephasing budgets in relation to HRA housebuilding.

### **Being green to our core**

50. The Capital Programme provides an update on a number of schemes which relate to the green to our core element of the Councils business plan.

## Background Papers

- General Fund Medium Term Financial Strategy – Council: 22 February 2022
- Budget Reports – Report to Cabinet: 3 February 2021
- Budget Reports – Report to Council: 22 February 2022
- General Fund Revenue & Capital Budget Provisional Outturn – Report to Cabinet: 14 November 2022
- Housing Revenue Account Revenue & Capital Budget Provisional Outturn – Report to Cabinet: 12 September 2022

## Appendices

Appendix A: Capital Programme General Fund – New Bids

Appendix B: Updated General Fund Capital Programme 2022/2023 – 2027/2028

Appendix C: Updated HRA Capital Programme 2022/2023 – 2027/2028

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## General Fund Capital Bids - 2023/24 Budget

Directorate	Cost Centre	Title	Edited Description	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
CEW	Environment Operations	Back office waste system	Procure and implement a new waste software system for domestic and trade services.	130	20			
Transformation, HR, CS	Facilities Management	Install and configure new Data Floor Boxes throughout the Ground and Second Floor at South Cambs Hall building	There is a requirement to review and replace the existing floor boxes to meet current and future demands of building users.  This is in addition to the 2022/23 bid used to replace all boxes on 1st floor of the building	50				
Transformation, HR, CS	Facilities Management	Replacement of UPS (Uninterrupted Power Supply) in the Server room	Replacement of the current UPS Units which reached the end of their service life. We are no longer able to obtain any manufacturing spare parts which will make any potential repairs required nearly impossible due to limited part availability.	25				
Transformation, HR, CS	Facilities Management	Replacement of the Southern Elevation Curtain Walling Glass Replacement	The original programme was to undertake both elevations concurrently. Due to the prospect of a wind tunnel effect (and the subsequent health & safety and weather proofing considerations), the construction company recommended that the works were undertaken in two phases, the North elevation that will be completed this year followed by the South Elevation that will start in the spring.	755				
Transformation, HR, CS	Facilities Management	Refurbishment to the central atrium (ETFE) inflatable roof	Atrium and entrance canopy inflatable (ETFE) roof replacement project which includes extending the lifespan and rectifying all underlying issues. This will also include ongoing 6 monthly servicing visits.	250				
Transformation, HR, CS	Facilities Management	Conversion of Ground Floor Office Areas to create Start Up Business Areas	Conversion of the ground floor at South Cambs Hall to allow launch pad/start up business areas. These areas will enable small and new business to rent affordable and flexible office meeting room space based on an hourly, daily weekly or longer term period to meet their business requirements in professional surroundings. This will also invite additional income for SCDC and make use of surplus office space.	50				
Transformation, HR, CS	ICT	Hybrid Cloud Data Centre Refresh - ICT-1	The equipment situated in both Data centres was installed seven years ago and is nearing its end of life. This is the cost of replacement to support the ongoing moves to adopt a mixture of cloud hosted (external) and on premise hosted services.	215				
Transformation, HR, CS	ICT	Democratic Services Systems Reviews and Mitigation Activities at SCDC for Modern.gov and Express - THC-1/ICT-3	This is the capital cost associated with moving the hosting to an on-site server, due to the current provider withdrawing service.	37				
			<b>Total Net Bids / (Savings)</b>	<b>1,512</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>HRA SHARE</b>	<b>276</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Earmarked Reserves</b>					
			<b>Capital Receipts or Internal Borrowing</b>	<b>1,235</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>

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General Fund - Directorate / Service	Budget 2022-23 £'000	Revised 2022-23 £'000	Budget 2023-24 £'000	Budget 2024-25 £'000	Budget 2025-26 £'000	Budget 2026-27 £'000	Budget 2027-28 £'000
<b>Chief Executive</b>							
Investment Strategy	29,800		3,980	10,000	10,000	10,000	10,000
270 Cambridge Science Park	800	755					
Waterbeach Renewable Energy Network (WREN)	3,000	200	6,020				
<b>Total Chief Executive</b>	<b>33,600</b>	<b>955</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Head of Climate, Environment &amp; Waste</b>							
<b>Greater Cambridge Shared Waste Service :</b>							
Waste Management System				300			
Depot Electric Charging Infrastructure	100						
Refuse Collection Vehicles	3,015	1,292	2,114	4,732	4,404	910	1,568
Trade Skips							
<b>Street Cleansing :</b>							
Pavement Street Sweepers		263			80		
Mechanical Road Sweepers	280			280			
Truck Replacements			55	30		64	160
<b>Land Drainage :</b>							
Tractors				80			
4x4 Vehicles	28		28	28			
Excavator	45	49					
Flail Mowers				10			
Trailer (funded from s106 Capital Contributions)	10						
Other Plant & Equipment	7						
<b>Environmental Protection :</b>							
Air Quality Monitoring Equipment		98					
<b>Footway Lighting :</b>							
Parish Maintained Street Lights	145	100	45				
<b>Renewable Energy:</b>							
Additional EV Rapid Charging Facility	110	13	61				
Parish Councils		20					
<b>Total Head of Climate, Environment &amp; Waste</b>	<b>3,740</b>	<b>1,835</b>	<b>2,303</b>	<b>5,460</b>	<b>4,484</b>	<b>974</b>	<b>1,728</b>

General Fund - Directorate / Service	Budget 2022-23 £'000	Revised 2022-23 £'000	Budget 2023-24 £'000	Budget 2024-25 £'000	Budget 2025-26 £'000	Budget 2026-27 £'000	Budget 2027-28 £'000
<b>Head of Finance</b>							
Cash Receipting System	39	0	10	19	19	9	
Corporate Fraud Case Management System	20	0	20				
Loans to Ermine Street Housing		5,500					
Contribution towards A14 upgrade (Inf)	200	326	242	242	242	242	242
<b>Total Head of Finance</b>	<b>259</b>	<b>5,826</b>	<b>272</b>	<b>261</b>	<b>261</b>	<b>251</b>	<b>242</b>
<b>Head of Housing</b>							
Housing management system		19					
<b>Northstowe</b>							
Civic Hub	5,099	427	8,105	8,532	4,266		
Sports Pavilion	1,770	3,060	340				
Community Centre	1,500	400	2,800	3,200	1,600		
Phase 2 Sports Pavillion			400	600	1,000		
<b>Other Housing General Fund</b>							
Equited GF Share of HRA Capital Expenditure	25	25	25	25	25	25	25
Repurchase of General Fund Sheltered Properties	500	650	500	500	500	500	500
<b>Improvement Grants / Loans :</b>							
Home Repairs Assistance	100		100	100	100	100	100
Disabled Facilities & Repairs Grants	877	877	885	780	780	780	780
<b>HEAD of HOUSING TOTAL</b>	<b>9,871</b>	<b>5,458</b>	<b>13,155</b>	<b>13,737</b>	<b>8,271</b>	<b>1,405</b>	<b>1,405</b>
<b>Head of Transformation, HR &amp; Corporate Services</b>							
<b>ICT Development :</b>							
PC Refresh Programme							
New Server Technologies	15	50	15	15	15	15	15
Hybrid Cloud Data Centre Refresh			215				
Democratic Services Systems			37				
A single source Council Business CRM system	10						
Data Centre Physical Refresh	75	75					
Replacement of Servers Running Windows/SQL 2012	13	13					
Extended Support for the Shared Datacentre	36	36					
Security Information & Event Management	3	3					
<b>South Cambridgeshire Hall :</b>							
Energy Efficiency (Rnew)		761					
Rapid Electric Charging Facility	40	56					

General Fund - Directorate / Service	Budget 2022-23	Revised 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office adaptations and enhancements	1,230	966	1,775	68	710	500	600
New Data Floor Boxes	50	40	60				
Alter/ Improve Ground floor kitchen	40		40				
Hubs- Fire alarms & Lone working system	80		80				
Curtain Wall	900	735	920				
Resurfacing Main Car Park	100	115					
Fire Alarm System	60	16					
Furniture for 1st floor conversion		60					
Replace UPS Server Room			25				
Inflatable Roof			250				
Allowance to replace ash felt covering to the main roof			350				
Alterations to the main electrical switch panel within the plant room				50			
Lifecycle replacement costs based on 2020 condition survey				18	710	500	600
Ground Floor conversion to Start Up Business Area			50				
Human Resources System		7	7				
<b>Total Head of Transformation, HR &amp; Corporate Services</b>	<b>1,422</b>	<b>1,967</b>	<b>2,049</b>	<b>83</b>	<b>725</b>	<b>515</b>	<b>615</b>
<b>GROSS CAPITAL EXPENDITURE (GENERAL FUND)</b>	<b>48,892</b>	<b>16,041</b>	<b>27,779</b>	<b>29,541</b>	<b>23,741</b>	<b>13,145</b>	<b>13,990</b>
<b>Fixed Assets</b>	<b>47,570</b>	<b>8,388</b>	<b>26,446</b>	<b>28,419</b>	<b>22,619</b>	<b>12,023</b>	<b>12,868</b>
<b>Revenue Expenditure funded from Capital under Statute (REFCUS)</b>	<b>1,322</b>	<b>7,653</b>	<b>1,333</b>	<b>1,122</b>	<b>1,122</b>	<b>1,122</b>	<b>1,122</b>
	<b>48,892</b>	<b>16,041</b>	<b>27,779</b>	<b>29,541</b>	<b>23,741</b>	<b>13,145</b>	<b>13,990</b>
<b>Funded By:</b>							
Capital Receipts	2,952.5	(3,330)	(7,312)	(5,889)	(4,193)	(1,143)	(1,236)
S106 Agreement Contribution (ring fenced for Housing) - used for Northstowe	(8,369)	(2,149)	(6,977)	(7,389)	(4,114)		
S106 Agreement Contribution (ring fenced for Waste Vehicle)				(200)			
Capital Contributions (from s106)		(98)					
Cambridgeshire County Council (DFG)	(877)	(877)	(885)	(780)	(780)	(780)	(780)
Cambridgeshire, Peterborough Combined Authority funding for WREN project			(2,700)				
Revenue Contribution from HRA towards software etc	(14)	(31)	(60)	(9)	(9)	(6)	(4)
Revenue Contribution from General Fund	(90)	(49)	(28)	(41)			
External funding from CCC for Waste Vehicle	(1,755)	(433)	(1,353)	(2,170)	(1,668)	(510)	(1,000)
External funding from CCC for Waste IT System				(150)			
Excess Funding for E-RCV vs Standard RCV from renewables	(686)	(416)		(936)	(936)		
Vehicle Sinking Fund	(854)	(626)	(816)	(1,736)	(1,800)	(464)	(728)
WREN project funding from Renewables Reserve	(1,500)	(100)	(1,660)				0
WREN project funding from Cambridge City Council	(1,500)	(100)	(1,660)				0
Earmarked Reserves	(495)	(2,331)	(348)	(242)	(242)	(242)	(242)
External Borrowing	(29,800)	(5,500)	(3,980)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Total General Fund Capital Resources</b>	<b>(48,892)</b>	<b>(16,041)</b>	<b>(27,779)</b>	<b>(29,541)</b>	<b>(23,741)</b>	<b>(13,145)</b>	<b>(13,990)</b>

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Housing Revenue Account	Original 2022-23	Revised 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Improvements - Existing Stock</b>							
Water / Drainage Upgrades	87	87	91	96	98	100	102
Drainage Upgrades	0	0	0	0	0	0	0
Disabled Adaptations	926	926	972	1,021	1,041	1,062	1,083
Change of Tenancy - Capital	832	1,111	874	917	936	954	973
Rewiring	395	395	415	435	444	453	462
Heating Installation	988	988	1,037	1,089	1,111	1,133	1,156
Electrical Heating Replacement	520	520	546	573	585	596	608
Energy Conservation	255	638	268	281	287	292	298
Estate Roads, Paths & Lighting	100	100	105	110	112	115	117
Garage Refurbishment	52	52	55	57	58	60	61
Parking/Garages	166	166	174	183	187	190	194
Window Replacement	624	624	655	688	702	716	730
Re-Roofing	572	572	601	631	643	656	669
Full Refurbishments	312	312	328	344	351	358	365
Structural Works	208	208	218	229	234	239	243
Asbestos Removal	63	63	66	69	71	72	74
Kitchen Refurbishment	520	520	546	573	585	596	608
Bathroom Refurbishment	312	312	328	344	351	358	365
Compliance Works & Fire Door Replacement	144	194	151	159	162	165	168
Fencing	73	73	77	80	82	84	85
Intro-Fit / Carbon Reduction works	0	0	840	1,260	0	0	0
<b>Total Improvements - Existing Stock</b>	<b>7,149</b>	<b>7,861</b>	<b>8,346</b>	<b>9,141</b>	<b>8,039</b>	<b>8,200</b>	<b>8,361</b>
<b>Other Improvements</b>							
Sheltered Housing and Other Stock	50	175	50	53	54	55	56
Flats	20	20	21	22	22	23	23
<b>Total Other Improvements</b>	<b>70</b>	<b>195</b>	<b>71</b>	<b>75</b>	<b>76</b>	<b>78</b>	<b>79</b>
<b>HRA New Build</b>							
Bennel Farm, Toff	20	161	0	0	0	0	0
Babraham Road, Sawston	679	1,933	0	0	0	0	0
High Street, Meldreth	600	594	0	0	0	0	0
Swavesey, Boxworth End	2,113	2,104	0	0	0	0	0
Great Abington, Strawberry Farm	446	794	0	0	0	0	0
Orwell, Meadowcroft Way	626	275	551	0	0	0	0
Cody Road, Waterbeach	0	1,426	356	0	0	0	0

Housing Revenue Account	Original 2022-23	Revised 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Northstowe, Phase 2b	0	2,510	2,510	2,510	2,510	2,510	0
Gamlingay, Downing Gardens	0	3,394	3,394	0	0	0	0
Melbourn, New Road	0	1,336	0	0	0	0	0
Over, New Road	0	2,058	2,058	0	0	0	0
Cottenham	0	1,586	7,138	7,138	0	0	0
Unallocated New Build	12,680	0	7,993	14,352	21,490	21,490	15,820
<b>Total HRA New Build</b>	<b>17,164</b>	<b>18,172</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>15,820</b>
<b>Other HRA Capital Spend</b>							
Shared Ownership Repurchase	150	150	150	150	150	150	150
Sale of HRA Land - Up front HRA Land Assembly Costs	25	25	25	25	25	25	25
<b>Total Other HRA Capital Spend</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>
<b>Total HRA Capital Spend</b>	<b>24,558</b>	<b>26,403</b>	<b>32,592</b>	<b>33,391</b>	<b>32,290</b>	<b>32,453</b>	<b>24,435</b>
<b>Housing Capital Resources</b>							
Capital Receipt Reserves	(3,540)	(3,750)	(10,157)	(12,651)	(5,201)	(2,851)	(2,671)
Major Repairs Reserve	(7,219)	(8,056)	(8,417)	(9,216)	(8,115)	(8,278)	(8,440)
Direct Revenue Financing of Capital	(9,125)	(8,474)	(9,474)	(8,724)	(10,724)	(10,974)	(10,974)
Other Capital Resources (Grants / S106 funding)	(475)	(475)	(600)	(450)	(400)	0	0
Retained Right to Buy Receipts	(4,199)	(5,648)	(3,944)	(2,350)	(2,350)	(2,350)	(2,350)
HRA CFR / Prudential Borrowing	0	0	0	0	(5,500)	(8,000)	0
<b>Total Housing Capital Resources</b>	<b>(24,558)</b>	<b>(26,403)</b>	<b>(32,592)</b>	<b>(33,391)</b>	<b>(32,290)</b>	<b>(32,453)</b>	<b>(24,435)</b>