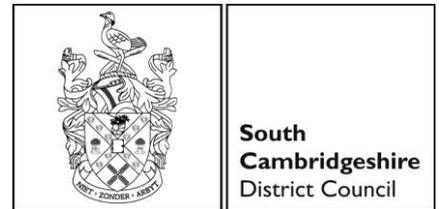


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13 January 2022

To: Chair – Councillor Grenville Chamberlain
Vice-Chair – Councillor Judith Rippeth
Members of the Scrutiny and Overview Committee – Councillors
Anna Bradnam, Dr. Martin Cahn, Nigel Cathcart, Sarah Cheung Johnson,
Graham Cone, Dr. Claire Daunton, Peter Fane, Sally Ann Hart,
Geoff Harvey, Steve Hunt, Dr. Aidan Van de Weyer and
Dr. Richard Williams

Quorum: 4

Substitutes:	Councillors Heather Williams, Mark Howell, Sue Ellington, Bunty Waters, Gavin Clayton, Henry Batchelor, Alex Malyon, Jose Hales, Dr. Ian Sollom and Paul Bearpark
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There is a pre-meeting session at 4pm the day before the meeting, for members of the Committee only, to plan their lines of enquiry.

Dear Councillor

This is a supplement to the agenda for the next meeting of **Scrutiny and Overview Committee**, which will be held in the **Council Chamber - South Cambs Hall** on **Tuesday, 18 January 2022 at 5.20 p.m.**

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

Yours faithfully
Liz Watts
Chief Executive

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

Agenda Supplement

Pages

- 8. General Fund Budget** **1 - 96**
The Scrutiny and Overview Committee is asked to comment on the attached draft Cabinet report.

Appendix B is not included because essentially it consists of the information in Appendices 1 – 7 to the draft report.

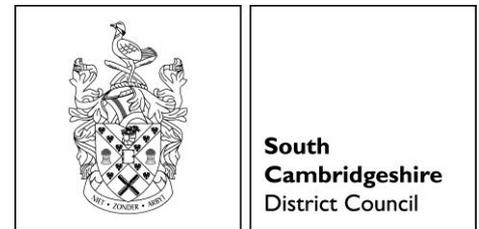
Appendices E and F are unavailable but will form part of the Cabinet agenda.

- 9. Housing Revenue Account Budget** **97 -
138**

The Scrutiny and Overview Committee is asked to comment on the attached draft Cabinet report.

Appendix D is unavailable but will form part of the Cabinet agenda.

Agenda Item 8



Report To: Cabinet 7 February 2022

Lead Cabinet Member: Councillor John Williams,
Lead Cabinet Member for Finance

Lead Officer: Peter Maddock, Head of Finance

Summary General Fund Revenue Budget 2022/2023

[Figures throughout the report are subject to change as the budget is finalised.]

Executive Summary

1. To consider the summary General Fund Revenue Budget for 2022/2023 and to recommend the Revenue Budget to Council.
2. This is a key decision because it results in the authority incurring expenditure which is, or the making of savings which are, significant having regard to the Council's overall budgets.

Recommendations

3. That Cabinet is requested to consider the report and, if satisfied, to:
 - (a) Take into account the detailed budgets presented at Appendix B, and summarised at Appendix A, with an estimated General Fund Gross Operating Expenditure for 2022/2023 of £78.594 million, estimated Gross Operating Income of £52.696 million and estimated General Fund Net Operating Expenditure of £25.898 million.
 - (b) Acknowledge the key factors which have led to the proposed 2022/2023 General Fund Revenue Budget, with service pressures summarised at Appendix C and offsetting efficiency savings/policy options summarised at Appendix D.
 - (c) Acknowledge that the 2022/2023 General Fund Revenue Budget gross expenditure is covered by forecast income sources (assuming no change in Government grant) and, therefore, any addition(s) to expenditure that are made by the Cabinet or Council will need to be met from the General Fund Balance.
 - (d) Approve the 2022/2023 General Fund Revenue Budget taking into account the statement by the Chief Finance Officer on the risks and robustness of the estimates as required under Section 25 of the Local Government Act 2003 (reproduced at Appendix F).
 - (e) Set the Council Tax Requirement for 2022/2023 at £10,489,403.
 - (f) Approve an increase in the District element of the Council Tax of £5 per annum, giving an average Band D Council Tax of £160.31, plus the relevant amounts required by the precepts of the Parish Councils,

Cambridgeshire County Council, Cambridgeshire Police & Crime Commissioner, and the Cambridgeshire Fire Authority.

- (g) Authorise the Head of Finance, on the basis of the proposals set out in the report, to prepare the formal Council Tax Resolution for presentation to Council at its scheduled meeting on 22 February 2022.**
- (h) Approve the estimates of the amounts required to be made under the Non-domestic Rating (Rates Retention) Regulations 2013 as set out in paragraphs 34 to 37. (Information not available yet)**
- (i) Approve the acceptance of any grants made during 2022/2023 by the Government under Section 31 of the Local Government Act 2003 in respect of Business Rates.**
- (j) Approve the use of the additional income from the Business Rate Pool, estimated at £1,100,000 in 2022/2023, for transfer to the established Renewables Reserve for priority projects.**
- (k) Subject to any changes to the recommendations above, recommend to Full Council:**
 - (i) The 2022/2023 General Fund Revenue Budget based on known commitments at this time and planned levels of Service/functions resulting in a Budget Requirement of £22.668 million.**
 - (ii) The District Council Precept on the Collection Fund (Council Tax Requirement) of £10.489 million in 2022/2023 (based on the Provisional Government Settlement) and a Band D Council Tax of £160.31.**

Reason for Recommendations

- 4. To enable the Cabinet to recommend to Full Council the 2022/2023 General Fund Revenue Budget.

Details

(A) Prospects for Local Government

- 5. This report sets out the draft revenue budget proposals for 2022/2023 that have been prepared in the context of an economic landscape that has continued with a degree of uncertainty and volatility during 2021, with the impact of the UK withdrawal from the European Union on 31 January 2020, and the ongoing financial challenges as a result of the Coronavirus pandemic (COVID-19). In addition, there is continued uncertainty about the timing of local government funding reforms that, when implemented, could have a significant impact on the distribution of resources.
- 6. The local government funding reforms had previously been planned for introduction from April 2021 but had been delayed and there was no additional announcement within the 2021/2022 Local Government Settlement. It is envisaged that the reforms will include the planned increase in local business rate share to 75% (from 50%), a business rate baseline reset, a Fair Funding Review, and other changes to key funding streams, such as social care and New Homes Bonus (NHB). A consultation

on the replacement for NHB has taken place, with changes expected to be implemented from 2022/2023, but there is no confirmation of the timescale for implementation of the wider local government reform package. Given the provisional settlement it is now clear that the reforms will not now impact until 2023/2024 at the earliest.

7. A detailed refresh of the Medium-Term Financial Strategy (MTFS) was considered by Cabinet, at its meeting on 6 September 2021, and this provided (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. The determination of the 2022/2023 revenue budget has, therefore, been informed by the MTFS financial forecasts, together with established and effective budget monitoring arrangements that have created a sound foundation for the management of the Council's financial resources. A further refresh of this is required in light of the provisional settlement and proposed 2022/23 budget.
8. The financial landscape requires a reliance on an effective budget strategy and sound medium-term financial planning to ensure that the Council's limited resources are targeted to priority services and outcomes.

(B) Economic Outlook

9. The economic landscape has continued with uncertainty in the last 12 months with the full effects of the Coronavirus pandemic acting as a dampener on growth and impacting on Council services. A support package has continued to help Councils respond to the Coronavirus pandemic and to ensure financial sustainability in the future. The Government also introduced a number of financial measures that sought to help businesses survive the crisis caused by the Coronavirus pandemic, including the Coronavirus Job Retention Scheme (Furlough Scheme) which concluded on 30 September 2021. The withdrawal of these support packages could, however, impact recovery (e.g. a rise in the level of insolvencies, ability to pay etc) and endeavours have been made to take into account the effect on Council services, and income and expenditure levels, as part of the 2022/2023 budget setting process.
10. Inflation used to drive expenditure and income assumptions in revenue budget planning have been based on the Bank of England and Office for Budget Responsibility (OBR) forecasts; the percentage applied in the MTFS and in the proposed budget is 2.5% for employee related costs and 2% for other costs reflecting the Government target for the Consumer Price Index (CPI). In terms of current economic performance, inflation (measured in terms of CPI), was recorded at 5.1% in the 12-month period to November 2021, up from 4.2% in the 12 month period to October 2021 and well above the Bank of England's target of 2%.
11. The Council lends its cash balances externally on a short-term basis, with a view to generating a return that can be spent on delivering council services whilst managing both security and liquidity of the cash. In response to the prevailing economic conditions the Bank of England Base Rate has been maintained at its record low of 0.1% since its reduction from 0.25% on 19 March 2020. This low rate has decreased the return on the Council's Money Market Fund holdings and gives a reduced return on maturing deposits when reinvested. It is expected that rates will remain at low levels throughout 2022/2023. The anticipated path of any base rate change reflects

the fragility of the recovery and this will continue, therefore, to have a direct impact on the investment return achieved by the Council.

12. Short term loans were used during 2021/2022 to fund lending to Ermine Street Housing and to fund other items in the Capital Programme and it is anticipated that external borrowing will be required during 2022/2023. Further clarity about borrowing from the Public Works Loan Board (PWLB), and the new borrowing restrictions for investment in commercial assets primarily for yield, has enabled appropriate changes to be considered as part of the annual review of the Capital, Investment and Treasury Management Strategies. For budgeting purposes, available interest rates have been factored into the borrowing cost projections associated with the capital programme.

(C) Budget Formulation

13. The detailed budgets presented this year are rather different to previous years in that they are now presented in service area packs. Each pack has a title page, a budget summary, individual budget pages (with similar budgets grouped together) and a subjective analysis which shows the service area spend by type of expenditure.
14. The budget summary gives the total of each of the budget pages and the overall budget for the service area. Below that is an analysis of the budget between what is ongoing (referred to as the Continuing Services Budget) and what is financed from Earmarked Reserves. The longer term objective is for all one off expenditure to be funded from Earmarked Reserves and all ongoing expenditure to be funded from the General Fund. By doing this it makes longer term financial planning easier in that we can see at a glance what our long term budgetary commitments are and what items are in the budget for a fixed period of time.
15. The detailed budget pages give some commentary on each service budget to make it clear what the purpose of that particular budget is, along with reference to any bids and savings relating to the budget.
16. The subjective analysis shows the total budget by type of expenditure as defined by the Service reporting code of practice (SeRCOP). SeRCOP is recognised across the local authority sector as the standard way of reporting expenditure and income by type.
17. The budget is divided up into distinct areas known as Cost Centres and these are either Direct Services or Support Services sometimes referred to as frontline or back office. The accounting code requires us to allocate all support services to direct services and therefore the budget presented represents the total cost of direct services including the support costs relating to them. It is important to note however that cost control and responsibility for support services rests with the service area where the support service resides not the service area where the cost is eventually allocated.
18. This point is particularly pertinent to the transformation programme which comes at a significant cost to deliver further ongoing savings and is by definition a support service. In 2022/2023 a substantial amount of work will be carried out within the planning service but the cost of this work whilst charged to Planning Services is funded from the Transformation Reserve which is a Corporate Services Reserve that is not part of the ongoing planning budget. The budget summary for Planning

Services therefore shows this element as being funded from Earmarked Reserves not the General Fund.

19. The other point to note is the cost of pensions. Some years ago the rules on accounting for pensions changed and from then each service had to bear the cost or value of the pension fund relating to the employees that work in that service area rather than just the employers contributions made relating to those employees. Until 2021/2022 these costs were excluded from the budget and only accounted for in the final accounts. Best practice is to account for them in both and that is what we now do. The 'Current Service Cost' as this is a larger number than the employer's contributions and therefore has the effect of inflating service budgets and the current service cost has been increasing significantly more than inflation as it affected by the performance of the investments that are made by the pension fund. Having said this none of this affects the overall budget as legislation requires the council to charge only the contributions to the Council Tax and therefore the General Fund.
20. In looking specifically at the 2022/2023 Revenue Budget, the Council needs to be mindful of the financial backdrop and will need to ensure that any proposals, in particular around efficiencies and policy options, need to be realistic and above all sustainable. The financial landscape will, therefore, require reliance on an effective budget strategy and sound medium-term financial planning to ensure that the Council's limited resources are targeted to priority services and outcomes.
21. The Revenue Budget has been prepared in accordance with the Council's MTFS approved by Cabinet on 6 September 2021. The clear message is that budget setting and medium-term financial planning will be tough over the duration of the MTFS (to 2027) and, as such, the financial objectives identified at paragraph 66 below have helped guide the budget process. In determining the 2022/2023 revenue budget, due and proper regard has been given to its ongoing sustainability and the observance of a number of overarching principles. This has involved:
 - (a) An overall commitment to endeavour to increase annual income sources and reduce annual expenditure without materially reducing front line services provided by the Council;
 - (b) A comprehensive review of the base budget to provide greater assurance for the future. The review has been based upon regular established monitoring processes, and has incorporated a review of the alignment between the original budget and service activity;
 - (c) The commitment, in response to the financial challenges, to an ambitious 4-year plan to transform service quality, realign financial resources to business plan priorities and improve customer service.
 - (d) A positive commitment to achieve better value for money for the service areas whilst maintaining quality, accessible front-line services, and the adoption of a Value for Money Strategy by the Cabinet on 4 September 2019.
 - (e) The continued review and tight control of the capital programme given the impact of borrowing on the revenue budget.

22. The resulting draft 2022/2023 revenue budget sets out the Council's finances and the efficiencies required to produce a balanced budget in the light of the ongoing reduction in Government grant funding and other pressures.
23. In preparing the budget for 2022/2023 a detailed revised estimate for 2021/2022 has also been prepared taking into account the changes to expenditure and funding as a result of COVID-19. The two key effects to the General Fund are the increased expenditure that has been caused by the pandemic and lost service-related income due to the various lockdowns and resulting downturn in activity.
24. Whilst additional expenditure is expected to exceed £1 million in 2021/2022, with a consequent increase in service costs, the Government support in the form of additional un-ringfenced grant to manage the immediate and long-term impacts of the pandemic has been continued, with final payments made in April 2021. The overall effect on Council finances is, therefore, expected to be broadly neutral with the increased amount to be met from Government Grants and Taxpayers offset by the available amount for financing from Taxation and Grants.
25. With regard to lost service-related income, the extension of the Government Sales, Fees & Charges Scheme also continued into the first three months of 2021/2022. This means that local authorities have continued to absorb the first 5% of all relevant, irrecoverable income losses compared to budgets, on a pro rata basis, with the government compensating Councils for 75 pence in every pound of loss thereafter.
26. In line with accounting requirements, the revised budget for 2021/2022 and proposed budget for 2022/2023 continue to include relevant pension adjustments. Accounting requirements are such that the pension costs recognised in the net cost of services should be the value of the pension fund related to those employees delivering the services, rather than the actual contributions to the fund in relation to those employees. The effect of this is to increase the net cost of services but reverse the effect out within the net operational expenditure.

(D) Provisional Settlement – Funding Sources

27. The 2021 Spending Review, announced on 27 October 2021, confirmed that the Core Spending Power for local government was expected to increase by 6.9% in cash terms. In addition, it was confirmed that there would not be a reset of the business rates baseline in 2022/2023. The provisional finance settlement announcement, on 17 December 2021 made no significant changes to the funding allocations compared to 2021/2022. Whilst this benefits 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 expected, but deferred, business rate baseline reset could be particularly damaging. To offset the adverse impact of the local government funding reforms, when implemented, some form of damping support would be expected, although this would be phased out over time.
28. The key headlines in relation to the Provisional Local Government Finance Settlement are 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. It is not clear what is happening on the Business Rates reset though there is an indication that a comprehensive review of Local Authority funding will take place during 2022. The Cambridgeshire Business Rates Pool was also confirmed for a further year.
- (iii) Continuation of the additional Lower Tier Services Grant un-ringfenced grant of £113,000 in 2022/2023. Indications in the 2021/22 settlement were that this was a one off grant for that year but it has been continued for 2022/23.
- (iv) 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.
- (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) A consultation on the New Homes Bonus (NHB) scheme closed on 7 April 2021 proposing a range of options to provide an incentive that is more focussed and targeted on ambitious housing delivery. It had been assumed that the support provided in the provisional settlement would be on the basis of a revised scheme however the Council has received an allocation of £2,376,000 on the basis of the current scheme. Rather unexpectedly it now seems likely that there will be a further consultation on NHB during 2022/23 which means there is still considerable uncertainty around support going forwards. Having said that the allocation is rather higher than assumed in the MTFS which is at least positive.

29. The spending power of the Council, based upon the provisional settlement, can be summarised as follows:

	2021/2022 £'000	2022/2023 Provisional £'000	Change %	2023/2024 £'000
Settlement Funding Assessment (SFA):				
- Business Rates Baseline	2,647	2,647	0%	2,700
- Revenue Support Grant (RSG)	-	-	-	-
Total SFA – Per 2022/2023 Settlement	2,647	2,647	0%	2,700
- Rural Services Grant	137	137	0%	-
- Lower Tier Services Grant	113	113	0%	-
- Services Grant	-	182	100%	-

New Homes Bonus (NHB) Grant	2,193	2,376	8.5%	1,000
Council Tax Income	9,998	10,489	4.9%	11,066
Core Spending Power	15,088	15,944	5.7%	12,066

30. While the level of Settlement Funding Assessment (SFA) for 2022/2023 remains stable as a result of the one-year settlement that has been announced, there remains considerable uncertainty relating to the SFA for 2023/2024 and beyond. The outcome of the Fair Funding Review, a probable baseline reset (and potential review of the Business Rate Retention system), and the further review of NHB create uncertainty.
31. The key elements of local government funding, some of the assumptions made for the period from 2023/2024 and local prospects were outlined in the refresh of the MTFs reported to Cabinet on 6 September 2021. These are outlined in more detail in the “Funding the Budget Requirement” Section below.

(E) Spending Baseline, Spending Pressures and Savings

32. The table below sets out headline movements from the 2021/2022 approved budget. Detailed analysis by service area is outlined in **Appendices A and B**.

	Increased Resource	Reduced Resource
Resources	£m	£m
Council Tax	574,000	
Business Rates		
Rural Services Grant/Lower Tier Grant	189,000	
New Homes Bonus	183,000	
Net increase in Resources	946,000	

	Reduced Spending/ Funding changes	Increased Spending
Spending	£m	£m
Chief Executive		411,000
Shared Waste and Environmental Services		994,000
Finance Services		889,000
Housing Services		138,000
Planning Services		2,206,000
Transformation, HR & Corporate Services		170,000
Contingency & Unallocated	99,000	
Interest Payable		162,000

Investment Income		217,000
Other Levies & Contributions		1,169,000
Capital Financing & MRP	3,130,000	
Contribution to Earmarked Reserves	1,908,000	
Contribution to General Fund	273,000	
Spending differences between 2021/2022 and 2022/2023	5,410,000	6,356,000

33. The most significant of these are set out below:
- (a) The "Net Increase in Resources" is set out in more detail at Section "G" below (paragraphs 40 to 54). The increase in Council Tax is based upon a £5 increase on 2021/2022 levels.
 - (b) Spending pressures and growth bids have been submitted and have been refined as part of the budget build process. These are summarised at **Appendix C**.
 - (c) Pay and prices incorporate a pay increase of 2.5% and an assessment of contracted service inflation.
 - (d) Funding changes (e.g. incorporating the additional S31 grants related to business rates and additional income from the Council's investments).
 - (e) Capital financing charges to support the forward capital programme (see separate report on the agenda).
 - (f) Savings proposals are set out in detail at **Appendix D**.
34. It has been established practice, since 2020/2021, to maintain a prudent level of revenue contingency to enable unforeseen and "one off" needs (i.e. having no long-term ongoing revenue commitment) to be considered for funding during the financial year. The draft 2022/2023 revenue budget maintains the sum of £250,000 for this purpose, which represents approximately 1% of the net operating expenditure.
- (F) Proposed Savings**
35. The Council has embarked on an ambitious plan to transform service quality, realign financial resources to business plan priorities and improve customer service.
36. Progress with the range of savings proposals, including income generation opportunities, has been considered and refined as part the ongoing budget monitoring reports to Cabinet. The proposals have been subject to further refinement and consultation with stakeholders and the schedule of proposals, at **Appendix D**, have been included in the 2022/2023 Revenue Budget.
37. The profile of savings is influenced by deliverability and lead in times and the analysis by years is shown in **Appendix D** together with an estimate of how much is expected to fall on the General Fund and how much on the HRA.
38. There continues to be, in addition, a great deal of work undertaken, in consultation with Heads of Service on budget challenge, in order to identify other savings on

budgets sufficient to reduce the level of costs to the level of resources available, or to ensure that budgets are appropriately aligned. This has resulted in budget adjustments being made in the context of maintaining the relationship between resource allocation and the Council's Business Plan priorities.

39. In relation to partnership arrangements, a "recharge model" was introduced in 2020/2021 for existing shared services in order to ensure that recharges are fair and consistently applied and that taxpayers in one area are not subsidising services provided in another. This resulted in a further adjustment to the level of recharges applied and this has been factored into the 2022/2023 revenue budget.

(G) Funding the Budget Requirement

40. Funding the Budget Requirement incorporates:

- (i) Revenue Support Grant/Business Rates
- (ii) Other Specific Grants
- (iii) Council Tax

(i) Revenue Support Grant/Business Rates Retention

41. 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. It means that Councils bear a proportion of the real terms change in business rate 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 Cambridgeshire, 40% is retained by the District Council and 9% is retained by Cambridgeshire County Council and 1% by the Cambridgeshire Fire Authority.

42. The review of Local Government Finance that will comprise (i) the quantum and how existing funding streams will feature within this and (ii) the methodology to allocate funding (known as Fair Funding) has now been further delayed. It is uncertain when the introduction of the new funding model predicated on changes to BRSS to enable a 75% retention of Business Rates (with most, if not all of the 25% increase, allocated to authorities with adult social care responsibilities) will be introduced. The 2022/2023 revenue budget has, therefore, been based upon the existing funding regime.

43. The Provisional Local Government Finance Settlement was announced on the 16 December 2021 and sets out the Council's SFA for 2022/2023. This is identified in the table below, together with the other factors relevant to determining the Business Rates Yield for 2022/2023:

	2021/2022 £'000	2022/2023 Provisional £'000	Change %	2023/2024 £'000
Settlement Funding Assessment (SFA):				
- Baseline Funding Level	2,647	2,647	0%	2,700
- Tariff	26,482	26,482	0%	27,012
- Business Rates Baseline	29,129	29,129	0%	29,765

- Section 31 Grants	2,562	2,562	0%	-
Total SFA – Per 2022/2023 Settlement	2,647	2,647	0%	2,647
Safety Net Threshold	2,449	2,449	0%	-
Levy Rate (p in £) applicable if outside pool	£0.50	£0.50		£0.50

44. Specifically, in relation to the preparation of the 2022/2023 Revenue Budget:

- (a) The net Business Rates Yield has been estimated at £xx.xxx million for 2022/2023 as set out in **Appendix E (Not yet available)**. The Council's share of this together with the deficit set out in Appendix E equates to £xx.xxx million compared to a Business Rates Baseline of £29.129 million as set out in the table above. The forecast is based on the number and rateable values of non-domestic properties currently shown in the valuation list. The Business Rates forecast is predicated on the following assumptions:
- Where growth or decline in the tax base, i.e. new developments, can be predicted with reasonable certainty this is reflected in the forecast yield.
 - There will be no significant changes to the overall value of reliefs, e.g. empty property rate relief or charitable rate relief over the course of the financial year.
- (b) The Council is entitled to a number of Section 31 Grants in relation to Business Rates to compensate for yield that is foregone due to national government policy, for example, the extension to eligibility for Small Business Rate Relief. These Section 31 Grants are included within the Council's net expenditure (at Appendix F).
- (c) One of the key issues in relation to forecasting the Business Rates Yield is the volatility arising from settlement of valuation appeals. This needs to be considered in terms of previous "2010 List" and the current "2017 List". Nationally the estimated eventual loss arising due to appeals is 4.7%, however, based on an analysis of appeals since 2017 under the new Check Challenge Appeal process, a reduction in this level has been evident. The increase in appeals going forward is, however, expected to continue (in part due to the pandemic) and it is, therefore, felt that the national rate of 4.7% should continue to be applied in 2022/2023 for the appeals provision.
- (d) There is also significant concern around the long-term effects of the pandemic and how business rates income will be affected in terms of the ongoing need for businesses to retain property to operate and how much debt will eventually turn bad due to business failures. The Government also introduced a number of financial measures that sought to help businesses survive the crisis caused by the Coronavirus pandemic, including the Coronavirus Job Retention Scheme (Furlough Scheme) which concluded on 30 September 2021. The withdrawal of the Government support packages could impact recovery (e.g. a rise in the level of insolvencies, ability to pay etc) and the effect on Council services, and income and expenditure levels, will need to be fully taken into account as part of the 2022/2023 budget setting process.

45. Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. The Council successfully applied to be the lead authority of a consortium which also includes Cambridgeshire County Council, Peterborough City Council, Fenland District Council, East Cambridgeshire District Council and Cambridgeshire Fire Authority. The formal designation of the pool was confirmed on 18 December 2019 and was introduced on 1 April 2020. The Pool successfully continued in 2021/2022 and has also been re-designated to continue in 2022/2023. It is estimated that the Council will benefit from an additional income in excess of £1.1 million during 2022/2023 and, in line with established policy, it is proposed that the sum continues to be transferred annually to top up the Renewables Reserve to fund priority projects determined by the Council.
- (ii) Rural Services Grant
46. 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. This has been confirmed to continue into 2022/2023 before being phased out.
- (iii) Lower Tier Services Grant
47. This is the continuation of a new un-ringfenced grant of £113,000, introduced in 2021/2022 for lower tier authorities to support service provision.
- (iv) New Homes Bonus
48. 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) NHB is payable on housing growth over a threshold of 0.4% of the Tax Base.
(b) Payments are based on a rolling 4-year period.
49. Housing growth has been significant for this Council area and, as such, the Council has benefited from high levels of NHB. The Government had, however, stated its commitment to review NHB and the long-awaited consultation on the replacement for NHB was published on 10 February 2021 and closed on 7 April 2021. The consultation outlined a number of options for reforming NHB to provide an incentive that is more focused and targeted on ambitious housing delivery, that complements the reforms outlined in the Planning White Paper, and dovetails with the wider financial mechanisms the government is putting in place, including the community infrastructure levy and the Single Housing Infrastructure Fund. The Council has been a major beneficiary of the grant, receiving a peak of £5.2 million in 2016/2017 and there is a risk that the review could result in a reduced financial benefit.
50. The longevity of legacy payments was, in any event, reduced when NHB was initially reformed in 2017/2018. New legacy commitments ceased to be made in allocations from 2020/2021 and the government confirmed that it had no intention to reintroduce

the concept of legacy payments. It had been expected that the changes to NHB would be implemented from 2022/2023 onwards, alongside the wider local government reform package however it had become increasingly clear in recent weeks that the provisional settlement would be on a similar basis to 2021/22 and that proved to be the case. The 2022/2023 budget therefore includes a reward from NHB in the sum of £2.376 million based on the existing scheme. It is unclear what the status of the NHB consultation earlier in the year now is as it has been suggested a further NHB consultation will be carried out shortly.

51. In line with the agreement of the partners, 10% of NHB has been set aside as a contribution to the Greater Cambridge Partnership (GCP) Investment and Delivery Fund from 2021/2022 (a reduction from the 30% level that applied up to 2020/2021).

(v) Council Tax

52. Council Tax has been the most predictable and stable element of Local Government funding, despite the uncertainty created by COVID-19. 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 tax base based upon the latest estimates of housing growth. An additional £35,000 is also estimated from the Council Tax sharing agreement.
53. The Local Government Finance Act 1992 requires the Council to set its Council Tax Base for the ensuing financial year by 31 January preceding the start of the new financial year and to notify precepting bodies of the Tax Base that will apply to their area. The Council Tax base for the financial year 2022/2023 has been set at 65,432.00 Band D equivalent properties (an increase of 1.67% (1,078.20) compared to the 2021/2022 Tax Base of 64,353.80).
54. The proposed increase in Council Tax for 2022/2023 is 3.4%. This proposal equates to an increase of £5.00 on the average Band D property giving a Council Tax of £160.31 based upon the 2022/2023 Council Tax base of 65,432.0 Band D dwellings. The proposed 3.4% increase in Council Tax, results in a total yield from Council Tax of £10.685 million (including £0.195 million Collection Fund surplus and £0.035 million from the council tax sharing agreement).

(H) Review of Reserves

55. A detailed review of Reserves has been made as part of the budget setting process and a separate report is included on the agenda for the meeting.

(I) Capital Programme

56. A review of the capital programme has been undertaken in conjunction with lead officers to ensure that proposed investment is prudent, sustainable, and affordable and a separate detailed report to the Cabinet proposes a revised profiled capital programme. The Capital Financing implications of the proposed capital programme are reflected in the proposed General Fund Revenue Budget. In the event that all changes are approved, and the latest forecast capital receipts are forthcoming, a forecast borrowing requirement of £xxx.xxx million will be needed to support the total capital programme to 2026/2027.

57. The revenue implications of the Capital Programme have also been taken into account in the draft 2022/2023 revenue budget and are detailed at **Appendix A**.
58. In determining the 2022/2023 revenue budget, annual contributions to the following Reserves established in 2020/2021 have been made:
- (a) **Repair and Renewal (Equipment & Plant) Fund**: An annual revenue contribution of £50,000 to this Reserve for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing, and renewing IT equipment and operational building plant and equipment belonging to the Council.
 - (b) **Software Fund**: An annual contribution of £50,000 to this Reserve for the purpose of defraying expenditure to be incurred from time to time on IT replacement software solutions.
 - (c) **Property Investment Reserve**: An annual contribution of £100,000 to this Reserve for the investment and refurbishment costs above and beyond tenant repairing lease obligations (e.g. investment to encourage improved re-letting terms). This could include upgrades to improve environmental standards.

(J) Fees and Charges

59. An annual review of fees and charges has been made as part of the revenue budget process in order to determine the non-regulatory fees and charges to be set by the Council for the provision of services from April 2022. A separate report was considered by Cabinet agenda at its meeting on 6 December 2021 and the additional income from the revised fees and charges (albeit marginal) has been included in the draft 2022/2023 revenue budget.

(K) General Fund Revenue Budget Summary

60. The 2022/2023 General Fund Revenue Budget Summary is detailed at **Appendix A** and the following is relevant:

(i) **Revenue Support Grant (RSG) and Business Rates**

These figures reflect the provisional Settlement for 2022/2023. Any adjustment (dependent on its effect) will be reported to Council on 22 February 2022.

(ii) **Council Tax Collection Fund Balance in aid of Council Tax**

The Council's share of estimated Council Tax surplus as at 31 March 2022 has been determined by the Head of Finance and totals £0.195 million.

(iii) **Net District Requirement from Council Tax**

After allowing for the increase in the Council's Taxbase, the average Band D Council Tax will be **£160.31**.

(iv) District Precept on Collection Fund

In accordance with legislative requirements the District Precept on the Collection Fund will include Parish Precepts when known.

61. **In pursuance of Section 25 of the Local Government Act 2003 the Chief Finance Officer is required to make a statement on the robustness of estimates and the adequacy of Reserves in relation to the Council's budget calculations. Provided Members fully take into account the risks that are outlined in the report at Appendix F (Not yet available), I can confirm that Directors/Heads of Service are satisfied with the level of budgets put forward for 2022/2023 relating to their respective service areas although it must be recognised that the budget allocations in 2022/2023, and the future prospects for service delivery, will be challenging and that pressures and constraints during the next financial year will be inevitable.**

Options

62. There are options to remove or add items to the budget but, based on previous Cabinet decisions and the detailed discussions held with spending officers, the General Fund Revenue Budget as presented includes all items required to deliver council services and member priorities. The gross expenditure is covered by forecast income sources (assuming no change in Government grant) and, therefore, any addition(s) to expenditure that are required will need to identify matching savings and/or additional income if the proposed level of Council Tax is not to change.

Implications

63. 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:

Policy

64. The MTFs, approved by Council on 23 September 2021, identifies that the Council will ensure that annual ongoing General Fund revenue expenditure can be covered by annual income sources across the MTFs period in order to ensure a continuously stable financial base for the provision of Council services and functions. In doing so, the Council recognises that any significant use of reserves to fund ongoing expenditure commitments is unsustainable in the medium term.
65. The MTFs identifies that a prudent level of revenue contingency will be maintained to enable unforeseen and "one off" needs (i.e. having no long-term ongoing revenue commitment) to be considered for funding and, in this regard, the proposed General Fund Revenue Budget includes a revenue contingency of £250,000.
66. In accordance with the MTFs, the following financial objectives have guided the formulation of the 2022/2023 revenue budget:

- 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;
- 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;
- The continued review and control of the Capital Programme given the impact on borrowing (see separate report on the agenda).

Legal

67. The Council is required by law to set a balanced revenue budget each year. There are two specific dates in relation to budget and Council Tax setting that are required by statute to be achieved. Firstly, it is a requirement that each local authority approves its Revenue Budget by 28 February each year for the forthcoming financial year. Secondly, a billing authority (i.e. this Council) is required to set the Council Tax for its area by 11 March each year for the forthcoming financial year.
68. It is a legal requirement (under Section 25 of the Local Government Act 2003) that before approving the ensuing year's Capital and Revenue Budget, the Council are required to receive and take into account a report of the Chief Finance Officer (Head of Finance) on the robustness of the estimates leading to the Council's Council Tax requirement and the adequacy of financial reserves. This needs to cover issues of affordability (having regard to Council Tax implications), prudence (having regard to Council policies/strategies) and sustainability (having regard to forecast annual expenditure and income). This report is attached at **Appendix F**.

Financial

Budget Overview

69. The proposed 2022/2023 revenue budget is set out in the table at **Appendix A**.

Government Funding Settlement

70. This report is based on the Provisional Government settlement relating to the revenue support grant and business rates redistribution. The consultation on the proposed settlement ended on 13 January 2022 but the final settlement has not yet been formally confirmed. It is, therefore, recommended that:

- if the Government grant were increased it is recommended that the balance would be transferred to the General Fund Reserve.
- if it is reduced that this be the first call on the general contingency.

Parish Council Precepts

71. Parish Councils had until 31 January to notify the Council of their precepts for the forthcoming year and, as such, the total of the precepts will be reported directly to Full Council on 22 February 2022 as part of Council Tax Resolution.

Risk

General

72. The Revenue Budget for 2022/2023 has been prepared on a prudent basis but there are risks which may affect the budget. These risks include the following:
- The extent of service pressure being higher or lower than anticipated.
 - The delivery of planned efficiency savings.
 - Unforeseen costs during the year which may exceed the provision in the general contingency of £250,000.
 - The economic situation is either better or worse than anticipated with fluctuations in income sources (NB: This affects capital financing costs and fees and charges).
 - Increases in inflation above those known or expected at this time.
 - Member aspirations regarding service levels.
 - The impact of changes in legislation.

It is also critical that the budget setting timescale is followed to ensure that statutory deadlines are complied with.

Specific

73. When the Council considers each revenue service and function budget endeavours are made to identify potential risks. Inevitably, during the 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 process has identified a number of service specific risks relating to the range of District Council Services and related budgets. An overall assessment of risk and an assessment of the robustness of estimates are set out in **Appendix F**.

Environmental

74. There are no environmental implications arising from this report.

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:

- Budget Report – Report to Cabinet: 3 February 2021/Council: 23 February 2021
- Medium Term Financial Strategy – Report to Cabinet: 6 September 2021
- Medium Term Financial Strategy – Report to Cabinet: 23 September 2021
- Capital Programme Update and New Bids – Report to Cabinet: 6 December 2021
- 2021/2022 Revenue & Capital Budget Monitoring – Report to Cabinet: 6 December 2021

Appendices

- A Revenue Budget 2022/2023: Summary
- B Revenue Budget 2022/2023: Detailed Budgets
- C Service Pressures Taken into Account
- D Service Efficiencies/Income Generation Opportunities
- E Business Rate Yield Estimate 2022/2023
- F Revenue Budget: Risks and Robustness

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**Chief Executive & Chief Operating Officer
Estimates 2022/23**

**Chief Executive and Chief Operating Officer
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Management	843	876	664	701	-	701
Economic Development & Commercial Investment	980	1,220	998	1,517	-	1,517
Elections	328	392	423	683	(2)	681
Directorate Total	2,150	2,488	2,086	2,901	(2)	2,899
Continuing Services Budget	2,150	2,488	2,086			2,727
Funded from Earmarked Reserves	-	-	-			172
Total	2,150	2,488	2,086			2,899
Total Expenditure to General Fund	2,150	2,488	2,086			2,899

**Chief Executive and Chief Operating Officer
Estimates 2022/23
Corporate Management**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Management	843	876	664	701	-	701
Grand Total	843	876	664	701	-	701

The Corporate Management cost centre comprises of the costs of executive team who are integral to the welfare of the council and the decisions it makes as they are part of the Leadership Team. Other significant costs in the budget are the monthly Unfunded Pension Recharges and external audit fees. The reduced 21/22 probable outturn is a result of Transformation more accurately allocating their time causing a lower recharged cost to Corporate Management which can also be seen in the lower 22/23 budget.

**Chief Executive and Chief Operating Officer
Estimates 2022/23
Economic Development And Commercial Investment**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Cambourne Business Park Ltd (CBPL)	-	-	-	10	-	10	Miscellaneous professional costs for CBPL paid directly by SCDC, which are recharged quarterly to the company. Allocated £10,000 from Investment Strategy budget to cover expenses such as legal fees etc
Economic Development	230	420	429	778	-	778	This cost centre focuses on Business support and economic development activity. This includes Visit South Cambs brand development, general business support and growth related work, marketing and communications activity to the district's business community. The large increase in budget is due to a change in structure, which has meant an amalgamation of staff costs from other cost centres.
Investment Strategy	707	740	504	684	-	684	The budget pertaining to the council's owned commercial assets (property). There is a £200,000 budget to cover legal fees, consultants and due diligence in appraisal of new investment opportunities. For 2022/23 this will include £10,000 allocated to SCIP and Northstowe investment partnerships.
Re-Opening High Streets Safely	43	24	48	-	-	-	Boots on the ground activity/team supporting business (post) pandemic recovery initiatives. This includes items such as the Christmas market, high-street engagement / business specific covid safety engagement etc. It is anticipated that this will receive no further funding after March 22.
South Cambs Investment Partnership (SCIP)	-	-	-	10	-	10	Miscellaneous professional costs for SCIP paid directly by SCDC, which are recharged quarterly to the company. Allocated £10,000 from Investment Strategy budget to cover expenses such as legal fees etc
Tourism Initiatives	-	35	18	35	-	35	This cost centre looks at ways of increasing footfall and tourism within South Cambs. There is no change in the budget from 2021/22.
Grand Total	980	1,220	998	1,517	-	1,517	

**Chief Executive and Chief Operating Officer
Estimates 2022/23
Elections**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Elections	8	-	40	302	-	302	The elections budget is comprised of the cost of carrying out of District Elections together with reimbursable elections such as County, Parish and Parliamentary. The 22/23 budget is made up of an all-out District election in May funded by an earmarked reserve (£298,000) that has been built up for this specific reason and a £123,000 one-off bid due to significant increases in printing & postage.
Electoral Registration	320	392	383	381	(2)	379	The electoral registration cost centre is comprised of the team who co-ordinate elections, beside salary the main costs are made up of printing & postage for canvass forms.
Grand Total	328	392	423	683	(2)	681	

**Chief Executive and Chief Operating Officer
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Total Income	Net Expenditure
Corporate Management												
Corporate Management	551,580		-	121,270	328,930	(300,500)	701,280			-	-	701,280
Economic Development & Commercial Investment												
Cambourne Business Park Ltd (CBPL)				10,000			10,000					10,000
Economic Development	534,090			130,000	113,870		777,960					777,960
Investment Strategy	303,430	-		193,000	187,380		683,810	-			-	683,810
Re-Opening High Streets Safely	-	-		-	-		-			-	-	-
South Cambs Investment Partnership (SCIP)				10,000			10,000					10,000
Tourism Initiatives				35,000	-		35,000					35,000
Elections												
Elections	136,900	38,000	2,000	117,000	7,910		301,810	-	-	-	-	301,810
Electoral Registration	197,690		100	102,080	80,880		380,750	(2,000)		-	(2,000)	378,750
Grand Total	1,723,690	38,000	2,100	718,350	718,970	(300,500)	2,900,610	(2,000)	-	-	(2,000)	2,898,610

**Head of Climate, Environment & Waste
Estimates 2022/23**

**Head of Climate, Environment and Waste
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Change & Innovation - Green to our Core	1,673	453	400	574	(1)	573
Commercial & Licensing	888	854	966	1,308	(423)	885
Greater Cambridge Shared Waste Operations	4,911	4,785	4,146	12,776	(7,540)	5,237
People, Protection & Planning	762	1,171	1,071	1,471	(58)	1,413
Waste Operations - Other	1,329	1,445	1,373	1,618	(23)	1,595
Directorate Total	9,563	8,709	7,956	17,748	(8,045)	9,703
Climate, Environment & Waste Support Services	487	470	490	493	(1)	492
Internally Recharged	(487)	(470)	(490)	(493)	1	(492)
Total Expenditure to General Fund	9,563	8,709	7,956	17,748	(8,045)	9,703
Continuing Services Budget	9,426	8,528	7,702			9,273
Funded from Earmarked Reserves	137	181	254			430
Total	9,563	8,709	7,956			9,703
Total Expenditure to General Fund	9,563	8,709	7,956			9,703

**Head of Climate, Environment and Waste
Estimates 2022/23
Change and Innovation - Green to our Core**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Footway Lighting	1,426	152	145	232	(1)	231	<p>In 2020-21 the Council invested £1.4m in replacing all of the 1,800 lighting columns located on footpaths within the District to enable the transition to greener LED lamps - this has been funded through the Authority's renewable energy reserve which is set aside funding for greener initiatives. This replacement programme will benefit both the environment and the parish councils' that own the lights by providing cheaper electricity. It is hoped that in the short to medium term the costs of maintenance on the columns which the Authority is responsible for will be kept as low as possible and is reflected in an approved annual £50,000 saving in the original 2021-22 budget.</p> <p>A small element of the LED replacement programme has rolled forward into the 2021-22 and the representative costs of £66,000 is shown in this financial year which will drop out in 2022-23.</p>
Zero Carbon Communities Scheme	247	302	255	342	-	342	<p>Zero Carbon Communities Scheme aligns with the Authority's 'Green to the Core' priority and the shift to zero carbon emissions by providing financial support to Parish Councils' and community groups to promote greener initiatives and reduce their carbon footprint.</p> <p>The Council's continued support for the Green to the Core strategy is evidenced by an increase of £35,000 in staffing costs to support this service as more officer time is dedicated to the service in 2022-23 than was previously budgeted for. Budgets within the service have been adjusted and the proposal is to increase the grants available to interested parties in 2022-23 by a total of £18,000 over that originally budgeted in 2021-22.</p> <p>The projection is that £147,000 of the represented costs will be funded from the renewables reserve in 2021-22 which will rise to £179,000 in 2022-23.</p>
Grand Total	1,673	453	400	574	(1)	573	

**Head of Climate, Environment and Waste
Estimates 2022/23
Commercial and Licensing**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Environmental Health	194	40	32	38	-	38	The costs associated within this area are the costs charged through the Council's internal recharge model and are general by nature. The main component of these costs are the charges made by the Contact Centre to Environmental Health - this charge has not deviated materially across the two comparative financial years represented within this table.
Food Safety & Water Quality	390	483	479	459	(7)	452	<p>This budget includes all activities that aims to reduce the incidence of food poisoning as required by food law legislation. Activities include regular inspections of food premises, routine food sampling, the operation of a 'good hygiene' certificate scheme and investigating into any outbreaks of food poisoning. The budget also incorporates activities surrounding the monitoring of drinking water sourced through private supplies - the costs associated with this activity are fully rechargeable.</p> <p>Costs have remained fairly static across the 2-year budget timeframe. There has been a small reallocation of officer time away from this service in 2022-23 amounting to 0.75 of an FTE - these costs will have been dispersed within other services of the directorate. This has resulted in staffing and associated recharged costs being reduced by £28,000 when compared to the original budget set for 2021-22.</p>
Health & Safety At Work	117	161	145	223	-	223	This budget includes expenditure on health and safety at work inspections and investigations of notified incidents and enforcement work under the Health and Safety at Work Act 1974. The precise areas covered include shops, offices, some warehouses and some other commercial premises. Internal support service recharges are the singular reason for the increase in the 2022-23 costs over 2021-22 with £46,000 of additional costs being recharged here than previously.
Infectious Disease Control	7	59	122	51	-	51	<p>Activities within this service normally extend to the control of infectious diseases under the Public Health (Control of Diseases) Act 1984 and 1988. Although obviously outside of this Act, a large proportion of corporate expenditure and income from Government in connection with Covid-19 test, track and trace and containing outbreak management of the virus are recorded under this heading in the 2021-22 outturn. Where possible the financial effect that Covid-19 has had on each individual service has been reflected in the costs of that particular service across the 3-year budget timeframe but for corporate costs that can't be labelled under a specific service, the costs are shown here.</p> <p>The rise in projected costs in 21-22 will be as a direct result of Covid-19 expenditure incurred. These costs will be reimbursed to the Council from Government funds which are held in reserve to counteract the effect of Covid on general fund expenditure.</p>

**Head of Climate, Environment and Waste
Estimates 2022/23
Commercial and Licensing**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Licensing	75	67	111	220	(131)	89	<p>Examples of licensing activities included here are responsibilities under the Licensing Act and Gambling Act, temporary event notices (TEN's), theatres and entertainment. The pandemic has had a large detrimental impact on these businesses with pubs and premises serving alcohol facing the possibility of permanent closure. TEN income has been effected because of the pandemic which was compensated in 2020-21 and extended to the first quarter 2021-22.</p> <p>Because of huge uncertainties, there has been no account for any likely effect the pandemic will have in 2022-23 with the table showing no material effects on net expenditure levels over and above the £17,000 suffered in the pension deficit charge. Results will need to be monitored closely as the year progresses.</p>
Primary Authority Advice	(33)	(30)	(33)	-	(36)	(36)	<p>The Authority operates a multi-agency business hub which draws together key business advice services from both Trading Standards, Fire and Rescue Service and Environmental Health to promote joint Primary Authority Agreements (PAA's) and associated commercial activities.</p> <p>The income derived from the PAA's is budgeted at £30,000 pa with the objective in 2022-23 to grow this to by £6,000 with inflationary measures being taken into account.</p>
Taxi Licence	137	74	109	318	(250)	68	<p>Examples of licensing activities administered here include private hire vehicles, drivers and operators as well as hackney carriages. The income levels on this service have suffered greatly as a result of the pandemic and drivers are leaving the industry seeking employment in other sectors. in 2021-22 the projected level of income has dropped from a budgeted £250,000 set pre-pandemic to £186,000. The effect of reduced income was compensated in 2020-21 by Government grant. The direct service costs incurred in administering the licencing function are being met through the fee setting structure, along with a large proportion of the overheads and support services recharged into it. However, there are still some residual costs which are being charged through the General Fund which are projected to be £81,000 in 2021-22 and £68,000 in 2022-23.</p>
Grand Total	888	854	966	1,308	(423)	885	

**Head of Climate, Environment and Waste
Estimates 2022/23
Greater Cambridge Shared Waste Operations**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Waste	(762)	(1,025)	(1,154)	2,856	(3,866)	(1,010)	<p>There is over 2,900 commercial properties within Cambridge City and South Cambridgeshire from which waste is collected. Payments made to the waste disposal authority for the disposal of this trade waste are also shown in the gross expenditure of the service and are set against the income earned. Again, as in the domestic waste collection above, the increase in the pension deficit will have impacted on the comparative net figures shown on the table, an increased notional cost in this respect of £112,000 is represented between 21-22 and 22-23.</p> <p>Against the backdrop of a global pandemic, it's a challenge to grow a commercial business which is reliant on a strong customer base but a modest growth target of £25,000 in net profit has been set for the service and will be monitored as the 2022-23 year progresses.</p>
Domestic Waste Collection	7,035	6,959	6,384	9,253	(1,804)	7,449	<p>The gross income and expenditure figures incorporate the collection of household waste across the boundaries of Cambridge City and South Cambridgeshire. This includes all types of waste including garden waste, bulky items and clinical or hazardous waste.</p> <p>The service collects recycling and waste from approximately 124,000 households and between the two authorities have invested a net £153,000 in the 2022-23 budget to mainly cover, the growth in population across the demographic which is estimated to be 2,600 properties next year. Also a £110,000 initiative has been introduced to establish a driver retention scheme to try and install some resilience to the service in-light of the shortage of HGV drivers experienced nationally.</p>
Shared Waste Service Contribution	(1,878)	(1,714)	(1,612)	-	(1,826)	(1,826)	<p>This represents the net contribution made by Cambridge City Council as a partner in the Greater Cambridge Shared Waste Service (GCSWS). The contribution incorporates a share of all the net direct costs incurred across all facets of the GCSWS i.e. domestic and commercial collections as well as waste policy.</p>
Waste Policy	516	564	528	667	(44)	623	<p>Included here are the costs of initiatives and actions to encourage the minimisation of waste alongside the cost of preparing, monitoring and reviewing the joint waste strategy. The increased cost of the pension deficit in 2022-23 accounts for £43,000 of the £59,000 overall increase in costs between the original budgets set across the budget timeframe.</p> <p>A two-year injection of £24,000 has been included with effect from 2022-23 as an additional contribution to the Cambridgeshire and Peterborough waste partnership (RECAP) which will provide resources collectively to develop an overarching project with the aim to advise on the implementation of a separate food waste collection service from all households across Cambridgeshire. This was included as a revenue service bid.</p>
Grand Total	4,911	4,785	4,146	12,776	(7,540)	5,237	

**Head of Climate, Environment and Waste
Estimates 2022/23
People, Protection and Planning**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Animal Welfare Service	15	20	14	74	(4)	70	<p>Prior to 2022-23, no staff time was allocated to the activities of animal welfare licensing and dog control. The recent re-evaluation of staffing activities has identified that 0.6 of an FTE are actually employed in carrying out these statutory functions and the increased costs in the table reflect this.</p> <p>Over the course of 2022-23 it will be an objective to ensure that these costs are met through the fee setting structure so that the council tax payer is not subsidising this service. In 2022-23 it is felt that during a time of global pandemic, to support the local economy that the fees charged to i.e. riding schools, animal boarding establishments and pet shops would not increase disproportionately to reflect the true costs shown.</p>
Environmental Protection	478	707	616	671	(29)	642	<p>Incorporates work performed to reduce air pollution under the Environmental Protection and Clean Air Acts' and includes work on the air quality management plan and other statutory nuisance work investigating complaints of dust, odour and smoke and light pollution. Also included here are any costs involved in formalising a strategy on and identifying and assessing the degree of contaminated land. A register of this contaminated land is then maintained along with assessing the associated health risks.</p> <p>Following a staff time allocation study, 1.60 FTE's have been reallocated away from Environmental Protection to other services resulting in staffing and associated support service costs being reduced by £55,000 between 2021-22 and 2022-23 original budgets. The department have also re-introduced the charging regime for the issue of pollution permit control licences which were not being collected in recent years - it is envisaged that this will generate at least £8,000 annually into the Authority.</p>
Housing Standards	51	102	115	428	(13)	415	<p>Included here are all costs associated with work to ensure that the residents live in safe and sanitary conditions. Activities include inspections in response to complaints, checks on the quality of houses in multiple occupation (HMO's) and the licensing of HMO's.</p> <p>Now that the department restructure has embedded, a full reassessment of staffing allocations has taken place which has resulted in more time being transferred to this service from other service areas.</p> <p>A two-year investment of £43,000 is included through the revenue bid process from 2022-23 to investigate the extent of the problem surrounding long-term empty properties and take action to bring problematic empty homes back into use.</p> <p>It is proposed that an overdue private housing stock condition survey is undertaken in 2022-23, wholly funded through an earmarked reserve at a cost of £101,000.</p>

**Head of Climate, Environment and Waste
Estimates 2022/23
People, Protection and Planning**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
National Assistance Act Burials	14	8	2	21	(12)	8	It is the duty of the Council to bury or cremate the body of any person who has died in the South Cambridgeshire District area, where no other suitable arrangements for the disposal of the body have been made. Direct costs are recovered where possible from the estate of the deceased person.
Noise and Nuisance Control	204	334	323	278	-	278	The majority of the costs of this service involve staffing and associated support costs surrounding work performed to reduce noise pollution and dealing with noise as a statutory nuisance. It involves investigating complaints, the silencing of alarms and dealing with noise from construction sites and noise in the street. Staff time reallocations has led to a 0.45 FTE reduction in time allocated to the service. This manifests itself to a reduction of £58,000 in service costs surrounding staffing and the associated recharges that are charged per staff head count to the service.
Grand Total	762	1,171	1,071	1,471	(58)	1,413	

**Head of Climate, Environment and Waste
Estimates 2022/23
Waste Operations - Other**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Envirocrime	146	93	87	84	(1)	83	Envirocrime enforcement activities covers predominantly the areas of littering, dog-fouling, fly tipping, abandoned vehicle and graffiti removal. The reduction in budget for 2022-23 is purely down to the reduced amount of internal support costs recharged into the service and is no reflection on the true investment in this service at a direct service budget level.
Flood Defence / Land Drainage	343	445	413	500	(2)	498	<p>This budget covers specifically land drainage and in particular the routine maintenance of the 275km of awarded watercourses which criss-cross through the District as well as running and maintaining the Webb's Hole Sluice pumping station which acts as a flood defence for Northstowe and the surrounding area. In 2021-22 the Council invested £50,000 into the service budget to ensure that the service had the manpower resources necessary for the planned maintenance programme to be undertaken effectively.</p> <p>The additional costs in 2022-23 will cover £38,000 in staffing costs - £22,000 of this being in the non-intrinsic underlying charge for the pension scheme deficit. There is also a £10,000 uplift in the asset charge which is notional depreciation charged on the 2021-22 capital asset investment. Also in 2022-23 there will need to be £7,000 put into the budget to cover the uplift in premises related costs i.e. rent, rates and electricity usage at the depot facility at Lolworth and also the electricity usage incurred at the Webb's Hole sluice pumping station. Also in conjunction with the pumping station is a large overhaul of the second pump - these large service overhauls need to be undertaken every five years and are specialist in nature therefore costing £25,000. Avenues of funding are being investigated, including the possibility of utilising s106 funding in regard to this for 2022-23.</p>
Street Cleansing	840	907	874	1,034	(20)	1,014	<p>Includes the sweeping and removal of litter from land and litter bins etc. Standards are set for cleanliness that the Council is benchmarked against. The categories range from shopping centres to towpaths and streets not adopted by the Highways Authority. Activities also include collecting illegally fly-tipped rubbish, removing dead animals and removing abandoned vehicles that do not constitute a traffic hazard.</p> <p>The underlying operational budgets of the service have remained fairly constant through the years at approximately £900,000. The additional cost in 2022-23 brought about by the increased pension deficit has resulted in additional £90,000 staffing costs being charged to the service which will be reversed out when the charge to the council tax payer is calculated.</p>
Grand Total	1,329	1,445	1,373	1,618	(23)	1,595	

**Head of Housing
Estimates 2022/23
Climate, Environment and Waste Support Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Depot	279	259	268	263	(1)	262	The costs involved in maintaining and running our operational facility at Waterbeach which along with our Cambridge City Council partners, services the Greater Cambridge Shared Waste Service and also South Cambridgeshire District Council's street cleansing service.
Environmental Health Admin	208	211	221	229	-	229	This service provides management and supports to all the regulatory functions within the directorate. The budgets have remained static for the majority of costs included here such as staff training, general office expenditure, books and publications and agency backfill support.
Grand Total	487	470	490	493	(1)	492	

**Head of Climate, Environment and Waste
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Asset Charges	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Misc Income	Total Income	Net Expenditure
Change & Innovation - Green to our Core														
Footway Lighting	37,240	36,700		145,500	12,770	-		232,210		(1,000)			(1,000)	231,210
Zero Carbon Communities Scheme	166,420	-		133,850	41,520	-		341,790	-		-		-	341,790
Commercial & Licensing														
Environmental Health	-	-	-	-	37,600		-	37,600	-	-	-		-	37,600
Food Safety & Water Quality	323,550	-	-	4,550	130,520			458,620	(6,500)				(6,500)	452,120
Health & Safety At Work	166,230	-	-	700	56,440			223,370						223,370
Infectious Disease Control	33,960	-	-	400	16,350			50,710	-	-	-		-	50,710
Licensing	119,340		20	2,350	97,830			219,540	(130,700)		-		(130,700)	88,840
Primary Authority Advice									(35,600)				(35,600)	(35,600)
Taxi Licence	183,620		22,000	2,950	109,530			318,100	(249,900)		-		(249,900)	68,200
Greater Cambridge Shared Waste Operations														
Commercial Waste	1,007,400	-	333,000	1,306,400	192,850	16,000		2,855,650	(3,866,000)	-	-		(3,866,000)	(1,010,350)
Domestic Waste Collection	5,803,550	-	1,442,260	707,950	727,920	571,580	-	9,253,260	(1,804,000)	-		-	(1,804,000)	7,449,260
Shared Waste Service Contribution								-		(1,825,720)			(1,825,720)	(1,825,720)
Waste Policy	485,650	-		128,190	53,450			667,290	(43,800)	-			(43,800)	623,490
People, Protection & Planning														
Environmental Protection	399,440	1,500		77,000	183,210	9,800		670,950	(29,100)	-			(29,100)	641,850
Housing Standards	235,830			105,550	86,590			427,970	(12,800)		-		(12,800)	415,170
National Assistance Act Burials				18,000	2,570			20,570	(12,200)				(12,200)	8,370
Noise Nuisance Control	199,160			5,300	70,810	3,140		278,410						278,410
Waste Operations - Other														
Envirocrime	48,350	-	9,560	2,500	23,420	-		83,830	(1,200)		-		(1,200)	82,630
Flood Defence / Land Drainage	215,010	23,040	38,840	66,150	79,260	77,710		500,010	-	(1,980)	-		(1,980)	498,030
Street Cleansing	635,800	15,600	142,300	56,120	92,150	92,080		1,034,050	(20,000)			-	(20,000)	1,014,050
Climate, Environment & Waste Support Services														
Depot		235,070		16,600	6,260	5,210	(262,190)	950	(150)	-		(800)	(950)	-
Environmental Health Admin	144,420			59,050	25,950		(229,420)	-					-	-
Grand Total	10,241,620	311,910	1,987,980	2,851,110	2,071,920	775,520	(491,610)	17,748,450	(6,215,950)	(1,828,700)	-	(800)	(8,045,450)	9,703,000

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**Head of Finance
Estimates 2022/23**

**Head of Finance
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Housing Benefits	721	1,018	1,227	23,856	(22,536)	1,320
Local Taxation	1,676	1,691	1,646	2,358	(481)	1,877
Other Activities	290	372	731	774	-	774
Directorate Total	2,687	3,081	3,604	26,987	(23,017)	3,970
Finance Support Services	2,312	2,273	2,487	2,997	-	2,997
Internally Recharged	(2,312)	(2,273)	(2,487)	(2,997)	-	(2,997)
Total Expenditure to General Fund	2,687	3,081	3,604	26,987	(23,017)	3,970
Continuing Services Budget	1,980	2,496	2,878			3,215
Funded from Earmarked Reserves	707	586	726			755
Total	2,687	3,081	3,604			3,970
Total Expenditure to General Fund	2,687	3,081	3,604			3,970

**Head of Finance
Estimates 2022/23
Housing Benefits**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Housing Benefit & Council Tax Support	378	724	597	23,324	(22,536)	788	The Housing Benefit Team administer Housing Benefit for residents in Council homes, privately rented homes and homelessness cases and are also responsible for the administration of the Local Council Tax Support Scheme (LCTS) for residents that qualify. This budget includes all the staffing costs, supplies and recharges that are involved in the HBen and LCTS and includes the Subsidy income from DWP. Included in the Budget is a £77,500 saving from the service review that was undertaken. Year on year increase in budget, after allowing for Transformation saving is due to lower level of Admin Grant from DWP, pay award and associated increase in recharge costs and projections on levels of overpayment recovery.
Non Hra Rent Rebates	144	-	114	127	-	127	This budget relates to homeless people placed in Bed and Breakfast accommodation. Expenditure levels can be quite volatile and vary from one year to another. Generally, only around 50% of expenditure is reimbursed in subsidy. This budget was previously set within the Homelessness service.
Rent Allowances	128	183	408	254	-	254	Rent Allowances are benefits paid to Private Tenants and while the majority is covered by the Departments of Work and Pension Subsidy grant, it does not fully match expenditure. The additional expenditure in 2022/23 compared to 2021/22 is due to reduced DWP Admin Grant and fewer overpayments being recovered. Probable outturn is above budget due to subsidy not covering expenditure in full and projections indicating lower levels of overpayments being recovered.
Rent Rebates	70	111	108	150	-	150	Rent Rebates are given to Council Tenants based upon their circumstances and the Department for Work and Pensions reimburse the Council for benefits paid. The additional expenditure in 2022/23 compared to 2021/22 is due to reduced DWP Admin Grant and fewer overpayments being recovered
Grand Total	721	1,018	1,227	23,856	(22,536)	1,320	

**Head of Finance
Estimates 2022/23
Local Taxation**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Council Tax Collection	1,279	1,278	1,174	1,514	(212)	1,302	<p>The Council Tax Team are responsible for the setting of the Tax Base each year and annual billing to over 60,000 charge payers. There is ongoing administration such change of address, plus reviewing and applying appropriate discounts and disregards to charge payers accounts. The team is also responsible for recovery of arrears and maintaining a high collection rate and was joint top performing Council in the Country in 2020/21.</p> <p>Included in the Budget is a £77,500 saving from the service review that was undertaken. This will fully occur in 2022.23. This budget, like NNDR below, has increased costs such as the pay award and associated increase in recharged costs, some inflationary increases on Postage and Printing, and higher volumes in transactional costs as the number of charge payers increases.</p>
Nndr Collection	397	414	472	844	(270)	575	<p>National Non Domestic Rate income (Business Rates) is accounted for in the Collection Fund, but collection costs are accounted for in the General Fund with an allowance from Central Government to assist. This allowance is non incremental where as costs of collection increase over time due to inflation. Increase in budget is in the main the pay award and associated increase in recharged costs, some inflationary increases on Postage and Printing and increase in cost on subscription to Rateable Value Finder subscription</p>
Grand Total	1,676	1,691	1,646	2,358	(481)	1,877	

**Head of Finance
Estimates 2022/23
Other Activities**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
A14 Highways England	198	13	200	200	-	200	25-year commitment to paying £5,000,000 contribution towards the A14 upgrade completed in 2020. Payments of £200,000 annually were agreed prior to commencement of the project. Committed funds are held in an earmarked reserve, which will cover 21/22 and remaining 23 payments. This is treated as Revenue expenditure funded from capital as it does not result in the creation of a Council asset but the expenditure is of a capital nature.
Cambridge Leisure & Ice Centre	27	20	10	11	-	11	This service includes officer time and consultants fee for the annual determination of fair value for use within the Council's annual Statement of Accounts.
City Deal	3	3	219	238	-	238	This budget related to Greater Cambridge Partnership (GCP, formerly City Deal). Prior year shows activities fulfilled by the Council officers. Current and next year show the budget for the contribution to the GCP as agreed by the leaders of the Councils within the group.
Finance Miscellaneous	1	6	1	1	-	1	This budget relates to any miscellaneous costs which can not be accounted for elsewhere.
Prov Bad and Doubt Debts	-	250	250	250	-	250	This budget accounts for officer estimations of the amount to be set aside for non payment of sums due to the Council.
Treasury Management	61	80	50	73	-	73	The Treasury Team manages the Council's investment and borrowing portfolios and cash management duties in line with it's annual strategy statement and CIPFA guidance in the Prudential Code. The costs here relate to the annual cost of the Councils treasury advisers and brokerage fees for short term borrowings.
Grand Total	290	372	731	774	-	774	

**Head of Finance
Estimates 2022/23
Finance Support Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Accountancy	1,367	1,273	1,492	1,780	-	1,780	This budget covers the costs of the Corporate Accounting team, staffing and service. A higher than anticipated agency cost of £230,000 is reflected in the increase in the probable outturn for 2021/22 compared to original budget. A further increase in the budget for year 2022/23 is based on higher agency staff costs carrying on into that year. Increased cost of agency staff is to clear the external Audit backlog, this has been approved during the year.
Accounts Payable	162	139	185	226	-	226	This budget is comprised of the staffing costs of the Accounts Payable team, processing invoices for payment for the Council. Additional staff requirements increased the ongoing cost of the team. This was not initially reflected in the budget. Therefore actual costs forecast for 2021/22 exceed budget, but budgeted costs for 2022/23 are reflective of the current staffing levels.
Accounts Receivable	118	139	128	150	-	150	This budget is comprised of the staffing costs of the Accounts Receivable team. The team issues invoices to our commercial and residential customers, maintains customer accounts and performs recovery on overdue accounts.
Cashiers	34	50	53	61	-	61	This budget is comprised of the staffing costs of one employee and recharges. The Cashier processes unidentified and bulk payments received by our Axis Income Management system (AIM), processes and deposits cheques received and submits DD files for the collection of NNDR, Ctax, Rents and Accounts Receivable.
Corporate Fraud	155	210	172	274	-	274	This budget comprised of staff and service costs of the corporate counter fraud team. The team focuses on preventing, detecting, investigating and reporting on claims and loss of revenue for the council. The decrease in the probable outturn for 2021/22 relates to the lower than budgeted staff costs due to challenges with recruiting officers with relevant specialism. Full staffing budget is expected to be achieved in 2022/23, this is reflected in higher budget for the year. The 2022/23 budget includes a bid for an additional Fraud Investigator.
Insurance & Risk Management	231	155	177	195	-	195	This is the cost of corporate insurances, such as building insurance, professional indemnity, computer equipment and employer's liability, which are all fully recharged across the Council. There was an increase in insurance premiums year on year, up to 10% in some areas, due to hardening insurance market.

**Head of Finance
Estimates 2022/23
Finance Support Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Internal Audit	151	136	144	152	-	152	A shared service between the Council and Cambridge City Council for Internal Audit. The increase in budget is due to staff inflation and NI increase. Also higher internal overhead recharges have increased the budget.
Procurement	93	170	135	160	-	160	This budget is made up staff costs of the Corporate Procurement team, which for 2021/22 included some staffing bids. One of the roles was successfully filled by an apprentice, whose services covered the requirements of the team and the bid for was therefore removed from 2022/23 budget.
Grand Total	2,312	2,273	2,487	2,997	-	2,997	

**Head of Finance
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Total Income	Net Expenditure
Housing Benefits												
Housing Benefit & Council Tax Support	948,590			22,320,160	586,800	(531,380)	23,324,170	(178,780)		(22,357,060)	(22,535,840)	788,330
Non Hra Rent Rebates						127,460	127,460					127,460
Rent Allowances						253,990	253,990					253,990
Rent Rebates						149,930	149,930					149,930
Local Taxation												
Council Tax Collection	586,050			219,750	707,720		1,513,520	(211,600)		-	(211,600)	1,301,920
Nndr Collection	427,750		-	101,100	315,560		844,410	(26,820)	(243,010)	-	(269,830)	574,580
Other Activities												
A14 Highways England	-			200,000	-		200,000	-			-	200,000
Cambridge Leisure & Ice Centre				3,500	7,940		11,440					11,440
City Deal				237,570	-		237,570					237,570
Finance Miscellaneous				-	1,200		1,200					1,200
Prov Bad and Doubt Debts				250,000			250,000					250,000
Treasury Management				75,000	71,830	(73,420)	73,410					73,410
Finance Support Services												
Accountancy	1,492,870		450	77,770	209,200	(1,780,290)	-	-			-	-
Accounts Payable	80,420				145,250	(225,670)	-				-	-
Accounts Receivable	96,660			15,630	37,380	(149,670)	-	-			-	-
Cashiers	32,690			19,360	9,010	(61,060)	-				-	-
Corporate Fraud	211,980			4,280	57,590	(273,850)	-				-	-
Insurance & Risk Management	65,160	5,710	240	123,780	40	(194,930)	-				-	-
Internal Audit	-			131,670	20,800	(152,470)	-				-	-
Procurement	88,920			2,700	67,930	(159,550)	-				-	-
Grand Total	4,031,090	5,710	690	23,782,270	2,238,250	(3,070,910)	26,987,100	(417,200)	(243,010)	(22,357,060)	(23,017,270)	3,969,830

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**Head of Housing
Estimates 2022/23**

**Head of Housing
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Acquisition & Development	10	81	17	63	-	63
Ermine Street Housing	51	16	16	785	(728)	57
Housing Advice & Options	1,048	1,340	939	2,334	(957)	1,378
Housing Strategy	329	406	249	1,166	(750)	416
Neighbourhood Services	492	605	535	1,414	(743)	672
Directorate Total	1,929	2,448	1,756	5,762	(3,177)	2,585
Housing Support Services	43	58	48	57	-	57
Internally Recharged	(43)	(58)	(48)	(57)	-	(57)
Total Expenditure to General Fund	1,929	2,448	1,756	5,762	(3,177)	2,585
Continuing Services Budget	1,694	1,987	1,465			2,182
Funded from Earmarked Reserves	235	461	291			403
Total	1,929	2,448	1,756			2,585
Total Expenditure to General Fund	1,929	2,448	1,756			2,585

**Head of Housing
Estimates 2022/23
Acquisition and Development**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
New Build Programme Hgf	10	63	17	63	-	63	This budget provides for the revenue costs associated with the provision of community buildings in Northstowe. Such costs include the management and administrative costs which cannot be capitalised. The project was slow to start but Year 2022/23 should see the build begin on the first building, the sports pavilion.
Self Build Initiative	0	18	-	-	-	-	Costs associated with the administration of the register for prospective self-builders. Responsibility for maintaining the register was transferred to the Planning Business Operations Team from Yr 2021/22.
Grand Total	10	81	17	63	-	63	

**Head of Housing
Estimates 2022/23
Ermine Street Housing**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Housing Company	51	16	16	785	(728)	57	Staffing and administration costs for Ermine Street Housing, which are recharged quarterly to the company. The residual cost is the year end accounting adjustment for pensions.
Grand Total	51	16	16	785	(728)	57	

**Head of Housing
Estimates 2022/23
Housing Advice and Options**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Homelessness	674	875	559	1,547	(615)	932	This team fulfils our statutory duty to provide accommodation to those who are homeless. The service manages many initiatives to prevent homelessness and provides help and housing advice. Government grant funding of £518,000 has been confirmed for Yr 22/23 but this is £148,000 lower than Yr 20/21. Two new posts have been created to provide money and housing advice.
Housing Allocations	91	147	58	95	-	95	Team managing the allocation of social and affordable housing across the district. A percentage of the team's cost is recharged to the HRA for the allocation of council owned properties. The recharge has increased due to the higher number of new build council homes being made available through the New Homes Programme.
Private Sector Leasing Scheme	267	315	319	546	(208)	338	Privately rented properties are provided by Shire Homes Lettings Limited, which is a company wholly owned by the Council. The scheme is financed by council funds (£186,000) and approx £130,000 from the flexible homelessness support grant.
Sub Regional Homelink Service	16	3	3	146	(134)	13	Home-Link is the choice based lettings scheme for all council and housing association homes in Cambridgeshire and West Suffolk. This is a shared-service with costs financed by the partner local authorities. The residual cost is the year end accounting adjustment for pensions.
Grand Total	1,048	1,340	939	2,334	(957)	1,378	

**Head of Housing
Estimates 2022/23
Housing Strategy**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Housing Enabling & Development	105	117	99	142	(20)	122	This service provides enabling services to increase the provision of affordable housing across the district.
Improvement Grants	56	87	(7)	810	(730)	80	This service administers the disabled facilities grants which are awarded so that claimants can remain in their homes in comfort and safety. The grants are funded by the Better Cared Fund, which is received from the County Council. £730,000 funding was received in Yr 21/22, which was higher than originally estimated.
Strategic Housing	167	201	158	214	-	214	This service looks at the best ways to implement our current housing strategy, developing the aims of future plans for housing policy and development projects throughout the district. There has been a vacant staff post in the team for much of Yr 21/22 but this will be filled by start of Yr 22/23.
Grand Total	329	406	249	1,166	(750)	416	

**Head of Housing
Estimates 2022/23
Neighbourhood Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Community Lifeline Alarm Service	(30)	(18)	(25)	194	(205)	(11)	Community Lifeline service to support residents in the district with provision of pendant alarms and 24 hour monitoring service. Our housing tenants pay for the service with their weekly rent and non-tenants are invoiced quarterly.
Grounds Maintenance	130	143	149	163	-	163	General Fund Contribution to Grounds Maintenance works across the district funded by HRA
Properties (Hgf)	111	117	123	264	(140)	124	This captures the cost (depreciation & management) of the non-HRA equity share properties owned by the General Fund, There are 213 properties located across the district's Sheltered Housing schemes.
Travellers Sites	228	315	232	450	(125)	324	Management costs of the County owned Traveller Sites in Milton and Whaddon, which includes staffing, utility bills and repairs/maintenance for the two sites. There is a vacant role to be recruited to in Yr 2022/23.
Visiting Support Service	52	47	57	344	(272)	71	Visiting Support Service to provide support to residents in the district, Provide short term support (financial, emotional, practical & promote independent living in the community) to Residents aged 65 years and above. The service is funded by grant monies received from the County Council and some grant money held in reserves.
Grand Total	492	605	535	1,414	(743)	672	

**Head of Housing
Estimates 2022/23
Housing Support Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Housing Admin	43	58	48	57	-	57	Central administration expenses of the Housing Service - predominantly postage and stationery, which are recharged across all housing services.
Grand Total	43	58	48	57	-	57	

**Head of Housing
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Asset Charges	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Interest Payable	Misc Income	Total Income	Net Expenditure
Acquisition & Development															
New Build Programme Hgf	163,880			-	43,430		(144,730)	62,580	-					-	62,580
Self Build Initiative	-			-	-			-	-					-	-
Ermine Street Housing															
Housing Company	441,980	26,000		5,000	312,120			785,100	(727,650)	-				(727,650)	57,450
Housing Advice & Options															
Homelessness	846,520		-	425,640	289,060		(13,870)	1,547,350	-	(97,190)	(517,890)			(615,080)	932,270
Housing Allocations	199,330			19,140	41,900		(165,630)	94,740	-					-	94,740
Private Sector Leasing Scheme	161,630	4,000	-	310,050	70,360		-	546,040	(207,890)					(207,890)	338,150
Sub Regional Homelink Service	100,520			29,000	27,020		(10,270)	146,270	(61,630)	(71,910)				(133,540)	12,730
Housing Strategy															
Housing Enabling & Development	116,930			-	24,600			141,530	-	(19,860)				(19,860)	121,670
Improvement Grants	52,380			733,000	24,550			809,930			(730,000)			(730,000)	79,930
Strategic Housing	176,490			20,630	35,940		(19,020)	214,040	-					-	214,040
Neighbourhood Services															
Community Lifeline Alarm Service	77,720			47,750	68,270		-	193,740	(205,000)					(205,000)	(11,260)
Grounds Maintenance		-		163,230	-			163,230	-					-	163,230
Properties (Hgf)		8,000		140,000	6,440	109,670		264,110	-	(140,000)				(140,000)	124,110
Travellers Sites	155,030	42,590		10,460	37,720	203,750		449,550	(125,300)					(125,300)	324,250
Visiting Support Service	272,380			14,880	56,520			343,780	-	(272,340)				(272,340)	71,440
Housing Support Services															
Housing Admin	4,000		-	12,000	40,540		(56,540)	-	-					-	-
Grand Total	2,768,790	80,590	-	1,930,780	1,078,470	313,420	(410,060)	5,761,990	(1,327,470)	(601,300)	(1,247,890)	-	-	(3,176,660)	2,585,330

2023

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**Monitoring Officer
Estimates 2022/23**

**Monitoring Officer
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Legal Services	328	406	427	439	-	439
Internally Recharged	(328)	(406)	(427)	(439)	-	(439)
Directorate Total	-	-	-	-	-	-
Continuing Services Budget	-	-	-			-
Funded from Earmarked Reserves	-	-	-			-
Total	-	-	-			-
Total Expenditure to General Fund	-	-	-			-

**Monitoring Officer
Estimates 2022/23
Legal Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Legal Services	328	406	427	439	-	439	<p>The Councils internal legal services are provided by the 3c Legal shared service led by Cambridge City Council.</p> <p>The probable outturn 2021/22 includes an increase of £20,000 and a further £10,000 in 2022/23 for the contribution to Cambridge City Council in relation to the work they will undertake on behalf of the Council.</p>
Grand Total	328	406	427	439	-	439	

**Monitoring Officer
Subjective Analysis 2022/23**

	Supplies & Services	Support Services	Internal Recharges	Total Expenditure	Fees & Charges	Total Income	Net Expenditure
Legal Services							
Legal Services	423,600	15,310	(438,910)	-	-	-	-
Grand Total	423,600	15,310	(438,910)	-	-	-	-

**Director of Greater Cambridge Shared Planning
Estimates 2022/23**

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
3C Shared Services & Land Charges	345	(138)	(67)	979	(634)	345
Greater Cambridge Shared Planning Contribution	-	-	-	-	(1,796)	(1,796)
Planning Delivery	(213)	552	401	5,319	(3,236)	2,083
Planning Operations	1,218	843	1,688	2,412	(40)	2,372
Strategy & Economy	4,030	3,578	3,320	4,855	(819)	4,037
Directorate Total	5,380	4,835	5,343	13,565	(6,524)	7,041
Continuing Services Budget	5,418	4,835	4,734			6,054
Funded from Earmarked Reserves	(37)	-	609			987
Total	5,380	4,835	5,343			7,041
Total Expenditure to General Fund	5,380	4,835	5,343			7,041

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
3C Shared Services and Land Charges**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Building Control	100	116	116	117	-	117	Building Control is a 3C Shared Service, managed by Cambridge City for and on behalf of South Cambs DC & Huntingdonshire DC. The service ensures building work carried out meets current building codes and regulation requirements. An annual invoice is received at year end, we envisage the probable outturn to be within budget (as in previous years). There is no significant change to the 2022-23 Budget from 2021-22.
Land Charges	256	(260)	(190)	385	(620)	(235)	We have a statutory duty under the Local Land Charges Act 1975 to maintain an up-to-date and accurate Register of Local Land Charges affecting property and land in South Cambridgeshire. The 2021-22 Probable factors in a shortfall of income, as well as increase in costs relating to processing card transactions. The main increase for 2022-23 relates to i) £14,000 budget set for an increase in fees for processing more transactions by card and ii) Increase in Recharges allocation.
Street Naming And Numbering	(10)	7	7	21	(14)	7	The Council is responsible for issuing official address for all residential and business premises in the area. There is no material change in the 2022-23 budget compared to the previous year.
Technical Support	-	-	-	457	-	457	The TSO carry out local land charges searches, updating the land charges register. Previously the team was encompassed within Development Management, the service has now requested it to be separated. The 2022-23 budget includes £45,000 for the Data Cleansing project (funded from reserves).
Grand Total	345	(138)	(67)	979	(634)	345	

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
Greater Cambridge Shared Planning Contribution**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Cambridge City - Shared Planning Reimbursement	-	-	-	-	(1,796)	(1,796)	<p>The Greater Cambridge Shared Planning Service is a joint service providing the functions of the statutory Local Planning Authority to both Cambridge City Council and South Cambridgeshire District Council.</p> <p>The 2022-23 amount refers to the budgeted amount Cambridge City will contribute to the Shared Planning Service. Previously the income (budget) was within Delivery (Development Management).</p>
Grand Total	-	-	-	-	(1,796)	(1,796)	

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
Planning Delivery**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Development Management	(914)	(708)	(488)	3,220	(2,489)	731	Development Management regulates development and uses of land. It involves the consideration of planning applications and the monitoring of development as it takes place. Revenue bids relating to core staffing (£73k), Special Projects Manager £65k & Legal Fees for infrastructures £75k are built into the budget. In addition there is an increase in recharges/overheads for 22-23.
Enforcement	305	531	420	527	-	527	This budget contains the costs of dealing with alleged breaches of planning control in the District. Taking planning enforcement against developers where the necessary planning permission has not been sought. The reduction in the Probable Outturn for 2021-22 is primarily a result of vacant posts within the service and the difficulty to recruit suitable experienced candidates. No material change in budgets between 2021-22 & 2022-23. The service has carried a number of vacancies over the last year, which it hopes to recruit to permanently.
Planning Performance Agreement	(192)	-	1	-	-	-	In 2020-21 Planning Performance Agreements (PPA), were recorded on the Councils Financial System Income at 'Cost Centre' level. For 2021-22, this changed, with PPA income recorded at 'Activity Code' -this does away with numerous cost centres, as well as income being allocated to Planning Teams (& non planning depts) directly.
S106 Administration	211	180	180	261	(61)	200	This service deals with large scale developments at a strategic level, securing infrastructure alongside growth, delivery over time. The increase from 2021-22 Estimate to 2022-23 is mainly attributable to higher Recharge/Overhead costs being attributed to the service.
Strategic Sites	377	549	288	1,312	(686)	626	South Cambridgeshire District Council secures contributions in relation to infrastructure which it will deliver but also on behalf of third parties. The increase from 21-22 Estimate to 2022-23. relates to increase in recharges/overhead allocation to the service.
Grand Total	(213)	552	401	5,319	(3,236)	2,083	

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
Planning Operations**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Operations Management	1,218	843	1,688	2,412	(40)	2,372	The team deals with the Business & Administration function of the Greater Cambridge Shared Planning Service. Shared Planning is undergoing a service review (by the Transformation Team), as a result the Probable Outturn for 2021-22 & significant variance, and 2022-23 budget increase's take account of the substantial amounts being recharged in respect of the review. This expenditure is financed from the Transformation reserve.
Grand Total	1,218	843	1,688	2,412	(40)	2,372	

**Director of Greater Cambridge Shared Planning
Estimates 2022/23
Strategy and Economy**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Built and Natural Environment	1,642	1,415	1,496	1,882	(233)	1,649	<p>The Built and Natural Environment team is a multidisciplinary consultancy, providing expertise to the shared planning service, corporate projects and partners in terms of urban design, landscape, environmental sustainability, historic buildings and conservation areas, ecology and trees.</p> <p>The team provides technical input to the Local Plan, focussed advice on major planning applications in Development Management and to all the Strategic Growth Sites. All listed buildings and tree works applications. Our overall aim is to deliver beautiful and sustainable places and buildings for our residents and business whilst conserving and enhancing the built and natural environment.</p> <p>The increase from 2021-22 Estimate to 2022-23. relates to an increase in recharges/overhead allocation to the service.</p>
Greater Cambridge Local Plan	414	262	245	794	(397)	397	<p>Cambridge City Council & South Cambridgeshire District Council are working together to create a joint Local Plan for the two areas - which are referred to as Greater Cambridge. This is first time we have a joint Local Plan, ensuring a consistent approach to planning and building up to 2041.</p> <p>The increase from 2021-22 to 2022-23 relates to i) re-instatement of £40,000 budget, which was offered up as a 1 off saving in 2021-22 and ii) Revenue Bids (1 Off) £95,000 for increased costs of Local Plan evidence base a) Carbon modelling b) Climate change c) Water d) Document production.</p>
Neighbourhood Plans	(8)	-	-	20	(20)	-	A Community led initiative giving local communities power to prepare planning document that forms part of the statutory development plan for the district.
North East Cambridge Area Action Plan	201	96	80	213	(97)	117	Developing plans for a new city district in North East Cambridge, and the Area Action Plan will be the planning policy framework that guides this process. The increase from 2021-22 to 2022-23 relates to a 1 off saving achieved in 2021-22.
Planning Policy	1,781	1,805	1,500	1,946	(72)	1,874	The service contains the budgets for Planning Policy Strategy & Economy. The budget has increased from 2021-22 to 2022-23 due to a combination of i) Revenue Bids (cross council working & OxCam membership) and ii) increase in the recharges/overheads for 2022-23.
Grand Total	4,030	3,578	3,320	4,855	(819)	4,037	

**Director of Greater Cambridge Shared Planning
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Total Income	Net Expenditure
3C Shared Services & Land Charges											
Building Control				114,120	2,400	116,520					116,520
Land Charges	174,260	160	-	141,290	69,170	384,880	(620,050)		-	(620,050)	(235,170)
Street Naming And Numbering		-		16,740	4,020	20,760	(13,500)		-	(13,500)	7,260
Technical Support	456,510					456,510					456,510
Greater Cambridge Shared Planning Contribution											
Cambridge City - Shared Planning Reimbursement								(1,795,810)		(1,795,810)	(1,795,810)
Planning Delivery											
Development Management	1,909,440	220	2,420	587,280	720,590	3,219,950	(2,488,620)	-	-	(2,488,620)	731,330
Enforcement	382,270		-	52,720	91,550	526,540	-			-	526,540
Planning Performance Agreement	-			-		-	-			-	-
S106 Administration	153,700			-	106,960	260,660	(61,000)			(61,000)	199,660
Strategic Sites	1,005,140	2,000	-	94,740	210,050	1,311,930	(686,250)			(686,250)	625,680
Planning Operations											
Operations Management	897,100	-	-	185,040	1,329,560	2,411,700	(39,850)			(39,850)	2,371,850
Strategy & Economy											
Built and Natural Environment	1,475,510	21,050	260	70,820	314,720	1,882,360	(232,880)			(232,880)	1,649,480
Greater Cambridge Local Plan	-			793,800		793,800	(396,900)	-		(396,900)	396,900
Neighbourhood Plans				20,000		20,000	(20,000)		-	(20,000)	-
North East Cambridge Area Action Plan	-	-	-	213,000		213,000	(96,500)			(96,500)	116,500
Planning Policy	1,495,170	-	500	135,330	315,120	1,946,120	(72,470)			(72,470)	1,873,650
Grand Total	7,949,100	23,430	3,180	2,424,880	3,164,140	13,564,730	(4,728,020)	(1,795,810)	-	(6,523,830)	7,040,900

**Head of Transformation, HR and Corporate Services
Estimates 2022/23**

Head of Transformation, HR and Corporate Services
Estimates 2022/23
Summary

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Communications & Sustainable Communities	1,561	1,823	1,839	2,458	(334)	2,124
Corporate Programme	232	593	274	393	-	393
Democratic Representation	852	938	887	1,010	-	1,010
Emergency Planning	24	22	18	20	-	20
Directorate Total	2,668	3,376	3,019	3,880	(334)	3,546
Facilities Management	1,842	1,734	2,010	2,525	(110)	2,415
HR & Corporate Support Services	2,709	2,757	1,197	1,177	(0)	1,177
Transformation Support Services	3,919	5,638	5,101	5,928	-	5,928
Internally Recharged	(8,470)	(10,129)	(8,309)	(9,631)	110	(9,521)
Total Expenditure to General Fund	2,668	3,376	3,019	3,880	(334)	3,546
Continuing Services Budget	2,430	2,180	2,826			3,006
Funded from Earmarked Reserves	238	1,196	193			540
Total	2,668	3,376	3,019	-	-	3,546
Total Expenditure to General Fund	2,668	3,376	3,019	3,880	(334)	3,546

Head of Transformation, HR and Corporate Services
Estimates 2022/23
Communications and Sustainable Communities

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Building Safer Communities	3	-	4	-	-	-	This unbudgeted spend for 21/22 is funded from existing reserves. There is no set budget as spend is based on an ad-hoc basis and funded from reserves
Communications	449	425	504	491	(27)	464	The Communications department deal with all types of media interaction with residents across the district. This includes all social media and written publications. The decrease in budget against 21/22 outturn is due to the removal of 2 posts which are currently funded from COVID and will not be required next year. The increase in budget is due to the pension deficit (£29k) and salary costs due to changes in NI contributions.
Community Chest	80	111	97	129	-	129	This is a central pot which local communities can request funding for small projects. To ensure they receive funding there is a criteria that needs to be met. The increase in budget is due to the movement of funds from Planning for wildlife Enhancement projects.
Community Safety	83	78	70	75	-	75	The Community Safety budget covers funding for the Strategic Assessment and ad hoc community safety projects. A reduction in Overhead recharges and staff budgeted at a lower SCP have resulted in this budget being lower
Crime & Disorder Partnership	(7)	-	17	-	-	-	This unbudgeted spend for 21/22 is funded from existing reserves. There is no set budget as spend is based on an ad-hoc basis and funded from reserves
Healthy Living & Wellbeing	228	139	108	194	(40)	153	The Healthy Living and Wellbeing budget looks at healthy living projects across the district. These include Wild Minds and Active and Healthy for Life. We currently receive funding for a co-ordinator to bring these initiatives together. The increase in budget is due to increased contribution to the pension deficit.
Healthy New Towns	92	79	87	126	(30)	96	The Northstowe Healthy New Town partnership is to support healthy living initiatives at Northstowe and research projects to identify best practice. Partner contributions, held by the council are to be spent on projects approved by HNT partnership.

Head of Transformation, HR and Corporate Services
Estimates 2022/23
Communications and Sustainable Communities

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Localism & Development Projects	309	577	558	853	(78)	775	The Localism budget is the main budget within Sustainable Communities which covers legal advice, patch budgets for Development officers and membership fees. The increase in budget is due to £65,000 BID (funded from reserves) for a project to look at culture. The contribution to the pension deficit (£63k), increases in staff cost (£61k) and an increase in overhead recharges (£16k) are also driving this variance.
Mobile Warden Scheme	126	222	227	230	-	230	This covers grants for the mobile warden schemes across the district.
Museum Grants	9	9	9	9	-	9	Grant funding to Denny Abbey. There is no change to the budget
Northstowe Community Wing	-	-	(0)	13	(13)	-	The Northstowe Community Wing bookings are managed by the council, with facilities management provided by Cambridgeshire County Council (CCC). The income received is passed back to CCC once all expenditure has been paid. This budget should always equal nil.
Transport Initiatives	15	42	12	193	(147)	46	The Transport Initiatives looks at community transport services across the district and currently is looking into whether a Community Transport service could be viable.
Travel for Work	25	-	-	-	-	-	The actual for 20/21 was a grant payment to Milton Country Park to help them during the early stages of Lockdown due to COVID restrictions
Voluntary Sector Grants	150	140	147	146	-	146	Service Support Grants for Care Network, Royston and District Community Transport, Cambridge Council for Voluntary Service , Arts and Minds and Homestart. A small increase in budget due to an increase in grants
Grand Total	1,561	1,823	1,839	2,458	(334)	2,124	

**Head of Transformation, HR and Corporate Services
Estimates 2022/23
Corporate Programme**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Equality & Diversity	20	0	27	37	-	37	Ensuring the council meets its statutory obligations under the Equality Act 2010 and promoting equality, diversity and inclusion. Historically these costs were absorbed within other cost centres. The increase in budget is recognition of the work required to ensure SCDC continue to meet its obligations and overhead recharges. This budget has moved from Policy and Performance to ensure proper recognition of the costs in the correct cost centres
Policy And Performance	212	593	247	356	-	356	Collecting, reporting and publishing performance information relating to the Business Plan, key performance indicators and project benefit delivery. The reduction in budget is due to the allocation of Transformation overheads, which reflect the work that is being undertaken
Grand Total	232	593	274	393	-	393	

**Head of Transformation, HR and Corporate Services
Estimates 2022/23
Democratic Representation**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Democratic Services	852	938	887	1,010	-	1,010	Democratic Services provide a service to members and officers of the Council ensuring the democratic decision-making process remains within statutory guidelines. The decreased 21/22 probable outturn is due to members travel & subsistence costs being lower than anticipated as a result of the ongoing pandemic and a vacant Scrutiny Development Officer post removed in 22/23. The increase in 22/23 budget is a result of a new role created to support Members and Democratic services with ICT queries due to members now working remotely and running hybrid meetings at a higher cost than the post removed and increased recharge costs.
Grand Total	852	938	887	1,010	-	1,010	

Head of Transformation, HR and Corporate Services
Estimates 2022/23
Emergency Planning

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Emergency Planning	24	22	18	20	-	20
Grand Total	24	22	18	20	-	20

This budget contains the cost of Health, Safety & Emergency Planning service provisions recharged from Cambridge City Council and Cambridgeshire Fire & Rescue.

Head of Transformation, HR and Corporate Services
Estimates 2022/23
Facilities Management

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Facilities Management	1,723	1,619	1,852	2,347	(89)	2,258	<p>This budget comprises all cost involved with the maintenance and management of the building. The pandemic has had a big impact on this cost centre and has made certain areas unpredictable. The probable outturn increase is due to energy price rises of gas & electricity £118k which it is estimated will continue into 22/23. The other element of the 21/22 increase is £97,000 of smaller bids which have been reallocated to within this budget.</p> <p>22/23 budget increase is also due to new bids, the largest £200,000 to replace the carpet tiled flooring and £70,000 for redecoration of the building in addition to the creation of a new Facilities and Compliance Officer role. The plan to bring the cleaning contract inhouse has led to an increase in overheads.</p>
Health & Safety	89	81	118	144	(21)	123	<p>Health and Safety is a new cost centre created last financial year to ensure all staff are trained in mandatory and task related health and safety training in compliance with regulation and legislations together with ensuring we have all necessary supplies and equipment. The 21/22 probable outturn increase is due to some bids that were put forward for 22/23 but were deemed more urgent such as body worn cameras. The 22/23 increase is due to the other bids such as additional training and supplies needs for first aid, posters signage etc to improve communication.</p>
Hub Offices	30	33	41	34	-	34	<p>This budget contains the costs for our Hubs at Great Shelford and Over which offer a smaller alternative working space, potentially for those out on site i.e. Planners.</p>
Grand Total	1,842	1,734	2,010	2,525	(110)	2,415	

Head of Transformation, HR and Corporate Services
Estimates 2022/23
HR and Corporate Support Services

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Central Expenses	197	155	145	162	(0)	162	The Central expenses cost centre provides training, development, and assistance for all staff in the council. It is split into activities comprising of general staff development and training as the largest at £67,000 accompanied by activities for ICT Training, Management Development, and employee assistance. The small increase in budget for 22/23 is for staff surveys.
Human Resources	2,511	2,602	1,052	1,015	-	1,015	The Human Resources budget comprises the cost of the team who provide support, advise, and recruit to service areas within the council. The other significant costs are comprised of the apprenticeship levy payments and £100,000 payment to Cambridge City Council for the payroll shared service. The probable outturn decrease is due to the reallocation of £1,619,000 unfunded pension costs yet still higher than anticipated due to one off non forecasted payment.
Grand Total	2,709	2,757	1,197	1,177	(0)	1,177	

**Head of Transformation, HR and Corporate Services
Estimates 2022/23
Transformation Support Services**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Central Support Services	137	219	158	145	-	145	This cost centre covers the refreshments provided within South Cambs Hall, the central printing and postage functions. The reduction in budget is due to the closure of the canteen.
Contact Centre	1,057	1,217	1,172	1,395	-	1,395	This cost centre deal with all incoming telephone calls to the generic telephone number.
Customer Relationship Management	275	644	188	153	-	153	This cost centre is for the central Customer Relationship management system. The reduction in the budget is due to movement of staff to work on the Transformation programme
ICT	1,794	2,356	2,340	2,479	-	2,479	This cost centre for the central ICT support. This service is a 3 way shared service with Cambridge City Council and Huntingdonshire District Council (HDC). The increase in the budget is due to 3 BIDs (£71,000) for Cyber security. An inflationary 2% uplift as been applied to all Councils ICT services to cover central services.
Transformation	656	1,201	1,243	1,757	-	1,757	This budget is for the team carrying out the service reviews . The purpose is also the council is making best use of its resources, meeting modern customer needs and providing value for money. The increase in budget is due to a reallocation of budget from Customer Relationship Management
Grand Total	3,919	5,638	5,101	5,928	-	5,928	

**Head of Transformation, HR and Corporate Services
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Support Services	Asset Charges	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Government Contributions	Total Income	Net Expenditure
Communications & Sustainable Communities													
Building Safer Communities				-				-		-		-	-
Communications	360,920	-		105,290	83,930	-	(59,420)	490,720	(26,600)	-	-	(26,600)	464,120
Community Chest	44,270			70,140	14,960			129,370					129,370
Community Safety	45,890			15,800	13,790			75,480					75,480
Crime & Disorder Partnership	-			-				-	-			-	-
Healthy Living & Wellbeing	104,310	-		62,690	26,770			193,770	-	(40,280)	-	(40,280)	153,490
Healthy New Towns	79,370			30,000	16,620			125,990		(30,000)		(30,000)	95,990
Localism & Development Projects	582,590	-	10	120,700	149,250			852,550	(77,980)	-	-	(77,980)	774,570
Mobile Warden Scheme				223,670	5,970			229,640					229,640
Museum Grants				8,500				8,500					8,500
Northstowe Community Wing		2,670		9,830	-			12,500	(12,500)		-	(12,500)	-
Transport Initiatives	21,790		130,280	31,000	9,890			192,960	(146,520)			(146,520)	46,440
Travel for Work				-				-					-
Voluntary Sector Grants			-	142,500	3,970			146,470					146,470
Corporate Programme													
Equality & Diversity				2,000	34,660			36,660					36,660
Policy And Performance	209,140		100	38,290	108,610			356,140					356,140
Democratic Representation													
Democratic Services	395,340	-	-	450,590	500,240		(336,550)	1,009,620	-	-		-	1,009,620
Emergency Planning													
Emergency Planning	-	8,000		6,000	5,610			19,610					19,610
Facilities Management													
Facilities Management	360,270	1,129,250	9,000	123,340	455,780	269,280	(2,258,170)	88,750	(88,750)			(88,750)	-
Health & Safety	62,610			66,650	14,490		(122,750)	21,000	(21,000)			(21,000)	-
Hub Offices	2,000	19,150		650	3,410	9,220	(34,430)	-					-
HR & Corporate Support Services													
Central Expenses	108,500	-		43,200	10,550		(162,150)	100	(100)		-	(100)	-
Human Resources	681,210		50	143,850	189,890		(1,015,000)	-	-			-	-
Transformation Support Services													
Central Support Services	38,870	-		93,500	12,370		(144,740)	-	-			-	-
Contact Centre	944,980	-		82,540	367,000		(1,394,520)	-	-			-	-
Customer Relationship Management	-			152,810	130		(152,940)	-				-	-
ICT	-			1,804,430	73,630	600,630	(2,478,690)	-	-		-	-	-
Transformation	975,610			600,000	181,860		(1,757,470)	-				-	-
Grand Total	5,017,670	1,159,070	139,440	4,427,970	2,283,380	879,130	(9,916,830)	3,989,830	(373,450)	(70,280)	-	(443,730)	3,546,100

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Appendix A

GENERAL FUND ESTIMATE SUMMARY

2021/22		2022/23 Budget			
Original Estimate	Probable Outturn		Gross Expenditure	Gross Income	Net Expenditure
£ 000's	£ 000's	Note	£ 000's	£ 000's	£ 000's
2,488	2,086		2,901	(2)	2,899
8,709	7,956		17,748	(8,045)	9,703
3,081	3,604		26,987	(23,017)	3,970
2,448	1,756		5,762	(3,177)	2,585
0	0		0	0	0
4,835	5,343		13,565	(6,524)	7,041
3,376	3,019		3,880	(334)	3,546
24,937	23,764	Net Corporate Expenditure	70,842	(41,098)	29,744
349	0	Contingency and unallocated	250		250
25,286	23,764	Net Cost of Services	71,092	(41,098)	29,994
(5,641)	(4,785)	Income from Investments (a)		(5,424)	(5,424)
695	1,828	Other Levies and Contributions (b)	1,865		1,865
1,205	1,183	Interest Payable (Inc. HRA) (c)	1,368		1,368
(3,004)	(2,882)	Depreciation Reversals & Other Adj.		(6,174)	(6,174)
1,363	1,113	Minimum Revenue Provision	1,090		1,090
2,867	2,939	Revenue Contributions to Capital	3,180		3,180
22,771	23,160	Net Operating Expenditure	78,594	(52,696)	25,898
10	421	Contribution to/(from) General Fund	(263)		(263)
(1,059)	(1,185)	Contribution to/(from) Other Reserves		(2,967)	(2,967)
21,722	22,395	To be met from Government Grants and Local Taxpayers	78,331	(55,664)	22,668
Taxation and Grants					
(9,140)	(9,208)	Business Rates inc Section 31		(9,140)	(9,140)
(10,146)	(10,111)	Council Tax		(10,720)	(10,720)
(2,436)	(3,077)	Other Government Grants		(2,808)	(2,808)
(21,722)	(22,395)	Total Taxation and Grants			(22,668)

Notes:-

(a) This includes Rental income from the Councils Commercial Portfolio and Interest Receivable from Ermine Street Housing and Other Counterparties.

(b) This includes the Drainage Levy and Contributions to the Combined Authority and Greater Cambridge Partnership.

(c) This Includes all Interest payable by the General Fund for both external borrowing and Investment Income passed to the Housing Revenue Account (HRA).

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General Fund Revenue Bids ongoing- 2022/23 Budget

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Directorate Directorate	Cost Centre Cost Centre	Title	Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	Commercial Development and Investments	CDI resource cost (agreed in 21/22)	This is the budget for the Commercial Development and Investments team to oversee and implement the Council's programme	76	76	24	23	23	
Climate, Environment and Waste	Greater Cambridge Waste Service	Change of Fixed term post to permanent- Business Support	The existing Business Support Officer for Waste and Environment (at Waterbeach) is currently a fixed term post until March 2022. This post helps ensure high levels of customer service and meet the increased demands on the service. It now covers domestic and commercial waste enquiries (inc Collect & Return & bin reports), by phone, webform and email. (Total cost £23,000; Shared 50:50 with City & South Cambs - already accounted for in 2021/22 base budget.)		12				
Climate, Environment and Waste	Greater Cambridge Waste Service	RCV & bin washing service, additional new commercial service, additional FTE	Proposed new service, expected to bring in extra income as per Savings and Income schedule. Offering scheduled and on demand binstore & bin-washing service operating 3+ days a week commercially & 2 days a week in Depot cleaning RCVs and available for in-service use (eg annual recycling point cleansing). (Total cost £25,000pa shared 50:50 across both City & South Cambridgeshire councils.)		13				
Finance	Fraud	Appoint additional counter fraud officer	To appoint further resource to deliver the overarching objectives of the counter fraud strategy to protect public funds, administered by the authority. Further resources are required to support the delivery of education, prevention, early detection, sanction and redress across the business. Comparative data collected relating to number of cases resolved within (2019/2020) previous financial year was used to identify the impact of the pandemic on operational activity in 2020/2021. It is worth noting that there was an increase in workload by 22%. Fraud is a significant threat to vital resources within Local Government Settings, and post pandemic working and technology have increased risk.		15				
Finance	Accountancy	Barclays Composite Accounting System - Maintenance Fee	The Council's current account structure which is called a Composite Accounting System (CAS) now attracts a maintenance fee of £2,500 per quarter. The current design of the bank accounts allows for automation of sweeping/pooling the monies held in the accounts to cover the outgoings of the day.		10				
Finance	Accountancy	T1 Consultancy.	The Council's current finance management system T1 is not fully operational within the Council due to lack of knowledge and experience. A review of the finance processes has highlighted that the system requires further review and development. In order to develop the functionality of the finance management system including the chart of accounts set up and automation of budget holder reports consultancy expertise will be required. The purchase of consultancy we are opting for is the lowest programme the supplier offers which would consist of 20 hours a month allowing us to plan ahead with a monthly allocated programme and holding some hours back for ad-hoc requirements. To note the bulk buy consultancy would work out more cost effective than ad hoc purchases.		23				

General Fund Revenue Bids onging- 2022/23 Budget

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Directorate Directorate	Cost Centre Cost Centre	Title	Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000	£'000
Housing	Housing Advice and Options	Visiting Support Service overheads to be funded by SCDC	County funding for the Council's Visiting Support Service reduced in April 2019. The service provides vital support to elderly residents in the district regardless of their tenure and younger adults in sheltered housing. Over the past three years it has supported 1,599 clients, helping them to maintain their accommodation and independence through tenancy related issues, including homelessness, benefits, equipment and care, debts and finances, health and well being, drugs and alcohol, safeguarding and scams, loneliness, isolation and social inclusion.. During the past 4 years the Council has been able to utilise reserves from previous funding to maintain the Visiting Support service at its current levels, however, these will be exhausted by the end of this financial year. It is anticipated that the County funding will remain the same (although this is still to be confirmed). Funding is therefore requested so that SCDC effectively pays the overheads for the service and current County funding concentrates on the delivery of the service to vulnerable residents.		50				
Housing	Housing Advice and Options	Single Person Housing Advice and Accommodation Officer	Single Person Housing Advice and Accommodation officer for Shire Homes Lettings. The grade 5 post has been in place since September 2019 on a fixed term basis to support the scheme expanding to Houses of Multiple Occupation. This requires more intensive management, as well as securing suitable properties and getting them equipped for occupation. The post has, to date, been funded through the government Homeless Prevention grant (formerly referred to as Flexible Homeless Support Grant) It is anticipated that this will continue, however, we would now like to make the post permanent, as it has been agreed by the Shire Homes Board to continue to provide accommodation through HMO's due to the limited housing options in the district for single people. This is only possible with the provision of dedicated management and by the end of September 2021 the post holder will have been employed by SCDC for two years. This bid is funded by a reserve which stands at £648k at 31/3/21		50				
Planning	Planning Policy	SE - Strategic Planning - Membership OxCam/LSCC	Unavoidable membership that currently falls in the planning Service		23				
Planning	Planning Policy	SE - Strategic Planning - Inc OxCam	Cross council work undertaken by planning but currently unfunded		13				
Planning	Ecology	Wildlife enhancement scheme grant	Council grant scheme, previously funding in BNE to pay out but removed from budget last year so unfunded. Funding should be reinstated BUT should probably be allocated to communities team.		10				
Planning	Operations Management	Excess saving target removed	Significant cost reductions achieved from 20/21 budget in 21/22. 21/22 reduction set too high in error and while much of this excess reduction has been met through staff reductions / vacancies, this residual amount remains with further reductions harmful to core processes like procurement, financial control etc..		15				
Planning	Operations Management	Improving retention	Improving retention through investing in workforce, setting this up as staff engagement and development budget . The aim is avoiding agency costs, recruitment costs, disruption etc.		30				

General Fund Revenue Bids onging- 2022/23 Budget

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Directorate Directorate	Cost Centre Cost Centre	Title	Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000	£'000
Planning	Land Charges	Career progression initiatives	Start of programme to 'grow our own' by developing apprentices through the planning function. Initial postings in the TSO team		30				
Planning	Operations Management	Support for apprentices	Supporting council initiative to support apprentices. No current salary funding for apprentice posts (removed last year in response to anticipated reduction in fee income), but part of planned team structure (from June 19 Outcome report).		25				
Planning	Development Management	Core staffing funding increase	Required as workloads higher than anticipated in last year's budget submission that gave a 10% saving against core DM staffing. Recurrent item.		46				
Transformation, HR and Corporate Services	3C ICT	GIS Migration	Move SCDC from their current Pitney Bowes MapInfo and Spectrum GIS solutions into the ESRI ArcGIS solutions that has been rolled out to HDC & City. This will provide a modern and up to date GIS system delivered for SCDC, sharing the same technology as HDC & City. Enabling easier integration and utilisation of datasets across Council boundaries e.g. SCDC and City fringe areas and resulting in a consolidation of data into a single data repository so that there is clarity of the definitive latest data available.		8				
Transformation, HR and Corporate Services	Policy & Performance	Maintenance and support of the systems	Ongoing costs of maintenance and support for the systems purchased in bids T 04, T 21 and T 23		6				
Transformation, HR and Corporate Services	Elections	Ongoing increase to the amount we put in reserves.	All out SCDC elections will be taking place in May 2022. Some money has been put into reserves over the last 4 years but due to significant cost increases in printing and postage this will be insufficient. The Council has a statutory responsibility to provide the Returning Officer with the resources they need to run the election. The next scheduled SCDC elections will be in 2026. To cover the projected cost in 2026 (including a 10% cost increase) an ongoing £23,600 bid is required to increase the amount we put in reserves.		24				
Transformation, HR and Corporate Services	Democratic Services	Additional role in to support Member and Democratic Services ICT queries (Grade 6)	Cabinet Members were invited to give a steer on how ICT support for Members should be provided, the outcome of which was support for this provision to be a "triage" through Democratic Services rather than through direct provision of Member support officers within 3C ICT. Furthermore, the changes to how meetings are run using hybrid format for physical meetings imposes an ongoing demand on Democratic Services to be able to make best use of new technology, not only for installing it but in routine use of such technology for public meetings. There is a need to consider whether this post in Democratic Services would be split across more than one post-holder to ensure sufficient cover. Furthermore, the existing structure within the team requires assessment as there have been changes in all roles, with the potential for some posts to be re-evaluated, or part-time roles created. It is anticipated therefore that this bid will allow for scope to make changes within the team to achieve the desired outcome, whether the result is to add a Grade 6 post or to make other changes across several posts.		50				

General Fund Revenue Bids onging- 2022/23 Budget

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Directorate Directorate	Cost Centre Cost Centre	Title	Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000	£'000
Transformation, HR and Corporate Services	Health & Safety	Training for all SCDC service areas, professional fees, licence, supplies and equipment costs.	Corporate Health & Safety Training for all SCDC staff. To cover mandatory and task related health and safety training in compliance with regulation and legislation. Continuing costs of professional services and licences for H&S equipment, such as Lone worker safety devices, Driver & vehicle checks (Licence Bureau £5300). Equipment to be provided for staff safety. Lone worker personal safety devices, Body Worn Cameras, and other equipment to be provided which will improve the health, safety and wellbeing of staff as they complete their duties on behalf of the Council. Corporate Health & Safety - supplies for first aid, publications, posters and signage. Improving communication to staff and building users, standardising suppliers to reduce costs and wastage by ordering centrally.	37	12				
Transformation, HR and Corporate Services	Facilities Management	Permanent salary budget for Facilities & Compliance Officer	Permanent salary budget of Facilities & Compliance Officer currently employed on a fixed term basis. This will ensure that all Facilities managed buildings compliance meet required governmental and HSE standards and provide a safe environment for all staff, tenants, contractors and visitors		46				
Transformation, HR and Corporate Services	Facilities Management	Requirement for in-House Cleaners & Cleaning Supervisor at South Cambs Hall, cleaning Material & Equipment for In-House Cleaning	Due to the review of the external cleaning contract and continual issues with resources it has been decided that its is no longer beneficial to SCDC to have external cleaning facilities and it is to be brought in-house. We therefore need the recruitment of permanent cleaners and supervisor to ensure that the office is continually cleaned to a high standard for the welfare and safety of all staff, visitors and tenants. Cleaning Materials, Uniforms etc (incl. one of cost for large cleaning equipment (Hoovers/scrubber drier)) to enable the newly appointed in-house cleaning staff to carry out their daily activities. Shown net of the saving on current contract cleaning arrangements.		8				
Transformation, HR and Corporate Services	Facilities Management	Requirement for Cleaners & Cleaning Supervisor at Waterbeach Depot, Cleaning Material & Equipment for In-House Cleaning	Due to the review of the external cleaning contract and continual issues with resources it has been decided that its is no longer beneficial to SCDC to have external cleaning facilities and it is to be brought in-house. We therefore need the recruitment of permanent cleaners and supervisor to ensure that the office is continually cleaned to a high standard for the welfare and safety of all staff, visitors and tenants, Cleaning Materials, Uniforms etc (incl. and one of cost for large cleaning equipment (Hoovers/scrubber drier)) to enable the newly appointed in-house cleaning staff to carry out their daily activities. Shown net of the saving on current contract cleaning arrangements.		2				
Transformation, HR and Corporate Services	3CICT	Creation of new Cyber Security Team and Compliance Officer	3C ICT have identified the requirement to create a new Security Team and a new Compliance Officer post. Shared services started with the security post as additional work for the Information Governance Manager. This was then assigned to the Network Infrastructure Manager. Cyber security incidents have increased with 2020/2021. The increase in global cyber incidents and the work required to keep up to date has increased for both the Network Infrastructure team. This has meant that they are not able to keep up with the required BAU and complete all the required security work to ensure that the network remains protected. With the Councils working to add Cyber Essentials Plus to the PSN compliance already achieved, to continue to maintain this a Compliance Officer post will be needed.		38				

General Fund Revenue Bids onging- 2022/23 Budget

Directorate Directorate	Cost Centre Cost Centre	Title	Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000	£'000
Transformation, HR and Corporate Services	3CICT	Security Information & Event Management with Continuous Vulnerability Assessment	<p>Cyber Security threats are increasing with Central Government advising that attacks are increasingly focussing on public sector bodies. A single monitoring solution for the council's primary ICT systems is required as resources are unavailable to monitor the increasing log information from the many systems we have to ensure enhanced protection from the detection of attempts and potential vulnerabilities.</p> <p>the impact of a cyber-attack on any of the council's systems has the potential to severely interrupt the delivery of statutory services and incur significant cost in remediation and potentially fines if specific data is compromised.</p>		25				
			Total Net Bids / (Savings)	113	660	24	23	23	0
			HRA SHARE	9	32	0	0	0	0
			Earmarked Reserves	0	50	0	0	0	0
			General Fund	104	578	24	23	23	0

General Fund Revenue Bids one off - 2022/23 Budget

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Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Chief Executive	Chief Executive	County wide partnership project	This is a project designed to support more collaborative working across all parts of the public sector in Cambridgeshire and Peterborough, called the 'Changing Futures' project. It's goal is to work with people in multiple disadvantage through a 'trusted person' model, following a well established national set of pilot projects supported by DLUCH. The outcomes of the project will deliver system change, improve outcomes for people experience multiple disadvantage, and reduce 'downstream' costs in the system as a whole. Although not finally confirmed, partners are likely to include all districts, county, Peterborough Council, police, health, PCC office and probation.	50				
Climate, Environment and Waste	Environment	Establishing number of empty properties that may require enforcement action and employment of empty properties officer	There are a number of long term empty properties that cause environmental and amenity issues for residents. There are 2 steps to this proposal. Step 1 – determine the extent of the problem, this could be done by using an external company. Step 2 – employ an empty homes officer, on a 2 year FTC, to bring problematic empty homes back into use, using the full range of powers we have, and to produce a procedure for how this is done.	44	43			
Climate, Environment and Waste	Greater Cambridge Waste Service	Aid retention and reduce drivers leaving the service	To pay all LGV drivers a market supplement of 6% of their current salary which would mean approx. an additional £900 per employee per year. This is to aid driver retention during the driver shortage that country is currently experiencing, this will be reviewed annually.(Total cost £110 Shared 50:50 across both City & South Cambridgeshire councils). Initially, this is a 24 month initiative only. Will be paid each tri-mester so 3 payments per year - we propose to make 2 payments 21/22, 3 in 22/23 and 1 in 23/24.	35	55	18		

General Fund Revenue Bids one off - 2022/23 Budget

Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Climate, Environment and Waste	Greater Cambridge Waste Service	Increased contribution to RECAP	RECAP partnership has agreed to increase the contribution that the Partners currently make to the Partnership by 100% for 2 years will provide resources collectively to deliver on the changes required. In order to develop an overarching project to implementation a food waste collection service from all households. There is a full Partnership agreement that sits behind the current split of contributions which recognises the size and responsibility of the Authority's role. (Total increase for the shared waste service is £24,000; Shared 50:50 across both City & South Cambridgeshire)	12	12			
Finance	Procurement	Contract management support	This is for a post to assist with the contract management across the Council for the existing ongoing contracts. This is a 2 year fixed term post initially approved as a bid to start in 21/22, this has now been revised as a post for the current apprentice to move into at the end of the apprenticeship. The bid shows the actual amounts required for the post.		34	34		
Housing	Housing Advice	Money Advice Service	This proposal will be funded by external flexible homelessness funding. The project will offer a holistic service that makes homes affordable to live in. 3 new advisors will be employed to advise on money management / income maximisation / and advice on heating and insulation. The service will be offered to tenants especially people in rent arrears, other people who are at risk of losing their homes, and people with money difficulties. The service will take on casework, but will also signpost clients to specialist services. The service will also develop training for people who are currently excluded for housing as they have debt. This project is linked to Covid Recovery for people who have less income and/or have used savings during the pandemic. 2 year project starting 21/22. This is funded from an earmarked reserve as indicated in the funding section.	125				

General Fund Revenue Bids one off - 2022/23 Budget

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Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Planning	TSO	Data Cleansing	The primary goals of this project is to cleanse SCDC historic planning data and to update system records. This will be funded by Planning reserves	45				
Planning	Development Management	Funding for Special Projects Manager post	Coordinating infrastructure schemes, coordinating across services and external partners. A428, Cambridge South station, SW travel hub. This will be funded by Planning reserves	39	39			
Planning	Development Management	Legal fees for infrastructure schemes	Council wide and cross-council issues / initiatives for which GCSP is not funded. This will be funded by Planning reserves	45	45			
Planning	BNE Consultancy	County Council Archaeology consultancy fees	Fee uplift from County due to additional work on strategic sites and DM being costed	5	5			
Planning	Gtr Cambridge Local Plan	Transparency and effective communications	Document production / graphics (this include non staff costs of consultation)Social media campaign, vlogs, videos, and content	10				
Planning	Gtr Cambridge Local Plan	Increased Costs of Local Plan Evidence Base - Water	Increased Costs of Local Plan Evidence Base - Water	15				
Planning	Gtr Cambridge Local Plan	Increased Costs of Local Plan Evidence Base - Climate Change	Increased Costs of Local Plan Evidence Base - Climate Change	13				
Planning	Gtr Cambridge Local Plan	Increased Costs of Local Plan Evidence Base - Viability as a result of the modelling for Carbon	Increased Costs of Local Plan Evidence Base - Viability as a result of the modelling for Carbon	10				

General Fund Revenue Bids one off - 2022/23 Budget

Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Transformation, HR and Corporate Services	Democratic Services	Funding bid for Technical Support Officer post in the Democratic Services Team	Establishment of grade 3 Technical Support Officer post to provide technical/general support to Members with remote/hybrid committee meetings and to access papers electronically. The need to deliver committee meetings remotely has doubled the resources required to deliver committee meetings due to the technical aspects of managing the meetings and supporting Members with access. This need will continue with any move to hybrid meetings. To enable a transition to paperless committee meetings/maintain uptake by Members, additional support is needed for Members. The post could be used a corporate resource to support other teams with remote/hybrid meetings/events. £9k funding from a savings bid will go towards this post, with the requested funding to bridge the gap. The savings bid is not shown separately, but is deducted from the full cost.	23				
Transformation, HR and Corporate Services	HR	HR Apprenticeship	The HR team had funding for an apprenticeship (two years) approved in 2018. The apprentice has successfully completed the CIPD Level 3 and remained on the team to provide backfill for maternity cover. The funding has now expired and the apprentice has been successful in securing a job with Cambridge City. The team would like to offer another apprenticeship opportunity but requires agreement to further funding. The funding is only requested for year 22/23 as year 21/22, when apprenticeship would start, is already covered.	17				
Transformation, HR and Corporate Services	Policy and Performance	New External Funding Officer post	Based in the Policy and Performance team and working across all Council services, this role will focus on making the most of external funding opportunities, supporting the Council and its partners to identify and successfully draw down resources that help us deliver our strategic objectives. The post-holder will work particularly closely across all Council service areas, and with partners including local authorities and from large organisations like to small local voluntary organisations. Cost until the bid becomes self-funding	39				

General Fund Revenue Bids one off - 2022/23 Budget

Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Transformation, HR and Corporate Services	Facilities Management	Replace the floor finishes throughout the office area at South Cambs Hall Building	A carpet tiled flooring is provided to all office areas and the Council Chamber. Carpet to office areas have been patch repaired over the years and there is heavy wear to the thoroughfares and desk positions. There are also isolated areas of rips and cuts, some of which have been repaired with temporary tape where as others remain a trip hazard. The overall carpet throughout is coming to the end of its life and is recommended that it is replaced. Budget figure was recommended by the professional quantity surveyors who recently conducted a thorough Condition Survey of the building.	200				
Transformation, HR and Corporate Services	Facilities Management	Undertake Internal and External Redecoration of South Cambs Hall Building	As a result of a Condition Survey the redecoration of the below key internal and external elements of the building is recommended <ul style="list-style-type: none"> o Internal Walls o Concrete Plank Soffits o Exposed Internal Steelwork and Colours o High Level Atrium Walls o Handrails o Columns o Galvanized elements should be inspected, and any corroded sections be re-rusted and re-protected with Galvebrite. o Timber doors and frames notably to the roof area o External Canopy Steelwork 	70				
Transformation, HR and Corporate Services	Elections	Ongoing increase to the amount we put in reserves.	All out SCDC elections will be taking place in May 2022. Some money has been put into reserves over the last 4 years but due to significant cost increases in printing and postage this will be insufficient, a one off £123,000 bid is needed. The Council has a statutory responsibility to provide the Returning Officer with the resources they need to run the election. The RO will provide the council with a breakdown of expenditure post-election and if the election is cheaper than anticipated funds will be returned to the council.	123				

General Fund Revenue Bids one off - 2022/23 Budget

Directorate	Cost Centre	Title	Description	2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
			Total Net Bids / (Savings)	920	233	52	0	0

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General Fund Revenue Income and Savings - 2022/23 Budget

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Directorate	Cost Centre	Title	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
All	All	Revenue	Undertake a thorough review of processes across the organisation to identify potential changes to workforce deployment and a revised senior management structure, targeting a saving of £600,000 per annum by 31 March 2024. From 22/23 this will be superseded by the Transformation programme	(170)					
All	All	Revenue	Transformation programme savings		(155)	(720)	(1,125)		
All	All	ESH recharges	To undertake a review of the Ermine Street Housing recharge model for both housing and support staff.	(3)	(10)				
All	Mileage	Reduction in mileage	Following the introduction of 'Council Anywhere', there was a 6% savings target to reduce unnecessary travel to meetings. In 20-21 the Council achieved £50k saving in the first 6 months of the year on reducing mileage due to increase in opportunities for remote working	(45)					
Chief Executive	Commercial Development and Investments	Investment income	Net income to the General fund from investment in Commercial Properties	(422)	(1,008)	(493)	(165)	(175)	(182)
Climate, Environment and Waste	GCSWS	Commercial waste income	Expand and grow the commercial waste collection service.		(25)	(25)			
Climate, Environment and Waste	Environmental services	Utilities saving	The installation of LED footway lighting throughout the District and consequent impact on maintenance and energy costs.	(50)					
Climate, Environment and Waste	GCSWS	Mini freighter rounds improvements leading to a reduction of a refuse driver	Improvements and better routing of the small minifreighter rounds servicing to the hard to reach areas and farms mainly. With the recent changes made to the fleet it has now enable to service to collect form more of these properties as the standard vehicle are smaller . (Service saving £30,000 = City £15,000 and SCDC £15,000)	(15)					
Climate, Environment and Waste	GCSWS	Trade waste round reduction	Is to remove one of the existing trade round and distribute the work out to the remaining rounds.	(15)					
Climate, Environment and Waste	Street Cleansing	Reduction of use of contractors for litter picking A roads	Bring more of the A road litter picking in house and reduce the need for Contractors, by recruiting an additional operative for focus on picking of 'A-road' - Saving of £45k in contractor fee offset against the cost of an additional operative at £25k.	(20)					
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)				
Climate, Environment and Waste	Commercial and Licensing`	Commercial income generation	Creation of additional income through fee increase in Primary Authority work and full cost recovery within Private Water Supply operations.		(5)				
Climate, Environment and Waste	Commercial and Licensing`	Taxi plate procurement savings	Taxi plate budget is currently £27,000 (based on 19/20 expenditure) –There is a potential to reduce this by £5,000 by switching to an adhesive plate alternative – this will be subject to Council approval as it will require a change in the Taxi Policy. This is not only a revenue budget saving but an environmentally greener alternative (less plastic /less landfill).		(5)				

General Fund Revenue Income and Savings - 2022/23 Budget

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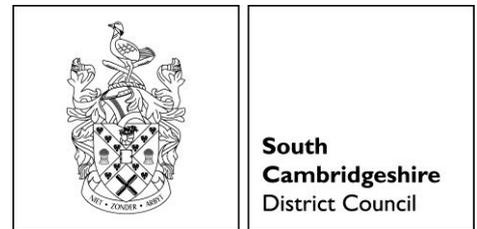
Directorate	Cost Centre	Title	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Climate, Environment and Waste	Greater Cambridge Waste Service	Increased use of the Bulky Waste Service and related income	We have had increased requests for collections and therefore income is higher than expected. This is partly due to the change in the way we run the booking service and better availability. We are able to offer up some of this additional income as a saving. This is a one off as we are unsure how changes by the County council at the Household recycling centres has impacted on use of our service. (Total increased income is £30,000 pa, shared 50:50 across City & South Cambs)		(15)				
Climate, Environment and Waste	Greater Cambridge Waste Service	Bringing contracted vehicle cleaning work in-house	By bringing the cleansing of Fleet vehicles in-house we enable the service to provide commercial cleaning of containers/ sites as an extra commercial income stream and improved service offering to customers. (Total saving £20,000, shared 50:50 between City & South Cambridgeshire Councils).		(10)				
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)	(5)	(3)		
Climate, Environment and Waste	Greater Cambridge Waste Service	Additional income from increasing profitable business for the Commercial Waste Service.	As per our business plan & service objectives we expect 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)				
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)				
Finance	Revenues and Benefits	Ctax review	Review of all council tax exemptions/discounts using data matching techniques (countywide project).		(35)	(35)	(40)		
Planning	Development Management	PPA review	To review Planning Performance Agreements and processes to reduce the current subsidy provided to those who undertake major developments.	(30)					
Planning	Building Control		The development of a commercial model for the building control service to generate additional income from consultancy services.	(5)					
Planning	Land Charges	Proposed savings	A package of measures responding to the anticipated shortfall in income for planning applications and land charges income arising. Measures are focused around (i) reducing contract/agency staff costs associated with reductions in anticipated application numbers (including legal costs) and in line with service improvements/efficiencies, (ii) the re-profiling of spending on the Joint Local Plan/AAP to reflect the new Local Development Scheme, (iii) improved cost recovery and management for discretionary services – including to partners; and (iv) the consolidation of costs in the Business Support team. The package builds upon the existing savings commitments within the previous MTFs (2020/21).	(394)					
Planning	Development Management	Charging for file retrieval	New income stream based on cost recovery		(9)				
Planning	Development Management	Reducing Press advert to one periodical	Advertising of applications only in one newspaper		(6)				
Planning	Consultancy - Built Environment	Increasing commercial revenue	BNE business plan focusses on moving BNE staff time away from applications work to revenue generating work on PPAs, Pre-Apps etc. Recurrent item.		(46)				

General Fund Revenue Income and Savings - 2022/23 Budget

Directorate	Cost Centre	Title	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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)				
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)				
Transformation, HR and Corporate Services	Communication	Transformation savings	Commissioning external graphic design	(10)					
Transformation, HR and Corporate Services	3CICT	Discontinuing 0345 number	Discontinue the use of the Council 0345 number. Using this number has no advantage over the existing Council number as using 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 there is no charge to the Council	(40)	(60)				
			Total Net Bids / (Savings)	(1,219)	(1,558)	(1,278)	(1,333)	(175)	(182)
			HRA SHARE	(67)	(50)	0	0	0	0
			Part of Capital Programme						
			Earmarked Reserves						
			General Fund	(1,152)	(1,508)	(1,278)	(1,333)	(175)	(182)

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Agenda Item 9



Report To: Cabinet 07 February 2022

Lead Cabinet Member: Councillor John Williams,
Lead Cabinet Member for Finance

Lead Officer: Peter Maddock, Head of Finance

Housing Revenue Account Revenue & Capital Budget: 2022/2023

Executive Summary

1. To consider the summary Housing Revenue Account (HRA) Revenue and Capital Budget for 2022/2023 and to recommend the HRA Budget to Council.

Key Decision

2. This is not a key decision.

Recommendations

3. That Cabinet is requested to consider the report and, if satisfied, to recommend to Council to:

Housing Revenue Account (HRA): Revenue

- (a) approve the HRA revenue budget for 2022/2023 as shown in the HRA Budget Summary as presented at Appendix A.

HRA: Review of Rents and Charges

- (b) Approve that council dwellings rents for all social rented properties be increased by inflation of 3.1%, measured by the Consumer Price Index (CPI) at September 2021, plus 1%, resulting in rent increases of 4.1%, with effect from 4 April 2022.
- (c) Approve that affordable rents (inclusive of service charge) are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with rents for existing tenants increased by no more than inflation of 3.1%, measured by the Consumer Price Index (CPI) at September 2021, plus 1%, resulting in rent increases of up to 4.1%.

Local policy is to cap affordable rents (inclusive of all service charges) at the Local Housing Allowance level. As the Local Housing Allowance was increased significantly in late March 2020, affordable rent increases

will be capped at 4.1% from April 2022, which is still well below the 2022/23 Local Housing Allowances levels.

- (d) Approve increase of 2.0% in garage rents for 2022/2023.
- (e) Approve the proposed service charges for HRA services and facilities provided to both tenants and leaseholders, as shown in Appendix D.

HRA: Capital

- (f) Approve the required level of funding for new build investment between 2022/2023 and 2026/2027 to ensure that commitments can be met in respect of the investment of all right to buy receipts currently retained or anticipated to be received by the authority for this period. This expenditure will take the form of HRA new build, with the 60% top up met by other HRA resources.
- (g) Approve the HRA Medium Term Financial Strategy forecasts as shown in Appendix B.
- (h) Approve the Housing Capital Programme as shown in Appendix C.

Reason for Recommendations

- 4. To enable the Cabinet to recommend to Full Council the 2022/2023 HRA Revenue Budget and Capital Programme.

Details

(A) Background

- 5. The HRA is a ring-fenced area of the Council's activity and represents the landlord activity which the authority carries out as a stock retaining authority.
- 6. HRA budgets continue to be set in the context of a 30-year business plan, which is reviewed each year. The HRA budget setting report covers both HRA revenue and capital spending. As the authority's landlord account, the HRA accounts for all services to tenants and leaseholders and is the account into which the proceeds of the rent and landlord service charges are credited.
- 7. Resource available to invest in housing is dependent upon the income streams for the HRA, the most significant of these being the rental income for the housing stock. For the four years ended 31st March 2020, the Council were required to reduce rents by 1% per annum to comply with a national approach to rent setting. From 1st April 2020 rents were permitted to be increased by the total of the September Consumer Prices Index (CPI) plus 1%. This, therefore, equates to a 4.1% increase from 1st April 2022. Rent increases are currently limited to an increase of up to CPI plus 1% from April 2022 for a further 3 years (based upon CPI at the preceding September), with properties below target rent levels moved directly to target rent only when they become void. Target rents continue to be set with reference to January 1999 property values.

8. There is a key requirement to ensure that the HRA can support a significant level of housing debt whilst also ensuring ongoing delivery of housing services. As at April 2021, the authority continued to support a housing debt of £205 million. The current policy does not assume set-aside of resource to allow for repayment of housing debt, but instead assumes the resource is used to deliver a new build programme in the medium term, in an attempt to ensure sustainability of the HRA.

(B) Budget Formulation

9. Consideration needs to be given to the fluid nature of some of the assumptions that are required to be incorporated into the financial forecasting for the HRA, particularly in relation to the impact of changes in national housing policy.
10. Assumptions will need to be continually reviewed and amended as information is made available and any changes in the economic environment become apparent.
11. The budget for 2022/2023 has been constructed in the wider context of the national position for social housing. The Council still seeks to achieve a balance in investment against key housing priorities as follows, although this still proves challenging:
- Investment in the existing housing stock with a commitment to increase energy efficiency, reduce the carbon footprint and increase the sustainability of the Council's properties.
 - Investment in the delivery of new affordable homes.
 - Spend on landlord services (i.e. housing management, responsive and void repairs).
 - Support for, and potential repayment of, housing debt.
12. The draft revenue and capital estimates for the HRA are outlined in detail in **Appendices A to C** of the report.
13. The detailed budgets presented this year are rather different to previous years in that they are now presented as a service area pack. Each pack has a title page, a budget summary, individual budget pages (with similar budgets grouped together) and a subjective analysis which shows the service area spend by type of expenditure.
14. The budget summary gives the total of each of the budget pages and the overall budget for the HRA.
15. The detailed budget pages give some commentary on each service budget to make it clear what the purpose of that particular budget is, along with reference to any bids and savings relating to the budget.
16. The subjective analysis shows the total budget by type of expenditure as defined by the Service reporting code of practice (SeRCOP). SeRCOP is recognised across the local authority sector as the standard way of reporting expenditure and income by type.
17. The budget is divided up into distinct areas known as Cost Centres and these are either Direct Services or Support Services sometimes referred to as frontline or back office. The accounting code requires us to allocate all support services to direct

services and therefore the budget presented represents the total cost of direct services including the support costs relating to them. It is important to note however that cost control and responsibility for support services rests with the service area where the support service resides not the service area where the cost is eventually allocated.

18. The other point to note is the cost of pensions. Some years ago the rules on accounting for pensions changed and from then each service had to bear the cost or value of the pension fund relating to the employees that work in that service area rather than just the employers contributions made relating to those employees. Until 2021/2022 these costs were excluded from the budget and only accounted for in the final accounts. Best practice is to account for them in both and that is what we now do. The 'Current Service Cost' of the pension is a larger number than the employer's contributions paid and therefore has the effect of inflating service budgets. Having said this none of this affects the overall budget as legislation requires the council to charge only the employers contributions to the Housing Revenue Account.

(C) National and Local Policy Context

19. On the 17 November 2020 the Government published a white paper "The Charter for Social Housing Residents" which sets out key areas that every social housing tenant should expect. Much of the responsibility for delivering against the charter sits with the landlord, and the Council is working to ensure delivery against the commitments. The Regulator of Social Housing is leading in developing a strengthened consumer regulation regime and is expected to engage with providers in doing this.
20. Universal Credit continues to cause concern and challenges both for residents and for the Council. The coronavirus pandemic saw an increase in the number of tenants transitioning to Universal Credit as individual's circumstances changed, and nationally there was a steep rise in the number of claims overall. The Council has resources in this budget to support and advise tenants through the transition to Universal Credit.
21. The Council's HRA owns and/or manages the following properties, broken down by category of housing provided:

Housing Category	Actual Stock Numbers as at 1/4/2021	Estimated Stock Numbers as at 1/4/2022
General Housing (Incl. use as Temporary Housing)	4,222	4,278
Sheltered Housing	1,070	1,070
Sheltered Housing – Equity Share	69	69
Miscellaneous Leased Dwellings	3	3
Shared Ownership / FTB Dwellings	95	112
Total Dwellings	5,459	5,532

22. A breakdown of the housing stock by property type is outlined in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2021	Estimated Stock Numbers as at 1/4/2022
Bedsits	20	20
1 Bed	1,093	1,124
2 Bed	2,417	2,459
3 Bed	1,851	1,851
4 Bed	74	74
5 Bed	1	1
6 Bed	3	3
Total Dwellings	5,459	5,532

23. The HRA maintains the freehold in respect of flats, sold under the right to buy process on long leases. Services continue to be provided to these properties in respect of repairs and improvements to communal areas and services for common facilities.
24. As at 31 March 2021, the Council held £5,116,631 of right to buy receipts under the retention agreement with the Department for Levelling Up, Housing and Communities (DLUHC). This compares to the balance of £5,866,982.62 at 31 March 2020.
25. The Government has amended the rules regarding the use of the capital receipts arising from the sale of Right to Buy properties and the Council has entered into a new retention agreement that reflects these changes. Under the new rules, receipts will be accounted for annually rather than quarterly and the Council will be now be able to fund up to 40% of new property costs from the receipts and the time limit for using the funds has increased from 3 to 5 years. Whilst up to 40% of the cost of a development can be financed from this source, the balance must be funded from the Council's own resources, or through borrowing, and the receipts cannot be used on replacement dwellings or dwellings receiving any other form of public subsidy.

(D) HRA Resources

26. HRA resources comprise rent, service charges, income from garages/other property, investment income, external funding and earmarked funds. These are each considered below:
- (i) Rent: Rent Arrears, Bad Debt Provision and Void Levels
27. Performance in the collection of tenant debt continues to be affected by the impact of the COVID-19 pandemic and more recently there have been delays obtaining court hearings to pursue outstanding debts. At the end of December 2021, current tenant arrears stood at £672,825 and former tenant arrears at £321,253 compared with £619,757 and £266,590 respectively as at 31 March 2021. The position is being monitored, with staff working proactively with tenants in arrears.
28. The level of annual contribution to the bad debt provision was reviewed again as part of the HRA budget, with the contribution set at 0.5% from 2021/2022. This assumption has not been amended as part of this HRA budget setting report.
29. As at 31 March 2021, the provision for bad debt stood at £682,722 representing 77% of the total debt outstanding at the time.
30. The estimated value of rent not collected as a direct result of void dwellings in 2021/2022 is £515,900, representing a void loss of 1.72%. There were several empty homes at the beginning of 2021/22, which required extensive refurbishment before being available for re-let, which led to the higher void loss in 2021/22. The turnaround of properties between tenancies has however improved as the year has progressed.
31. At the end of December 2021, 81 properties were unoccupied, representative of 1.5% of the housing stock.
32. The assumption of 1.1% voids in general housing has been increased to 1.4% as part of this budget setting report.
- (ii) Rent: Restructuring and Rent Levels
33. The authority still lets property on two differing rent levels, social rent and affordable rent, with the latter capped locally at the level of the Local Housing Allowance.
34. Property specific rent restructured target social rents apply for the socially rented stock held in the HRA. From 1st April 2021 both the target rent and actual rent increased by CPI plus 1% so the convergence of the actual and target rents, which was abandoned when the 1% rent reduction targets were brought in, will still not happen unless a property becomes void and the rent is moved to target on re-let.
35. The average social rent in 2021/2022, at the time of writing this report, across the socially rented housing stock was £104.94, and after applying the expected increase of 4.1% will become £109.24. At the time of writing this report, 43% of the social rented housing stock was being charged at target rent levels, compared with 41% in the previous year.
36. There are 256 new build or acquired properties charged at the higher 'affordable rent' levels with 47 of these being shared ownership homes.

(iii) Rent Setting

37. Rent levels continue to be set by Council in February of each year, following consideration at Cabinet.
38. On 15 November, the Department for Levelling Up, Housing and Communities (DLUHC) updated the Rent Standard guidance that registered providers of social housing must comply with, to update the limit on annual rent increases for 2022 to 2023. The Rent Standard is one of three economic standards that the Regulator of Social Housing (RSH) expects private registered providers of social housing to comply with and applies to local authority providers of social housing. It sets the requirements around how registered providers set and increase rents for social housing in line with government policy as set out in DLUHC's Policy Statement on Rents for Social Housing.
39. In September each year the annual Consumer Price Index (CPI) figure is set which is used to establish the limit on annual rent increases for social housing. The limit on annual rent increases for the financial year 2022/23 will be CPI (3.1%) plus 1% = 4.1%.
40. Affordable rents increases are also limited to a maximum increase of CPI plus 1% from April 2022, but with the ability to re-set the rent at up to 80% of market rent upon re-let. Council policy is to cap affordable rents (inclusive of all service charges) at the Local Housing Allowance level. The average affordable rent in 2021/2022, at the time of writing this report, was £146.22.

(iv) Service Charges

41. Service charges continue to be levied for services that are not true landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Some service charges are eligible for housing benefit, depending upon the nature of the service.
42. The approach to setting service charge levels for 2022/2023 is detailed in the report at Appendix D.

(v) Other Sources of Income

43. The HRA had 942 residential garages as at 1st April 2021, which are outside the curtilage of the dwelling. Approximately 347 garages were vacant at the time of compiling this report. Several vacant garages have been identified as needing repairs or major works prior to being ready to let, or are being considered for demolition, disposal, self-build sites or redevelopment.
44. A two-tier charging structure is applied for garages, with one rate for garages rented to tenants, and another for rental of garages by others, with the latter being subject to VAT at the prevailing rate. If a tenant holds more than two garages, VAT is also payable.
45. In addition to dwellings held for rent, the HRA has a number of communal rooms in sheltered schemes. Currently the costs of these buildings are recovered through service charges levied to residents. A review of these assets continues to ensure that

they are either well utilised for the purpose intended, or that consideration is given to alternative options for the use of each site, generating an income for the HRA where possible. Extensive consultation is being carried out as part of this review to ensure that all local views are taken account of.

46. The HRA receives interest on general and ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve, any unapplied capital balances and in respect of any internal lending to the General Fund. The interest rates available to the Council generally remain low, and market recovery is slow, although lending to Ermine Street Housing still provides a better return than lending to external third parties currently.

(vi) Other External Funding

47. In addition to income direct from service users, the HRA anticipates receiving external funding from Section 106 Funding. The Council has a policy in respect of Section 106 Commuted Sums, which allows the first call on these to be to fund the delivery of new build affordable housing in the HRA. The assumption that this funding is utilised to deliver new affordable homes is identified into the Housing Capital Investment Plan.

(vii) Earmarked & Specific Funds: Revenue

48. In addition to General Reserves, the HRA Account still maintains some earmarked or specific funds. Details of the current level of funding in these reserves is shown at **Appendix E**.
49. A Self-Insurance Fund is maintained to mitigate the risks associated with the authority self-insuring its housing stock. Costs in lieu of insurance claims are charged to the HRA in year, with the reserve available to meet any higher than anticipated remedial costs, allowing the HRA time to react to the additional expenditure incurred.
50. A statutory Major Repairs Reserve is credited with depreciation in respect of the housing stock each year, with funding then in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt.
51. Change in national housing policy, and the continued desire to invest resource in new build to replace lost stock and appropriately spend retained right to buy receipts, impacts the ability to set-aside resource to repay debt. This means the Council will have no alternative but to refinance a significant proportion of the loan portfolio as each loan matures. The approach of using an ear-marked reserve, as opposed to making a formal voluntary revenue provision, allows the HRA to retain flexibility over the use of the limited resource that is available for set aside in the future.

(viii) Earmarked Funds: Capital Receipts

52. The HRA retains an element from all right to buy receipts over and above those assumed in the self-financing settlement, in recognition of the debt held in respect of the asset. These sums are held in a separate ear-marked capital reserve, allowing them to be utilised to repay debt should the authority so choose, or alternatively reinvest as deemed appropriate.
53. With the Right to Buy Receipt Retention Agreement in force, this reserve ensures that resource is identified for re-investment and, if necessary, repayment purposes.

(E) HRA Revenue Account Budget: Revised Budget 2021/2022

54. Service budgets for the current financial year were reviewed as part of the budget setting process for the coming year to ascertain what the likely balance would be on the Housing Revenue Account at the end of the financial year. The changes are summarised in the table below:

2021/22 Revised Budget	Original Budget Feb-2021	Proposed Changes	Revised Jan-2022
	£ 000's	£ 000's	£ 000's
Rental Income	(30,200)	285	(29,915)
Other Income	(1,515)	(80)	(1,595)
Supervision and Management	6,493	(172)	6,321
Repairs	4,931	(17)	4,914
Depreciation	6,800	102	6,902
Other Expenditure	1,085	(128)	957
Revenue Funding of Capital Expenditure	13,788	(10,156)	3,632
Loan interest	7,194	(1)	7,193
Interest receivable	(630)	(362)	(992)
IAS 19 (Pension Cost) Reversals	(173)	26	(147)
Transfer from Earmarked Reserves	(8,000)	8,000	0
Revised Net HRA Use of Reserves	(227)	(2,503)	(2,730)

55. The above figures include any rollover approvals from 2020/2021 in the second column along with other amendments listed on a category-by-category basis. The resulting change in the use of reserves is also identified for the current year. The middle column shows the difference between the original and revised budgets. The net reduction in costs for 2021/2022 (note the significantly lower revenue funding of capital expenditure) will result in no transfer from earmarked reserves and a surplus to the HRA reserve.

(F) HRA Revenue Account Budget: Budget 2022/2023

56. The HRA balance at the start of the financial year was just above £2.6 million reducing from previous balances due to the application of funds to the Housebuilding Programme. Whilst this level of balance is adequate for HRA purposes it would not be prudent to let this fall much below £2.5 million.
57. The Council has commenced a transformation programme which will deliver savings across the authority and some of these savings will fall on the HRA services. It will also be necessary to ensure that efficiency savings are sought within the HRA to ensure that the account remains viable so the savings initiatives that were undertaken during this budget process for the General Fund should be extended to encompass the HRA for the next budget cycle.

58. Expenditure excluding capital charges has increased by £889,000 over the 2021/2022 original position, although £440,000 relates to accounting adjustments for pension costs that are reversed out.
59. Income has increased by £1,830,000 as a result of the aforementioned rent increase of 4.1%.
60. The proposed budget is based on an HRA surplus of £2.7 million in 2021/2022 and a deficit of £2.0 million in 2022/2023.
61. The overall revenue budget position for the HRA for 2022/2023 is presented in **Appendix A**. A balanced budget can be set for 2022/2023, with the balance on the account increasing in future years.

(G) Housing Capital Budget

(i) Stock Investment and Decent Homes

62. The Council has recently invested in a new IT system that allows better use of asset management data and once fully implemented will allow more efficient planning of future works, and better integration between revenue (day to day repairs) and capital (investment) for council housing. There is however some concern about the reliability of some of the data that currently exists within the asset management system. A further stock condition survey will therefore be commissioned of all our properties, so that we can review the robustness of our stock condition data, the element lifecycles and costs used. This data will provide key information as to the basis for future stock investment expenditure and associated timescales.
63. As at 31 March 2021, 94.64% of the housing stock was reported as decent, compared with 94.64% at 31 March 2020; with 281 properties that were considered to be non-decent (in addition to refusals by tenants to access the property and undertake the necessary works). In the year to 31 March 2021, access to properties considered to be non-decent was refused by 118 tenants. [figures to be updated]
64. The Council aims to be Carbon Neutral by 2050 which includes the housing stock. As part of the work to explore and trial technical solutions, South Cambridgeshire District Council joined NetZero Collective in 2019, which brings together a number of organisations including the Dept Climate Change, Buildings and Energy, Southampton University and a number of Social Landlords. The Council contributed 5 properties into the first phase of the project to determine the most cost-effective way to retrofit properties to deliver 'netzero' using fabric first approach combined with deployment of renewable technologies. These properties were empty at the time and surveys have been completed. In order to create the capacity and capability to deliver retrofit at scale, we are working with NetZero Collective to create a 'blueprint' for a Centre of Excellence for Decarbonisation to present to members.
65. There is no statutory requirement in existing dwellings to provide either smoke or Carbon Monoxide Detectors but it is considered good practice to do so. Therefore, the Council provides smoke detectors to all properties. In addition, Carbon Monoxide Detectors are provided to all properties with gas. The Council has allowed in this budget for the full replacement of both wired in CO and smoke detectors on a rolling

programme of 10 years for smoke detectors and 10 years for Carbon Monoxide Detectors. Battery alarms are replaced more frequently, between 5-10 years.

66. The Capital programme has been updated and is reproduced at **Appendix C**.

(ii) **New Build and Re-Development**

67. At the time of writing this report 189 new homes had been completed since April 2012, all of which were built as affordable rented homes, with a further 58 shared ownership homes also completed:

Scheme	Status	Affordable Rent Units delivered	Scheme Composition
Fen Drayton Road, Swavesey	Completed May 2016	20	4 x 1 Bed House 10 x 2 Bed House 5 x 3 Bed House 1 x 4 Bed House
Horseheath Road, Linton	Completed July 2016	4	1 x 2 Bed Bungalow 2 x 2 Bed Flat 1 x 2 Bed House
Hill Farm, Foxton	Completed January 2017	15	4 x 1 Bed House 6 x 2 Bed House 5 x 3 Bed House
Robinson Court, Gamlingay	Completed August 2018	6 plus 4 shared ownership and 4 market sale	4 x 1 Bed Flat 2 x 2 Bed Flat 2 x 1 Bed House (Shared Ownership) 2 x 2 Bed House (Shared Ownership) 2 x 2 Bed House (Market Sale) 2 x 3 Bed House (Market Sale)
Pampisford Road, Great	Completed April 2018	6 plus 2 shared ownership	2 x 1 Bed Flat 2 x 2 Bed House

Abington			1 x 2 Bed Bungalow 2 x 2 Bed Bungalow (Shared Ownership) 1 x 3 Bed House
Bannold Road, Waterbeach	Completed April 2018	16 plus 7 shared ownership	6 x 1 Bed Flat 6 x 2 Bed Flat 4 x 2 Bed House 2 x 2 Bed House (Shared Ownership) 5 x 3 Bed House (Shared Ownership)
Woodside, Longstanton	Completed April 2019	3	3 x 2 Bed House
Gibson Close, Waterbeach	Completed November 2019	6 plus 3 shared ownership	4 x 1 Bed Flat 2 x 2 Bed House 3 x 2 Bed House (Shared Ownership)
High Street, Balsham	Completed December 2019	9 plus 4 shared ownership	7 x 1 Bed Flat 2 x 2 Bed Flat 4 x 2 Bed House (Shared Ownership)
Highfields, Caldecote	Completed December 2019	3 shared ownership	1 x 1 Bed House 2 x 2 Bed House
Station Road, Foxton	Completed October 2020	6 plus 3 shared ownership	4 x 1 Bed Flat 1 x 2 Bed House 1 x 3 Bed House 2 x 2 Bed House (SO) 1 x 3 Bed House (SO)
Pembroke Way, Teversham	Completed November 2020	5	2 x 1 Bed Flat 1 x 1 Bed Bungalow

			2 x 2 Bed House
Linton Road, Great Abington	Completed December 2020	13 plus 5 shared ownership	6 x 1 Bed Flats 2 x 2 Bed House 5 x 3 Bed House 2 x 2 Bed House (SO) 3 x 3 Bed House (SO)
Burton End, West Wickham	Completed December 2020	3 plus 1 shared ownership	1 x 1 Bed Bungalow 1 x 2 Bed Bungalow 1 x 2 Bed House 1 x 3 Bed House (SO)
Grace Crescent, Hardwick	Completed December 2021	27 plus 12 shared ownership	16 x 1 Bed Flats 9 x 2 Bed Houses 1 x 3 Bed House 1 x 4 Bed House 6 x 2 Bed Flat (SO) 4 x 2 Bed House (SO) 2 x 3 Bed House (SO)
Impington Lane, Impington	Completed October 2021	7 plus 3 shared ownership	6 x 1 Bed Flat 1 x 3 Bed House 2 x 2 Bed House (SO) 1 x 3 Bed House (SO)
Orchard Gardens, Melbourn	Completed December 2021	6 plus 3 shared ownership	2 x 1 Bed Flat 1 x 1 Bed House 3 x 2 Bed House 3 x 3 Bed House (SO)

Castle Camps	Completed September 2021	3 plus 1 shared ownership	2 x 1 Bed House 1 x 2 Bed House 1 x 3 Bed House (SO)
Bennell Farm, Toft	On site	Completed to date: 8 x 1 Bed Flat 9 x 2 Bed Flat 4 x 2 Bed House 2 x 3 Bed House 8 x 2 Bed House (SO) 2 x 3 Bed House (SO) 1 x 4 Bed House (SO)	8 x 1 Bed Flat 9 x 2 Bed Flat 5 x 2 Bed House 3 x 3 Bed House 8 x 2 Bed House (SO) 2 x 3 Bed House (SO) 1 x 4 Bed House (SO)
Babraham Road, Sawston	On site	Completed to date: 6 x 1 Bed Flat 5 x 2 Bed Flat	20 x 1 Bed Flat 21 x 2 Bed Flat 2 x 3 Bed House 1 x 4 Bed House 4 x 1 Bed Flat (SO) 11 x 2 Bed Flat (SO) 3 x 3 Bed House (SO) 1 x 4 Bed House (SO)
Total		189 rented 58 shared ownership 4 market sale	

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

Scheme	Status	Estimated Affordable Units	Indicative Scheme Composition (Subject to Change)	Scheme Budget (Gross of subsidy / capital receipts)
Bennell Farm,	On site	2 remaining		

Toft			1 x 2 Bed House 1 x 3 Bed House	
Babraham Road, Sawston	On site	33 plus 19 shared ownership to be completed	14 x 1 Bed Flat 16 x 2 Bed Flat 2 x 3 Bed House 1 x 4 Bed House 4 x 1 Bed Flat (SO) 11 x 2 Bed Flat (SO) 3 x 3 Bed House (SO) 1 x 4 Bed House (SO)	
Emerson Road, Great Abington	On site	3	2 x 2 Bed Flat 1 x 2 Bed House	535,870
High Street, Meldreth	On site	4 plus 3 shared ownership	2 x 2 Bed House 2 x 3 Bed House 3 x 2 Bed House (SO)	1,697,210
Strawberry Farm, Great Abington	Tendering for development partner	2 plus 1 shared ownership	2 x 2 Bed House 1 x 3 Bed House (SO)	795,930
Meadowcroft Way, Orwell	Not in contract yet	4	4 x 1 Bed Flat	626,120

Total		48 rented		2,233,080
		23 shared ownership		

69. There are a number of schemes where feasibility work is being carried out with a view to building out the sites for the HRA directly, or alternatively negotiations are in progress with developers, for the HRA to acquire the affordable housing on existing new build development schemes. These schemes do not yet have formal approval and, as such, have not yet been built into the Housing Capital Investment Plan on a scheme specific basis. Instead, an unallocated new build budget is included, which when a scheme receives Head of Housing and Lead Cabinet Member approval, allows resource to be transferred from this unallocated new build/acquisition budget to the scheme specifically to allow monitoring of progress.
70. Some schemes deliver only new provision of affordable rented housing and, as such, will be eligible for 40% of the scheme to be funded using retained right to buy receipts. Many of these schemes, in order to be planning policy compliant, include a mix of affordable rented and intermediate housing (usually shared ownership). Shared ownership dwellings are part funded using S106 commuted sums if available.
71. The assumption has been retained, that the authority utilise resource previously set-aside for the potential redemption of housing debt, combined with revenue resource that can be released as a result of capital receipts that have been received from the sale of HRA land and dwellings on the open market in recent years, or that are anticipated to be received from the sale of self-build plots, to fund building new homes. This is anticipated to provide sufficient resource to allow the appropriate re-investment of existing and anticipated retained right to buy receipts in the medium term, without the immediate need to pass any funding to a registered provider.
- (iii) Self-Build Plots
72. It has been recognised that the effort and cost involved to prepare and market parcels of HRA land for sale as self-build plots is not achieving the desired level of capital receipts. There have been significant delays in concluding sales and to date no plots have been sold in 2021/22. It has therefore been agreed to market plots more widely and we will accept offers from developers as well as self-builders, to achieve the best capital return for the HRA. The capital receipts achieved will then be available for re-investment by the HRA to release resource elsewhere in the capital programme, facilitating the delivery of new homes in the district.
73. Where a suitable parcel of land identified is larger than one plot, we will first consider preparing the land for our own development and the provision of affordable rented homes.
74. 5 sites are currently being progressed with others undergoing investigation and feasibility work.
75. The table below details those sites disposed to date:

Location	Date	Receipt	No. of plots
Benet Cl, Milton	Oct-18	195,000	1
Cambridge Rd, Balsham	Dec-18	171,750	1
St Audreys Close, Histon	Aug-19	151,000	1
Macaulay Avenue, Great Shelford	Sep-19	405,000	3
Blacksmiths Close, Babraham	Dec-19	205,000	1
Westfield Road, Fowlmere	Oct-20	205,000	1
Total		1,332,750	8

(iv) Section 106 Funding

76. Commuted sum payments received through the planning process, in lieu of the delivery of affordable housing, are made available in the first instance to the HRA to invest in affordable homes.
77. The Council currently holds £2.2 million in commuted sums for affordable housing. The following table provides an update of when current sums held must be spent (year-end prior to deadline date), against the resource committed to date:

Year	Section 106 sum to be spent	Cumulative Section 106 sum to be spent	Resource committed HRA	Cumulative resource still to be committed
	£	£	£	£
2026/27	1,356,420	1,356,420	900,000	456,420
2027/28	0	1,356,420	0	456,420
2028/29	494,614	1,851,034	0	951,034
2029/30	339,654	2,190,688	0	1,290,688
2030/31	44,517	2,235,205	0	1,335,205
	2,235,205		900,000	

Commitments to date include:

Scheme	Fund	2021/22 £	2022/23 £
Babraham Road, Sawston – contribution to 19 shared ownership homes	HRA	150,000	150,000
High Street, Meldreth – contribution to 3 shared ownership homes	HRA	75,000	75,000

Orchard Gardens, Melbourn – contribution to 3 shared ownership homes	HRA	0	150,000
Boxworth End, Swavesey - contribution to 4 shared ownership homes	HRA		200,000
Strawberry Farm, Gt Abington - contribution to 1 shared ownership home	HRA		50,000
Bartlow Road, Castle Camps - contribution to 1 shared ownership home	HRA	50,000	
	HRA	275,000	625,000

78. With £1,335,205 of resource still to be re-invested, there is a commitment to invest the sum in new HRA homes wherever possible.

79. It is likely, although not guaranteed, that the funds will be utilised predominantly to deliver shared ownership or shared equity.

(v) Asset Acquisitions and Disposals

80. The Right to Buy Retention Agreement with the DLUHC allows the acquisition of existing dwellings, as an alternative to building new homes, although new supply remains the priority. Acquisition is a valid option when new build is not possible within an annual deadline for the use of retained receipts. If a decision is taken that there is a risk that new build schemes will not deliver in the required timeframes, resources can be vired from the unallocated new build/acquisition budget into the budget for direct market acquisition. This risk has however been reduced under the new retention agreement, which allows 5 years from the original receipt for right to buy receipts to be spent.

81. Receipts from individual asset disposals are only recognised in the HRA's reserves when received, and after all relevant costs have been provided for. There are assumptions incorporated in the budget about the level of receipts from the sale of self-build plots and HRA land. These capital receipts will allow planned utilisation of the funds to release resource elsewhere in the HRA to facilitate the appropriate reinvestment of retained right to buy receipts.

(vi) Capital Spend and Phasing

82. The updated Capital programme is presented to Cabinet and includes re-profiling and updating the capitalised repairs budgets, new house building budgets and transferring resources from the unallocated sum to schemes that have now been identified.

(H) HRA Treasury Management

(i) Background

83. Statutorily, the HRA is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions.

(ii) HRA Borrowing

84. As at 1 April 2021, the HRA was supporting external borrowing of £205 million in the form of 41 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.44% and 3.53%. The loans have varying maturity dates, with the first £5 million due to be repaid on 28 March 2037 and the last on 28 March 2057.
85. The HRA Capital Financing Requirement (HRA CFR) stood at £204 million due to a small amount (£694,000) of internal borrowing from the HRA by the General Fund. The General Fund is required to pay the HRA annual interest on the internal borrowing as part of the Item 8 Determination for the HRA. The interest rate payable to the HRA can be determined by the authority but must be deemed reasonable and stand up to external scrutiny from auditors.
86. Recent changes in legislation mean that the HRA is no longer subject to a borrowing debt cap. The authority can borrow within its HRA as long as it can demonstrate that the HRA can support the borrowing and that the resource is being utilised in the provision of social or affordable housing. A local debt cap has been calculated at £250 million as at 1st April 2019 rising to £300 million at 31st March 2022.
87. The Council may choose to borrow to deliver additional affordable housing to ensure that it can maintain a programme of new build affordable housing over the longer-term.
88. The 2022/2023 HRA Budget Setting Report does not review the potential sources of lending (i.e. Internal, Inter-Authority, Public Works Loans Board, Market) types of borrowing, lengths of loans or rates available for taking out any additional borrowing at this stage. This will need to be undertaken at the point at which any borrowing is considered as part of the coming year's budgets.

(iii) Debt Repayment/Re-Investment

89. The current debt repayment strategy for the HRA, not to set-aside resource to repay housing debt, but to instead invest resource in new build housing, assumes the need to re-finance the borrowing when loans mature.
90. The potential debt repayment or re-investment reserve stood at £8.5 million as at 1 April 2021 with the current assumption being that this will be re-invested in order to extend the life of the business plan, once other resources are exhausted.
91. Regular consideration will need to be given, in the context of the current financial climate, whether the authority wants to retain the current re-investment strategy or re-consider some element of set-aside if resources allow.

Options

92. There are a number of other options regarding budget setting, but the budget as presented represents the best use of resources within the constraints that exist.

Implications

93. 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:

Policy

94. Housing is one of the Council's top priorities, with a commitment to deliver good quality housing which is affordable for people to live in, near to where they work. There are currently 1,665 households on the Council's waiting list, with Council housebuilding continuing to be regarded as a high priority.

Legal

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

Financial

96. These are outlined in the report and its supporting appendices.

Risk

General

97. An annual update to the assessment of the key risks which the HRA faces in financial terms was included as part of the HRA Medium Term Financial Strategy.
98. The authority maintains a risk register, incorporating specific risks affecting the Housing Revenue Account, considering the likelihood and impact associated with each risk, and the mitigation in place to counteract these. The risk register is regularly reviewed and updated.
99. General reserves are held to help manage risks inherent in financial forecasting. Risks include changes in legislative and statutory requirements, inflation and interest rates, unanticipated service needs, rent and other income shortfalls and emergencies. The reserve allows the authority time to respond to unanticipated events, without an immediate and unplanned impact on service delivery.
100. For the HRA, the minimum level of reserves of £2.5 million is proposed to be retained, recognising the need to safeguard the Council against the risk and uncertainty in the current financial and operational environment for housing.

Environmental

101. There are no environmental implications arising from this report. The Council's housing stock is largely energy-efficient and in a good state of repair and but there is a need to improve it where the Council is able to and keep it in good condition.

Equality Analysis

102. In preparing this report, due consideration has been given to the Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.
103. Further equalities work is being completed. Where that assessment concludes that a proposal has no relevance to the Council's equalities duties then no further action will be taken. Where it is determined that the proposal does have relevance to these duties, a full equality analysis will be undertaken by the relevant service area to establish the impact of the proposal on a protected group or groups and to identify the necessary mitigating actions.

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:

- 2021/2022 Budget Report – Report to Cabinet: 3 February 2021
- Capital Programme Update and New Bids – Report to Cabinet: 6 December 2021
- 2021/2022 Revenue and Capital Budget Monitoring Q2 – Report to Cabinet: 6 December 2021

Appendices

- A HRA Revenue Budget 2022/2023: Summary
- B HRA Medium Term Financial Strategy: Financial Forecast 2022/2023 to 2026/2027
- C HRA Capital Programme 2022/2023 to 2026/2027
- D Proposed HRA Service Charges 2022/2023
- E HRA Earmarked and Specific Funds

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Draft Cabinet Report

**Head of Housing
Housing Revenue Account
Estimates 2022/23**

Head of Housing Housing Revenue Account Estimates 2022/23

Introduction

The Housing Revenue Account (HRA) has been prepared in accordance with the Local Government and Housing Act 1989, as amended by the Leasehold Reform, Housing and Urban Development Act 1993 and the Local Government Act 2003. Under this legislation the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) has the power to issue directives in respect of appropriate income and expenditure items.

The balance on the HRA stood at £4.6million as at 31 March 2021, after a deficit of £594,395 was made in 2020/21. A surplus of £2.7 million is expected in 2021/22 followed by a deficit of £2.0 million in 2022/23.

The revised 2021/22 estimates show a significant decrease to the revenue funding of capital expenditure from £13.8m to £3.6million, which results in the expected surplus for 2021/22. The original capital programme assumed significant investment in a new build scheme at Northstowe, which was to deliver 81 homes, The Council however, has withdrawn from contract negotiations after trying to resolve ongoing design issues with the developer over the past 2 years. Smaller new build schemes have been approved during the year and the capital program has been re-profiled over future years to allow for future new build schemes.

The HRA Self Financing system came into effect on 1st April 2012, under which councils now keep all rents in exchange for an allocation of housing debt. At the end of 2011/12 councils were required to pay to the Government their notional HRA surplus, as determined by the self-financing settlement. The Council borrowed £205 million in the form of 41 maturity loans, with rates ranging between 3.44% and 3.53%. The loans have varying maturity dates, with the first £5 million due to be repaid on 28 March 2037 and the last on 28 March 2057.

The current debt repayment strategy for the HRA, not to set-aside resource to repay housing debt, but to instead invest resource in new build housing, assumes the need to re-finance the borrowing when loans mature. The potential debt repayment or re-investment reserve stood at £8,500,000 on 1 April 2021, with the current assumption being that this will be re-invested in order to extend the life of the business plan, once other resources are exhausted.

The Council has produced a thirty year HRA Financial Plan for a number of years. However, with the advent of self-financing, this has taken on more prominence. The Financial Plan is reviewed and updated annually to check actual progress against the plan and where necessary make amendments.

Management and Maintenance

Management costs in 2021/22 are lower than originally budgeted due to beginning the year with several vacant staff posts. These have been recruited to during the year.

Management costs rise in 2022/23 because of a large increase in the value of pension assets. Although this shows as a notional increase on the supervision and management budgets, it is counteracted by the credit IAS19 Adjustment shown on the HRA summary.

Repairs and maintenance costs increase in 2022/23 with the introduction of a programme to replace expired smoke alarms in our housing stock. This will be a 10 year rolling programme with annual expenditure of around £250,000.

Major Repairs Reserve

This is a statutory reserve credited with depreciation in respect of the housing stock each year, with funding then in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt. The Major Repairs Reserve balance as at 1 April 2021 was £3 million, and it is planned to use this balance to support the HRA capital programme over the next 3 years.

Capital Expenditure

The HRA capital programme was agreed at Cabinet in December 2021 and the levels of direct revenue contributions to capital expenditure are based on the required level of funding after other sources of capital funding are taken into account and after affordability is assessed.

Proposed Rent Increase

From April 2020 local authority rents have been regulated by the Regulator of Social Housing, alongside housing associations and other registered providers. Rent increases are currently limited to an increase of up to CPI plus 1% from April 2022 for a further 3 years (based upon CPI at the preceding September). CPI was 3.1% in September 2021 leading to a proposed rent increase of 4.1% from April 2022.

**Head of Housing
Housing Revenue Account
Estimates 2022/23**

Interest on Receipts and Balances

HRA interest income is higher in 2021/22 than originally assumed because reserve balances are expected to increase with an anticipated surplus on the HRA account. As discussed earlier, the aborted new build scheme at Northstowe led to a reduced financing requirement for the capital programme.

Interest Payable on Loans

This is for the servicing of loans the Council has taken to fund the self-financing debt settlement

Minimum HRA Balance

The Council's previously agreed minimum level of balance to be achieved is £2 million; this is expected to be achieved in 2021/22 and 2022/23.

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Supervision & Maintenance General	4,340	5,105	4,652	5,547	-	5,547
Supervision & Maintenance Special	1,183	1,388	1,463	1,629	-	1,629
Rents, Rates & Other Charges	267	232	251	225	-	225
Repairs & Maintenance	3,832	4,931	4,914	5,414	-	5,414
Management & Maintenance Total	9,621	11,656	11,280	12,815	-	12,815
Capital Charges	6,666	6,800	6,902	6,902	-	6,902
Corporate Management Charge	308	319	260	270	-	270
Democratic Representation Charge	284	313	296	337	-	337
Provision for Bad or Doubtful Debts	158	142	100	140	-	140
Treasury Management Charge	52	80	50	73	-	73
Expenditure Total	17,088	19,309	18,888	20,537	-	20,537
Charges for Services & Facilities	(1,096)	(1,284)	(1,318)	-	(1,342)	(1,342)
Contribution from General Fund	(130)	(150)	(149)	-	(163)	(163)
De-Minimus Receipts	(5)	(3)	(11)	-	(3)	(3)
Garages	(379)	(398)	(355)	-	(362)	(362)
Gross Rent of Dwellings	(28,595)	(29,802)	(29,560)	-	(31,668)	(31,668)
Ground Rents	(11)	(14)	(13)	-	(13)	(13)
Other Income	(83)	(64)	(104)	-	(104)	(104)
Income Total	(30,299)	(31,715)	(31,510)	-	(33,656)	(33,656)
Net Cost of Service	(13,211)	(12,406)	(12,621)			(13,119)

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Summary**

	2020-21	2021-22		2022-23		
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure
	£000's	£000's	£000's	£000's	£000's	£000's
Net Cost of Service	(13,211)	(12,406)	(12,621)			(13,119)
Interest Receivable on Balances	(1,034)	(630)	(992)	-	(960)	(960)
Interest Payable on Loans	7,193	7,194	7,193	7,193	-	7,193
Pension Deficit Funding	-	-	206	206	-	206
Pension Interest Payable	161	-	-	-	-	-
Net Operating Income	(6,891)	(5,842)	(6,215)	7,398	(960)	(6,681)
Revenue Funding of Capital Expenditure	7,844	13,788	3,632	9,312	-	9,312
IAS 19 (Pension Cost) Reversals	(329)	(173)	(147)	(613)	-	(613)
Transfer from Earmarked Reserves	-	(8,000)	-	-	-	-
Accumulated Leave Accrual	(29)	-	-	-	-	-
Appropriations Total	7,486	5,615	3,485	8,699	-	8,699
Deficit / (Surplus) for the Year	594	(227)	(2,730)	16,098	(960)	2,019
Balance Brought Forward	(5,233)	(2,621)	(4,639)			(7,369)
Deficit / (Surplus) for the Year	594	(227)	(2,730)			2,019
Balance Carried Forward	(4,639)	(2,848)	(7,369)	-	-	(5,351)

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Supervision and Maintenance General**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Communications	54	46	56	59	-	59	This heading covers the cost of time spent by the Communications department who organise all types of media interaction with residents across the district. This includes all social media and written publications.
Housing Repairs Administration	1,655	1,884	1,763	2,097	-	2,097	This budget is for the housing repairs team, administration and surveyors as well as software licence costs
New Homes Programme	258	270	258	293	-	293	This budget provides for the revenue costs associated with the Council's new homes programme. Such costs include the management and administrative costs which cannot be capitalised plus any abortive costs incurred when a particular site does not proceed.
Registration of HRA Land	5	5	9	9	-	9	The budget provides for the revenue costs associated with the payment of land registry fees. There are no significant variances in the budget between 2021/22 and 2022/23.
Self Build Plots	38	-	15	15	-	15	This budget provides for the revenue costs associated with preparing plots of HRA for sale as self-build plots
Supervision & Management General	2,177	2,697	2,333	2,847	-	2,847	This budget is for the housing management team, covering housing officers and neighbourhood support as well as management and administration. There were several vacant posts at the start of 2021/22, which account for the reduced spend in 2021/22. Most posts have now been recruited to during the year.
Tenant Participation	152	204	217	227	-	227	This budget is for activities working with tenants and leaseholders. We have established a Housing Engagement Board and Housing Performance Panel with tenant representatives. There are no major variances to report.
Grand Total	4,340	5,105	4,652	5,547	-	5,547	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Supervision and Maintenance Special**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Communal Areas	68	29	71	78	-	78	This budget covers the maintenance & insurance costs of our flat blocks across the district. Leaseholders pay a service charge based on the costs associated with their block
Outdoor Maintenance	274	316	357	373	-	373	This covers grass cutting, tree, hedges and other ground works in the district. Additional spend is needed following a tree survey carried out to identify urgent tree works across the district. Projected to be carried out over the current and next 3 years.
Sewage Disposal - Housing Sites	7	5	4	5	-	5	This budget covers the maintenance of the council owned pumping stations located in the district and provision of sewerage services to some homes in Duxford
Sheltered Housing	833	1,037	1,031	1,174	-	1,174	Sheltered Scheme for the over 65 providing accommodation, communal facilities, alarm system and Estate Officers. Potential additional spend is required on tree maintenance following the tree survey carried out. This is projected to be carried out over the current and next 3 years
Grand Total	1,183	1,388	1,463	1,629	-	1,629	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Rents, Rates and Other Charges**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Other Charges	75	72	70	72	-	72	This is third-party management charges payable (predominantly estate charges on new build schemes) and water/sewerage charges payable.
Rents, Rates, Taxes & Insurance	183	151	173	145	-	145	Business rates, insurance payable on HRA property
Stock Valuation	9	9	9	9	-	9	Annual valuation of the council owned housing stock
Grand Total	267	232	251	225	-	225	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Repairs and Maintenance**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Communal Areas	0	77	35	44	-	44	This budget covers the maintenance (including regular emergency light testing) of our flat blocks across the district. Leaseholders pay a service charge based on the costs associated with their block
Housing Repairs Planned	638	1,499	1,499	1,779	-	1,779	This budget covers the planned cyclical repair programmes, including heating servicing, external decoration and electrical surveys.
Housing Repairs Response	3,016	3,196	3,196	3,423	-	3,423	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.
Sewage Disposal - Housing Sites	4	8	5	8	-	8	This budget covers the maintenance of the council owned pumping stations located in the district and provision of sewerage services to some homes in Duxford
Sheltered Housing	174	152	180	160	-	160	This budget covers the maintenance of the Communal rooms and facilities on the Sheltered Housing schemes across the district.
Grand Total	3,832	4,931	4,914	5,414	-	5,414	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Other Expenditure**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Management Charge	308	319	260	270	-	270	Allocation of costs to the HRA for services provided within the General Fund relating to the overall management of the authority, including the heads of paid service and leadership team.
Democratic Representation Charge	284	313	296	337	-	337	Allocation of costs to the HRA for services provided within the General Fund relating to the cost of Member meetings and support.
Provision for Bad or Doubtful Debts	158	142	100	140	-	140	The bad debts provision is based on the level of arrears expected at the year end. Actual arrears in 2020/21 were higher than the forecast and the assumed level of arrears in 2021/22 is not expected to increase as much as originally anticipated. However, the potential impact of rising prices for cost of living is expected to result in increasing levels of arrears. Consequently, the provision has been increased to £140,000 for 2022/23.
Revenue Funding of Capital Expenditure	7,844	13,788	3,632	9,312	-	9,312	The direct revenue contributions made to partially fund the HRA capital programme can vary quite significantly. It will depend on: the level of capital investment each year, in particular the size of the housebuilding programme; other capital funding available; and the affordability of the contribution in terms of the surplus funds generated on the HRA. A large new build scheme planned for Northstowe was withdrawn and reduced the demand in year for capital financing.
Treasury Management Charge	52	80	50	73	-	73	The costs here relate to the allocation of managing the HRA cash balances, provided within the General Fund by the Treasury Management team.
Grand Total	8,645	14,641	4,338	10,132	-	10,132	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Capital Charges and Interest Payable on Loans**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Depreciation	6,666	6,800	6,902	6,902	-	6,902	Depreciation is based on the value of HRA assets and the expected useful lives of assets and components. The Probable Outturn figures for 2021/22 and Original estimates for 2022/23 reflect the revised average expected useful lives of the Council dwellings. The calculation has resulted in an increase in depreciation charges in both years.
Other Interest	-	15	-	-	-	-	This budget line is for the interest charges paid on any additional borrowing from the PWLB required. The original estimate for 2021/22 assumed some borrowing would be required to fund the capital program but this has not been necessary.
Self Financing Interest	7,193	7,179	7,193	7,193	-	7,193	Annual interest payments on the debt portfolio, which comprises loans totalling £205 million at fixed rates between 3.44% and 3.53%. The loans have varying maturity dates, with the first £5 million due to be repaid on 28th March 2037 and the last loan on 28th March 2057
Grand Total	13,859	13,994	14,095	14,095	-	14,095	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Property Related Income**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
Charges for Services & Facilities	(1,096)	(1,284)	(1,318)	-	(1,342)	(1,342)	This is the income received in the form of service charges for special services provided by the HRA, such as sheltered housing provision, lifeline alarm provision and sewerage services. Also included is service charges paid by leaseholders living in HRA owned flat blocks, equity-share and shared-ownership properties where the HRA is responsible for maintaining the fabric of the property.
Contribution from General Fund	(130)	(150)	(149)	(163)	-	(163)	This is the contribution made towards grounds maintenance costs of housing land in relation to properties that have been sold under the Housing Right to Buy legislation.
De-Minimus Receipts	(5)	(3)	(11)	-	(3)	(3)	This budget includes individual receipts below £10,000 from the sale of HRA land
Garages	(379)	(398)	(355)	-	(362)	(362)	Rental income from garages / storage units. Income was reduced in 2021/22 as some garage blocks required refurbishment during the year.
Gross Rent of Dwellings	(28,595)	(29,802)	(29,560)	-	(31,668)	(31,668)	Rental income from council homes. Income was lower in 2021/22 due to several long-term empty homes, which required refurbishment before re-let. Rents in 2022/23 will be increased by 4.1%
Ground Rents	(11)	(14)	(13)	-	(13)	(13)	This relates to Ground rent received from leasehold properties which remains static.
Other Income	(83)	(64)	(104)	-	(104)	(104)	Payments received from Domestic Renewable Heat Incentive (RHI) and wayleaves.
Grand Total	(30,299)	(31,715)	(31,510)	(163)	(33,493)	(33,656)	

**Head of Housing
Housing Revenue Account
Estimates 2022/23
Interest Receivable on Balances**

	2020-21	2021-22		2022-23			
	Actuals	Original Estimate	Probable Outturn	Gross Expenditure	Gross Income	Net Expenditure	
	£000's	£000's	£000's	£000's	£000's	£000's	
External Interest Receivable	(1,014)	(630)	(972)	-	(940)	(940)	This is the interest received on general and ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve and any unapplied capital balances. The expected interest income for 2021/22 is higher than originally budgeted due to the higher reserve balances arising from the reduced new build capital spend this year(Northstowe scheme has been aborted).
Internal Interest Receivable	(20)	-	(20)	-	(20)	(20)	This is the interest received on the small amount of internal lending to the General Fund from the HRA.
Grand Total	(1,034)	(630)	(992)	-	(960)	(960)	

**Head of Housing
Housing Revenue Account
Subjective Analysis 2022/23**

	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies & Services	Contracted Services	Support Services	Asset Charges	Internal Recharges	Total Expenditure	Fees & Charges	Other Contributions	Misc Income	Total Income	Net Expenditure
Capital Charges														
Depreciation							6,902,280		6,902,280					6,902,280
Gain / Loss on Disposal of Assets							-		-					-
Income														
Charges for Services & Facilities										(1,304,380)	(38,000)		(1,342,380)	(1,342,380)
Contribution from General Fund										(163,230)			(163,230)	(163,230)
De-Minimus Receipts										(3,000)			(3,000)	(3,000)
Garages										(362,100)			(362,100)	(362,100)
Gross Rent of Dwellings										(31,668,100)			(31,668,100)	(31,668,100)
Ground Rents										(13,200)			(13,200)	(13,200)
Other Income										(18,000)	(85,900)		(103,900)	(103,900)
Interest Payable on Loans														
Other Interest					-									-
Self Financing Interest							7,192,810		7,192,810					7,192,810
Interest Receivable on Balances														
External Interest Receivable												(939,820)	(939,820)	(939,820)
Internal Interest Receivable												- (20,490)	(20,490)	(20,490)
Other														
Accumulated Leave Accrual		-												-
IAS 19 (Pension Cost) Reversals	(612,750)								(612,750)					(612,750)
Pension Deficit Funding	205,610								205,610					205,610
Pension Interest Payable	-								-					-
Transfer from Earmarked Reserves									-					-
Other Expenditure														
Corporate Management Charge														270,450
Democratic Representation Charge														336,550
Provision for Bad or Doubtful Debts				140,000										140,000
Revenue Funding of Capital Expenditure							9,312,000		9,312,000					9,312,000
Treasury Management Charge														73,420
Rents, Rates & Other Charges														
Other Charges		71,530												71,530
Rents, Rates, Taxes & Insurance		144,500												144,500
Stock Valuation				9,380										9,380
Repairs & Maintenance														
Communal Areas		18,360				25,500								43,860
Housing Repairs Planned		-		322,530	1,456,460									1,778,990
Housing Repairs Response		-		-	3,422,770									3,422,770
Sewage Disposal - Housing Sites						8,000								8,000
Sheltered Housing		120,000				40,000								160,000
Supervision & Maintenance General														
Communications								59,420	59,420					59,420
Housing Repairs Administration	1,254,740	-	31,410	115,700	5,000	703,850		(14,040)	2,096,660					2,096,660
New Homes Programme	355,850	-	2,000	124,500		110,440		(300,000)	292,790					292,790
Registration of HRA Land				9,400					9,400					9,400
Self Build Plots				15,000					15,000					15,000
Supervision & Management General	1,655,320		20,000	209,330		843,860		118,310	2,846,820	-	-		-	2,846,820
Tenant Participation	134,900		1,500	50,200		40,150			226,750	-	-		-	226,750
Supervision & Maintenance Special														
Communal Areas		24,100		-	17,340	36,210			77,650					77,650
Outdoor Maintenance	7,500	289,050		3,550		72,780			372,880					372,880
Sewage Disposal - Housing Sites						4,550			4,550					4,550
Sheltered Housing	712,710	109,000	25,000	104,200		227,690		(5,000)	1,173,600					1,173,600
Grand Total	3,713,880	776,540	79,910	1,103,790	4,975,070	2,039,530	23,407,090	539,110	36,634,920	(33,532,010)	(123,900)	(960,310)	(34,616,220)	2,018,700

	2020-21	2021-22	2022-23	2023/24	2024/2025	2025/26	2026/27
	Original Estimate	Probable Outturn	Original Estimate				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Supervision & Management - General	5,731	5,208	6,154	6,277	6,402	6,531	6,661
Supervision & Management - Special	1,393	1,463	1,629	1,661	1,694	1,728	1,763
Repairs & Maintenance	4,931	4,914	5,414	5,522	5,632	5,745	5,860
Depreciation – t/f to Major Repairs Res.	6,800	6,902	6,902	7,040	7,181	7,325	7,471
Debt Management Expenditure	80	50	73	75	76	78	79
Other Expenditure	374	557	571	582	594	606	618
Total Expenditure	19,309	19,094	20,743	21,158	21,581	22,012	22,453
Income							
Rental Income (Dwellings)	(29,802)	(29,560)	(31,668)	(32,590)	(32,910)	(33,775)	(34,662)
Rental Income (Other)	(476)	(472)	(479)	(489)	(499)	(509)	(519)
Service Charges	(1,284)	(1,318)	(1,342)	(1,369)	(1,397)	(1,425)	(1,453)
Contribution towards Expenditure	(150)	(149)	(163)	(166)	(170)	(173)	(177)
Other Income	(3)	(11)	(3)	(3)	(3)	(3)	(3)
Total Income	(31,715)	(31,510)	(33,656)	(34,618)	(34,978)	(35,884)	(36,814)
Net Cost of HRA Services	(12,406)	(12,416)	(12,913)	(13,460)	(13,397)	(13,872)	(14,361)
HRA Share of operating income and expenditure included in Whole Authority I&E Account							
Interest Receivable	(630)	(992)	(960)	(902)	(905)	(906)	(918)
HRA (Surplus) / Deficit for the Year	(13,036)	(13,408)	(13,873)	(14,362)	(14,302)	(14,778)	(15,279)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance							
Loan Interest	7,194	7,193	7,193	7,193	7,193	7,193	7,193
Appropriation from Ear-Marked Reserve	(8,000)						
Direct Revenue Financing of Capital	13,788	3,632	9,312	7,278	7,778	7,778	8,378
IAS 19 (Pension Cost) Reversals	(173)	(147)	(613)	(625)	(638)	(650)	(663)
(Surplus) / Deficit for Year	(227)	(2,730)	2,019	(516)	32	(457)	(372)
Balance b/f	(2,621)	(4,639)	(7,369)	(5,351)	(5,867)	(5,835)	(6,293)
Total Balance c/f	(2,848)	(7,369)	(5,351)	(5,867)	(5,835)	(6,293)	(6,664)

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Appendix C

Housing Revenue Account	Budget 2021-22	Projected 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Improvements - Existing Stock							
Water / Drainage Upgrades	85	20	87	88	90	92	94
Drainage Upgrades	310	310	0	0	0	0	0
Disabled Adaptations	908	500	926	945	964	983	1,003
Change of Tenancy - Capital	816	1,403	832	849	866	883	901
Rewiring	388	138	395	403	411	420	428
Heating Installation	969	1,349	988	1,008	1,028	1,049	1,070
Electrical Heating Replacement	510	250	520	531	541	552	563
Energy Conservation	250	661	255	260	265	271	276
Estate Roads, Paths & Lighting	71	121	73	74	76	77	79
Garage Refurbishment	51	101	52	53	54	55	56
Parking/Garages	163	224	166	170	173	177	181
Window Replacement	612	500	624	637	649	662	675
Re-Roofing	561	666	572	584	595	607	619
Full Refurbishments	306	200	312	318	325	331	338
Structural Works	204	666	208	212	217	221	225
Asbestos Removal	61	61	63	64	65	66	67
Kitchen Refurbishment	510	410	520	531	541	552	563
Bathroom Refurbishment	306	306	312	318	325	331	338
Compliance Works & Fire Door Replacement	141	300	144	146	149	152	155
Fencing	71	71	73	74	76	77	79
Total Improvements - Existing Stock	7,293	8,257	7,122	7,265	7,410	7,558	7,710
Other Improvements							
Sheltered Housing and Other Stock	50	50	50	50	50	50	50
Flats	20	20	20	20	20	20	20
Total Other Improvements	70	70	70	70	70	70	70
HRA New Build							
Grace Crescent, Hardwick (Rented)	232	411	0	0	0	0	0
Grace Crescent, Hardwick (Shared Ownership)	304	404	0	0	0	0	0
Bennel Farm, Toft	822	1,238	20	0	0	0	0
Babraham Road, Sawston	5,422	5,450	679	0	0	0	0
Impington Lane, Impington	35	293	0	0	0	0	0
Northstowe, Phase 2a	4,817	0	0	0	0	0	0
Emerson Road, Great Abington	427	233	0	0	0	0	0
High Street, Meldreth	1,409	1,094	600	0	0	0	0
Melbourn, Orchard Gardens	1,614	691	0	0	0	0	0
Swavesey, Boxworth End	0	265	2,113	0	0	0	0
Great Abington, Strawberry Farm	0	350	446	0	0	0	0
Orwell, Meadowcroft Way	0	0	626	0	0	0	0
Longstanton Rd, Oakington	0	0	0	0	0	0	0
Bartlow Road, Castle Camps	0	770	0	0	0	0	0
Unallocated New Build / Acquisition Budget	6,841	0	12,680	12,680	12,680	12,680	12,680
Total HRA New Build	21,923	11,199	17,164	12,680	12,680	12,680	12,680
Other HRA Capital Spend							
Shared Ownership Repurchase	150	300	150	150	150	150	150
Self-Build Vanguard - Up front HRA Land Assembly Costs	100	25	25	25	25	25	25
HRA Share of Corporate ICT Development		89	36	26	26	26	26
Total Other HRA Capital Spend	250	414	211	201	201	201	201
Total HRA Capital Spend	29,536	19,940	24,567	20,216	20,361	20,509	20,661
Housing Capital Resources							
Other Capital Receipts (Land, Dwellings, Shared Ownership)	(2,070)	(4,370)	(3,390)	(1,470)	(1,470)	(1,470)	(1,470)
Other Capital Receipts (Self-Build Plot Sales)	(450)	0	(150)	(150)	(150)	(150)	(150)
Major Repairs Reserve	(6,799)	(8,327)	(7,192)	(7,835)	(7,480)	(7,628)	(7,780)
Direct Revenue Financing of Capital	(13,788)	(3,632)	(9,312)	(7,278)	(7,778)	(7,778)	(8,378)
Other Capital Resources (Grants / S106 funding)	(450)	(575)	(325)	(550)	(550)	(550)	(550)
Retained Right to Buy Receipts	(4,979)	(3,035)	(4,199)	(2,933)	(2,933)	(2,933)	(2,333)
HRA CFR / Prudential Borrowing	(1,000)						
Total Housing Capital Resources	(29,536)	(19,940)	(24,568)	(20,216)	(20,361)	(20,509)	(20,661)
Net (Surplus) / Deficit of Resources	0	0	(0)	(0)	(0)	(0)	(0)

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HRA Earmarked & Specific Funds 2021/22 (£'000)

Appendix E

HRA Earmarked & Specific Revenue Funds (£'000)

Self-Insurance Reserve

	Current Balance
Self-Insurance Reserve	(1,000.0)

Debt Set-Aside (Revenue)

	Current Balance
Debt Set-Aside	(8,500.0)

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

	Current Balance
Debt Set-Aside	(5,979.6)

Major Repairs Reserve

	Current Balance
MRR	(3,027.4)

RTB Retained Receipts Reserve

	Current Balance
RTB Retained Receipts	(5,112.3)

Capital Receipts

	Current Balance
Capital Receipts	(4,593.3)

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