



SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

COUNCIL MEETING
THURSDAY, 26 NOVEMBER 2015

AGENDA AND REPORTS

South Cambridgeshire Hall
Cambourne Business Park
Cambourne, Cambridge
CB23 6EA

OUR LONG-TERM VISION

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

OUR VALUES

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

- Working Together
- Integrity
- Dynamism
- Innovation

EXCLUSION OF PRESS AND PUBLIC

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

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

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

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

TO: The Chairman and Members of the
South Cambridgeshire District Council

NOTICE IS HEREBY GIVEN that the next meeting of the **COUNCIL** will be held in the **COUNCIL CHAMBER, FIRST FLOOR** at **2.00 P.M.** on

THURSDAY, 26 NOVEMBER 2015

and I am, therefore to summon you to attend accordingly for the transaction of the business specified below.

DATED 18 November 2015

JEAN HUNTER
Chief Executive

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

AGENDA

PRESENTATION

Councillor David Bard, former Chairman of the Council from 2013 – 2015, will present cheques following the money raised during his term of office to his chosen charities:

- East Anglian Air Ambulance
- Help for Heroes and the Cambridge Fundraising
- Cambridge Fundraising Committee – Sick Children's Trust

1. APOLOGIES

To receive apologies for absence from Members.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest from Members.

3. REGISTER OF INTERESTS

Members are requested to inform Democratic Services of any changes in their Register of Members' Financial and Other Interests form.

4. MINUTES

To authorise the Chairman to sign the minutes of the ordinary meeting and two extraordinary meetings held on 24 September 2015 as a correct record.

(Pages 1 - 16)

5. ANNOUNCEMENTS

To receive any announcements from the Chairman, Leader, the Executive or the Head of Paid Service.

6. **QUESTIONS FROM THE PUBLIC**

To note that no questions from the public have been received.

7. **PETITIONS**

To note that no petitions have been received since the last meeting.

8. **TO CONSIDER THE FOLLOWING RECOMMENDATIONS:**

8 (a) **Business Case for Ermine Street Housing and Borrowing and Investment Strategy (Cabinet, 12 November 2015) (Key)**

A copy of the report considered by Cabinet on 12 November 2015 is attached, together with a report by the Executive Director (Corporate Services) on the Council's Borrowing and Investment Strategy.

NOTE – the press and the public are likely to be excluded from the meeting during consideration of the appendices relating to the report considered by Cabinet in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in paragraph 3 of Schedule 12A of the Act).

Council is **RECOMMENDED** to:

- (a) **APPROVE** the expansion of the housing company portfolio over a six year period 2015/16 to 2020/21, as set out in option C of the Cabinet report.
- (b) **APPROVE** the adoption of the five year business plan set out in Appendix B of the Cabinet report.
- (c) **APPROVE** the establishment of three new fixed term posts to deliver the business plan.
- (d) **APPROVE** the establishment of a Board to oversee the work of the company as set out in paragraphs 29 to 31 of the Cabinet report.
- (e) **APPROVE** an amendment to the Council's Borrowing and Investment Strategy to include additional Council capital expenditure and borrowing of £100 million for on-lending to Ermine Street Housing with effect from December 2015.
- (f) **APPROVE** an amendment to the Council's Borrowing and Investment Strategy for the minimum revenue provision to include a fixed and floating charge over or an equity share of an asset of value as a full or partial proxy for the provision.

(Pages 17 - 120)

8 (b) **Review of Cambridge Fringes Joint Development Control Committee Terms of Reference to determine City Deal infrastructure schemes (Planning Portfolio Holder Meeting, 17 November 2015)**

The report considered at the Planning Portfolio Holder Meeting on 17 November 2015 is attached.

The Planning Portfolio Holder **RECOMMENDED** that Council **SUPPORTS** the proposed changes to the Joint Development Control Committee Terms of Reference, subject to the formal approval of Cambridgeshire County and Cambridge City Councils.

(Pages 121 - 132)

8 (c) Northstowe Joint Development Control Committee (Planning Portfolio Holder Meeting, 17 November 2015)

The report considered at the Planning Portfolio Holder Meeting on 17 November 2015 is attached.

The Planning Portfolio Holder **RECOMMENDED** to Council that the Northstowe Joint Development Control Committee be wound up and requests further consideration of committee arrangements for the new settlements when there is more clarity about the timing of the relevant strategic decisions.

(Pages 133 - 134)

9. QUESTIONS ON JOINT MEETINGS

To receive any questions on joint meetings.

10. GREATER CAMBRIDGE CITY DEAL

To receive any questions on the Greater Cambridge City Deal.

A copy of the workstream update report considered by the Greater Cambridge City Deal Joint Assembly at its meeting on 13 November 2015 is attached, for information.

(Pages 135 - 140)

11. QUESTIONS FROM COUNCILLORS

11 (a) From Councillor Grenville Chamberlain

“Will the Leader please explain why the Community Chest Fund has exhausted its resources after just 6 months of grants being available this year?”

11 (b) From Councillor Ben Shelton

“How is the Council preparing to help the Government deliver its target of 200,000 starter homes? A recent Shelter report has shown that no one earning a Living Wage will be able to afford a starter home in South Cambridgeshire, how will the Council also ensure that we can still support the housing needs of those on lower incomes?”

11 (c) From Councillor Aidan Van de Weyer

“Could the Leader update the Council on the progress of discussions with Cambridgeshire County Council and the East of England Strategic Migration Partnership relating to the participation of the Council in the Vulnerable Persons Relocation Scheme for Syrian refugees?”

11 (d) From Councillor Bridget Smith

“How many members have taken up the offer of purchasing iPads through the Council and what financial impact has this had on printing costs of papers for Council, Committee and Portfolio Holder Meetings?”

12. NOTICES OF MOTION

12 (a) Standing in the name of Councillor Deborah Roberts

“That this Council agrees with Conservative MP for Elmet and Rothwell, Mr Alec Shelbrooke, that rural communities are facing “death by a thousand cuts” from builders and planners allowing inappropriate developments on towns and villages across the country – this destroys communities, lays waste the green belt and ignores the environment. Much of the development is completely unsustainable (such as lack of water in South Cambridgeshire) and simply reproduces the same mistakes made during the building frenzy of the industrial revolution.

15 years ago the Chief Planning officer for South Cambridgeshire insisted that this district was “full”. This Council respectfully asks the Prime Minister to implement his promises concerning localism and allow local communities to democratically plot their own futures with the power to reject the centralised environmental atrocities being imposed on the countryside throughout England and Wales by the Government’s planning policies, and its Bristol based inspectors (the Planning Police).”

12 (b) Standing in the name of Councillor Francis Burkitt

“This Council:

- (a) notes the response that CambridgeBOLD has submitted to the City Deal consultation on the Cambourne-to-Cambridge public transport corridor, and that it reflects amendments from the earlier draft that take account of feedback from residents;
- (b) notes that the City Deal Executive Board intends to consider the consultation responses in March 2016, and make a final decision in September 2016;
- (c) given that the City Deal has now launched three public consultations (Cambourne-to-Cambridge, Chisholm Trail, & Call for Evidence) and has more in its pipeline, requests the Chief Executive to bring to Council, for debate, a protocol as to how Members individually, and the Council as a body, should respond to such consultations, whether they be related to transport, planning or other matters.”

12 (c) Standing in the name of Councillor Aidan Van de Weyer

“This Council believes that fiscal decisions should be made at the level of government that is closest to the people affected by those decisions. It therefore believes that decisions on Council funding, including Council Tax rates, should be made by the Council itself wherever possible.

This Council requests that the Government either removes the Council Tax cap entirely or lifts it to a figure of at least 5%.”

13. SCHEDULE OF MEETINGS 2016/17

Council is **RECOMMENDED** to approve the following schedule of meetings for the 2016/17 municipal year:

- 19 May 2016 (Annual General Meeting)
- 21 July 2016
- 22 September 2016
- 24 November 2016
- 26 January 2017
- 23 February 2017

14. CHAIRMAN'S ENGAGEMENTS

To note the following engagements attended by the Chairman and Vice-Chairman since the last Council meeting:

Date	Event	Attended by
24 September 2015	Anglian Water Queen’s Award for Enterprise, Lancaster House Huntingdon	Chairman
27 September 2015	Hemingford Ladies Choir, St Ives Corn Exchange	Chairman

6 October 2015	Mayor of Peterborough Traditional Opening of Bridge Fair, Peterborough	Chairman
11 October 2015	Mayor of Ely Harvest Festival & Civic Service, Ely Cathedral	Vice-Chairman
11 October 2015	Mayor of St Edmundsbury Suffolk Harvest Festival, St Edmundsbury Cathedral	Chairman
23 October 2015	100 th Birthday Celebration for Mrs Doris Abram	Chairman
1 November 2015	Civic Service – Celebrating East Cambridgeshire	Chairman
3 November 2015	Young People of the Year in the whole of Cambridgeshire	Vice-Chairman
7 November 2015	Remembrance Service – Abbey Gardens	Vice-Chairman
8 November 2015	Natyanjali Dance School Anniversary	Vice-Chairman
11 November 2015	Veterans’ Day Ceremony, Madingley	Chairman
11 November 2015	Flag Raising, South Cambridgeshire District Council	Vice-Chairman

GUIDANCE NOTES FOR VISITORS TO SOUTH CAMBRIDGESHIRE HALL

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

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

Security

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

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

Emergency and Evacuation

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

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

First Aid

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

Access for People with Disabilities

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

Toilets

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

Recording of Business and Use of Mobile Phones

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

Banners, Placards and similar items

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

Disturbance by Public

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

Smoking

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

Food and Drink

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

Agenda Item 4

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Council held on
Thursday, 24 September 2015 at 2.00 p.m.

PRESENT: Councillor Sue Ellington – Chairman
Councillor David McCraith – Vice-Chairman

Councillors: David Bard, Val Barrett, Henry Batchelor, Anna Bradnam, Francis Burkitt, Brian Burling, Tom Bygott, Nigel Cathcart, Graham Cone, Simon Crocker, Christopher Cross, Kevin Cuffley, Neil Davies, Simon Edwards, Andrew Fraser, Jose Hales, Roger Hall, Lynda Harford, Tumi Hawkins, Roger Hickford, Mark Howell, Peter Johnson, Sebastian Kindersley, Janet Lockwood, Ray Manning, Mick Martin, Cicely Murfitt, Charles Nightingale, Des O'Brien, Tony Orgee, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Edd Stonham, Peter Topping, Richard Turner, Robert Turner, Bunty Waters, Aidan Van de Weyer, David Whiteman-Downes, John Williams and Nick Wright

Officers: Alex Colyer Executive Director, Corporate Services
Jean Hunter Chief Executive
Fiona McMillan Legal & Democratic Services Manager and
Monitoring Officer
Graham Watts Democratic Services Team Leader

1. APOLOGIES

Apologies for absence were received from Councillors Grenville Chamberlain, Pippa Corney, Philippa Hart, Caroline Hunt, Douglas de Lacey, Mervyn Loynes, Raymond Matthews, Robin Page, Alex Riley, Deborah Roberts and Tim Wotherspoon.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. REGISTER OF INTERESTS

The Chairman reminded Members that they needed to update their register of interests whenever their circumstances changed.

4. MINUTES

The minutes of the meeting held on 21 May 2015 were confirmed and signed by the Chairman as a correct record, subject to the inclusion of reference to Almshouses in Councillor Sebastian Kindersley's supplementary question under minute number 19(d).

The minutes of the extraordinary meeting held on 4 June 2015 were confirmed and signed by the Chairman as a correct record, subject to an amendment to reflect that Councillor David Bard was not present at the meeting and had submitted his apologies for absence.

5. ANNOUNCEMENTS

Councillor Sue Ellington, Chairman of the Council, made the following announcements:

- Councillor Simon Crocker was welcomed to his first meeting of Council as a newly elected Member for Bourn Ward;
- former Chief Building Control Officer Ralph Friday, who retired in the 1990's but had worked for the authority for approximately 30 years, had recently passed away;
- former South Cambridgeshire District Councillor Val Truman, who represented Melbourn Ward from 7 May 1992 to 5 May 2008, had recently passed away;
- representatives from the Chairman's Charity, Dogs for Good (formerly Dogs for the Disabled), had been present at South Cambridgeshire Hall prior to the meeting to provide information on the charity. Councillor Ellington's aim was to raise enough money to sponsor a puppy through its training and development into a fully-fledged assistance dog. The Chairman was running a competition for Members and staff to name the puppy, together with a quiz that would be held in October to raise money for the charity;
- a certificate was presented to those officers involved in helping the Council achieve the Investors in People gold standard. This result demonstrated the Council's commitment to high levels of development, training and support for its staff, which in turn delivered better services for the district. Members gave officers a standing ovation upon presentation of the certificate;
- Councillor Alex Riley was currently unwell in hospital, so the Chairman agreed to send a card on behalf of the Council to wish him a speedy recovery.

Councillor Ray Manning, Leader of the Council, proposed that Councillor Simon Crocker be appointed to the Civic Affairs Committee in place of Councillor James Hockney, and that Councillor Crocker also be added onto the list of named substitutes for the Corporate Governance Committee. This was unanimously **AGREED**.

6. QUESTIONS FROM THE PUBLIC

No questions from the public had been received.

7. PETITIONS

Jeni Sawford presented a petition that had been received, consisting of 108 signatures, in relation to Syrian refugees. It petitioned the Council to:

- (a) state its willingness to accommodate a proportionate number of refugees;
- (b) approach relevant Government Departments and other local authorities to develop a coordinated scheme for accommodating refugees;
- (c) urge the government to participate in EU-wide approaches to helping refugees.

Ms Sawford said that with millions of Syrian refugees being displaced over the last few years, the situation had reached crisis point and action needed to be taken now. Not only did she think people in this country had a duty to help but, as the petition showed, local people also wanted to help. She highlighted that groups were coming together all over the country and mobilising into action in any way they felt they could be useful. Ms Sawford reported that Cambridge City Council had announced that it was willing to help and today the European Union announced that it would give at least one billion Euros in measures to help. She closed by saying that those signing this petition would like South

Cambridgeshire District Council to look into accepting a proportionate number of refugees.

In debating the petition, Members express their sympathy for those people caught up in the Syrian conflict and the following comments or views were noted:

- South Cambridgeshire District Council should welcome the opportunity to help in whatever way it could. It was well known that other parts of the region and country had more spare housing capacity than South Cambridgeshire, but that did not mean that the Council should fail to demonstrate a willingness to help;
- the idea of using some local facilities for a transit or reception function had been mooted and the Government's scheme was specifically targeted at people in severe need of medical care. Cambridgeshire had some of the best specialist medical providers in some fields, so medical institutions in the area could be in a position to help a small number of those most in need without impacting the general population;
- the only way to properly establish these people's needs would be to genuinely work with other bodies, in particular Cambridgeshire County Council and the East of England Strategic Migration Partnership;
- the Government had provided significant additional funding to those refugee camps in countries neighbouring Syria which meant that people did not need to endure dangerous journeys to countries further afield for aid and support;
- the Council should have the appetite to cooperate with the Government and help where it could to support people in need when they did arrive;
- the issue was too big and complex to reach a specific decision at this meeting. A cross-party working group should therefore be established with frequent update reports to Cabinet.

At this stage of proceedings Councillor Ray Manning, Leader of the Council, read out an email he had sent in response to a letter from the East of England Strategic Migration Partnership. His email said that South Cambridgeshire District Council was not in a position to make such an important and far reaching commitment regarding the provision of accommodation for Syrian refugees without further information and long term funding guarantees. Councillor Manning highlighted that the Government had only committed to meet any costs associated with the resettling of refugees for the first year, with local authorities and other service providers then expected to meet the cost for subsequent years. Details around the actual costs relating to those subsequent years had yet to be confirmed, therefore Councillor Manning felt it would be premature for this Council to agreed towards anything before further information was known. He was also against the proposal to establish a Member working group given that the Portfolio Holder for Housing would consider this issue at his meetings whenever necessary, which any Member would be able to attend and participate in.

Further discussion ensued and the following additional comments or views were noted:

- a resident from Haslingfield had recently set up a petition where people could signify an offer of accommodation to Syrian refugees. This had achieved over 4,000 positive responses to date, meaning that 4,000 local families had essentially offered their homes to the Government by way of help and support;
- the main question that needed to be addressed at this meeting was whether South Cambridgeshire District Council would be prepared to state a willingness to help;
- this was a multiagency issue and there was a lot of misunderstanding amongst the general public, with lots of scaremongering that needed to be managed;

- there needed to be complete and controlled support for refugees, which was why they could not simply be placed in people's homes.

Councillor Mark Howell, Portfolio Holder for Housing, highlighted that a request for help from South Cambridgeshire District Council essentially meant support with housing and accommodation, since other services that would be required by way of offering support fell under the responsibility of the County Council or health providers. He emphasised the difficult position the Council would be put in should it have to consider supporting Syrian refugees by way of housing or accommodation alongside those vulnerable people already living in the district. Councillor Howell said that this was the reality of the situation in a local context and confirmed that the Council currently had 19 people designated as class A homeless and 26 families classified as priority homeless on its housing lists, with 15 families awaiting temporary accommodation. He reiterated the Leader's point regarding his Portfolio Holder Meetings and said that if necessary he would hold special meetings to solely consider the Syrian refugee issue as and when necessary.

Councillor Bridget Smith, Leader of the Opposition, proposed the establishment of a cross-party Member working group to consider the issue of Syrian refugees and provide update reports to Cabinet. This was seconded by Councillor John Williams. Voting on the proposal, with 11 votes in favour, 33 votes against and 1 abstention, the proposal was lost.

Enough Members as prescribed in the Council's Standing Orders requested a recorded vote for this proposal. Votes were therefore cast as follows:

In favour

Councillors Henry Batchelor, Anna Bradnam, Jose Hales, Tumi Hawkins, Sebastian Kindersley, Janet Lockwood, Des O'Brien, Bridget Smith, Hazel Smith, Aidan Van de Weyer and John Williams.

Against

Councillors David Bard, Val Barrett, Francis Burkitt, Brian Burling, Tom Bygott, Graham Cone, Simon Crocker, Christopher Cross, Kevin Cuffley, Neil Davies, Simon Edwards, Sue Ellington, Andrew Fraser, Roger Hall, Lynda Harford, Roger Hlckford, Mark Howell, Peter Johnson, Ray Manning, Mick Martin, David McCraith, Cicely Murfitt, Charles Nightingale, Tony Orgee, Tim Scott, Ben Shelton, Edd Stonham, Peter Topping, Richard Turner, Robert Turner, Buntly Waters, David Whiteman-Downes and Nick Wright.

Abstention

Councillor Nigel Cathcart.

Councillor Mark Howell proposed that the petition be noted. Councillor Ray Manning seconded the proposal. Voting on the proposal, with 35 votes in favour and 10 votes against, Council **NOTED** the petition.

8. TO CONSIDER THE FOLLOWING RECOMMENDATIONS:**8 (a) Financial Management System (Cabinet, 10 September 2015)**

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, presented a report considered by Cabinet on 10 September 2015 and proposed that Council approved a supplementary budget of up to £190,000 (capital) for a new financial management system, in partnership with Cambridge City Council.

Councillor Edwards explained that the current system was inefficient and that a new financial management system would improve performance in terms of making quicker payments to service users and suppliers. He added that the introduction of the same new system that the City Council intended to use would support the potential for a shared financial service between the two authorities in due course, so it made sense to procure the system for both Councils as a joint project at this stage.

Councillor Francis Burkitt, Chairman of the Corporate Governance Committee, seconded the proposal and, from the perspective of internal and external audit, made the point that it was critical for systems to be in place that were robust and efficient. He noted that the current system dated back to 2004 which, in terms of Information Technology, was a relatively long time.

Councillor John Williams referred to comments he had made at the meeting of Cabinet which questioned the lack of detail set out in the business case appended to the Cabinet report, together with the large price range for the new system quoted as being £100,000 to £190,000. Councillor Simon Edwards outlined that this was an early stage of the procurement process and costings had been drawn up based on soft market testing. More detail would be reported to Cabinet in due course, with Councillor Edwards as Portfolio Holder having delegated authority to make any final decision on the system to be procured from South Cambridgeshire District Council's perspective.

Voting on the proposal, with 34 votes in favour, 8 votes against and 3 abstentions, Council **APPROVED** a supplementary budget of up to £190,000 (capital) for the financial management system project.

9. APPOINTMENT TO THE INDEPENDENT REMUNERATION PANEL

Council unanimously:

- (a) **RE-APPOINTED** Kevin McIntyre as a member of the Independent Remuneration Panel for a three-year term of office, with an expiry date of 31 July 2018.
- (b) **CONFIRMED** that the level of expenses paid to the individual members of the Independent Remuneration Panel be no more than £200 each per financial year, with the final amount payable to be agreed by the Executive Director in consultation with the Leader of the Council.

10. APPOINTMENT TO OUTSIDE BODY - CAMBRIDGE SPORTS HALL TRUST MANAGEMENT COMMITTEE

Councillor Ray Manning, Leader of the Council, proposed that Councillor Ben Shelton be appointed as the Council's representative on the Cambridge Sports Hall Trust Management Committee. This was seconded by Councillor Roger Hickford.

Councillor Bridget Smith, Leader of the Opposition, proposed that Councillor Henry Batchelor be appointed as the Council's representative on the Cambridge Sports Hall Trust Management Committee. This was seconded by Councillor Tumi Hawkins.

With 24 votes compared to 18 votes, Council **APPOINTED** Councillor Ben Shelton as its representative on the Cambridge Sports Hall Trust Management Committee and Councillor Henry Batchelor as a substitute, subject to the use of substitutes being permitted.

11. QUESTIONS ON JOINT MEETINGS

No questions on joint meetings were noted.

12. QUESTIONS ON THE GREATER CAMBRIDGE CITY DEAL

Councillor John Williams referred to City Deal funding and asked whether there was a contingency plan should the objectives of tranche one not be met, resulting in further funding not being granted by the Government for further tranches of the Deal.

Councillor Ray Manning, Leader of the Council, shared Councillor Williams' concerns and was himself disappointed with the pace that the City Deal's projects were moving at. He explained, however, that with transport infrastructure schemes there was a large amount of public consultation that had to be undertaken which did take time. He added that schemes within tranche one would be judged by the Government as to whether they were being delivered on budget and on time. Schemes scheduled to commence in the later stages of tranche one, such as 2019 for example, would be judged by the Government at this stage as being on target.

Councillor Aidan Van de Weyer asked how the relationship was between the Joint Assembly and Executive Board and how the two bodies were functioning.

Councillor Manning said he thought the two bodies were working well together, with the Chairman or Vice-Chairman of the Joint Assembly invited to make a report as a standing item to meetings of the Executive Board and present the Assembly's recommendations.

Councillor Bridget Smith, Leader of the Opposition, referred to the City Deal project seeking to address congestion in the centre of Cambridge. She said that through the media she had heard of lots of positive, innovative ideas and solutions from local people and asked how the Executive Board would give proper consideration to them.

Councillor Manning said that the Executive Board would welcome those people coming forward and sharing their ideas with Members of the Board and supporting officers from partner organisations.

Councillor Nigel Cathcart raised the issue of rural exception sites and sought an assurance that all sites would be looked upon equally in terms of affordable housing.

Councillor Manning confirmed this would be the case and reminded Members that the Greater Cambridge City Deal included the area of South Cambridgeshire as well as the City of Cambridge.

Councillor Sebastian Kindersley asked whether the Leader felt the City Deal, so far, had been a success or failure and whether his views would be shared by the majority of Members from South Cambridgeshire District Council and Cambridge City Council.

Councillor Ray Manning thought it was a shame that the City Deal had been given the title 'Greater Cambridge City Deal' as this implied that it was focused on the City of Cambridge, which was not the case, and on reflection he thought that the people of South Cambridgeshire probably did not appreciate how much it would impact them. Councillor Manning added that he did not think people had engaged with the process so far, but acknowledged that it was still in the early stages and that nothing physically had yet been delivered. He felt that this would happen more as specific projects developed.

In terms of whether the City Deal had been a success to date, Councillor Manning said that it had made the three partner Councils, the University and the Local Enterprise Partnership work better together as partners, bringing with it improved forward planning and cooperative working that may not have occurred without the City Deal.

13. QUESTIONS FROM COUNCILLORS

13 (a) From Councillor Ben Shelton

Councillor Ben Shelton asked the following question:

"Will the Leader explain how the Government's recent changes to Council house rent and the cap on benefits will affect our residents?"

Councillor Mark Howell, Portfolio Holder for Housing, answered the question and said that the reduction in rent would remove £12 million from the Housing Revenue Account in the first four years and £134 million over the course of the 30 year business plan. By year four there would be £4.7 million per year less in the budget than planned and further work would need to be undertaken to identify where savings could be made from the investment surplus intended to build new Council houses, which was set at £4.5 million a year.

In respect of the cap on benefits, Councillor Howell said that current figures were estimates based on information currently held and the Council was awaiting confirmation from the Department for Work and Pensions. Councillor Howell estimated, however, that the £20,000 cap on benefits would affect 94% of current Council tenant households and a further 166 households in the district as a whole. This could have an impact if households were left with insufficient money to pay their rent in that if they were to be evicted and became homeless it was likely that the Council would have a statutory duty to house them. Provision therefore needed to be made to support these households, which may require additional resources from the Council's General Fund.

As a supplementary question, Councillor Shelton asked what Cabinet and senior officers at the Council were doing by way of highlighting these issues with Ministers and central Government.

Councillor Howell said that officers were working to identify individuals detrimentally affected by the changes in order to offer support, such as providing help and advice with managing budgets. He also reported that he would soon be attending a meeting with the Secretary of State to discuss the impact on South Cambridgeshire and that he had recently discussed the issue at length with Heidi Allen, Member of Parliament for South Cambridgeshire.

13 (b) From Councillor John Williams

Councillor John Williams asked the following question:

“How many applications have been received for the Right to Buy Mobility Fund, how many tenants have so far been successful and how much money has so far been spent from the Fund?”

Councillor Mark Howell, Portfolio Holder for Housing, answered the question and reminded Members that the Council was successful in its bid for £200,000 funding from the Right to Buy Mobility Fund. The scheme targeted Council tenants who aspired to home ownership but did not want to buy their current property under the Right to Buy. Every applicant supported through this process would free up a Council property and the scheme was able to support up to ten tenants for 2015/16.

Councillor Howell explained that the scheme had been promoted widely, with future promotions scheduled in due course. In the first 12 weeks the Council had received a small number of enquires about the scheme but there had been no formal applications to date. Funding would only be drawn down when a tenant had successfully progressed to a purchase, which was monitored on a monthly basis.

Councillor Williams asked as a supplementary question when the money had to be spent by.

Councillor Howell did not have an answer to this question but agreed to inform Councillor Williams outside of the meeting.

13 (c) From Councillor Bridget Smith

Councillor Bridget Smith, Leader of the Opposition, asked the following question:

“How much has the Council had to pay as rebates to Medical Practices that have appealed their business rates? How much is it anticipated will need to be paid out in the next 5 years to cover further claims?”

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, answered the question and confirmed that the Council had refunded £1,034,544.64. He said that this had been very hard to estimate as it was difficult to know what appeals would be upheld. However, it was noted that the final figure may exceed £3 million.

Councillor Bridget Smith, as a supplementary question, asked what percentage of appeals were upheld.

Councillor Edwards could not provide an answer to this question, but explained that the legislation regarding the date by which they could be backdated had changed. Appeals could now only be backdated to 1 April 2015, so the majority of those prior to 1 April 2015 had already been received. Councillor Edwards also explained that the other difficulty was the different amounts each appeal related to, with some being relatively small sums compared to some which were much larger, so it depended on the amount in each case as to the impact on the Council rather than the number of appeals.

Councillor Edwards said that this issue would be reflected within the Council's Medium Term Financial Strategy.

14. NOTICES OF MOTION**14 (a) Standing in the name of Councillor John Williams**

Councillor John Williams proposed the following motion:

“SCDC is heading into ‘a perfect storm’ over affordable rented housing as it is hit by a triple whammy from the new government’s recent budget announcements. Firstly by having to give a 1% reduction in council rents over the next four years which will hit our ambitious council house building programme; secondly, by being forced to sell our best housing stock as properties become void to reimburse housing associations for introducing "right to buy" to their properties; and thirdly by the fact that the council will still have the £205 million loan to repay which we took out to pay off our HRA debt to the government to enable us to embark on our council house building programme. In addition to the above we are expecting to see many small landlords selling up as a result of the changes to the tax rules on ‘buy to let’ properties. Officers have warned that homelessness will rise in the district as a direct result of this government action. Therefore this council instructs the Chief Executive to draw the Secretary of State’s attention to these facts and copy to the Local Government Association.”

In presenting the motion, Councillor Williams referred to the Cabinet meeting held on 9 February 2012 where a report on the Housing Revenue Account Business Plan for thirty years was approved. This set out that the Housing Revenue Account subsidy system would be replaced by a new regime of self-financing and that through the Localism Act 2011 the Government was ceasing negative subsidy and was asking for the Council to make a one-off payment of £205.7 million. He had calculated that the interest of the loan that the Council took out to make this payment would amount to £7.2 million. This, on top of the Chancellor’s budget announcements and the impact this would have on the Housing Revenue Account, he felt, placed the authority in a very serious situation.

Councillor Williams was concerned that the Council could not now guarantee whether its Council housing scheme would go ahead as planned and felt that the Council’s political leadership should do more to represent the people of South Cambridgeshire by lobbying central Government, questioning why a recent request to write a letter to the Minister on the issue had been refused.

Councillor Bridget Smith, Leader of the Opposition, seconded the motion.

Councillor Ray Manning, Leader of the Council, agreed with the principles of the motion but emphasised that a meeting with the Secretary of State had been diarised. Long discussions had also been held with representatives of Cambridge City Council in order that the two Councils could work together to address this and Heidi Allen MP had also been supportive. A request to send a letter to the Secretary of State had been refused for the sole reason that the Leader, Housing Portfolio Holder, Chief Executive and the Director of Housing were scheduled to meet with the Secretary of State very soon.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, highlighted that the Council did not incur any debt itself but had in fact taken on a debt.

Councillor Mark Howell, Portfolio Holder for Housing, expressed his extreme disappointment with the Chancellor’s budget announcements and the impact the resulting changes to house rent and the benefit cap would have on the people of South Cambridgeshire and the Council’s Housing Revenue Account. He reiterated the Leader’s comments about the meeting with the Secretary of State and said he would not be afraid to explain, on behalf of South Cambridgeshire’s residents, what these changes

would mean for the people in the district.

Councillor Bridget Smith said that the motion was intended as a way of empowering the Council's representatives ahead of the meeting with the Secretary of State and provide some support.

Voting on the motion, with 13 votes in favour, 30 votes against and 2 abstentions, the motion was lost.

14 (b) Standing in the name of Councillor Bridget Smith

Councillor Bridget Smith, Leader of the Opposition, proposed the following motion:

"The much valued Green Belt in South Cambridgeshire is currently facing a number of threats. Most significantly these are from speculative planning applications, the emerging Local Plan itself and the City Deal. Our Local Plan currently recognises the high level of protection that the Green Belt deserves. In order to reaffirm this Council's commitment to protecting the Green Belt this motion proposes that as a Council we welcome the original proposals being put forward by Cambridgeshire BOLD as an acknowledgement that they go some way to ensuring a light touch approach to the Green Belt which does everything reasonably possible to protect it for future generations and invite Members to give due consideration to these at the relevant stages."

Councillor Smith reflected on the importance that was placed on the green belt, especially in terms of keeping land permanently open. She was concerned that there were a number of threats to South Cambridgeshire's green belt with regard to the revised Local Development Plan and the submission of speculative planning applications, as well as from the Greater Cambridge City Deal.

Councillor Smith was hopeful that the Council would support this excellent piece of work that had been put forward by Cambridgeshire BOLD.

Councillor Van de Weyer seconded the motion.

Councillor Francis Burkitt supported the motion, but asked for the word 'original' to be removed to reflect that this piece of work was still ongoing and the proposal may be subject to change as a result of ongoing consultation.

The proposer and seconder of the motion agreed to the removal of the word 'original' from the motion.

Councillor Simon Edwards, Deputy Leader and Portfolio Holder for Finance and Staffing, proposed an amendment to include the words 'and all Parish Councils, pressure groups, interested parties and members of the public' after reference to Cambridgeshire BOLD, to reflect that proposals from anyone would be welcomed and taken into consideration.

The proposer and seconder of the motion agreed to accept this proposed amendment.

Council unanimously **AGREED** the following motion:

"The much valued Green Belt in South Cambridgeshire is currently facing a number of threats. Most significantly these are from speculative planning applications, the emerging Local Plan itself and the City Deal. Our Local Plan currently recognises the high level of protection that the Green Belt deserves. In order to reaffirm this Council's commitment to protecting the Green Belt this motion proposes that as a Council we

welcome the proposals being put forward by Cambridgeshire BOLD and all Parish Councils, pressure groups, interested parties and members of the public as an acknowledgement that they go some way to ensuring a light touch approach to the Green Belt which does everything reasonably possible to protect it for future generations and invite Members to give due consideration to these at the relevant stages.”

15. CHAIRMAN'S ENGAGEMENTS

Council noted the engagements attended by the Chairman and Vice-Chairman since the last meeting, as stated on the agenda.

The Meeting ended at 4.05 p.m.

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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Council held on
Thursday, 24 September 2015 at 4.30 p.m.

PRESENT: Councillor Sue Ellington – Chairman
Councillor David McCraith – Vice-Chairman

Councillors: David Bard, Val Barrett, Henry Batchelor, Anna Bradnam, Brian Burling, Tom Bygott, Nigel Cathcart, Graham Cone, Simon Crocker, Christopher Cross, Kevin Cuffley, Simon Edwards, Andrew Fraser, Jose Hales, Roger Hall, Lynda Harford, Tumi Hawkins, Roger Hickford, Mark Howell, Peter Johnson, Sebastian Kindersley, Janet Lockwood, Ray Manning, Mick Martin, Cicely Murfitt, Charles Nightingale, Des O'Brien, Tony Orgee, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Peter Topping, Richard Turner, Robert Turner, Bunty Waters, Aidan Van de Weyer, John Williams and Nick Wright

Officers: Alex Colyer Executive Director, Corporate Services
Jean Hunter Chief Executive
Fiona McMillan Legal & Democratic Services Manager and
Monitoring Officer
Graham Watts Democratic Services Team Leader

1. APOLOGIES

Apologies for absence were received from Councillors Francis Burkitt, Grenville Chamberlain, Pippa Corney, Neil Davies, Philippa Hart, Caroline Hart, Douglas de Lacey, Mervyn Loynes, Raymond Matthews, Robin Page, Alex Riley, Deborah Roberts, Edd Stonham, David Whiteman-Downes and Tim Wotherspoon.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. CONSIDERATION OF MOVING TO ALL-OUT ELECTIONS

Councillor Sue Ellington, Chairman of the Council and Chairman of the Civic Affairs Committee, proposed the recommendation of the Civic Affairs Committee following its meeting held earlier in the day that:

Council:

- (a) Resolved to move from elections by thirds to all-out elections with effect from the ordinary day of elections in May 2018.
- (b) Agreed to make an order to change the ordinary day of elections for parishes in the district so that they all elect Councillors in 2018 and every four years thereafter.

Councillor David McCraith, Vice-Chairman of the Council, seconded the proposal.

Voting on proposition (a), with 37 votes in favour and 4 votes against, Council **RESOLVED** to move from elections by thirds to all-out elections with effect from the ordinary day of elections in May 2018.

It was noted that this resolution achieved the required two-thirds of those present and voting in order for it to be passed.

Voting on proposition (b), Council unanimously **AGREED** to make an order to change the ordinary day of elections for parishes in the district so that they all elect Councillors in 2018 and every four years thereafter.

The Meeting ended at 4.40 p.m.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Council held on
Thursday, 24 September 2015 at 4.40 p.m.

PRESENT: Councillor Sue Ellington – Chairman
Councillor David McCraith – Vice-Chairman

Councillors: David Bard, Val Barrett, Henry Batchelor, Anna Bradnam, Brian Burling, Tom Bygott, Nigel Cathcart, Graham Cone, Simon Crocker, Christopher Cross, Kevin Cuffley, Simon Edwards, Andrew Fraser, Jose Hales, Roger Hall, Lynda Harford, Tumi Hawkins, Roger Hickford, Mark Howell, Peter Johnson, Sebastian Kindersley, Janet Lockwood, Ray Manning, Mick Martin, Cicely Murfitt, Charles Nightingale, Des O'Brien, Tony Orgee, Tim Scott, Ben Shelton, Bridget Smith, Hazel Smith, Peter Topping, Richard Turner, Robert Turner, Bunty Waters, Aidan Van de Weyer, John Williams and Nick Wright

Officers: Alex Colyer Executive Director, Corporate Services
Jean Hunter Chief Executive
Fiona McMillan Legal & Democratic Services Manager and
Monitoring Officer
Graham Watts Democratic Services Team Leader

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Francis Burkitt, Grenville Chamberlain, Pippa Corney, Neil Davies, Philippa Hart, Caroline Hart, Douglas de Lacey, Mervyn Loynes, Raymond Matthews, Robin Page, Alex Riley, Deborah Roberts, Edd Stonham, David Whiteman-Downes and Tim Wotherspoon.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND ELECTORAL REVIEW - COUNCIL SIZE SUBMISSION

Councillor Sue Ellington, Chairman of the Council and Chairman of the Civic Affairs Committee, further to the recommendation of the Civic Affairs Committee following its meeting held on 10 September 2015, made the following proposition:

That Council:

- (a) Recommended a Council size of 45 as part of its submission to the Local Government Boundary Commission for England's electoral review.
- (b) Agreed that the draft document attached at Appendix A to the report be used as a basis for an evidence-based submission to the Local Government Boundary Commission for England, and that the Chief Executive be given authority to make any necessary amendments prior to its submission, in liaison with the Chairman of the Council and representatives of political groups.

Councillor David McCraith seconded the proposal.

It was noted that this issue had been considered in some detail by the Civic Affairs Committee.

Councillor Hazel Smith referred to section 7.2.1 of the draft submission document and felt that reference should be included under this section to the Council maintaining control of its housing stock and that it had established its housing company, Ermine Street Housing Ltd, reflecting on the added workload and responsibilities that these placed on Members. The proposer and seconder of the original proposition agreed to this amendment.

Council unanimously:

- (a) **RECOMMENDED** a Council size of 45 as part of its submission to the Local Government Boundary Commission for England's electoral review.
- (b) **AGREED** that the draft document attached at Appendix A to the report be used as a basis for an evidence-based submission to the Local Government Boundary Commission for England, and that the Chief Executive be given authority to make any necessary amendments prior to its submission, to include any relevant comments raised at the meeting, in liaison with the Chairman of the Council and representatives of political groups.

The Meeting ended at 4.48 p.m.

Agenda Item 8a



South
Cambridgeshire
District Council

Report To: Cabinet
Lead Officer: Director of Housing

12 November 2015

BUSINESS CASE FOR ERMINE STREET HOUSING

Purpose

1. To report back to Council on the performance of the housing company pilot and to seek a decision on the future of the company.
2. This is a key decision because:
 - a) it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, and
 - b) it is likely to be significant in terms of its effects on communities living or working in an area of the District comprising two or more wards.

and it was first published in the October 2013 Forward Plan.

Recommendations

3. It is recommended that Cabinet recommends to Council:
 - a) Option C, the expansion of the housing company portfolio over a five year period 2016/17 to 2020/21.
 - b) If Option C is approved it is recommended that the Cabinet recommends to Council:
 - The adoption of the of the five year business plan set out in Appendix B
 - Establishment of 3 new fixed term posts to deliver this business plan
 - Establishment of a Board to oversee the work of the company as set out in paragraph 29-31.
 - c) That the Executive Director be instructed to report in November 2015 to Council the necessary amendments to the Council's Treasury Strategy.

Reasons for Recommendations

4. The expansion of the portfolio as outlined in Option C and detailed in **Appendix A**, the Business Case and **Appendix B**, the Business Plan demonstrates that a return can be made for the Council, in the form of interest income, during the initial five year period, with the potential for even greater returns in subsequent years.

Background

5. Council agreed to a housing company pilot project at its meeting on 28 November 2013 and agreed to advance up to £7m funding to secure a market rented portfolio of homes. The pilot scheme went live in May 2014.
6. It was agreed that a detailed business case be brought back to full Council in the autumn of 2015 to provide an opportunity to approve the future activity of the company.

Considerations

7. Cabinet, at the meeting on 19 November 2013, approved a series of objectives for the housing company to:
 - Generate a revenue stream that will enable the Council to continue to deliver its services at a time of reducing Government grant.
 - Assist economic development in the district by helping to provide good quality, flexible rental housing for the many local businesses that have workforces with a high turnover of staff.
 - Explore innovative solutions to assist meeting housing need and gaps in the housing market, particularly those people that are unlikely to be granted an affordable housing tenancy or who do not wish to join the housing register but are finding it difficult to buy a house or finding it difficult to rent in the private rented sector.
 - Provide place leadership - supporting community development by investing in the local district and working alongside other private and public sector bodies.
8. The housing company is registered at Companies House as South Cambs Limited but during the pilot phase has begun trading as Ermine Street Housing. The name was adopted following consultation with Members and staff.
9. The loan portfolio in respect of assets held at the time of writing this report is £6,837,970, and results in the company owning 34 homes (plus 2 acquisitions in progress) with all of those intended for letting, now occupied. In addition the company has secured long term management deals with the Defence Infrastructure Organisation (DIO) and has a further 42 properties under management for five years, with more in the pipeline.
10. The pilot has been successful and has generated an income stream for the Council and also provided the opportunity for learning in a new area of business. A number of ideas have been tested during the pilot phase and a lot of work on the back office requirements has been worked through and set up.
11. During the course of the pilot project, Council has received interest payments from the company providing returns in excess of £100,000. In addition officer time spent in running the business has been recharged to the company by the Council.
12. The pilot spanned the first year of operation for the company, and as a result, included significant set up costs, which resulted in the company making a trading loss in year 1, which was as expected.

13. As part of the pilot, extensive market research was undertaken in preparation for the purchase of the initial property portfolio. The findings from the exercise are detailed in **Appendix A**, the Business Case.
14. Ermine Street has operated as an ethical commercial landlord and over the course of the pilot it has provided additional support to local people such as housing people with local connections and other challenging housing issues.
15. Discussion is underway with local employers and the Local Economic Partnership about how Ermine Street Housing may be able to help meet the needs of key workers in the district.

Options

16. The Business Case (**Appendix A**) sets out the three main options for the Council to consider. In summary these are:

A. Bring the project to an end and agree an exit strategy.

This would take around five years to achieve as there are leases with the DIO. This option carries the risk that the value realised on the sale of the property portfolio, including market appreciation, will not be sufficient to meet both the outstanding loan portfolio in respect of the original acquisitions and any short-term cash flow borrowing which the company holds as part of the company set up period.

B. Retain the current portfolio but do not expand any further

This option is financially sustainable for the company, but relies upon continuation and anticipated expansion of the management arrangements for the DIO to carry the fixed overheads for the company. Simply retaining the acquired stock as it stands in isolation, would not be considered a viable option, as approximately 30 properties would still incur a considerable sum of fixed operating overhead, and would be sensitive to void and bad debt levels.

C. Expand the portfolio over a five year business plan period, investing approximately £100,000,000, with the aim of owning and managing 500 properties by the end of that period.

With the assumptions made as part of the financial viability modelling, this option indicates that the company would be financially sustainable and able to return a steady revenue stream back to the Council. A portfolio of this size is also big enough to become a tradeable asset and therefore provide the Council with a stronger exit strategy in the future should it be needed. There are of course risks associated with the business expansion model, and these are outlined in Appendices A and B from the perspective of the Council and the company.

17. The Business Plan at **Appendix B** is the document supporting Option C to expand the portfolio.

Implications

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

Financial

19. The financial implications for the expansion of Ermine Street Housing are incorporated into the Business Plan 2015/16 to 2024/25, which is included at **Appendix B** to this report.
20. South Cambridgeshire District Council will benefit from both the interest uplift in respect of lending to the company, and the ability to recharge staff employed by the Council to the company where they are working on behalf of Ermine Street Housing, therefore delivering an efficiency saving to the Council.
21. Based upon the current assumptions in the Business Plan, with the company taking out finance for 100% of the asset value, it is projected that the Council could be earning in excess of £600,000 per annum by the end of year two of the business expansion model. The projections for the Council in future years increase as the property portfolio grows, as detailed in **Appendix A**, the Business Case.
22. An alternative model, where the Council acquires an equity share, charges a lower interest rate for short-term borrowing, and increases the interest rate once the company has acquired its property portfolio, with lending on a longer term basis from this point on, has been explored and is a viable alternative funding option. If a debt (loan) / share equity split approach is taken in respect of the financing of the acquisition, the Council would generate a smaller return on the interest uplift, but would have the potential to benefit from an appreciating asset and increased share dividends in future years, or when assets are sold.
23. The Business Plan is predicated on the assumption that initial borrowing and on-lending will be short-term, and that the loan portfolio will be re-financed at the end of the initial 5 year period, if the Business Plan performs as projected.
24. There is also an assumption in respect of the financial impact for the Council, that the authority will not be required to make MRP (Minimum Revenue Provision), which would require the authority to set aside money annually.
25. Where the Council borrows and on-lends to a wholly owned subsidiary, the on-lending in respect of each asset acquisition would be recognised as capital expenditure, with the assumption that this would be subject to MRP by the General Fund.
26. It is, however, considered a necessity for the Council to register a fixed and floating charge over the company's asset to secure its investment. With a charge over, or alternatively an equity share interest in, an asset with value, the need to make MRP can be minimised or negated in totality.

Legal

27. Under both the Local Government Act 2003 and Localism Act 2011, the power to trade must be exercised through a company in order to generate a source of income. The legislation (the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009) permits councils to trade or "to do for a commercial purpose", anything which they are authorised to do for the purpose of carrying on their ordinary functions (which includes the well-being power and the power of general competence). This means councils can trade with the private sector for a profit and these profits may then go back to the council through dividends or service charges.
28. The 2009 Order requires that a detailed business case is considered and approved by Cabinet before trading can commence. The business case must be a "comprehensive statement" which includes details about:
- The objectives of the business.
 - The investment and other resources required to achieve those objectives.
 - Any risks the business might face and how significant these risks.
 - The expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.

Governance

29. It is proposed that from April 2016, if the Council approve the expansion of the company that a new board be set up to manage the governance.
30. It is proposed that the board consist of six voting members to include two elected members nominated by the Council, two executive officers (the Company Director and the Company Secretary) and two independent member selected for their skill sets. The lead manager for the company would attend as a non voting member.
31. The Council would retain overall ownership of the company and would be required to approve a five year business plan as well as annual updates. This would include the Annual Report.

Staffing

32. During the pilot phase the staffing needs have been covered by existing staff including two full time seconded officers and a temporary member of staff. The proposal set out in the Business Plan is for three full time posts to be created, still employed by the Council but working full time for the company. These posts include a lead manager, an acquisitions manager and a lettings manager. Other resources will be bought in by the company from either the Council or other suppliers as and when required, and the staffing will be expanded as the portfolio increases in line with the Business Plan assumptions. There may be financial advantages for the staff team to be directly employed by the company in the future, and this will be explored if the expansion model is approved.

Risk Management

33. There is a risk log for Ermine Street Housing and a separate risk log for the Council. These have been used during the pilot phase to manage the risks during the set up period. The latest versions of these are incorporated as part of **Appendix A**, from the Council's perspective and **Appendix B** from the company's perspective.

Equality and Diversity

34. Whatever option is agreed there will still be a degree of activity which will require a full Equality Impact Assessment but it a low priority, because although the number of people being affected is relatively high, there is a minimal relevance to equality duties, a low likelihood of differential impact and a low risk of discrimination.

Consultation responses (including from the Youth Council)

35. The development of the pilot phase has benefited from the input of a number of elected Members who have attended the Housing Portfolio Holder Advisory Group sessions.

Effect on Strategic Aims

Aim 1 - Engagement

- (1) Develop the property company pilot scheme into full business plans to deliver a mix of high quality housing and generate income

Background Papers

Cabinet reports:

- New Build Strategy-8 November 2012
- Future Housing Investment Plans- 19 November 2013
- South Cambs Update-13 February 2014
- South Cambs Ltd: appointment of Director and conflicts of interest-8th May 2014
- South Cambs Ltd-Business Case Update-11 September 2014

Council reports:

- Future Housing Investment Plans- 28 November 2013
- South Cambs Ltd: appointment of Director and conflicts of interest-5 May 2014

Report Author: Stephen Hills, Director of Housing
Telephone: (01954) 713412

NOTE – Appendices A and B have not been circulated to the press and public in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in Paragraph 3 of Schedule 12A of the Act), as they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Appendix A Ermine Street Housing Business Case (Confidential)
Appendix B Ermine Street Housing Business Plan (Confidential)

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

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Report To: Council
Lead Officer: Executive Director (Corporate Services)

26 November 2015

BORROWING AND INVESTMENT STRATEGY

Purpose

1. To report on the proposed amendment to the Council's Borrowing and Investment Strategy.

Recommendations

2. It is recommended that Council:
 - approve an amendment to the Council's Borrowing and Investment Strategy to include additional Council capital expenditure and borrowing of £100 million for on-lending to Ermine Street Housing with effect from December 2015
 - approve an amendment to the Council's Borrowing and Investment Strategy for the minimum revenue provision to include a fixed and floating charge over or an equity share of an asset of value as a full or partial proxy for the provision.
3. It is recommended that Council amends Cabinet's recommendation to reflect the expansion of the housing company portfolio over a six year period 2015/16 to 2020/21, as set out in option C of the Cabinet report and as clarified in paragraph 6 below.

Reasons for Recommendations

4. A business case for Ermine Street Housing was reported to Cabinet, 12 November 2015, demonstrating the financial viability of the company with an expanding portfolio of property investment.
5. The business case proposes that the property investment is funded by a series of loans from the Council providing interest income to the General Fund, with the first drawdown of funds in 2015-16 and being an addition to the previously agreed loan of £7 million.
6. The report to Cabinet, 12 November 2015, recommended for approval the expansion of the Ermine Street Housing portfolio over a five year period from 2016-17 to 2020-21, however the business plan is predicated on expansion beginning in 2015-16. The Business Plan accompanying the report was also approved by Cabinet and allows for increased activity to commence immediately following approval from full Council. For clarity it is therefore recommended that Council approve the sum of £6.486 million to be made available to Ermine Street Housing from December 2015 to March 2016 to allow immediate business opportunities to be acted upon.

7. The Council's capital expenditure programme would be increased to cover the proposed loan, being funded through borrowing from the Public Works Loans Board for on-lending. The Ermine Street business case proposes an initial five year loan.
8. As part of the loan agreement the Council would register a fixed and floating charge over the company's assets to secure the Council interest in the investment, or alternately an equity share interest in an asset with value.

Background

9. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:
 - a) increases in interest charges caused by increased borrowing to finance additional capital expenditure,
 - b) any increases in running costs from new capital projects, or
 - c) the loss of interest on balances or reserves arising from their use in financing the capital expenditure,

are limited to a level which is affordable within the projected income of the council for the foreseeable future.

Considerations

10. Council agreed to a housing company pilot scheme, 28 November 2013, including the advance of up to £7 million funding to secure an initial portfolio of properties for rental. Trading by the new company Ermine Street Housing began on 1 April 2014 and the first year accounts have been audited and filed with Companies House.
11. The Council has, to date, funded £6.9 million asset investments giving the Council an expected interest return of £226,070 to support General Fund services.
12. Where a local authority borrows and on-lends to a wholly owned subsidiary such on-lending must be recognised as capital expenditure and, as such, the authority is required to make a minimum revenue provision or set aside for the repayment of debt, which itself becomes a charge on the General Fund.
13. A fixed and floating charge over assets purchased by Ermine Street Housing, or alternately an equity share interest in such assets is considered to be a reasonable proxy for the minimum revenue provision, removing or minimising the charge to the General Fund.

Implications

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

Legal

15. Under both the Local Government Act 2003 and Localism Act 2011, the power to trade must be exercised through a company in order to generate a source of income. The legislation (the Local Authorities (Best Value Authorities) (Power to Trade) (England) Order 2009) permits councils to trade or 'to do for a commercial purpose', anything which they are authorised to do for the purpose of carrying on their ordinary functions (which include the well-being power and the power of general competence). This means councils can trade with the private sector for a profit and these profits may then go back to the Council through dividends or service charges.

Financial

16. The five year fixed rate interest charged to Ermine Street Housing would include an up-lift above the cost of the Public Works Loans Board charge providing a return on investment to the Councils General Fund.

Risk Management

17. The proposed loan will be secured by registering a fixed and floating charge over Ermine Street Housing assets, or alternately an equity share interest in an asset with value.

Consultation responses (including from the Youth Council)

18. Consultation was not deemed necessary in this case.

Effect on Strategic Aims

19. This report has no direct implications for any of the Strategic Aims but any increase in interest received (commensurate with risk) may reduce the need for cuts in individual services and assist in the achievement of actions to support those aims.

Background Papers

Business case for Ermine Street Housing – Cabinet report, 12 November 2015
Borrowing and Investment Strategy – Council report, 26 February 2015

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**Prudential Code for Capital Finance in Local Authorities
Prudential Indicators for 2015-16 (Revised)**

1. Capital Expenditure

The actual capital expenditure that was incurred in 2013-14 and 2014-15 and the estimates of capital expenditure to be incurred for the current and future years are:

	2013-14 Actual £ million	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million
General Fund	2.843	3.589	19.149	34.398	26.489
Housing Revenue Account	10.095	12.115	16.365	14.962	14.636
Total	12.938	15.704	35.514	49.360	41.125

2. Affordability

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

	2013-14 Actual £ million	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million
General Fund	-2%	-1%	-3%	-3%	-4%
Housing Revenue Account	26%	24%	25%	24%	23%

The negative figures reflect the Authority's General Fund position as a net investor, the interest earned being used to help fund the budget.

The other affordability indicator is the incremental impact of capital investment decisions on the council tax as shown below and, on the average weekly housing rents and this is considered to be not applicable as the increase in housing rents on the HRA is based on Government guidance and not on the amount of HRA capital expenditure.

Incremental Impact of Capital Investment Decisions	2015-16 Estimate £ p	2016-17 Estimate £ p	2017-18 Estimate £ p	2018-19 Estimate £ p
General Fund (increase/(decrease))	15.11	-6.49	29.31	-31.85

3. Capital Financing Requirement

The capital financing requirement is capital expenditure which has not been fully financed from a local authority's own resources in the year but has been covered by raising external or internal debt. The revised capital requirement at 31 March 2016 is £222.730 million; thereafter:

	31/03/2014 <i>Actual</i> <i>£ million</i>	31/03/2015 <i>Actual</i> <i>£ million</i>	31/03/2016 <i>Estimate</i> <i>£ million</i>	31/03/2017 <i>Estimate</i> <i>£ million</i>	31/03/2018 <i>Estimate</i> <i>£ million</i>	31/03/2019 <i>Estimate</i> <i>£ million</i>
General Fund	3.937	4.567	18.301	48.797	70.224	110.800
Housing Revenue Account	205.123	204.429	204.429	204.429	204.429	204.429
Total	209.060	208.996	222.730	253.226	274.653	315.229

The General Fund capital financing requirement fluctuates due to financing internally refuse vehicles, part of the purchase of wheeled bins and cash overdrawn on equity share repurchases, but this financing is then partly repaid over the period. The increase during 2015-16 is due to external borrowing for on-lending to South Cambs Limited, a wholly owned subsidiary of the Council, with borrowing phased over the period to 2018-19.

4. External Debt

HRA self-financing required the Council to take on external debt of £205.123 million at the end on 2011/12. General Fund external debt of £100.000 million is planned over a four year period from 2015-16 for on-lending to South Cambs Limited.

The prudential indicators for external debt will be:

- i. Authorised limit

	2014-15 <i>Estimate</i> <i>£ million</i>	2015-16 <i>Estimate</i> <i>£ million</i>	2016-17 <i>Estimate</i> <i>£ million</i>	2017-18 <i>Estimate</i> <i>£ million</i>	2018-19 <i>Estimate</i> <i>£ million</i>
Borrowing	218.0	225.0	255.0	275.0	316.0
Other Long Term Liabilities	0	0	0	0	0
Total	218.0	225.0	255.0	275.0	316.0

The authorised limit is the maximum limit consisting of HRA debt of £205 million and General Fund £20 million to take advantage of interest rate differentials and to meet

immediate cash flow requirements and external debt. The authorised limit is the statutory affordable borrowing limit under Section 3 (1) Local Government Act 2003.

Net borrowing is set out in the table below and one of the key indicators of prudence is that net debt is not in excess of the capital financing requirement.

	2014-15 Actual £ million	2015-16 Estimate £ million	2016-17 Estimate £ million	2017-18 Estimate £ million	2018-19 Estimate £ million
Borrowing	205.0	225.0	255.0	275.0	316.0
Investments	-43	-40	-40	-40	-40
Net debt	162.0	185.0	215.0	235.0	276.0

Another indicator to highlight where an authority may be borrowing in advance of need is the ratio of the net debt to gross debt.

	2014-15	2015-16	2016-17	2017-18	2018-19
Net debt to gross debt	78%	83%	85%	86%	88%

ii. Operational boundary

The operational boundary for external debt is based on the same estimates as the authorised limit but reflects the most likely scenario and is expected to be £225 million for both borrowing and other long term liabilities increasing to £316 million over the four years.

iii. Actual debt

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

5. Maturity Structure of Borrowing

As the Council will only undertake a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements and the HRA debt is at fixed rates, the upper limits to be set for borrowing will be:

	Under 12 Months	More than 12 months
Upper limit for fixed interest rate exposure	100%	100%
Upper limit for variable rate exposure	100%	0%

6. Treasury management

The Prudential Code requires the Authority to have adopted the CIPFA Code of Practice for Treasury Management in the Public Services: South Cambridgeshire has adopted this Code.

i. Liquidity of Investments

The procedure for determining the maximum periods for which funds may be prudently committed is to formulate the five years investing plan. No investments will be made for more than five years. The prudential indicators for principal sums invested for longer than 364 days being the maximum limit shall be:

Investment period	<i>Longer than 364 days but less than two years £ million</i>	<i>Longer than one year and 364 days but less than three years £ million</i>	<i>Longer than two years and 364 days but less than four years £ million</i>	<i>Longer than three years and 364 days but less than five years £ million</i>
Maximum Limit	8.0	8.0	5.0	4.0

ii. Interest rate Exposure

The Council will only undertake a minimal amount of short-term borrowing to take advantage of interest rate differentials and to meet immediate cash flow requirements; the upper limits for interest rate exposures are based on gross investments. These upper limits for the forthcoming financial year and the following two years will be:

Upper limit on gross investments	2015/16	2016/17	2017/18
Fixed Rate	100%	100%	100%
Variable rate	50%	50%	50%

Agenda Item 8b

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Planning Portfolio Holder

17th November 2015.

LEAD OFFICER: Director of Planning and New Communities.

REVIEW OF CAMBRIDGE FRINGES JOINT DEVELOPMENT CONTROL COMMITTEE TERMS OF REFERENCE TO DETERMINE CITY DEAL INFRASTRUCTURE SCHEMES

Purpose

1. To consider the proposal that the Terms of Reference of the Fringes Joint Development Control Committee are amended to include the determination of City Deal Infrastructure Schemes and accordingly make recommendation to Full Council.

Recommendations

2. To recommend that Full Council supports the proposed changes to the JDCC Terms of Reference, subject to the formal approval of Cambridgeshire County and Cambridge City Councils.

Reasons for Recommendations

3. To achieve an effective and streamlined planning decision making process for the City Deal infrastructure schemes, given that the proposals will cross administrative boundaries.

Background and Introduction:

4. In late 2014, as part of the setting up of the Greater Cambridge City Deal Executive Board and agreeing its Terms of Reference, Cambridgeshire County Council (CCC), Cambridge City Council and South Cambridgeshire District Council (SCDC) agreed to delegate exercise of their functions to the Board where these functions relate to achieving the City Deal objectives. This entails the three Councils making any necessary changes to their schemes of delegation across a number of functions, one of which relates to the planning process and the granting of planning consent.
5. City Deal infrastructure schemes that are not located within the highway will require planning consent in order to be delivered. Legal advice obtained indicates that, where possible, planning decisions should be made across relevant geographical areas, in this case the Cambridge City and the District of South Cambridgeshire.
6. It is considered that the most appropriate way to implement this principle is to modify the remit of the Cambridge Fringes Joint Development Committee (JDCC), which includes members from all three partner authorities, to include planning permission for City Deal infrastructure schemes. This will require changes to the existing Terms of Reference for the Committee. Consultation is therefore being carried out with the regulatory committees affected by the proposed changes as the first steps in this process.

7. In order to ensure the smooth functioning of the Greater Cambridge City Deal governance arrangements and particularly the delivery of the City Deal infrastructure investment programme to a very tight timescale, clarification of delegations from the City Council, CCC and SCDC to the City Deal Executive Board is required. This affects a number of functions, of which the planning process/ the granting of planning consent is one.
8. City Deal infrastructure schemes that have works that extend beyond the highway boundary or are not within the highway will require planning consent in order to be delivered. For this purpose a City Deal infrastructure scheme is defined as “one arising from the Greater Cambridge City Deal which has all of the following characteristics:
 - i) Has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal infrastructure scheme.
 - ii) is or has been funded in whole or in part by the County Council under the auspices of the Greater Cambridge City Deal or allocated from the Greater Cambridge City Deal Executive Board by participating Authorities.”
9. Planning consent for transport schemes promoted by the County Council is considered by its own Planning Committee. However, the County Council has already delegated decisions on County Council applications to the Cambridge Fringes and Northstowe Joint Development Control Committees where applications fall within their respective remits.
10. Accommodating the decision-making process on planning applications for City Deal infrastructure schemes within the remit of the Cambridge Fringes JDCC will ensure that the decisions are made jointly across the relevant geographical areas, namely Cambridge City Council and SCDC, reflecting local circumstances, ambitions and constraints. The Committee also includes Members from all three partner authorities. This would mean that the schemes would be considered strategically, subject to a single planning process rather than potentially up to three.
11. To achieve this, modifications to the existing JDCC Terms of Reference are required (these are indicated as changes in bold type to the existing document in Appendix 2). The Committee would retain its geographical remit, except in the case of City Deal infrastructure schemes when its geographical remit would extend to the whole of Cambridge City and SCDC.
12. The Fringes JDCC considered a report on the proposed changes on 18 September and the City Planning Committee was consulted on 7th October, both agreed to support the proposals in principle. South Cambridgeshire’s Planning Committee is now being consulted on the basis that some of the City Deal Infrastructure Schemes would otherwise fall within the remit of this Council’s Planning Committee where elements are located wholly or partly the District boundary. This process will then be followed by consultation with the County Council’s Constitution and Ethics Committee. Formal approval of the amended JDCC Terms of Reference would then take place through the three Councils. The current timetable for completion of the procedural process is set out below:
13. 22nd October – Cambridge City Full Council.

17 November –County Council Constitution and Ethics Committee
26 November –SCDC Full Council
15 December –County Full Council

Consultations

14. Consultation has been carried out with the Leaders, relevant portfolio holders, Planning Committee Chairs and chief officers within each of the three Councils, as well as the JDCC on 18 September and City Planning Committee on 7th October.
15. Further consultation is scheduled to take place with the County Council Constitution and Ethics Committee later this month as set out in Section 3 of this report.
16. Any further legal advice required will be sought as part of this ongoing process.
17. Each individual City Deal infrastructure scheme will be subject to the appropriate level of stakeholder and public consultation, both in the lead up to and as part of the planning process.

Options

18. Careful consideration has been given to the optimum way to have an effective planning process for the City Deal infrastructure schemes, as well as ensuring that the associated planning decisions are made across relevant geographical areas. From both a procedural and legal perspective, this approach is considered to present the best option. It provides a single planning process, using an existing established Committee that contains member representation from all three authorities.
19. The alternative option would be make decisions through individual planning committees within each of the three authorities but this would result in increased administration implications and potential delays through having to take decisions on individual City Deal infrastructure schemes through more than one Committee in many instances.

Conclusions

20. For the reasons set out in this report, it is recommended that the principle of modifying the JDCC Terms of Reference to accommodate City Deal infrastructure projects, be supported; subject to endorsement of the County Council's Constitution and Ethics Committee; and formal approvals through the three Councils in due course.
21. **Financial**
Under Annex 3 of the Standing Orders for the JDCC, any associated costs arising from decisions made by the Committee, including associated appeals, are borne jointly by the Councils with voting rights on the specific items that give rise to the costs. For City Deal Infrastructure projects it is proposed that all three Councils would have voting rights on all of these, so any costs arising from Committee decisions and associated appeals would be shared by all three authorities.
22. **Staffing**
There are no additional staffing implications arising from these proposed changes. The administration arrangements for the JDCC would continue as existing.

23. **Equality and Diversity**

An Equality Impact Assessment (EQIA) has not been carried out in respect of these proposed changes. However, where relevant and at the appropriate time, EQIAs would be carried out in respect of individual City Deal infrastructure schemes.

24. **Climate Change**

There are no direct environmental implications arising from the proposed changes to the Terms of Reference. However, there will be direct and indirect environmental implications arising from each City Deal infrastructure scheme that will be assessed individually and cumulatively as appropriate.

Background papers:

Report to Cambridge Fringes Joint Development Control Committee dated 18th September 2015.

Report to Cambridge City Planning Committee dated 7th October 2015.

Appendices

1. Officer briefing note dated September 2015 –Greater Cambridge City Deal – Executive Board Delegations
2. Proposed draft amended JDCC Terms of Reference (Bold changes)

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Appendix 1

GREATER CAMBRIDGE CITY DEAL

EXECUTIVE BOARD DELEGATIONS – BRIEFING NOTE

Why are we proposing to clarify delegations?

The Executive Board Terms of Reference, which were agreed by all three Councils in late 2014, includes the following wording in paragraph 4.3, which sets out the scope of the responsibilities delegated to the Greater Cambridge City Deal Executive Board:

“The three Councils agree to delegate exercise of their functions to the Executive Board to the extent necessary to enable the Board to pursue and achieve the objectives of the Greater Cambridge City Deal and to undertake any actions necessary, incidental or ancillary to achieving those objectives, and, accordingly, the three Councils shall make the necessary changes to their respective schemes of delegation. The Executive Board may further delegate to officers of the three Councils.”

In order to ensure the smooth functioning of the Greater Cambridge City Deal governance arrangements, and particularly the delivery of the infrastructure investment programme on a very tight timescale, it is considered necessary to clarify the delegations that have been made. It is envisaged that this clarification will avoid confusion around the scope and extent of the delegated authority.

Officers have considered the functions that are intended to be covered in this wording, and have made recommendations in each case for how clarification can best be provided. These functions are:

- Compulsory Purchase Orders (CPOs)
- Grant of Planning Consent
- Side Roads Orders (SROs)
- Traffic Regulation Orders (TROs)
- Transport and Works Act Orders (TWAOs)

Definition of ‘City Deal infrastructure schemes’

In order to delineate the boundaries of the City Deal Board delegated authority it is necessary to define what is considered to constitute a ‘City Deal infrastructure

scheme'. This definition will then be used to determine which body holds the responsibility for making the decision(s) concerned. The following is suggested to be the most appropriate definition to use:

"A City Deal infrastructure scheme is one arising from the Greater Cambridge City Deal which has all of the following characteristics:-

- i. Has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal infrastructure scheme.*
- ii. Is, or has been funded in whole or in part by funds received by the County Council under the auspices of the Greater Cambridge City Deal or allocated to the Greater Cambridge City Deal Executive Board by participating Authorities."*

Compulsory Purchase Orders

A CPO is a legal instrument that allows certain bodies (including the partner Councils) to purchase land without the owner's consent. It can be enforced if it is considered necessary in order to deliver public benefit, and can be particularly pertinent for transport infrastructure schemes. It is normal practice to seek CPOs on a contingency basis in parallel with negotiations with landowners to avoid delays to projects. Some City Deal infrastructure schemes will require the use of CPO powers in order to deliver the wider benefits that are expected to be associated with those schemes.

For the purposes of the City Deal, it is the County Council's CPO powers that are most important. Outside of the City Deal arrangements, the County Council's CPO powers are vested in the Economy & Environment Committee, which takes responsibility for promoting and exercising CPOs. The final decision to grant a CPO rests with the Secretary of State.

The decision made by the County Council to delegate responsibilities to the Executive Board is considered to include the power to promote and exercise CPO powers for City Deal infrastructure schemes in Cambridge City and South Cambridgeshire. To ensure that there is clarity around the processes involved in delivering the City Deal infrastructure programme, it is recommended that the County Council's CPO powers are confirmed as being delegated to the Executive Board.

Planning consent

City Deal infrastructure schemes that are not within the highway will require planning consent in order to be delivered. Planning consent for transport schemes promoted by the County Council is considered by the County Council's Planning Committee,

however the County Council has already delegated decisions on County Council applications to the Cambridge Fringes and Northstowe Joint Development Control Committees where applications fall within their respective remits.

Legal advice suggests that planning decisions should where possible be made across the relevant geography – in this case Cambridge City and South Cambridgeshire. By doing so, it is possible to ensure that planning decisions most accurately reflect local circumstances, ambitions and constraints. It is therefore recommended that the most appropriate way to implement this principle would be to modify the remit of the Cambridge Fringes Joint Development Control Committee, which includes Members from all three partner Councils, to include planning permission for City Deal infrastructure schemes. This would mean that these schemes can be subject to one single planning process, rather than potentially up to three. This would mean that this Committee retains its geographical coverage, except in the case of City Deal infrastructure schemes when its geographical coverage extends to the whole area of Cambridge City and South Cambridgeshire. Short of creating a new Committee, this is considered to be the most appropriate available option.

Side Roads Orders

An SRO is an instrument established under the Highways Act 1980 that allows a Highway Authority (in the local context this refers to the County Council) to alter roads or other highways affected by a major transport infrastructure scheme. This deals with roads that are not specifically along the alignment of the scheme, but are impacted by and/or impact upon the scheme. It is likely to be the case that SROs are required for several City Deal infrastructure schemes. As with CPOs, the County Council acts as the promoter for SROs but the decision to grant these rests with the Secretary of State.

Outside of the City Deal arrangements, the responsibility for promoting SROs rests with the County Council's Economy & Environment Committee. The delegation made to the Executive Board though means that this responsibility, where it relates to a City Deal infrastructure scheme, has been delegated to the Executive Board. It is recommended that this is explicitly confirmed by the County Council.

Traffic Regulation Orders

TROs, established under the Road Traffic Regulation Act 1984, are legal instruments relating to the use of highways. They are designed to regulate, restrict or prohibit the use of roads by vehicles or pedestrians (as appropriate). There is a statutory requirement to undertake a public consultation where a TRO is needed, with the

outcome of that consultation being considered by Members when the decision is made on whether or not to grant a TRO.

General speaking, any major transport infrastructure scheme that includes the public highway will require at least one TRO. This is expected to be the case for most, if not all, City Deal infrastructure schemes.

Outside of the City Deal arrangements, decisions relating to TROs are made by either the County Council's Highways & Community Infrastructure Committee or the Cambridge Joint Area Committee. These Committees decide upon objections to TROs following public consultations. The Cambridge Joint Area Committee considers these when they are referred by the relevant Member or officer under the County Council's Scheme of Delegation – otherwise the Highways & Community Infrastructure Committee is the decision maker.

The delegations made to the Executive Board are considered to include the power to make decisions regarding TROs when they relate to City Deal infrastructure schemes, including considering the outcomes of public consultations. However, to ensure that the processes around the delivery of the City Deal infrastructure programme are clear, it is recommended that the County Council confirms explicitly that this delegation has been made.

Transport and Works Act Orders

The Transport and Works Act 1992 established TWAOs as the default means of authorising the creation of a new railway, tramway or guided busway scheme, except for "nationally significant rail schemes in England". TWAOs can include within them TROs, CPOs and deemed planning consent. The County Council has the power to promote a TWAO, whilst the decision to grant a TWAO rests with the Secretary of State. As the prioritised City Deal infrastructure schemes are being developed at the moment, it is unclear if the final proposals for those schemes would require the granting of a TWAO.

The delegation made to the Executive Board is considered to include the responsibility for promoting TWAOs for City Deal infrastructure schemes. It is recommended that the County Council explicitly confirms that this delegation has been made.

TERMS OF REFERENCE FOR JOINT DEVELOPMENT CONTROL COMMITTEE CAMBRIDGE FRINGES

1. Parties:

Cambridge City Council
Cambridgeshire County Council]
South Cambridgeshire District Council
(‘the Councils’)

2. Status:

This Committee is a joint committee to be formed by resolutions of the Councils pursuant to section 101(5), Local Government Act, 1972.

3. Membership:

6 Members appointed by Cambridge City Council

4 Members appointed by Cambridgeshire County Council
6 Members appointed by South Cambridgeshire District Council

4. Terms of reference:

4.1 The Committee’s remit is to discharge the functions (‘the functions’) set out in Appendix 1, the exercise of which have been delegated to the Committee by the parties, subject to the limitation in paragraph 4.2. The functions delegated include the power of the Councils to determine planning applications by virtue of Regulation 3 of the Town and Country Planning General Regulations 1992.

4.2 The Committee shall only discharge the functions:

- a) in respect of major developments¹ falling wholly or substantially within the areas shown edged in blue on the plans forming Appendix 2 and ancillary applications relating to such Major Developments¹ referred to it by the relevant Head of Planning of

¹ “Major development means development including any one or more of the following:

- (a) waste development;
- (b) the provision of dwelling-houses where
 - (i) the number of dwelling-houses to be provided is 10 or more; or
 - (ii) the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the development falls within paragraph (c)(i);
- (c) the provision of a building or buildings where the floor space to be created by the development is 1,000 square metres or more; [clarify for article 3s in relation to things like libraries which may be smaller size] or
- (d) development carried out on a site having an area of 1 hectare or more.

the Council issuing the consent for the Major Development in question. 'Major development' is defined by reference to Article 1 of the Town and Country Planning (General Development Procedure) Order 1995 as in force on 1 May 2007 or as subsequently amended or replaced; **and**

b) In respect of "City Deal infrastructure schemes" referred to it by the relevant Head of Planning of the Council issuing the consent for the City Deal infrastructure scheme in question. A "City Deal infrastructure scheme" is defined as a project arising from the Greater Cambridge City Deal which has all of the following characteristics:-

- **has been and remains designated by the Greater Cambridge City Deal Executive Board as a City Deal infrastructure scheme; and**
- **is, or has been funded in whole or in part by funds received by Cambridgeshire County Council under the auspices of the Greater Cambridge City Deal or allocated to the Greater Cambridge City Deal Executive Board by participating authorities.**

4.3 The Committee may exercise the subsidiary powers authorised pursuant to section 111, Local Government Act 1972 in connection with the discharge of the functions.

4.4 The Committee may exercise the powers of delegation contained in section 101(2), Local Government Act 1972

4.5 All members shall be entitled to vote on the following applications: Trumpington Meadows; Cambridge Northern Fringe East; Cambridge East; Northwest Cambridge including NIAB; Glebe Farm; **City Deal infrastructure schemes**. Only the City and County members shall be entitled to vote on Clay Farm-Showground and Bell School.

5. Standing Orders

(e) Regulation 3 developments for all new facilities

5.1 The Committee shall be governed by the Standing Orders set out in Appendix 3.

6. Administration

6.1 The Council which is the local planning authority shall receive applications relating to the functions in the usual way and shall be responsible for all administrative stages leading to and flowing from the exercise of the functions.

6.2 Cambridge City Council's staff shall be responsible for all matters connected with the administration of the committee, including the preparation and dispatch of agendas and securing premises at which the committee may meet.

DRAFT

Functions delegated to the Committee

To exercise each of the Councils' powers and duties in relation to development control on Major Developments, ancillary developments **and City Deal infrastructure schemes**, including for the avoidance of doubt the power to approve authorise and direct the respective Councils to enter in to agreements regulating the development or use of land pursuant to S106 of the Town and Country Planning Act 1990 and related powers and to prepare for approval by each Council a scheme of delegation to Officers insofar as this has not been agreed prior to commencement of the Committee and thereafter to keep such scheme of delegation under review.

DRAFT

Agenda Item 8c



Report To: Planning Portfolio Holder
Lead Officer: Director of Planning & New Communities

17 November 2015

Northstowe Joint Development Control Committee

Purpose

1. To consider the future function of the Northstowe Joint Development Control Committee.
2. This is not a key decision because it does not have any significant financial or community impacts, but has been brought to the attention of the Portfolio Holder as it affects the Council's joint working and partnership arrangements.

Recommendation

3. That the Planning Portfolio Holder recommends to Full Council that the Northstowe Joint Development Control Committee be wound up and requests further consideration of committee arrangements for the new settlements when there is more clarity about the timing of the relevant strategic decisions.

Reasons for Recommendations

4. To recognise that the Northstowe Joint Development Control Committee has determined the strategic applications for Phases 1 and 2 and that the forthcoming applications for Northstowe do not require a dedicated committee.

Background

5. The Northstowe Joint Development Control Committee (NJDCC) was set up in 2007 to enable District and County Council members to come together to consider and decide upon planning applications for the new town. At that time, the authorities had a Director of Joint Planning.

Considerations

6. The NJDCC has provided a robust sounding board and decision-making body to enable approval of a Development Framework Document for the whole of Northstowe, and Outline Consents for Northstowe Phase 1 and 2, which include the town centre and secondary school. These decisions set the strategic direction and core requirements for the new town. It has been extremely useful in bringing the two authorities together to develop a shared vision for Northstowe and a single point of contact for developers and the public. Over the coming years there will be Reserved Matters Applications that will address detailed aspects of Northstowe Phase 1 and Phase 2, and in time, discussions will start for the development of Northstowe Phase 3 but these are not expected to commence until 2017. The next strategic matter to be considered will be the design code for Phase 2 which is expected to be submitted in July 2016, and presented to Committee in October 2016 at the earliest. The

submissions that are expected for Phase 1 before then are for items that on any other development would be dealt with by the District Council Planning Committee.

Options

7. As the Local Plan progresses and the intentions of the promoters for the new settlements at Waterbeach and Bourn becoming clearer, it will be sensible to review the approach to all the New Communities in South Cambridgeshire next year. In view of this, and also the weight of demands currently facing members and officers of both authorities, such as devolution, City Deal and shared services, it is considered appropriate for the NJDCC to be wound up and, for the time being, planning decisions at Northstowe will revert to the SCDC Planning Committee.

Implications

8. There are no significant implications arising from this report, other than for partnership working. The proposal to wind up the NJDCC is also being considered by the County Council.

Background Papers

None

Report Author: Jane Green, Head of New Communities
Telephone: (01954) 713164

Greater Cambridge City Deal Workstream update

Workstream	Update	Upcoming milestones
INFRASTRUCTURE PROGRAMME		
Create and deliver an infrastructure investment programme that draws together national and local funding streams to invest in infrastructure that will drive economic growth in the area.		
<p>A1307 corridor to include bus priority / A1307 additional Park & Ride Achieve faster and more reliable bus journey times between Haverhill, Cambridge and key areas in between, through bus priority at key congestion points on the A1307 and provision of an outer Park & Ride site on the corridor.</p>	<ul style="list-style-type: none"> • Initial options assessment study work has looked into all transport mode options in the corridor and identified those that are likely to be of most benefit – further work is needed to develop this into a full range of options for consideration. • It has also been identified that some of the options that may be most effective will not be deliverable within tranche 1, although could be delivered early in tranche 2. • It is proposed to bring a report to the Joint Assembly and Executive Board advising on this and seeking authority to proceed in a more limited range of options. 	<ul style="list-style-type: none"> • 17 December / 15 January: Joint Assembly / Executive Board to review the outcome of options development work and to consider proceeding with further work in a more limited range of options.
<p>A428-M11 segregated bus route / A428 corridor Park & Ride / Madingley Road bus priority Ensure that bus journeys between Cambourne and Cambridge are direct and unaffected by congestion by providing high quality bus priority measures between the A428/A1303 junction and Queen’s Road, Cambridge and one or more Park & Ride or rural interchange sites on the corridor.</p>	<ul style="list-style-type: none"> • Public consultation is ongoing on the initial options for the route. 	<ul style="list-style-type: none"> • 23 November 2015: Public consultation on initial options closes.
<p>Chisholm Trail cycle links A high quality strategic cycle route from Cambridge Station in the south of the city</p>	<ul style="list-style-type: none"> • Public consultation is ongoing on the preferred route proposal. 	<ul style="list-style-type: none"> • 30 November 2015: Public consultation on the preferred route proposal closes.

through to the new [Cambridge North] Station, providing connections between the Science and Business Parks in the north and the commercial hub around Cambridge Station and the Biomedical Campus.		
City centre capacity improvements Improve the reliability of, and capacity for public transport, cycling and walking movements in the city centre through a variety of potential measures to relieve congestion and manage the city's transport network.	<ul style="list-style-type: none"> • The Cambridge Access and Capacity Study is currently being undertaken. • Call for evidence is currently running, with hearings planned for November. 	<ul style="list-style-type: none"> • November 2015: Call for evidence hearings to take place. • 17 December / 15 January: Joint Assembly / Executive Board to receive feedback from call for evidence hearings and session with traffic generators, and consider next steps.
Cross-city cycle improvements Facilitate continued growth and an increased proportion of cycling trips in Cambridge, lifting cycling levels to around 40% by enhancing the connectivity, accessibility and safety of the cycling network.	<ul style="list-style-type: none"> • Public consultation on options for the programme of improvements is due to take place in January and February. 	<ul style="list-style-type: none"> • Early-January 2016: Public consultation opens. • Mid-February 2016: Public consultation closes.
Histon Road bus priority / Milton Road bus priority Ensure that bus journeys along Histon and Milton Roads are direct and unaffected by congestion through the provision of high quality on-line bus priority measures between the Histon and Milton Interchanges and Cambridge city centre.	<ul style="list-style-type: none"> • Papers on these two schemes have been considered by the Joint Assembly. 	<ul style="list-style-type: none"> • 3 November 2015: Executive Board to consider options and approve public consultation. • Mid-December 2015: Public consultation expected to open. • Late-January 2016: Public consultation expected to close.
Tranche 2 programme development Develop a prioritised programme of infrastructure investments, informed by an analysis of their anticipated economic impacts, to be delivered during the tranche 2 period (2020/21-2024/25).	<ul style="list-style-type: none"> • A timeline and approach for prioritising and developing the tranche 2 programme has been developed. • It had been envisaged that initial scheme choices would be made at this point. However, in the light of delays on the Local Plans, it is considered too early to recommend particular schemes at this stage. 	<ul style="list-style-type: none"> • Joint Assembly on 17 December to advise on and Executive Board to decide whether to agree the recommended approach on 15 January.

	<ul style="list-style-type: none"> The proposed timetable would still allow for tranche 2 schemes to start construction in 2020 if the funding is available and the Executive Board agrees the timing. 	
OTHER WORKSTREAMS		
Communications Communicate the vision and aims of the City Deal to a range of audiences	<ul style="list-style-type: none"> Recruitment is ongoing for the Strategic Communications Manager. There has been a delay in filling this post due to the previous recruitment exercise being unsuccessful. 	<ul style="list-style-type: none"> November 2015: Recruit Strategic Communications Manager. Refresh and further develop communications strategy once the post is filled.
Economic development and promotion Enhance the alignment of public and private sector partners in Greater Cambridge to enhance the attractiveness and promotion of the Greater Cambridge economy to high-value investors around the world, and align appropriate activities that support existing businesses to develop.	<ul style="list-style-type: none"> Cambridge Promotion Agency (CPA) director appointed. Sponsorship has been raised for the first two years of the CPA. A Steering Group has been established for the CPA. The 'Case for Cambridge' was launched on 9 October. 	<ul style="list-style-type: none"> 10 November 2015: City Deal Director meeting CPA Director to discuss CPA work plan and metrics. January 2016: Steering Group to meet to review progress on milestones due by year end.
Finance Manage and monitor the delivery of the infrastructure investment programme and relevant City Deal-related expenditure, and bring together appropriate local funding streams to complement and enhance the delivery of City Deal objectives.	<ul style="list-style-type: none"> Work is ongoing to define potential areas for the investment of outstanding pooled New Homes Bonus contribution, as per the Executive Board decision in October. The future of New Homes Bonus, and therefore the extent of future City Deal revenue funding, remains uncertain – this is likely to be addressed in the upcoming Autumn Statement. 	<ul style="list-style-type: none"> 25 November 2015: Autumn Statement.
Governance Create a governance arrangement for joint decision making between the local Councils that provides a coordinated approach to the overall strategic vision, including exploring the creation of a Combined Authority to allow the Councils to collaborate more	<ul style="list-style-type: none"> The Cities and Local Government Devolution Bill, which contains among others a provision to allow a County Council to join a Combined Authority for a part of its area, is currently going through Parliament. Discussions around a prospective devolution deal, which could have significant implications 	<ul style="list-style-type: none"> End December 2015: Cities and Local Government Devolution Bill is anticipated to receive Royal Assent.

closely to support economic development.	<p>for City Deal governance, are ongoing.</p> <ul style="list-style-type: none"> • In this context, different models of City Deal governance are being considered. 	
<p>Housing Explore the creation of a joint venture to drive quicker delivery of 2,000 of the affordable new homes envisaged in the draft Local Plans, potentially drawing in land holdings from the partners and external investment to deliver more affordable housing, and deliver 1,000 extra new homes on rural exception sites.</p>	<ul style="list-style-type: none"> • Work is ongoing to implement the Housing Development Agency. • Shadow Officer Board has been established. • Government announcements of rent caps and requirements to sell high-value Council housing to fund the Right To Buy for social housing tenants will have an impact on the HDA – this is still being worked through. 	<ul style="list-style-type: none"> • By end March 2016: Establish a Member Reference Group and produce a business plan for the HDA for 2016/17 that indicates the number of schemes that the HDA will delivery and its operational costs.
<p>Payment-by-results mechanism Implement a payment-by-results mechanism where Greater Cambridge is rewarded for prioritising and investing in projects that deliver the greatest economic impact over 15 years, commencing in 2015-16.</p>	<ul style="list-style-type: none"> • Officers are working with counterparts from Glasgow/Clyde Valley, Greater Manchester and West Yorkshire to undertake a combined procurement exercise for the economic assessment panel, which will serve all four city-regions' payment-by-results mechanisms up to 2020. 	<ul style="list-style-type: none"> • December 2015: Anticipated launch of tendering period. • January 2016: Anticipated closure of tendering period.
<p>Skills Create a locally responsive skills system that maximises the impact of public investment, forges stronger links between employers and skills providers, and drives growth across Greater Cambridge, including delivering 420 additional apprenticeships in growth sectors over five years.</p>	<ul style="list-style-type: none"> • 'Form the Future' have been commissioned to deliver the Skills Service. 	<ul style="list-style-type: none"> •
<p>Smart/digital Explore, in partnership with academic and business expertise, technological opportunities to complement the aims of the infrastructure investment programme and improve the functioning of the Greater Cambridge economy, finding smart</p>	<ul style="list-style-type: none"> • #hackCambridge on 31 October 2015 looks to engage residents and businesses in looking at how technology can help address city challenges. • A14 workshop held and agreed to hold a series of more focussed workshops to look at different elements – these are due to take 	<ul style="list-style-type: none"> • By end January 2016: Anticipated completion of work to develop the data and communications plan to inform the request for City Deal funding.

<p>solutions to a series of issues constraining the economic growth potential of the area and positioning the area as a Smart Cities leader.</p>	<p>place in December 2015.</p>	
<p>Strategic planning Underpin and accelerate the delivery of the Cambridge City and South Cambridgeshire Local Plans, including undertaking an early review of the Local Plans beginning in 2019 to take into account the anticipated changed infrastructure landscape, and work towards developing a combined Local Plan that includes other relevant economic levers.</p>	<ul style="list-style-type: none"> • Local Plans' Examinations have been suspended until March 2016. • Further work ongoing to address the Inspectors' comments. • Delays in the Local Plans' Examinations, and the need to undertake further work, has delayed the adoption and implementation of the Local Plans. This will not necessarily impact upon the undertaking to start to review the Local Plans in 2019. 	<ul style="list-style-type: none"> • 30 November: South Cambridgeshire District Council and Cambridge City Councils to decide on proposed Local Plan modifications. • December 2015-January 2016: Anticipated public consultation on proposed modifications as a result of the further work being undertaken. • March 2016: Councils to submit the further work and proposed modifications to the Inspectors and examination resumes.

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