



**South
Cambridgeshire
District Council**

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**COUNCIL MEETING
THURSDAY, 28 NOVEMBER 2019**

AGENDA AND REPORTS

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

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, 28 NOVEMBER 2019

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

DATED this 20th day of November 2019

Liz Watts
Chief Executive

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

AGENDA

1. **APOLOGIES**
To receive apologies for absence from Members.
 2. **DECLARATIONS OF INTEREST**
 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 meeting held on 26 September 2019 as a correct record.
(Pages 1 - 18)
 5. **ANNOUNCEMENTS**
To receive any announcements from the Chairman, Leader, the Executive or the Head of Paid Service.
 6. **QUESTIONS FROM THE PUBLIC**
- 6 (a) From Sue Bell**
I am a private individual with concerns about residential garden development.

When the new Local Plan was adopted by the Council in September last year, it was my understanding that planning applications in the local area would now be judged
Democratic Services Contact Officer: Democratic Services 03450 450 500 democratic.services@scambs.gov.uk

against the process contained in the newly adopted Plan:

Policy H/16 (NH/2:) – Development will only be permitted where it respects and retains or enhances the local character and distinctiveness of the local landscape and of the individual National Character Area in which it is located. H/16 also states – Residential gardens will only be used for the development of new buildings where there would be no significant harm to the local area, taking into consideration the character of the area, residential amenity, vehicular safety etc.

This standard of “no significant harm” is not applied by any other policy and yet the Council routinely ignores policy H/16 when making decisions on the development of residential gardens.

Does the Portfolio Holder for Planning agree that when making these decisions, the Council should take into account all relevant policies of the Local Plan, or is it acceptable for the Council to continue to ignore policy H/16 when it comes to the development of residential gardens?

6 (b) From Colin Wilson

The percentage of formal complaints resolved within the allotted timescale has been identified by the council as one of its key performance indicators. The council's most recent performance report, dated 14 November, shows that this key indicator has been consistently and significantly below the accepted target since June 2018, and no data at all have been reported for this indicator since June 2019.

Will the Deputy Leader (Cllr Gough) please explain why there has been no improvement in this indicator since June 2018, why no recent data have been reported for this indicator, and what steps the cabinet will take to see that the reasons for the poor performance in this area are addressed?

6 (c) From David Brown

I worked for the Harlow District Borough Council for 23 years, and we were always told that if we witnessed any theft, fraud or corruption, we should report it to the relevant manager and the proper legal authorities and that we could do so without fear of reprisal. I was shocked to recently read in the South Cambridgeshire District Council Anti-Theft, Anti-Fraud and Anti-Corruption Policy (in paragraph 5.3) that employees who witness theft, fraud or corruption are prohibited from reporting these crimes directly to the police.

Does the Leader of the Council support the current policy or will she commit to changing the policy so that employees who have concerns about theft, fraud or corruption will be able to contact the police freely without fear of reprisals?

6 (d) From Daniel Fulton

This question is asked on behalf of the Fews Lane Consortium, a community action group based in Longstanton working to promote the principles of sustainable development and to advocate for accountability in local government.

Over the past year, the Consortium has been working with communities across the district that have been adversely affected by plainly unfair planning decisions taken by this council without regard for its own policies and without regard for basic standards of procedural fairness.

Time and time again, when responding to complaints from local residents, officers seem to have been instructed to concede nothing and to deny culpability at all costs and in all circumstances, even when the facts clearly and unambiguously point to mistakes having been made on the part of the council. It is as though officers feel that it is more important for them to protect the council from reputational damage than to actually address real instances of injustice resulting directly from unfair decisions made by this council.

In the council's recently adopted business plan, the council has pledged to be 'a modern and caring council' that puts its 'customers at the centre of everything we do'. What programmes or policies will the Leader of the Council commit to putting into place to see that these values and organisational objectives are reflected in the way in which officers carry out their day-to-day duties on behalf of the council?

7. PETITIONS

An electronic petition, with 164 e-signatures, has been received in the following terms:

"Taxi drivers reject company door sign mandatory by South Cambridgeshire District Council."

A copy of the letter received with the petition and a link to the online petition is attached.

As this item relates to the recommendations of the Licensing Committee, following its meeting held on 11 November 2019, in relation to the Hackney Carriage and Private Hire Licensing Policy and Conditions, at item 8(f) on this agenda, it is anticipated that the Chairman will deal with the petition at that point on the agenda.

(Pages 19 - 20)

8. TO CONSIDER THE FOLLOWING RECOMMENDATIONS:

8 (a) Investment Strategy (Cabinet - 2 October 2019)

Cabinet

RECOMMENDED THAT COUNCIL

Approve:

- (a) The updated Investment Strategy attached at Appendix A to the report of the Interim Director of Finance which includes (i) a range of investment indicators to comply with the Statutory Guidance on Local Government Investments and (ii) the governance arrangements that enable the Council to seek approval for priority investments in a timely manner in response to market conditions.
- (b) The consequent changes to the Scheme of Delegation to enable the Head of Commercial Development and Investment to progress investment opportunities, including due diligence checks, and to authorise the S151 Officer to submit non-binding offers in line with market practice.

(Pages 21 - 62)

- 8 (b) General Fund Revenue and Capital Provisional Outturn 2018/19 (Cabinet - 2 October 2019)**
Cabinet

RECOMMENDED THAT COUNCIL

Approve:

- (a) The re-designation of the established Business Efficiency Reserve as the Transformation Reserve and that the sum of £3 million be appropriated from the unallocated General Fund Reserve to the Transformation Reserve to enable the service transformation and organisational change programme to be resourced, noting that the General Fund unallocated reserve would then be £14.446 million;
- (b) The General Fund Revenue Budget Carry Forwards in the sum of £1.227 million as outlined in Appendix A to the report of the Head of Finance;
- (c) The General Fund Capital Budget carry forwards of £6.464 million due mainly to the slippage of capital projects as outlined in the report.

(Pages 63 - 76)

- 8 (c) Housing Revenue Account (HRA) Revenue and Capital Provisional Outturn 2018/19 (Cabinet - 2 October 2019)**
Cabinet

RECOMMENDED THAT COUNCIL

Approve:

- (a) The Housing Revenue Account Revenue Budget Carry Forwards from 2018/2019 to 2019/2020 in the sum of £0.739 million, identified at Appendix A to the report of the Head of Finance;
- (b) The Housing Revenue Account Capital Budget Carry Forwards from 2018/2019 to 2019/2020 of £1.124 million, identified at Appendix B.

(Pages 77 - 86)

- 8 (d) Review of Polling Districts and Polling Places (Civic Affairs Committee - 29 October 2019)**
The Civic Affairs Committee

RECOMMENDED THAT COUNCIL

Agree that the current schedule of polling districts and polling places be retained with no changes.

(Pages 87 - 96)

- 8 (e) General Fund Capital Programme Update and New Bids (Cabinet - 6 November 2019)**

Cabinet

RECOMMENDED THAT COUNCIL

Approve:

- (a) The allocation of additional funding of £545,000 from the Renewables Reserve to complete the footpath lighting upgrades given the environmental benefits, acknowledging that a full report would be submitted to Cabinet for approval that outlines the programme of work, timescales, costs and payback period;
- (b) The allocation of funding of £1,300,000 from the Renewables Reserve for a range of energy efficiency and green energy measures at South Cambridgeshire Hall, acknowledging that a full report would be submitted to Cabinet for approval that outlines the range of modifications and enhancements proposed, costs and payback period;
- (c) The revised General Fund capital programme for the period 2019/2020 to 2024/2025, reproduced at Appendix C of the report of the Head of Finance, to reflect the new scheme bids, amendments to the programme and the reprofiling of expenditure identified in the report.

(Pages 97 - 114)

- 8 (f) Hackney Carriage and Private Hire Licensing Policy and Conditions (Licensing Committee - 11 November 2019)**
The Licensing Committee

RECOMMENDED THAT COUNCIL

Approve and adopt the revised Hackney Carriage and Private Hire Licensing Policy at Appendix A to the report of the Director of Housing, Health and Environmental Services with effect from 1 January 2020.

(Note: The Climate and Environment Advisory Committee made comments at its meeting on 19 November, which have been included in the attached report.)

(Pages 115 - 214)

- 9. CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**
To receive the reports summarising the work of the Cambridgeshire and Peterborough Combined Authority in July and September 2019.

(Pages 215 - 260)

- 10. APPOINTMENT TO THE INDEPENDENT REMUNERATION PANEL (IRP)**
To appoint an interim member of the Independent Remuneration Panel and to authorise the Interim Director of Corporate Services and Chairman of the Independent Remuneration Panel to recruit a permanent replacement member.

(Pages 261 - 262)

- 11. MEMBERSHIP OF COMMITTEES AND OUTSIDE BODIES**
To note and endorse any changes in the membership of Committees which have

been made in accordance with the wishes of the Leader of the political group to which the seat concerned has been allocated.

To agree any changes required in the membership of outside bodies.

12. QUESTIONS FROM COUNCILLORS

A period of 30 minutes will be allowed for this item to include those questions where notice has been provided (as set out on the agenda below) and questions which may be asked without notice.

Members wishing to ask a question without notice should indicate this intention to the Democratic Services Team Leader prior to commencement of the item. Members' names will be drawn at random by the Chairman until there are no further questions or until the expiration of the time period.

12 (a) From Councillor Peter Topping

To ask the lead member for planning if the briefing that was arranged on the Five Year Land Supply at 0930 on the morning of the most recent Planning Committee meeting was a co-incidence or not?

12 (b) From Councillor Heather Williams

Has the employment of an additional partnership officer (RECAP) to coordinate fly-tipping intelligence (as set out in the Business Plan) led to any prosecutions?

13. NOTICES OF MOTION

A period of 30 minutes will be allowed for each Motion to be moved, seconded and debated, including dealing with any amendments. At the expiry of the 30 minute period, debate shall cease immediately, the mover of the original Motion, or if the original Motion has been amended, the mover of that amendment now forming part of the substantive motion, will have the right of reply before it is put to the vote.

13 (a) Standing in the name of Councillor Pippa Heylings

This Council was one of the first District Councils to pledge a Zero Carbon target back in November 2018, before national government announced its Zero Carbon by 2050 legislation. The unanimous motion focused on delivering Zero Carbon by 2050 across the Greater Cambridge area through the next Local Plan and, indeed, the climate emergency is now a key issue for the new Local Development Plan, which is currently being drafted. Since last November, the Council has ensured that Zero Carbon is central to its corporate Business Plan, budget and new green investment strategy - in order to ensure the resources and officer time necessary to become the greenest Council. It has installed solar panels at the Waterbeach Waste Depot, drafted new Supplementary Planning guidance to support existing policy, and set up the new Zero Carbon Communities grant scheme. More still needs to be done. The Council is collating and commissioning evidence to determine how and when carbon reduction targets in each sector will be reached.

The Council, therefore, pledges to:

1. Declare a Climate Emergency.
2. Report to Full Council within 6 months on the carbon reduction targets and

- projects for the Council's own buildings and operations.
3. Ensure that all strategic decisions, budgets and approaches to planning decisions by the Council are in line with a shift to zero carbon.
 4. Ensure that the new Greater Cambridge Local Plan fulfills its role in bringing forward net zero carbon development, particularly in new housing and infrastructure, as well as ensuring that new development can adapt to our changing climate
 5. Work with partners across the district to deliver this target through investment, skills, strategies and planning; and
 6. In order to enable South Cambridgeshire and the rest of the UK to reach net zero carbon before 2050, call on government, industry and regulators to implement the necessary changes with funding, transformed national infrastructure, policy, new technologies and legislation.

13 (b) Standing in the name of Councillor Mark Howell

South Cambridgeshire District Council believes all sectors of the community should be able to access its services. This Council asks the Disability Task and Finish Group to examine the British Deaf Association Charter which is designed as a vehicle to remove direct and indirect discrimination, empower local deaf communities and improve dialogue between South Cambridgeshire District Council and Deaf people.

13 (c) Standing in the name of Councillor Peter Topping

This Council agrees that all budget holding “lead cabinet members” should hold at least 3 public meetings per calendar year.

14. CHAIRMAN'S ENGAGEMENTS

To note the Chairman's engagements since the last Council meeting.

<u>Date</u>	<u>Venue/Event</u>	<u>Attending</u>
<u>September</u>		
Thu 26	Quiz and Pizza Supper evening for staff. SCDC	Chairman/Vice-Chairman
Sat 28/Sun 29	Grand opening of the Cambridge Ice Arena and Gattiker Ice Rink	Chairman/Vice-Chairman
<u>October</u>		
Fri 11	Phoenix Trust – Official opening of the new kitchen – Milton, Cambridgeshire	Chairman/Vice-Chairman
Wed 30	Black History Month. SCDC	Vice-Chairman

November

Sat 16	Mayor of Cambridge's Reception	Chairman
Sun 17	High Sheriff's Service of Remembrance for the Road Victims' Trust	Vice-Chairman

15. EXCLUSION OF PRESS AND PUBLIC

The press and public are likely to be excluded from the meeting during consideration of the following item 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 (as amended) of the Act).

Paragraph 3 refers to information relating to the financial or business affairs of any particular person (including the authority holding that information).

16. Potential Property Acquisition - Cambridge Science Park (Cabinet - 6 November 2019)

(Pages 263 - 280)

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@scamps.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.

Other Facilities

Facilities are available for nursing mothers. Please ask a member of staff for more information.

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, 26 September 2019 at 2.00 p.m.

PRESENT:	Councillor Dr. Douglas de Lacey – Chairman Councillor Anna Bradnam – Vice-Chairman
Councillors:	Henry Batchelor, John Batchelor, Ruth Betson, Dr. Shrobona Bhattacharya, Tom Bygott, Dr. Martin Cahn, Nigel Cathcart, Gavin Clayton, Graham Cone, Dr. Claire Daunton, Clare Delderfield, Sue Ellington, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Mark Howell, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Deborah Roberts, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Peter Topping, Dr. Aidan Van de Weyer, Bunty Waters, Heather Williams, John Williams, Eileen Wilson and Nick Wright
Officers:	Patrick Adams Senior Democratic Services Officer Susan Gardner Craig Interim Director of Corporate Services Kathrin John Democratic Services Team Leader Stephen Kelly Joint Director of Planning and Economic Development Peter Maddock Head of Finance Rory McKenna Deputy Head of Legal Practice Liz Watts Chief Executive

1. APOLOGIES

Apologies for absence were received from Councillors Philip Allen, Grenville Chamberlain, Sarah Cheung Johnson, Geoff Harvey, Alex Malyon, Tony Mason and Nick Sample.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. REGISTER OF INTERESTS

Members were reminded that they needed to update their Register of Interests whenever their circumstances changed.

4. MINUTES

The minutes of the meeting held on 18 July 2019 were agreed as a correct record, subject to the following amendments:

- a) Councillors Philip Allen and Dr. Martin Cahn were added to the list of apologies.
- b) In Minute 11, Councillor Peter Topping was replacing Councillor Cone as a substitute on the Scrutiny and Overview Committee.
- c) In Minute 13(a), 13(b), 13(c), 13 (e) and 13 (g), the proposal from the Chairman to refer the motion to Cabinet be put in bold text.

Members expressed concern that their opposition to referring certain motions discussed under Minute 13 to Cabinet could be misconstrued as opposition to the actual motions. After a brief discussion Council by affirmation agreed to amend the minutes, as described in paragraph (c) above.

The Chairman expressed the hope that as these meetings were now being livestreamed, the minutes would be more concise in future.

5. ANNOUNCEMENTS

Both the Chairman and the Leader were pleased to welcome Liz Watts, the Authority's new Chief Executive, to her first meeting of Council. The Chairman and Leader also thanked Mike Hill for all his work as Interim Chief Executive and, on behalf of the Council, the Chairman presented Mike with a letter of thanks for the work he had done.

The Chief Executive thanked councillors and colleagues for such a warm welcome in her first week and praised Mike Hill and all other staff for the extra work they had undertaken during the interregnum.

The Chairman invited Members to contact the Communications team with information about any events in their wards that could provide an opportunity to promote public engagement with the Local Plan.

6. QUESTIONS FROM THE PUBLIC

No questions from the public had been received in time to be considered at this meeting.

7. PETITIONS

No petitions had been received in time for consideration at this Council meeting.

8. CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

The Leader had attended the meeting of the Cambridgeshire and Peterborough Combined Authority Board on 31 July 2019. She explained that whilst the outline business case for the Cambridge Autonomous Metro (CAM) had planned for an estimated £2 million to be sought from the private sector, it had now been decided that the estimated £3m cost would be entirely publicly funded. The Leader was pleased to report that the Board had endorsed the Vision for Nature.

With reference to the meeting held on 25 September 2019, the Leader reported that:

- She had expressed concerns regarding the errors and the lack of clarity in the Board's constitution, which had been approved, although she hoped that suitable corrections would be made.
- The Board would be reviewing the way in which it reported on performance monitoring.
- A bid to the £100m Affordable Housing Programme for a scheme to provide 5 houses at Whaddon Road, Meldreth had been approved in principle but referred back to the Housing Committee for further consideration.
- Plans for a rail station at Alconbury had been rejected as too expensive, which had led to concerns regarding how members of the public would be able to visit the County Council's offices. The Leader of the County Council had referred to the responsibility of the Greater Cambridge Partnership (GCP) to deliver sustainable transport options between Cambridge and Alconbury. In response to questioning the Leader acknowledged that the GCP was set up to benefit the South Cambridgeshire and City administrative areas and not to fund projects outside it. However, on a point of information, Councillor Brian Milnes explained that the GCP had pledged to support the rail station as part of the development of

the Alconbury Enterprise Zone.

- The Board had discussed the European Union Exit Capability Programme and the papers had been circulated to the members of the Brexit Advisory Group in time for their meeting on Monday, at her request.

The Leader was pleased to announce that Homes England had opened a new office in Northstowe and the Council had been represented at the official opening ceremony.

Councillor Hazel Smith expressed concern that the answers to the questions raised by the Cambridgeshire and Peterborough Overview and Scrutiny Committee on 29 July 2019 had not been provided. The Leader stated that she expected them to be included in the minutes of the Board.

Council **NOTED** the reports.

9. REPORT OF THE INDEPENDENT REMUNERATION PANEL (IRP)

Councillor Dr. Ian Sollom proposed and Councillor John Batchelor seconded the following motion:

1. That the Independent Remuneration Panel be thanked for their work in producing the report at Appendix A.
2. That the Council agrees the recommendations of the Independent Remuneration Panel for revisions to the Scheme of Members' Allowances for 2019/20, as set out in Appendix A to the report, subject to:
 - (i) The proposed Special Responsibility Allowance for the Deputy Leaders referred to on page 58 of the report being amended to read as follows:

Deputy Leader (Statutory)	£8,290
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The Special Responsibility Allowance for all other Cabinet members (except the Leader) to be set at £7,650.
 - (ii) Requesting the Independent Remuneration Panel:
 - (a) To undertake a further urgent review in respect of the Special Responsibility Allowances awarded to the Chairman and Vice-Chairman of the Scrutiny and Overview Committee in order better to reflect the time commitment and responsibilities associated with those roles (the SRAs recommended by the Independent Remuneration Panel in Appendix A to be applied to those roles until such time as further recommendations are received from the Panel); and
 - (b) To review whether Special Responsibility Allowances should also be payable to this Council's representatives on the Cambridge Fringes Joint Development Control Committee.

3. That, as recommended by the Independent Remuneration Panel:

- (i) The Council approves the implementation of:
 - (a) The increase in the Basic Allowance retrospectively with effect from 1 April 2019; and
 - (b) The amendments to Special Responsibility Allowances and all other

- changes proposed in the report of the Independent Remuneration Panel with effect from 26 September 2019.
- (ii) The Basic Allowance be increased annually in line with the annual staff pay award to the end of the 2021/22 financial year.
 - (iii) The Special Responsibility Allowances be increased annually in line with increases made to the Basic Allowance to the end of the 2021/22 financial year.
 - (iv) The number of Special Responsibility Allowances that any councillor may receive normally be limited to two and that paragraph 4(2) of the Scheme of Members' Allowances be amended to read "No councillor may normally receive more than two Special Responsibility Allowances."
 - (v) That the section on "Public and Other Transport" in Schedule 1 to the Scheme of Members' Allowances be amended as set out in paragraph 3 of the Independent Remuneration Panel's report.
4. That the Interim Director of Corporate Services be authorised to implement and advertise the new scheme and make any consequential amendments to the Scheme of Members' Allowances in Part 6 of the Constitution.
 5. That no further action be taken at this time with regard to review of the possible award of Special Responsibility Allowances in respect of any Executive Committees to be established by the Cambridgeshire and Peterborough Combined Authority, and that further information be awaited about the proposed arrangements for such committees.

In response to a question, the Deputy Head of Legal provided procedural guidance as to the status of the above motion.

Councillor Ian Sollom commended the work of the Independent Remuneration Panel, who had responded to the request made by the Council last year to provide further evidence for any changes. The motion agreed the Panel's proposals, on the condition that the Deputy Leader's Special Responsibility Allowance only be paid to the Statutory Deputy Leader. The motion also requested that the Panel reconsider two issues:

- The Special Responsibility Allowances paid to the Chairman and Vice-Chairman of the Scrutiny and Overview Committee, to take into account the workload increase caused by change to a pre-scrutiny arrangement.
- Whether an allowance should be paid to members of the Cambridge Fringes Joint Development Control Committee, as Planning Committee members were to receive an allowance.

Councillor Deborah Roberts expressed her opposition to the motion by stating that the increases could not be justified at a time when planning officers were leaving for better paid jobs in the private sector. She was concerned about the impact these increases would have on the reputation of the Council.

Councillor Peter Topping expressed his surprise at the motion, which appeared to run contrary to the views stated by members a year ago. He opposed the amendments to the Panel's recommendations, as "cherry picking" and asked that the independence of the Panel be respected.

Councillor Mark Howell stated that the Council had recently made staff redundant due to the need to control costs and so it would be wrong for councillors to award themselves the proposed increase in their allowances.

Councillor Brian Milnes expressed his support for the motion and the proposed 2%

increase in the basic allowance, in line with the cost of living increase to staff.

Councillor Heather Williams opposed the paying of up to two Special Responsibility Allowances to individual councillors. Councillor Sue Ellington agreed with Councillor Williams and explained that only one Special Responsibility Allowance had ever been paid in the past.

Councillor Nick Wright commented that since 2007 councillors' basic allowance had been increased in line with the cost of living increase awarded to staff. He reminded Council of the negative reaction to Cambridgeshire County Council's decision to increase their allowances.

Councillor Graham Cone believed that any increases should continue to be in line with the annual cost of living increase awarded to staff.

Councillor Gavin Clayton argued that the position of councillor should be open to all in society and a low allowance made it likely that only the wealthy would become councillors. He supported a means tested allowance, where only those on a low income received remuneration. He explained that many of those in the voluntary sector received no payments for the work that they do. He recognised how much work the Chairman and Vice-Chairman of the Scrutiny and Overview Committee carried out, but overall could not support the proposals.

Councillor John Batchelor explained that in 2018 the Council had reduced in size from 57 to 45 councillors. The Independent Remuneration Panel's recommendations proposed modest increases, which did not appear to take account of the extra workload caused by the reduction in the number of councillors and would realise ongoing annual savings in the region of £60,000. The Independent Remuneration Panel had reviewed the hours worked by councillors who received a Special Responsibility Allowance in coming to their recommendations. He felt that it was difficult for councillors to make decisions upon their own remuneration and argued that this should be done at a national level.

Upon being put to the vote, votes were cast as follows:

In favour (22):

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Martin Cahn, Dr. Claire Daunton, Clare Delderfield, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Against (11)

Councillors Ruth Betson, Dr. Shrobona Bhattacharya, Gavin Clayton, Graham Cone, Sue Ellington, Mark Howell, Deborah Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Abstain (4)

Councillors Nigel Cathcart, Dr. Douglas de Lacey, Philippa Hart and Dr. Tumi Hawkins.

Council

RESOLVED:

1. That the Independent Remuneration Panel be thanked for their work in producing the report at Appendix A.
2. That the Council agrees the recommendations of the Independent Remuneration Panel for revisions to the Scheme of Members' Allowances for 2019/20, as set out in Appendix A to the report, subject to:

- (i) The proposed Special Responsibility Allowance for the Deputy Leaders referred to on page 58 of the report being amended to read as follows:

Deputy Leader (Statutory)	£8,290
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The Special Responsibility Allowance for all other Cabinet members (except the Leader) to be set at £7,650.

- (ii) Requesting the Independent Remuneration Panel:

- (a) To undertake a further urgent review in respect of the Special Responsibility Allowances awarded to the Chairman and Vice-Chairman of the Scrutiny and Overview Committee in order better to reflect the time commitment and responsibilities associated with those roles (the SRAs recommended by the Independent Remuneration Panel in Appendix A to be applied to those roles until such time as further recommendations are received from the Panel); and
 - (b) To review whether Special Responsibility Allowances should also be payable to this Council's representatives on the Cambridge Fringes Joint Development Control Committee.

3. That, as recommended by the Independent Remuneration Panel:

- (i) The Council approves the implementation of:
 - (a) The increase in the Basic Allowance retrospectively with effect from 1 April 2019; and
 - (b) The amendments to Special Responsibility Allowances and all other changes proposed in the report of the Independent Remuneration Panel with effect from 26 September 2019.
 - (ii) The Basic Allowance be increased annually in line with the annual staff pay award to the end of the 2021/22 financial year.
 - (iii) The Special Responsibility Allowances be increased annually in line with increases made to the Basic Allowance to the end of the 2021/22 financial year.
 - (iv) The number of Special Responsibility Allowances that any councillor may receive normally be limited to two and that paragraph 4(2) of the Scheme of Members' Allowances be amended to read "No councillor may normally receive more than two Special Responsibility Allowances".
 - (v) That the section on "Public and Other Transport" in Schedule 1 to the Scheme of Members' Allowances be amended as set out in paragraph 3 of the Independent Remuneration Panel's report.

4. That the Interim Director of Corporate Services be authorised to implement and advertise the new scheme and make any consequential amendments to the Scheme of Members' Allowances in Part 6 of the Constitution.
5. That no further action be taken at this time with regard to review of the possible

award of Special Responsibility Allowances in respect of any Executive Committees to be established by the Cambridgeshire and Peterborough Combined Authority, and that further information be awaited about the proposed arrangements for such committees.

10. MEMBERSHIP OF COMMITTEES AND OUTSIDE BODIES

The Council noted changes in membership made in accordance with the wishes of Group Leaders in respect of places allocated to their Groups on Committees.

Council by affirmation:

RESOLVED to:

- (1) Note and endorse the following changes in Committee membership and substitute appointments:
 - (a) Scrutiny and Overview Committee:
 - (i) Councillor Gavin Clayton replaced by Councillor Nigel Cathcart as a member of the committee*; and
 - (b) Cambridge Fringes Joint Development Control Committee:
 - (i) Councillor Sarah Cheung Johnson replaced by Councillor Dr. Claire Daunton as a substitute for this Committee.
 - (c) Audit and Corporate Governance Committee:
 - (i) Councillor Mark Howell replaced by Councillor Peter Topping as a member of the Committee.
 - (d) Planning Committee:
 - (i) Councillor Bill Handley replaced by Councillor Anna Bradnam as a member of the Committee; and
 - (ii) Councillor Anna Bradnam replaced by Dr. Claire Daunton as a substitute member of the Committee.
 - (e) Licensing Committee:
 - (i) Councillor Bill Handley replaced by Councillor Alex Malyon as a member of the Committee; and
 - (ii) Councillor Alex Malyon replaced by Councillor Bill Handley as a substitute member of the Committee.
- (2) Note that three Committees had been set up by the Cambridgeshire and Peterborough Combined Authority and the Leader had appointed the following members:
 - (a) Skills Committee – Councillor Eileen Wilson, with Councillor Neil Gough as substitute; and
 - (b) Transport and Infrastructure Committee – Councillor Dr. Aidan Van de Weyer, with Councillor Neil Gough as substitute; and
 - (c) Housing and Communities Committee – Councillor Bridget Smith, with Councillor Hazel Smith as substitute.

(*Note: Councillor Gavin Clayton has additionally replaced Councillor Nigel Cathcart as a substitute on Scrutiny and Overview Committee.)

11. QUESTIONS FROM COUNCILLORS

11 (a) From Councillor Sue Ellington

The community of Northstowe continues to grow and develop. But the development of the ecumenical church and venues for 'all faiths' seems to have become rather

fragmented.

Services are currently held in the school, which is fine if it is a Sunday gathering but not good enough if it is a funeral or other gathering required midweek. Can the Lead Member for Planning explain how the S106 contributions of land allocations will be developed into buildings that can meet the specific needs of different faiths?

Councillor Dr. Tumi Hawkins, Lead Cabinet Member for Planning, explained that there was no specific requirement in the Section 106 agreement to secure a venue for different faiths. She recognised that the land currently allocated was only 0.25 hectares, which was too small to accommodate all faiths. She assured Council that officers were working with different faith groups, were developing a faith strategy and looking at the provision of community spaces in different phases. She pledged to keep councillors informed of any developments.

As a supplementary question, Councillor Ellington quoted from a letter from the Northstowe Minister, Reverend Dr. Beth Cope, detailing the need for different venues for people of different faiths. Councillor Ellington offered to circulate the letter to councillors and asked Councillor Dr. Hawkins if people of Councillor Shrobona Bhattacharya's faith would be welcome to worship in Northstowe.

Councillor Dr. Hawkins reported that the Council would work with all groups to identify a way forward and invited Councillor Bhattacharya to participate in these discussions.

11 (b) From Councillor Heather Williams

To ask the Lead Member for Planning what specific arrangements are in place regarding the supervision and collection of planning application validation fees, and is she confident that the correct amount is being recovered?

Councillor Dr. Tumi Hawkins, the Lead Cabinet Member for Planning, explained that she had assumed that the question related to application fees not validation fees. She further explained that 80% of applications were made online, which required a checklist to be completed. All other applications were checked by the Technical Support Team. A technical workshop had recently taken place to focus on the wider validation process. She was happy to investigate any reports of the wrong charges being paid.

Councillor Heather Williams was concerned that Terraquest contracted staff were validating the fees and asked, as a supplementary question, whether they would be supervised by Council staff to ensure that correct charges were applied. Councillor Hawkins explained that Terraquest employees were supervised and invited Councillor Williams to discuss any specific concerns regarding this issue outside the meeting.

11 (c) From Councillor Mark Howell

Is the Lead Member of Planning satisfied with the letter that has been sent by the Council to long serving members of the planning department putting them on temporary contracts, and the letter that has been sent to all planning officers regarding the new mileage arrangements for the Greater Cambridge Planning Service?

Councillor Dr. Tumi Hawkins stated that she was satisfied that the correct process was being followed.

As a supplementary question, Councillor Mark Howell stated that a long standing member of staff had received one of these letters and felt that the wording was

insensitive and that staff felt unappreciated.

Councillor Dr. Hawkins emphasised that staff were appreciated. She recognised that a new planning system was being introduced but indicated that the matters raised were of an operational nature and she invited Councillor Howell to discuss this specific situation outside the meeting.

11 (d) From Councillor Bunty Waters

Under the new arrangements for the Greater Cambridge Planning Service, can the Lead Member for Planning tell me how many dedicated planning appeals officers the Council will have going forward?

Councillor Dr. Tumi Hawkins, Lead Cabinet for Planning, explained that the Council had only one dedicated appeals officer in the building and this had led to capacity issues. She indicated that by joining together the two services the Council would have two appeals officers in the future thereby increasing resilience.

As a supplementary question, Councillor Waters asked if the Council had the resources to contest planning appeals. Councillor Dr. Hawkins explained that the Council had not had a dedicated planning officer for some time. The current arrangement worked well and the Council had the resources in place to win appeals.

11 (e) From Councillor Nick Wright

Given the concerns about alleged breaches of planning conditions at Northstowe by contractors and given the reductions in the numbers of the planning enforcement team employed by the Council, is the Lead Member for Planning confident that planning conditions will continue to be robustly enforced by this Council?

Councillor Dr. Tumi Hawkins, Lead Cabinet Member for Planning, queried the words "reductions in numbers" in the question. She explained that the enforcement team currently had six officers with one vacancy. She further referred to a meeting which had been held with developers, and a range of Council officers with regard to enforcement in Northstowe on 28 August. Councillor Dr. Hawkins explained that the Council continued to give priority to progressing enforcement issues at Northstowe.

As a supplementary question, Councillor Wright asked if one hire car provided enough capacity for the Council's planning officers.

Councillor Dr. Hawkins explained that there had been no reduction in mileage rates and the arrangements being introduced were the same as those agreed for the Shared Waste Service, which had been approved by the unions. Further guidance would be issued to officers within the week. Councillor Dr. Hawkins concluded that operational issues were the responsibility of officers and the invitation to Councillor Wright to attend monthly meetings remained open.

11 (f) From Councillor Dr. Shrobona Bhattacharya

To ask the Lead Member for Planning services what contact will councillors and the residents of South Cambridgeshire have with the external supplier of planning services engaged by the Council, and how will we and our residents be able to contact this company?

Councillor Dr. Tumi Hawkins, Lead Cabinet Member for Planning, explained that

councillors and residents should continue to contact the relevant case officer with their concerns.

As a supplementary question, Councillor Dr. Bhattacharya, asked how much contracting out the service was costing the Council. Councillor Dr. Hawkins replied that she did not have the figure, but would provide this to Councillor Dr. Bhattacharya outside the meeting.

11 (g) From Councillor Peter Topping

To ask the Leader of the Council is she confident that the Greater Cambridge Partnership will deliver on its target of 1,000 additional affordable homes?

Councillor Dr. Aidan Van de Weyer explained that 772 affordable homes on eligible sites were anticipated to be delivered between 2021 and 2031 towards the target of 1,000 by 2031. This meant that it was expected that the Council would be able to deliver 77% of the target on the basis of currently known sites. It was anticipated that this figure would rise as a result of developments consistent with the housing strategy objectives and the normal passage of planning applications on “rural exception sites.”

As a supplementary question Councillor Peter Topping explained that the Leader had written to the Greater Cambridge Partnership in 2016 to express concern that the targets would not be achieved. He asked if this concern had dissipated. Councillor Dr. Van de Weyer replied that the Council was working with the Greater Cambridge Partnership to deliver on its targets for affordable housing, but acknowledged that nothing could be guaranteed.

12. NOTICES OF MOTION

12 (a) Motion from Councillor Heather Williams

Councillor Heather Williams moved and Councillor Nigel Cathcart seconded the following motion, as set out in the agenda:-

“South Cambs is a growth area, with 70,000 homes to be delivered in major new communities and existing villages. We know that many of these new homes will attract young families and the number of young people in the District will rise. It is therefore hugely important that the voice of young people is heard in the development of the Council’s policies for the future of the District. This Council encourages youth engagement in local politics and supports the greater involvement of young people in decision-making at the Council and requests Cabinet to establish a cross-party Members’ Task & Finish Group to consider options for delivering this.”

Councillor Dr. Aidan Van de Weyer stated that the figure of 70,000 homes was incorrect and possibly referred to residents. He proposed the motion be amended to include the correct figure of 19,500 homes. Councillor Bridget Smith seconded this amendment, which Councillor Heather Williams, as the mover of the motion, accepted without debate.

Councillor Heather Williams expressed the hope that this motion would enjoy cross-party support, as it was not intended to be critical of the current administration and its only aim was to promote youth engagement.

Councillor Nigel Cathcart advocated the importance of youth engagement in the political process for the benefit of the wider society. He considered the motion to be viable and

reasonable and urged councillors to support it.

Councillor Bridget Smith, as a former champion of young people and vulnerable adults for the Council, expressed her support for youth participation and the engagement of hard to reach groups. She listed the work that had been carried out in the past, including the setting up a Youth Council, and provided details of work currently being undertaken within the Council and by existing councillors. However, she regarded youth engagement as "business as usual" and did not consider that a cross-party task and finish group was necessary to continue the promotion of this work.

Councillor Sue Ellington spoke in favour of the motion and stated that she had helped set up the Youth Council.

Councillor Brian Milnes stated that youth engagement could not be imposed from the top, but needed a catalyst, such as Greta Thunberg, to get young people interested in politics.

Councillor Graham Cone asserted that a Task and Finish Group would be a positive way to consider how the Council could better promote youth engagement.

Councillor Gavin Clayton recognised the challenge in trying to engage with young people and suggested that technology could be used. He lamented the fact that Cambourne did not have a youth club.

Councillor Peter Topping supported the motion and did not believe that the current activities referred to by the Leader adequately responded to the aspirations for youth engagement in the motion.

Councillor Deborah Roberts recommended that different ideas should be tried and evaluated and felt that a Task and Finish Group could help to facilitate this.

Councillor Dr. Shrobona Bhattacharya explained that many councillors worked with children, but engaging them directly in politics was more challenging. She suggested that A-Level students be encouraged to attend Council meetings.

Councillor Dr. Tumi Hawkins commented that young people had engaged with planning issues and these issues could be promoted without setting up a Task and Finish Group.

Councillor John Williams spoke of the need to engage with young people on issues that were important to them, such as the environment and promoting renewable energy. Councillor Pippa Heylings reminded Council that children from the Histon and Impington Eco Group had addressed a recent Climate and Environment Advisory Committee meeting and local children aged 8-10 years old had also spoken at a Parish Council.

Councillor Anna Bradnam stated that setting up an extra Task and Finish Group was unnecessary to promote youth engagement.

Councillor Heather Williams explained that the setting up of a Task and Finish Group would allow the Council to build on the work already being carried out.

Upon the motion being put, a vote was taken and were cast as follows:

In favour (14):

Councillors Ruth Betson, Dr. Shrobona Bhattacharya, Tom Bygott, Nigel Cathcart, Gavin Clayton, Graham Cone, Dr. Douglas de Lacey, Sue Ellington, Mark Howell, Deborah

Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Against (24)

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Dr. Martin Cahn, Dr. Claire Daunton, Clare Delderfield, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Abstain (0)

The Chairman declared the motion to be **LOST**.

12 (b) Motion from Councillor Graham Cone

Councillor Graham Cone moved and Councillor Heather Williams seconded, the following motion, as set out in the agenda:-

"That this Council requests Cabinet to publish a table on its website each month including the following:

- The number of planning applications received during the previous month.
- The total number of live applications remaining at the end of the previous month
- The average validation time that month
- The average determination time that month
- The average time for a decision notice that month
- The date of submission of the oldest live planning application held by the Council.

These figures should set out a breakdown of minor, major applications, pre-applications, decision notices, discharge of conditions, reserved matters."

Councillor Graham Cone explained that, if passed, this motion would benefit residents and parish councils, by ensuring that expectations were more realistic regarding the service that the Council could provide.

Councillor Heather Williams explained that this information would help to manage residents' expectations and alleviate pressure on officers.

Councillor Steve Hunt was concerned that providing a small amount of information could be misleading and supported the current Key Performance Indicators, presented to the Scrutiny and Overview Committee, as more meaningful measures of performance.

Councillor Dr. Tumi Hawkins stated that the Key Performance Indicators were included in a quarterly report and available online on the Gov.UK website. She considered it unnecessary to burden officers by asking them to provide more information.

Councillor Sue Ellington said that this data would show how long it took the Council to validate new planning applications and it could help drive improvements.

Councillor Peter Topping stated that the information would help the local Members to keep their parish councils informed and questioned why it appeared that some Members did not wish to publish the information.

Councillor Brian Milnes reported that the Scrutiny and Overview Committee already interpreted the Key Performance Information relevant to the Planning Department and

Councillor Peter McDonald expressed surprise that such questions about the KPIs did not appear to have been raised at the Committee.

Councillor Nick Wright expressed his support for this motion. He explained that the current Key Performance Indicators did not provide the same data as requested in the motion.

Councillor Dr. Aidan Van de Weyer stated that the Scrutiny and Overview Committee was the best place to discuss the performance of the Planning department and that the necessary performance data was already submitted. He queried whether detailing the average validation time would be informative, as many planning applications had to be re-submitted.

Councillor Ruth Betson asked why, if the performance information was already published on the Gov.UK website, it could not simply be replicated on the Council's website.

Councillor Graham Cone stated that the motion would make the Council more transparent.

Upon the motion being put, votes were cast as follows:

In favour (11):

Councillors Ruth Betson, Dr. Shrobona Bhattacharya, Tom Bygott, Graham Cone, Dr. Douglas de Lacey, Sue Ellington, Deborah Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Against (25)

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Dr. Martin Cahn, Gavin Clayton, Dr. Claire Daunton, Clare Delderfield, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Abstain (0)

The Chairman declared the motion to be **LOST**.

12 (c) Motion from Councillor Nick Wright

Councillor Nick Wright moved and Councillor Deborah Roberts seconded the following motion, as set out in the agenda:-

"With an external company now being involved in duties normally performed by officers of the Council's planning department, the Council requests Cabinet to ensure true transparency by making it clear to applicants, agents, residents, parish councils and local members when a Terraquest employee/contractor is involved in an application and the extent of their involvement in the application."

Councillor Nick Wright explained that this motion was about transparency by making it clear to residents who was processing planning applications. He stated that when he was Planning Portfolio Holder the number of outstanding planning applications had been reduced to 385, whilst the current figure was 1,363. He expressed concern regarding the outsourcing of services to external contractors.

Councillor Deborah Roberts supported this motion and was concerned about the

standard of the planning service. She expressed her dissatisfaction that Members had not been consulted on the appointment of external contractors and explained that this motion would provide greater transparency on who was processing applications.

Councillor Anna Bradnam explained that the engagement of a contractor had been discussed at the Scrutiny and Overview Committee and it was a reasonable solution to the challenges being faced.

Councillor Heather Williams expressed the view that the Council should be as transparent as possible and this motion, if passed, would allow parish councils and applicants to know who was processing their applications.

Councillor Dr. Tumi Hawkins explained that the name and extensions of contracted staff would be available and so they could be contacted. Additionally all applications had a named case officer who could be contacted and any final decision would be made by Council officers.

Councillor Brian Milnes questioned the value of the information being requested.

Councillor Nick Wright spoke in support of the motion, stating that it would simply allow applicants to know who was dealing with their applications.

Upon the motion being put, votes were cast as follows:

In favour (10):

Councillors Ruth Betson, Dr. Shrobona Bhattacharya, Tom Bygott, Graham Cone, Sue Ellington, Deborah Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Against (25)

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Dr. Martin Cahn, Dr. Claire Daunton, Dr. Douglas de Lacey, Clare Delderfield, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Abstain (1)

Gavin Clayton.

The Chairman declared the motion to be **LOST**.

12 (d) Motion from Councillor Peter Topping

Councillor Peter Topping moved and Councillor Nick Wright seconded the following motion, as set out in the agenda:-

“This Council notes with some concern the five year land supply and housing trajectory calculations as they apply to South Cambridgeshire District Council that have been approved by one member of the administration, outside of any council meeting, or meeting to which councillors could have been invited to be briefed.

In particular, the Council notes that the five year land supply is now calculated to be 5.3, down from six, according to the Council’s own report published on 6 November.

The Council considers the proposed consultation on this issue – which is to send

comments by email to the Director of Planning for the Council - to be insufficient in terms of challenge and discussion by elected members, given how important this issue is to all of our villages and towns and their residents, who are rightly concerned with the impact of speculative development.

Therefore, this Council calls on the Lead Members for Housing and Planning to offer to, and attend with, members of this Council, a meeting and full briefing on the issue, to be arranged during the month of October. The purpose of the meeting would be to provide transparency on how the calculations have been arrived at, and to enable discussion, testing and challenge of matters such as the confidence rating attached to specific parts of the overall assessment."

Councillor Peter Topping expressed concern that the Council's five year land supply was calculated to be 5.3, down from 6. He stated that decisions had been approved by a single member of Council and not in a meeting, where questions could have been asked and risks assessed.

Councillor Nick Wright commented that after 18 months, the five year land supply was falling rapidly and the Council should be given an opportunity to work together to address this.

Upon the motion being put, votes were cast as follows:

In favour (10):

Councillors Ruth Betson, Dr. Shrobona Bhattacharya, Tom Bygott, Graham Cone, Sue Ellington, Deborah Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Against (23)

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Dr. Martin Cahn, Dr. Claire Daunton, Clare Delderfield, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Abstain (3)

Gavin Clayton, Dr. Douglas de Lacey and Peter Fane,

The Chairman declared the motion to be **LOST**.

12 (e) Motion from Councillor Geoff Harvey

In the absence of Councillor Geoff Harvey, Councillor Peter Fane moved the following motion, as set out in the agenda:-

"Onshore wind is the cheapest new source of energy in the UK today - and the UK is the windiest country in Europe. New government policy is now needed to realise these benefits. Onshore wind can play a key role in an ambitious industrial strategy delivering clean, cheap and smart energy. Furthermore, onshore wind energy is vital to our aim of achieving 2050 net zero greenhouse gas emissions. Government statistics show that 79% of people now support onshore wind - fifteen times the proportion opposed. This Council resolves to make representations to the Secretary of State for Housing, Communities and Local Government to request that the National Planning Policy Framework is amended so that applications for small-scale onshore wind developments in England of no more than five megawatts are treated in the same way as any other

application for renewable and low carbon energy.”

Councillor Dr. Martin Cahn seconded the motion.

In moving the motion, Councillor Fane reminded the Council that it had agreed to be a zero carbon authority by 2050 and to achieve this, more renewable energy sources were required in the District. Public support for wind farms remained above 75%, but unfortunately the National Planning Policy Framework made it difficult for even small scale onshore wind turbines to be given planning permission.

Councillor Heather Williams supported the zero carbon target, but was not convinced that the solution lay in onshore wind farms.

Councillor Steve Hunt spoke in support of the motion, by stating that public support for fracking was at only 12%, whilst renewable energy generated by wind turbines had more support and would help reduce carbon emissions.

Councillor Bridget Smith explained that the Council had to provide infrastructure for new homes and faced challenges due to development in the Cambridge to Oxford corridor. Providing renewable energy through wind turbines should be an essential part of this development. It was noted that a relatively small scale wind farm in Gamlingay generated energy for 100 homes and provided £7,000 a year to be put towards green infrastructure.

Councillor Nick Wright stated that he supported the construction of wind turbines provided that they were located in the right area. He received regular complaints from residents regarding the noise generated by a wind farm over the border in Huntingdonshire.

Councillor Deborah Roberts doubted that wind farms could produce the energy required and suggested that instead the solution lay in improving the efficiency of existing technology such as using coal and nuclear power to produce electricity. She concluded that wind farms should not be constructed against the wishes of local people and their parish councils.

Councillor Peter Topping supported the Council’s target of zero carbon emissions by 2050, however he did not believe that onshore wind farms would make a significant difference.

Councillor Gavin Clayton stated that the visual impact of wind turbines was subjective and inevitably wind turbines would be opposed by some residents, who were likely to oppose any new local development.

Councillor Judith Rippeth supported this motion for the sake of future generations.

Councillor Bill Handley agreed with Councillor Wright that wind farms could be controversial, but noted that the motion referred only to small-scale developments.

Councillor Pippa Heylings expressed her disappointment that some members had expressed reservations about the provision of renewable energy. She agreed that wind turbines needed to be constructed in the correct place and it was the job of the Planning Committee to ensure this. Public opinion supported onshore wind turbines.

Councillor Brian Milnes spoke in favour of onshore wind turbines, as part of the solution to achieving the zero carbon emissions target.

Councillor Tom Bygott stated that the percentage of power generated by coal and nuclear was in decline and both onshore and offshore wind turbines were part of the solution. He considered offshore wind farms to be more economically viable. He asserted that the visual impact of electricity pylons was more of a concern than wind turbines and that power generated by onshore wind power, with the cables underground, could reduce the number of electricity pylons.

Councillor Dr. Martin Cahn asserted that the Government's National Planning Policy Framework was effectively a ban on onshore wind turbines and this was unsatisfactory. Offshore wind farms were not as economically viable as onshore turbines and could do nothing to assist the Council in achieving its zero carbon emissions target.

Upon being put to the vote, votes were cast as follows:

In favour (26):

Councillors Henry Batchelor, John Batchelor, Anna Bradnam, Dr. Martin Cahn, Gavin Clayton, Dr. Claire Daunton, Dr. Douglas de Lacey, Clare Delderfield, Peter Fane, Neil Gough, Jose Hales, Bill Handley, Philippa Hart, Dr. Tumi Hawkins, Pippa Heylings, Steve Hunt, Peter McDonald, Brian Milnes, Dawn Percival, Judith Rippeth, Bridget Smith, Hazel Smith, Dr. Ian Sollom, Dr. Aidan Van de Weyer, John Williams and Eileen Wilson.

Against (8)

Councillors Ruth Betson, Graham Cone, Sue Ellington, Deborah Roberts, Peter Topping, Bunty Waters, Heather Williams and Nick Wright.

Abstain (0)

The Chairman declared that the motion had been to be carried.

RESOLVED:

Onshore wind is the cheapest new source of energy in the UK today - and the UK is the windiest country in Europe. New government policy is now needed to realise these benefits. Onshore wind can play a key role in an ambitious industrial strategy delivering clean, cheap and smart energy. Furthermore, onshore wind energy is vital to our aim of achieving 2050 net zero greenhouse gas emissions. Government statistics show that 79% of people now support onshore wind - fifteen times the proportion opposed. This Council resolves to make representations to the Secretary of State for Housing, Communities and Local Government to request that the National Planning Policy Framework is amended so that applications for small-scale onshore wind developments in England of no more than five megawatts are treated in the same way as any other application for renewable and low carbon energy.

13. CHAIRMAN'S ENGAGEMENTS

The Chairman explained that the Vice-Chairman had attended two engagements in addition to those printed in the agenda as follows:

- Thursday 8 August – the funeral of former Councillor Alan Wyatt in Landbeach.
- Friday 6 September – the Chairman of Fenland District Council's Reception at the Eastrea Centre, Whittlesey, Peterborough.

The Meeting ended at 5.10 p.m.

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Agenda Item 7

Petition to South Cambridgeshire District Council

Link to e-petition below:-

https://www.change.org/p/south-cambs-taxi-driver-taxi-drivers-reject-company-door-sign-mandatory-by-south-cambridge-district-council-e4acf3a8-5a1b-4a49-af31-8dfed16bf43e?response=8a84771bb9bf&utm_source=target&utm_medium=email&utm_campaign=one_hundred

Taxi Drivers Reject Company Door Sign mandatory by South Cambridge District Council

Started April 2019
164 signatures at present

Dear South Cambs Taxi Licensing team

We drivers like to point out that we are very happy with having yellow taxi crest on the car but we can't see why the council have to make compulsory company signs as it surely don't make any sense and the only purpose having a company sing is to advertise for the company.

Taxi Plate fitted back proves its a taxi

Yellow crest sign proofs it has to be pre-booked

A company sign it is an advertisement for the company

Now we drivers want taxis to be more secure and safe for public when they use us and putting burden on us displaying company sign does not mean that the passenger is safe, at many occasions at busy times passenger just jump in the taxi because it is displaying the company sign he or she booked with just they want to get to their destination and lie to drivers, now this driver has not picked legally his passenger and breaking the law without knowing he did it .

Did the South Cambridge council team have considered their driver's safety? Drivers in Cambridge work with more than one company and we think changing door signs between jobs on the Cambridge busy roads it's not safe for the drivers to come out on busy road and change company door sign for the next job he got from a different company.

We live in the technology era and all the booking system that is used by companies using clearly sends message to the customer when they book a taxi the information of the driver and his car by text, call or displayed on booking app.

So to establish it is a legal and safe taxi we strongly believe that the taxi plate and yellow sign are there to establish that.

Now putting us drivers safety in the risk for some greedy company has been pushing to make company door signs mandatory because they don't want their cars to work with other companies.

I think the council should make it Mandatory for companies to provide full information of the car and the driver to the customer which is very easy nowadays with new technology if the taxi company can't do that then they shouldn't be allowed to operate for passengers safety.

So we South Cambridge district taxi Drivers reject the mandatory of the company door sign

Agenda Item 8a

Report To:	Council	28 November 2019
Lead Cabinet Member(s):	Councillor John Williams, Lead Cabinet Member for Finance	
Lead Officer:	Trevor Roff, Interim Director of Finance	

Investment Strategy

Executive Summary

1. To consider a refreshed version of the Investment Strategy for adoption by the Council following consideration of it by Cabinet at its meeting on 2 October 2019. Cabinet, following consideration, recommended the updated Investment Strategy and the consequent changes to the Scheme of Delegation to Council.
2. This is a key decision as the report seeks to establish a strategy that is designed to target economy, efficiency and effectiveness in the allocation of capital resources to achieve the investment priorities of the Council.

Recommendations

3. **Council is requested to consider the report and, if satisfied, to approve:**
 - (a) **The updated Investment Strategy attached at Appendix A which includes (i) a range of investment indicators to comply with the Statutory Guidance on Local Government Investments and (ii) the governance arrangements that enable the Council to seek approval for priority investments in a timely manner in response to market conditions.**
 - (b) **The consequent changes to the Scheme of Delegation to enable the Head of Commercial Development & Investment to progress investment opportunities, including due diligence checks, and to authorise the S151 Officer to submit non-binding offers in line with market practice.**

Reason for Recommendations

4. To establish and approve an updated Investment Strategy that complies with CIPFA's revised Prudential Code for Capital Finance in Local Authorities (2017 edition) and Prudential Code Guidance Notes for Practitioners (2018 edition), CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2017 edition), and revised Statutory Guidance on Local Government Investments (3rd Edition) issued in February 2018.

Details

Statutory Guidance on Local Government Investments

5. The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, the CIPFA Treasury Management Code of Practice (the Code) and Investment Guidance (the Guidance) issued by The Ministry of Housing Communities and Local Government (MHCLG) in order to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

6. The revised Statutory Guidance in relation to Local Government Investments, issued in February 2018, widened the definition of an investment to include all the financial assets of a local authority as well as other non-financial assets held primarily or partially to generate a profit. This wider definition includes investment property portfolios as well as loans made to wholly owned companies or associates, joint ventures or third parties. The Guidance applies for financial years commencing on or after 1 April 2018 and was reflected in the new Investment Strategy that was considered and approved by Council at its meeting on 21 February 2019.
7. Previous editions of the Guidance covered treasury investments only, but the current edition focuses on non-treasury investments including:
 - Loans made for service purposes e.g. to wholly owned companies, suppliers, local businesses, to support local public services and stimulate local economic growth;
 - Shares in companies bought for service purposes;
 - Debt Instruments (Loans) and Equity in subsidiaries;
 - Non-financial assets (e.g. property) held primarily or partially to generate profit.
8. The Guidance requires the Strategy to be approved by Full Council on an annual basis and sets out the disclosure and reporting requirements. Any mid-year material changes to the Strategy must also be subject to Full Council approval. The Strategy should also be publicly available on the local authority's website.

Investment Strategy

9. The approved Investment Strategy seeks to ensure compliance with the Government's requirements, including the need for an Investment Strategy to include:
 - the contribution that investments make towards the service delivery objectives and/or place making role of the authority, recognising that each investment can make more than one type of contribution. This could include:
 - Yield/Profit
 - Regeneration;
 - Economic benefit/business rates growth;
 - Responding to local market failure;
 - Treasury management;

and, where the authority, classifies an investment as contributing to regeneration or local economic growth, it should be able to demonstrate that the investment forms part of a project in its Local Plan;

- quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions;
- how investments are funded and the rate of return and, where investment decisions are funded by borrowing, the indicators should reflect the additional debt servicing costs taken on;

- indicators to assess the risks and opportunities of the investment;
- the security of the investment as a paramount consideration to protect the capital sum invested from loss. Treasury management investments should consider security, liquidity and yield in that order of importance whilst other types of investment (such as property investments) should consider the balance between security, liquidity and yield based upon the risk appetite and the contribution the investment activity makes;
- demonstration that total financial exposure to loans (e.g. to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth) is proportionate and formally setting out limits on the total level of loans;
- for investment property, with a fair value above cost, the Strategy should include a statement that a fair value assessment has been made within the past twelve months, and that the underlying assets provide security for the capital investment;
- for investment property, with a fair value below cost, the Strategy should detail of the mitigating actions that the local authority is taking or proposes to take to protect the capital invested;
- how the authority has assessed the market that it is/will be competing in, the nature and level of competition, how it thinks that the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- whether and, if so how, a local authority uses external advisors be they treasury management advisors, property investment advisors or any other relevant persons; and how it monitors and maintains the quality of advice provided by external advisers;
- the sources of information used to assess and monitor risk;
- for financial investments that are not treasury management investments or loans (e.g. equity investments) the Strategy should set out procedures for determining the maximum periods for which funds may prudently be committed; what those maximum periods are; and how the local authority will stay within its stated investment limits;
- for non-financial investments (e.g. property) the Strategy should set out the procedures for ensuring that the funds can be accessed when they are needed, for example to repay capital borrowed, and the local authority's view of the liquidity of the investments that it holds, recognising that assets can take a considerable period to sell in certain market conditions;
- the extent to which funding expenditure to meet the service delivery objectives and/or place making role of the local authority is dependent on achieving the expected net profit from investments and the local authority's contingency plans should it fail to achieve the expected net profit;

- the commitment not to borrow more than, or in advance of needs, purely in order to profit from the investment of the extra sums borrowed and, where the authority plans to borrow or has borrowed purely to profit from the investment of the extra sums borrowed, why the local authority has decided not to have regard to the Guidance and the local authority's policies for investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing;
 - the steps taken to ensure that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority;
 - the steps taken to ensure that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate;
 - the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.
10. It is appropriate to consider the Investment Strategy in the context of other relevant Council Plans and Strategies that are being refreshed in line with Business Plan objectives and priorities. This includes the Corporate Asset Plan (for non-Housing Revenue Account properties) that was considered and approved by Cabinet at its meeting on 2 October 2019. There is also a need to have regard to more recent advice proffered by the Chartered Institute of Public Finance & Accountancy (CIPFA), including the outcome and learning from the Member and Officer training held on 24 April 2019 and, moreover, the need to ensure effective governance arrangements. This aspect of the review includes the consideration of the following:
- The need to ensure that the governance framework provides effective control and enables the Council to seek approval for priority investments in a timely manner in response to market conditions;
 - The need to ensure that the Investment Strategy accords with the Scheme of Delegations, including the appropriate delegation to Officers to make non-binding offers and incur potentially abortive due diligence and feasibility costs;
 - The need to review all Corporate policies and plans to ensure consistency with the aims and objectives of the Investment Strategy;
 - The specific need to assess the Commercial estate against a comprehensive and agreed asset list, expected performance criteria and asset requirements using the Investment Strategy as a guide as to whether to hold, dispose or invest in specific assets.

11. An updated version of the Investment Strategy is attached at **Appendix A** which seeks to meet the requirements of the statutory investment guidance and effective governance arrangements. Proposed changes to the current version of the Strategy, approved on 21 February 2019, are identified in red and crossed through text.
12. The analysis at **Appendix B** sets out the issues and options arising from the CIPFA training held on 24 April 2019, and further consideration of the original draft document and guidance, together with the proposed actions.
13. The Council has a separate Treasury Management Strategy covering treasury investments and borrowing and this is subject to review on an annual basis. The Council typically receives its income (e.g. from taxes and grants) before it pays for expenditure incurred (e.g. through payroll and invoices). It also holds Reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The Council's borrowing and investment involves substantial sums of money and, therefore, there is a potential exposure to financial risks including the loss of invested funds and the effect of changing interest rates. The successful identification, monitoring and control of risk, is therefore central to the Council's Treasury Management Strategy.
14. In addition, investments are held for service purposes. In this regard, the Council has a wholly owned housing development company called South Cambs Limited trading as Ermine Street Housing. The Council's main objective for creating the company is to generate a financial return by operating a commercial entity to develop underutilised and surplus assets to generate value. Instead of disposing of assets and giving up future increases in value through asset sales Ermine Street Housing offers a way for the Council to retain control of these assets through its ownership of the company and, in this way, secure an additional return from development and potentially long term value in the form of rental income.

Options

15. The option of not reviewing the Investment Strategy is not considered to be appropriate. Local authorities are required to have regard to guidance issued in relation to investments and are accountable to their communities for the performance of them. Local politicians and officers operate within local governance frameworks of checks and balances to ensure that decision-making is lawful, informed by objective advice, transparent and consultative. Good governance means that proper arrangements are in place to ensure that an authority's intended objectives are achieved, and the security, liquidity and yield of investments are paramount commitments. The Council is required to obtain approval for the Investment Strategy each financial year and, where the Council proposed to make a material change to its Strategy during the year, a revised Strategy must be presented to Council for approval before the change is implemented.

Implications

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

Policy

17. The Investment Strategy has been developed to fulfil the requirements of the revised Statutory Investment Guidance, and provides the framework for:
 - governance of service loans, equity investments and commercial property investment;
 - assessing risk of providing loans, equity investments and investing in commercial property;
 - borrowing in advance of need;
 - income generating investment activities.

Legal

18. The Local Authorities (Capital Finance and Accounting) Regulations 2003 provides operational detail and specifically states that Authorities must have regard to CIPFA's Prudential Code when setting and reviewing borrowing limits. Local Authorities must also have regard to the Investment Guidance issued by Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Financial

19. The Investment Strategy sets out how the Council determines its capital investment priorities in particular in relation to corporate priorities taking into account the capital resources available including borrowing in line with the Council's approved Prudential Indicators. There are no additional resource requirements as a result of the refreshed Investment Strategy, but it does provide the framework for determining investment priorities for the Council from allocated capital resources.
20. The sum of £100 million has been identified in the approved capital programme to enable investment of £20 million in each financial year until 2023/2024. Variations to these allocations are identified in the revised Investment Strategy and this will require consideration and approval by Council. A full review of capital programme allocations has now been undertaken and a separate report on the agenda, entitled "General Fund Capital Programme Update and New Bids", includes the updated programme for the period 2019/2020 to 2024/2025 that includes the increased allocations.
21. It is appropriate to reconsider the level of investment given the opportunities that exist in the market to support business plan objectives and to generate income to help support and sustain the ongoing delivery of priority services to the community. There is a balance of only £6.26 million available in 2019/2020 following the initial investment of prime commercial real estate at the Cambridge Science Park (a defined "Stream 1" investment in the approved Investment Strategy).
22. Further similar prime and close to prime commercial real estate investments are currently available that are let on long leases to good covenants, but the Council does not have the financial allocation to proceed with many of these opportunities. There are also several investments that can generate regeneration or economic development benefits as well as positive financial returns for the Council (i.e. "Stream 2" investments in the approved Investment Strategy) but further consideration of the level of allocated funding will be required to enable these to proceed.

23. It is also relevant that the Council is now appointing, following procurement processes, Framework Suppliers for the pursuance of carefully assessed development opportunities that support key priorities of the Council and that can deliver positive financial returns. This investment specifically relates to Stream 3 investment [Investment Partnerships] in accordance with the Investment Strategy and, in accordance with procurement limits, these arrangements enable works up to a value of £340 million to be delivered, equally funded by the parties (i.e. up to £42.5 million per annum from the Council and a similar amount by the joint venture contractor). This is the maximum limit prescribed in the procurement framework and does not impose a requirement on the Council to commit to this level of investment. Each investment opportunity would be subject to a business case justification and appropriate due diligence before being considered for investment. This level of investment exceeds the level specified in the current Investment Strategy.
24. The revised Investment Strategy identifies the sum of £340 million for potential investment that provides (i) an allocation for Stream 1 investments in line with the potential investment pipeline, (ii) a £10 million per annum allocation in Stream 2 investments (e.g. energy storage projects or investments with regeneration benefits) and (iii) the capacity to deliver the level of investment with the two framework suppliers (subject to completion of the Members Agreements). The projection of likely investments in all three streams as follows:

Funding Allocation	2019/2020 £'000	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Stream 1	40,000	60,000	80,000	100,000	120,000
Stream 2	10,000	20,000	30,000	40,000	50,000
Stream 3	-	42,500	85,000	127,500	170,000
Totals	50,000	122,500	195,000	267,500	340,000

Risk

25. The Investment Strategy is a key financial planning and resource management tool for the Council. An effective strategy for capital investment provides the framework for eliminating the risk of approving schemes which:
- are not affordable in either capital or ongoing revenue terms;
 - do not meet legal obligations or the Council's key stated priorities.

Environmental

26. There are no environmental implications arising directly from the report. The environmental impacts of each capital investment opportunity will need to be considered as part of the feasibility assessments and evaluations.

Equality Analysis

27. In preparing this report, due consideration has been given to the District Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010. It is considered that the report has no relevance to South Cambridgeshire District Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation.

28. An equality analysis is not needed. Individual capital investments may, however, have specific equality impacts that need to be considered and evaluated.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- General Fund Medium Term Financial Strategy – Report to Cabinet: 7 November 2018
- Budget Report – Report to Cabinet: 6 February 2019
- Business Plan 2019 - 2014 – Report to Council: 21 February 2019
- Medium Term Financial Strategy and General Fund Budget – Report to Council: 21 February 2019

Appendices

A Investment Strategy

B Investment Strategy – Summary of Key Revisions

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APPENDIX A



**South
Cambridgeshire
District Council**



INVESTMENT STRATEGY

OCTOBER 2019 [REVISED]

1. INTRODUCTION

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, the CIPFA Treasury Management Code of Practice (the Code) and Investment Guidance (the Guidance) issued by The Ministry of Housing Communities and Local Government (MHCLG) to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

In February 2018 the Secretary of State issued new guidance on Local Government Investments (the Guidance), which widened the definition of an investment to include all the financial assets of a local authority as well as other non-financial assets held primarily or partially to generate a profit. This wider definition includes investment property portfolios as well as loans made to wholly owned companies or associates, joint ventures or third parties. The Guidance applies for financial years commencing on or after 1 April 2018.

The Guidance requires the Investment Strategy to be approved by Full Council on an annual basis and sets out the disclosure and reporting requirements. Any mid-year material changes to the Strategy will also need to be subject to Full Council approval.

The Council has set out within this Strategy its approach to risk and risk mitigation, including the requirement for fully tested and scrutinised business cases, sound due diligence indicators and the need for regular and formal reporting and the effective scrutiny of investment decisions and performance.

2. THE INVESTMENT STRATEGY

- 2.1 South Cambridgeshire is located centrally in the East of England region at the junction of the M11/A14 roads and with direct rail access to London and to Stansted Airport. It is a largely rural district which surrounds the city of Cambridge and comprises over 100 villages and 1 town, none currently larger than 8,000 persons. It is surrounded by a ring of market towns just beyond its borders, which are generally 10–15 miles from Cambridge. Together, Cambridge, South Cambridgeshire and the Market Towns form the Cambridge Sub-Region. South Cambridgeshire has long been a fast growing district and in 2011 had a population of 146,800 persons (bigger than Cambridge itself) and has become home to many of the clusters of high technology research and development in the Cambridge Sub-Region.
- 2.2 The Council recognises that it faces a unique set of challenges to deliver the services and infrastructure required to support the new communities on the strategic growth sites within the Greater Cambridge area, where the District will see the majority of the 22,000 jobs and 19,500 homes to be delivered between 2011 to 2031. To meet this challenge, against further funding uncertainty from central government to deliver essential services, the Council has recognised the need to make investments to ensure it has the capacity to continue to grow and deliver essential services.
- 2.3 The Council has taken independent advice during the development of the Strategy and continues to engage with commercial advisors and regulators to ensure that its officers and members are engaged in continual professional development in relation to property investment activities by local authorities.
- 2.4 **Aims:** The Investment Strategy aims to provide a robust and viable framework for the acquisition of commercial property investments and the pursuance of redevelopment and regeneration opportunities that contribute to Business Plan objectives and can deliver positive financial returns for the Council.

- 2.5 **Value:** The Investment Strategy identifies the sum of £340 million for prime and close to prime commercial real estate investment, investment which can generate regeneration or economic development benefits as well as positive financial returns for the Council and for investment partnerships with third party developers to deliver new homes. These streams of investment are outlined in more detail at Section 7. The Strategy also covers the existing portfolio of investments comprising of the following loans to third parties:
- (a) A loan to Cambridge Ice Arena with a value of £2.5 million for a term of 25 years at a rate of 4.31%. The interest cost for the loan is based on a PWLB rate of 2.56% plus a margin of 1.75%;
 - (b) Loans to South Cambs Ltd (Trading as Ermine Street Housing) with a value of £63.317 million (at September 2019) at a rate of 3.78% (reviewed annually). The Council earmarked a total investment of £100 million to Ermine Street in its capital programme to enable the supply of 500 private rented housing stock; loans are based on an opportunity cost of 1% plus a margin of 2.78%.
- 2.6 **Contribution:** The Council invests in local commercial property with the intention that profits will be spent on local public services. The following table provides details of the current portfolio:
- | Category | Fair Value
£000 |
|--------------|--------------------|
| Commercial | 13,000 |
| Offices | 0 |
| Retail | 0 |
| Industrial | 0 |
| Ground Lease | 0 |
| Agriculture | 0 |
| Other | 0 |
| TOTAL | 13,000 |
- 2.7 **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for the capital investment. Should year end accounts preparation and audit processes value these properties below their purchase cost, then an updated Investment Strategy will be presented to Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 2.8 **Financing the Strategy:** The Council will fund the investment property acquisitions by utilising the most appropriate and efficient funding strategy available at the time of purchase. The Council has the option of utilising prudential borrowing, capital receipts, and reserves and may consider other structures such as joint ventures with pensions and insurance funds. Financing decisions will link to the Council's Medium Term Financial Strategy and Treasury Management Strategy.
- 2.9 **Risk Assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments. The Council is engaged in the market through the proactive management of the investment portfolio, the asset valuation exercise and the economic growth activity and, through this, gaps/opportunities in the market are identified. Each asset is reviewed on an annual basis in order to review its performance, investment requirements and whether it should remain in the portfolio.

The Council intends to adopt a risk spread profile but its commercial portfolio is, at this stage, limited and not diversified (see table at 2.6 above). It is recognised, therefore, that the Council is potentially exposed to greater risk in the early period of the Investment Strategy through the absence of diversification. As the portfolio develops, there will be a need to assess the continuing appeal of the Council's property investments in the market. In some property investment classes this could be more significant than others, for example functional obsolescence in the industrial sector may have less impact on market appeal and rental growth than in the office sector. Economic obsolescence risk may be higher in markets which are more susceptible to social change and popular culture.

The Head of Commercial Development & Investment is responsible for ensuring that each investment decision is measured against the investment criteria set out in the Investment Strategy, which includes an assessment of risk. Asset investment advice is provided by retained agents and, where necessary, additional specialist advice is procured from suitably experienced external advisers. This will include the provision of pre-purchase reports and building surveys and other due diligence required to support the business case. The advice by the retained agents will include an assessment of the market and how it will evolve over time, the nature and level of competition and the impact that any asset acquisition or disposal could have on the projected income generated. The retained agent advice is monitored against the specification of requirements detailed in the invitation to tender and contract.

- 2.10 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The Council has no immediate plans or needs to sell any of the property investment assets. However, lower yielding assets may be sold and replaced with higher yielding assets within manageable risk tolerances.
- 2.11 **Loan Commitments:** Although not strictly counted as investments, since no money has exchanged, loan commitments and financial guarantees carry similar risks to the Council. The Council has no such loan commitments or financial guarantees.

3. PROPORTIONALITY

- 3.1 In setting a balanced budget (as required by statute) the Council takes into account the contribution of income that is generated by its investment activity and, in doing this, it recognises that such investment activity meets wider economic and service objectives of the Council. The table below shows the extent to which expenditure planned to meet the service delivery objectives and/or place making role of the Authority is funded by the expected net income from investments over the lifecycle of the Medium Term Financial Strategy.

Investment Net Rate of Return	2019/2020 Budget £000	2020/2021 Budget £000	2021/2022 Budget £000	2022/2023 Budget £000	2023/2024 Budget £000
Net Revenue Stream	18,590	15,651	16,262	16,479	16,528
Net Investment Income	3,238	4,765	7,148	9,533	11,372
PROPORTION	0.17	0.30	0.44	0.58	0.69

Note: The Net Revenue Stream will need to be updated in line with future medium term financial forecasts.

- 3.2 An appropriate level of contingency within the General Fund Reserve is assessed annually as part of the outturn position each year. The Council also has a contingency revenue allocation of £75,000 to cover specified "precautionary" items. These contingencies cover any net reduction in income sources, including rental income from investment properties, compared to the levels estimated.

4. BORROWING IN ADVANCE OF NEED

- 4.1 Government guidance is that local authorities must not borrow more than, or in advance of their needs, purely in order to profit from the investment of the extra sums borrowed.
- 4.2 Where exceptionally the Council chooses to disregard the CIPFA Prudential Code and Government Guidance in respect of borrowing to fund investment activity, the rationale for this decision must be explained in the Strategy.
- 4.3 The Council has noted and has had regard to the Guidance and **has no plans to borrow in advance of need and is, therefore, compliant with the CIPFA Prudential Code in respect of this matter**. The Council will only depart from it in exceptional cases, within the parameters set out in this Strategy, for the purposes of delivering Business Plan objectives and maintaining a robust financial position. In these exceptional cases, the reasons for so doing will be fully explained, together with the Council policies for investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

5. CAPACITY, SKILLS AND USE OF EXTERNAL ADVISORS

- 5.1 The Guidance requires that elected members and officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment. In addition, it places a duty on the Council to ensure that advisors negotiating deals on behalf of the Council are aware of the core principles of the prudential framework and the regulatory regime in which the Council operates. **This will be achieved by ensuring an adequate and effective training programme, obtaining appropriate advice to inform the decision making process and by ensuring that procurement arrangements provide relevant information to potential advisers of the specific principles, regulations and governance relevant to the local authority sector.**
- 5.2 The Council will appoint specialist advisors to provide training to ensure that relevant Officers and Members have the required skills to make informed decisions and assess the associated risks. This training will take place before any investment decisions associated with the Strategy are considered **and on a regular basis to ensure that Officers are engaged in continual professional development in relation to property investment activity and that Members, as decision makers, have the skills, knowledge and relevant information to effectively assist the decision making process. This will include training for new Members of the Council.**
- 5.3 The Council recognises that investing in land and properties to achieve business objectives and to generate returns is a specialist and potentially complex area. **The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.** Where skills, or capacity are lacking, the Council will engage the services of professional property, legal and financial advisors, where appropriate, to access specialist skills and resources to inform the decision-making process associated with this Strategy. **The Council measures the impact of investment decisions on borrowing and affordability through Investment Indicators to ensure that the overall risk exposure remains within acceptable levels.**

6. GOVERNANCE ARRANGEMENTS

- 6.1 It is necessary to have a framework for determining which properties and development opportunities should be invested in.
- 6.2 The ~~PST IST~~ will advise a designated ~~Property~~ Investment Governance Board (IGB) on potential purchases and development opportunities that meet the pre-determined selection criteria contained within the Strategy. The ~~PST IST~~ will identify investment opportunities based on the selection criteria set out in this Strategy, will carry out all necessary due diligence and will present a full business case to the IGB for approval. The structure of the IGB is also outlined in APPENDIX 4. The purpose of the IGB is to challenge and scrutinise investment opportunities identified by the ~~PST IST~~, ensuring that only credible options are progressed. It also provides the forum for the strategic management of the overall portfolio of investments, consistent with the aims of the Strategy.
- 6.3 A designated ~~Property~~ Investment Selection Team (~~PST IST~~), structured as outlined in APPENDIX 4, provides the setting for senior property, finance, service and legal professionals to share details of investment proposals ensuring that the core principle of the CIPFA Prudential Framework and the regulatory regime within which the Council operate are adhered to.
- 6.4 Investment decisions ~~delegated to the Executive Director taken by Cabinet~~ will be subject to the fulfilment of the minimum criteria set out within the Strategy, satisfaction with the business case and risk assessment, and will have regard to the ~~approval recommendation~~ of the IGB. Acquisitions and development opportunities that do not meet the minimum criteria set out within the Strategy may still be considered, where they would bring other compelling benefits to the District, but would require Cabinet approval.
- 6.5 Cabinet is required to approve investment in new capital schemes prior to any expenditure being incurred (subject to 6.6 below) and Council approval will be required if additional, or the reprofiling of, funding is required. There may be occasions when an investment opportunity may be lost by the market need for speed; in these exceptional cases, decisions may be taken by the Leader after consultation with IGB and in accordance with the Access to Information Procedure Rules as set out in the Constitution and a full report will be prepared to inform the decision, fully outlining the opportunities and risks. The requirements relating to the giving of notice of the decision in the Forward Plan and for call-in of any decision shall apply unless the urgency procedures in the Council's Constitution are required to be used for urgent investment decisions.
- 6.6 To enable the timely and decisive decision making which is essential in this type of industry, to respond to opportunities as they arise, regular meetings of the IGB will be scheduled. ~~The Council's Scheme of Delegations provides the basis for enabling Officers to progress investment opportunities, including due diligence checks and the submission of non-binding offers in line with market practice.~~

7. INVESTMENT STREAMS

- 7.1 Investments will be focussed within the District, the Greater Cambridge Partnership area and the Travel to Work Area as shown in APPENDIX 5.

- 7.2 The Investment Strategy identifies the sum of £340 million for potential commercial investments into three streams of activity outlined in 7.3 below. This provides (i) an allocation for Stream 1 investments in line with the potential investment pipeline, (ii) a £10 million per annum allocation in Stream 2 investments (e.g. energy storage projects or investments with regeneration benefits) and (iii) the capacity to deliver the level of investment with the two approved framework suppliers in line with Member Agreements. The projection of likely investments in all three streams as follows:

Funding Allocation	2019/2020 £'000	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Stream 1	40,000	60,000	80,000	100,000	120,000
Stream 2	10,000	20,000	30,000	40,000	50,000
Stream 3	-	42,500	85,000	127,500	170,000
Totals	50,000	122,500	195,000	267,500	340,000

- 7.3 Investment relating to **commercial premises** will be directed towards three streams of activity:

7.3.1 **Stream 1**

Prime and close to prime commercial real estate investment let on long leases to good covenants which will provide a secure long-term income over and above their ability to pay back the purchase price debt. **The minimum target yield for a stream 1 assessment is 5% per investment, excluding MRP and the cost of borrowing.**

The contributions from Stream 1 investments will include:

- Yield / profit
- Long term capital uplift

Commercial lease arrangements in relation to the Council's portfolio are classed as operating leases. International Financial Reporting Standard (IFRS) 9 relates to treatment of various financial instruments. Sundry Debtor Balances are classed as a financial instrument and all financial instruments need to be subject to impairment when the expected recoverable amount is less than the actual amount outstanding. All outstanding amounts relating to leases will be recorded at the net recoverable amount after allowing for an appropriate provision for bad and doubtful debts (If any).

7.3.2 **Stream 2**

Investment which can generate regeneration or economic development benefits as well as positive financial returns for the Council. Financial returns for the Council may come in the form of increased business rates income, New Homes Bonus where the investment is within the District and residential letting income from Build to Rent developments. **The minimum target yield for a stream 2 investment is 2.5%, excluding MRP and the cost of borrowing.**

The contributions from Stream 2 investments will include positive financial returns for the Council, and may also include the following:

- Investment loans to 3rd parties
- Investing in climate and environmental initiatives
- Investing in Social Capital
- Redeveloping Council owned assets
- Building homes and commercial premises
- Using public land and buildings to achieve long-term socio-economic development within the District and wider Greater Cambridgeshire Area, as identified in the Local Plan and **APPENDIX 5**.

To provide a longer term perspective for Stream 2 investments, the Internal Rate of Return (IRR) may be an appropriate metric to assess the strength of an investment. The IRR is the interest rate at which the net present value of all cash flows arising from an investment is equal to zero.

7.3.3 **Stream 3**

Investment partnerships with third party developers to deliver new homes that will include:

- Acquisition of 3rd party land
- Include public sector and bank debt
- Incorporation of grants and other funding
- A sharing of risk and reward between partners

The investment assessment criteria for all three streams are shown in **APPENDIX 1 (1a)**. The minimum target yield for a stream 3 investment is 5%, excluding MRP and the cost of borrowing. IRR may also be appropriate as a measure of an investment's rate of return.

8. PRUDENTIAL INDICATORS

- 8.1 The Guidance requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of commercial property investment decisions.
- 8.2 Local Authorities are required to charge to their revenue account each year a Minimum Revenue Provision (MRP) to make provision for the repayment of debt, as measured by the underlying need to borrow. The MRP should be prudent and, although it is for each authority to determine the amount, the published guidance by the Government is "local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits". Provision has, therefore, been made for MRP in the performance indicators in line with the approved Capital and Treasury Management Strategies and based on the equal instalment method, amortising expenditure equally over the estimated useful life of the asset for which borrowing is required.
- 8.3 The approved Treasury Management Strategy does, however, confirm that where a loan is made to a wholly owned subsidiary of the Council, the loan is deemed to be secured on the assets of the company. Evidence of the ability to repay the loan will be based on the company's business plan and asset valuation, and no MRP will be made. Exceptionally, where capital expenditure is part of a loan agreement to other than a wholly owned subsidiary – such as the loan to Cambridge Ice Arena – MRP will be applied in these cases.

- 8.4 The indicators associated with the Council's proposed Commercial Property Investment Strategy are detailed below.

8.4.1 Debt to Net Service Expenditure (NSE) Ratio

This indicator measures the gross debt (as cash or loan financing) associated with Commercial Property Investments and loans to third parties as a percentage of the Council's net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24	Limit
Third Party Loans	78,568	91,257	90,827	90,396	89,902	
Commercial Investments	50,000	122,500	195,000	267,500	340,000	
Funding Allocation	20,000 128,568	40,000 213,757	60,000 285,827	80,000 357,896	100,000 429,902	
NSE	20,701	22,089	21,627	21,086	20,701	
Debt to NSE Ratio	97% 621%	181% 968%	277% 1,322%	379% 1,697%	483% 2,077%	500% 2,100%

The indicator shows that the debt level proposed by the Strategy will be approximately up to 5 times 21 times the level of the Council's net revenue budget if the proposed investment in the Strategy is funded solely from borrowing cash or loan financing.

Given that the Strategy will take the risk profile of investments into account in the decision-making process and the Council sees property investments as a long-term investment this ratio is reasonable. A maximum limit of 500% 2,100% has been set for this indicator.

8.4.2 Net Commercial Income to NSE Ratio

This indicator measures the Council's dependence on the income from commercial property investments to deliver core services.

The commercial income will be the gross income from all investments made through the strategy less all operational costs, including the operational costs shown in indicator 8.4.7. All income forecasts should allow for void periods where applicable. The table below identifies gross income:

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24	Limit
Third Party Loans	2,132	2,511	2,499	2,487	2,474	
Commercial income	2,600 1,107	3,200 3,350	3,800 7,195	4,400 11,042	5,000 14,344	
Total Net Income (less MRP)	3,239	4,765	7,148	9,533	11,372	
NSE	20,701	22,180 22,089	21,718 21,627	21,177 21,086	20,786 20,701	
Net Commercial income to NSE Ratio	12.6% 15.6%	14.4% 21.6%	17.5% 33.1%	20.8% 45.2%	24.1% 54.9%	30% 55%

The additional income generated from the investments set out within this Strategy will be equivalent to 54.9% of the Council's Net Service Expenditure by 2023/2024. This ratio is considered reasonable and a maximum limit of 55% has been set for this indicator.

The indicator allows for MRP in accordance with the approved Treasury Management Strategy with the following allowance for each year:

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Minimum Revenue Provision	0	1,096	2,546	3,996	5,446

8.4.3 Investment Cover Ratio

This indicator measures the total net income from property investments compared to interest expense:

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Net Commercial income	2,600 3,239	3,200 4,765	3,800 7,148	4,400 9,533	5,000 11,372
Interest cost	594 1,219	1,188 3,105	1,782 4,961	2,376 6,817	2,970 8,673
Investment cover Ratio	4.38 2.66	2.69 1.53	2.13 1.44	1.85 1.40	1.68 1.31

For commercial investments within Streams 1 to 3, the rate of 2.56% (reflecting current medium to long term PWLB rates) is used to determine the interest expense in the above ratio through to 2023/2024. The interest rates on loans to third parties range from 4.31% to 3.78%. These assumptions will be revised in future years as the size of the portfolio develops. The indicator shows that the net income from property investments is expected to be at least 1.68 times higher than anticipated interest expense.

8.4.4 Loan to Value (LTV) Ratio

This indicator measures the amount of debt compared to the total asset value. In the period immediately after purchase it is normal for the directly attributable costs of purchasing commercial property investments to be greater than the realisable value of the asset (e.g. because of non-value adding costs such as stamp duty). A decrease in the loan to value ratio from 2020/21 reflects that debt finance will be raised through Public Works Loan Board borrowings and Current market advice indicates that commercial property values are expected to remain constant for the foreseeable future, however, borrowings will be repaid.

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Funding Allocation	20,000 128,568	40,000 213,757	60,000 285,827	80,000 357,896	100,000 429,902
Total asset values	86,597 128,298	128,478 217,622	153,509 292,817	177,559 368,011	201,715 443,142
LTV Ratio	4.33 1.00	3.24 1.02	2.56 1.02	2.22 1.03	2.02 1.03

Each year the Council will assess whether assets purchased via the Strategy retain sufficient value to provide security of investment using the fair value model in International Accounting Standard 40: Investment Property. If the fair value of assets is not sufficient to provide security for the capital investment the Strategy will provide detail of the mitigating actions that are being taken, or are proposed to be taken, to protect capital investment. **The IST will also provide a liquidity assessment of the portfolio when undertaking the Fair Value assessment.**

8.4.5 Target Income Returns (Yield)

This indicator shows the target gross yield for each stream of investment activity net revenue income compared to equity and is a measure of the minimum expected return for achievement of the property investment portfolio. The net return is shown after making allowance for financing and borrowing costs.

Target income returns	2019/20	2020/21	2021/22	2022/23	2023/24
Stream 1	5%	5%	5%	5%	5%
Stream 2	2.5%	2.5%	2.5%	2.5%	2.5%
Stream 3	5%	5%	5%	5%	5%

8.4.6 Gross and Net Income

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Gross Income:	5,046 4,324	6,509 7,217	8,690 11,182	9,397 15,126	10,107 18,523
Net Income	2,600 3,239	3,200 4,765	3,800 7,148	4,400 9,533	5,000 11,372

The net income target of £2.6 million in 2019/2020 to £5 million by 2023/2024 from Commercial Property Investments is not currently incorporated into the Council's financial projections for the period up to 2023/2024. This income will need to be delivered if current service delivery is to be maintained by the Council.

The non-achievement of this income will require the identification of alternative savings proposals, which may result in cuts in service.

The achievement of the target income required from the Investment Strategy will be closely monitored as part of the Council's budget monitoring process.

8.4.7 Operating Costs

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Costs	233 261	259 404	260 541	260 654	260 767

The above operating costs relate to the cost of the Council's PST acquiring and maintaining the investments made through the Strategy. The costs shown reflect the estimated cost of internal staff, external asset management and a budget for feasibility work to conduct due diligence prior to investment managing the procurement of assets under this Commercial Property Investment Strategy and developing the future pipeline of investments.

Additional operating costs have been allowed as a result of the purchase of Commercial Investment Properties. These costs will be factored into the financial appraisals as part of the purchase assessment to ensure that target net rates of return are achieved. This indicator may, therefore, need to be revised once investments are made.

8.4.8 Vacancy Levels and Tenant Exposures

Estimate £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Costs	0% 3%	0% 3%	0% 3%	0% 3%	0% 3%

This indicator measures and sets targets for the void periods within the property portfolio.

The target of 3% reflects the strong tenant covenant strengths that will be required under the Stream 1 investment criteria. Void periods will be factored into the financial appraisals as part of the assessment criteria where relevant, therefore this indicator may be revised once investments are made.

APPENDIX 1: PROPERTY INVESTMENT STREAM 1

1. Objective

The objective of the Stream 1 investment criteria is to establish a framework for the identification of commercial property investments which, if acquired, would contribute to established Business Plan priorities and provide the Council with a positive rental return and capital growth.

The investment criteria are designed to ensure that funds are invested in properties that deliver yield and security commensurate with the Council's risk appetite.

Each potential investment will be evaluated to ensure the income received is sufficient to provide an acceptable rate of return following the payment of borrowing costs, acquisition costs, management fees and any running costs.

Purchases will take regard of the need to diversify the Council's property portfolio to manage risks across the entire portfolio.

The Council will procure external advisors to act on its behalf for the acquisition of investments, who will provide pre-purchase reports and building surveys to support the business case. These consultants will be managed by the Commercial Development & Investment Team, who will be responsible for monitoring the service that is provided.

2. Market Analysis and Background

As with other forms of investment at their most basic level, property investment is a trade-off between risk and return. A traditional well diversified property portfolio (spread across different property sectors and geographical regions) will deliver long term rental and capital growth with relatively low risk. Prime property in the target regions covered by this Strategy will typically provide an initial yield of between 5-7% with the additional prospect of capital growth leading to a higher total return to the Council.

The Strategy will adopt the same underlying principle of diversification in acquiring property investments offering a similar return profile. The three main property sectors will be included (industrial, office and retail) and in turn, these will be additionally diversified on criteria including location, the lease term and lot size. When added to the existing portfolio this will assist in protecting the Council's overall risk and return profile should an individual property investment cease to be income producing (for example, it is undergoing refurbishment or awaiting a new tenant).

3. Property Acquisition Methodology

Identification, consideration and recommendation of assets suitable for acquisition will be undertaken by the ~~Property Selection Team (PST)~~ IST in conjunction with outside specialist guidance and professional support, procured in accordance with the Council's established Contract Procedure Rules.

The ~~PST~~ IST, through the designated Head of Commercial Development & Investment and appointed agents, will undertake a search of the market which will include approaches and introductions of opportunities direct from the sellers, their agents and third parties. Introductions from third party agents will be accepted on a first come first served basis by verbal or written communication to the ~~PST~~ Head of Commercial Development & Investment.

Investment opportunities will initially be submitted to IST for consideration and subsequently to the Investment Governance Board (IGB). If after the introduction is made, the Council wishes to pursue the purchase further written agreement on the "basis of engagement" and fees will be required.

The use of independent consultants will be required to assess properties prior to bidding and any purchase will be subject to due diligence on all physical, financial and legal aspects of the property to address its suitability as an asset for long term security and growth.

All investments considered for purchase **that meet pre-determined criteria and strategy aims (see section 4 below)** will undergo qualitative and quantitative appraisal to establish portfolio suitability which will consider rental levels, location, property type, rent review and lease expiry pattern, tenant(s), industry sector, tenure, lease covenants, market exit constraints and physical and environmental factors. In addition, 3rd party advice will be called upon where specialist market knowledge is required. **It is recognised that some of the cost of feasibility work and technical appraisal and assessment will be abortive.**

Property investment markets are, in general, controlled by national and regional commercial property agencies and establishing links and relationships with several such property agents is the best method of sourcing suitable properties for acquisition. Staffing resources will need to be made available to source suitable property assets for acquisition that match the criteria set under the Strategy. This can be done by both recruitment into the **PST IST** team and by employing additional external expertise as required.

All commercially based investments involve risk and, at each stage of the process, the commitments made will be at risk as there can be no guarantee that a fully successful development will be achieved. The terms of the agreement between the parties will seek to mitigate the inherent risks. Moreover, the timing of the exercise can also be a critical factor in achieving optimum success, particularly in terms of market conditions, the state of the national economy and levels of investment confidence within the development industry.

4. Minimum Investment Criteria

For a Stream 1 property investment to be considered by the **Property Investment Governance Board IGB** for recommendation to the **Executive Director Cabinet** for approval it must:

- 4.1.** Achieve a minimum weighted score of 100 from the investment criteria matrix shown in **APPENDIX 1 (1a)**;
- 4.2.** Have a Net Initial Yield of 5% after making allowance for purchasers costs;
- 4.3.** Be accompanied by a full business case prepared by the **PST IST**.

Each potential property investment will undergo a qualitative and quantitative appraisal, together with a risk assessment, to establish portfolio suitability and the legal and financial implications of the purchase.

The findings of these appraisals will be reported to the IGB as part of the business case. **APPENDIX 1 (1b)** details the specific areas that will be included in the business case as a minimum.

All acquisitions, where relevant, will be subject to building and plant survey, independent advice and valuation.

An investment opportunity that does not meet the minimum criteria under investment stream 1 may have separate investment or regeneration benefits and, therefore, may be considered separately under Stream 2 of the strategy.

5. Risk Management

- 5.1. Financing Risk:** As with all investments, there are risks that capital values and rental values can fall as well as rise. To mitigate against future unfavourable market forces, Stream 1 acquisitions will be made on the basis that the Council is willing and capable of holding property investments for the long term i.e. 35 years +. This will ensure income and capital returns are considered over the long term thereby smoothing out any cyclical economic/property downturns.

Where the purchase of a property is reliant on increases in borrowing the business case will factor in fixed rate borrowing costs. By utilising fixed rate borrowing options the Council will be protected from future increases in financing costs. **The Council can mitigate the limitations that come with the term commitment characteristic of fixed rate options through using a portfolio of loans of different terms at different rates, as part of its wider Treasury Management Strategy, thereby creating options to 'recycle' loans for other purposes, should net disposals of assets held within the Investment Strategy exceed the value of net acquisitions.**

- 5.2. Portfolio Risk – void periods:** To mitigate the risk of void periods where the property is either partially or fully vacant, or a tenant has defaulted on its rental obligations, the investment portfolio will be actively managed. The investment criteria specified in the scoring matrix will tend to favour secure property investments i.e. high-quality buildings in prime locations, thus mitigating the risk of void periods on re-letting.

Void periods for commercial investment properties acquired under this Strategy will be monitored and vacancy levels will be reported to the IGB throughout the year so that they can be actively managed.

6. Portfolio Management

Newly purchased property acquired under this Strategy would be added to the existing portfolio and the **Commercial Development & Investment Team** (currently comprising the Head of Commercial Development & Investment, the Delivery & Innovations Officer and the Green Energy Investment Officer), would undertake asset and property management to maintain and improve the performance of an investment property; ~~with established core staff supplemented, as required, by external commercial asset investment/management advisors from approved budgets or additional specialist resources may need to be bought in as necessary.~~ This would include ensuring statutory and regulatory compliance, tenant compliance, landlord responsibilities, securing receipt of rents, dealing with voids and insurance matters. The costs associated with these areas would be considered in the financial appraisal for the property acquisition.

The property asset management will be subject to an annual review and incorporated within the Asset Management Plan (**Housing Revenue Account**) and **Corporate Asset Plan (General Fund)** which ~~are~~ presented to Full Council annually.

APPENDIX 1 (1a) – Investment Criteria Matrix

The ~~PST~~ **IST** will score the property against the scoring criteria shown below in order of priority. The minimum score for Stream 1 at least 100 out of a maximum score of 184; this is equivalent to at least the 54th percentile of the maximum. There will however be a trade-off between the level of return and the score. For example, a high return would reflect higher risk and consequently a lower score; conversely, a lower level of return would reflect a lower level of risk and a higher score. **The Investment Criteria Matrix is comparable with methods used by other local authorities, such as New Forest, Kettering and Redditch, which all broadly follow a format recommended by CIPFA.**

The table below shows the suggested scoring criteria to be applied when considering an investment property.

Score		4	3	2	1	0
Scoring Criteria	Weighting Factor	Excellent / very good	Good	Acceptable	Marginal	Unacceptable
Location	12	Major Prime	Micro Prime	Major Secondary	Micro Secondary	Tertiary
Tenancy Strength	10	Single tenant with strong financial covenant	Single tenant with good financial covenant	Multiple tenants with strong financial covenant	Multiple tenants with good financial covenant	Tenants with poor financial covenant strength / vacant
Tenure	9	Freehold	Lease 125 years plus	Lease between 50 & 125 years	Lease between 20 & 50 years	Lease less than 20 years
Occupiers remaining lease length	5	Greater than 10 years	Between 7 and 10 years	Between 4 and 7 years	Between 2 and 4 years	Less than 2 years; vacant
Building Quality / obsolescence	4	Newly Built (useful life 50+ years)	Recently refurbished (within the past 5 years)	Average condition and likely to continue to be fit for current use for 25+ years	Aged property with redevelopment potential	Nearing end of useful life / unlikely to continue when lease expires
Repairing obligations	4	Full repairing and insuring	Internal repairing – 100% recoverable	Internal repairing – partially recoverable	Internal repairing – no recoverable	Landlord
Lot size	2	Between £6m and £12m	Between £4m & £6m or £12m and £18m	Between £2m & £4m or £18m and £20m	Between £1m & £2m or £20m & £25m	Less than £1m or more than £25m

INVESTMENT CRITERIA DEFINITIONS

Location - property is categorised as prime, secondary or tertiary in terms of its location desirability. For example, a shop located in the best trading position in a town would be prime, whereas a unit on a peripheral neighbourhood shopping parade would be considered tertiary.

Tenancy Strength – the financial strength **and risk of failure** of a tenant determines the security of the property's rental income. A financially weak tenant increases the likelihood that the property will fall vacant. **Rating agencies, such as Dun & Bradstreet are often used to evaluate covenant strength, ranging from "5A" to "HH" to reflect company size based upon worth or equity, and a Composite Credit Appraisal from 1 to 4 to reflect the assessment of the firm's creditworthiness.** The minimum acceptable financial strength for any given tenant will be determined through financial appraisal of company accounts and the use of appropriate methods of risk assessment and credit scoring. To minimise management and risk, the preference will be for single occupancy investments wherever possible.

Tenure – anything less than a freehold acquisition will need to be appropriately reflected in the price. If leasehold, is the lease free from unencumbered/onerous terms? Is the rent periodically reviewed to take into account inflation and upward market movement?

Occupational Lease Length – the lease term will determine the duration of the tenant's contractual obligation to pay rent. The most attractive investments offer a long lease with a strong tenant covenant. The lease term will reflect any tenant break clauses. **The optimum lease length will depend on the sector, with commercial B1 offices typically 7+years and 10+ years for industrial. Retained agents will be expected to qualify the quality of the length lease in their pre-acquisition report.**

Building Quality – a brand new or recently refurbished building **with an anticipated life of at least 40 years** will not usually require capital expenditure for at least 15 years. This is attractive for income investors requiring long term rental income with the minimum of ongoing capital expenditure.

Repairing Obligations – under a Full Repairing & Insuring Lease (FRI), the tenant is responsible for the building's interior and exterior maintenance / repair. The obligation is limited to the building's interior under an Internal Repairing & Insuring Lease (IRI). The preference will be to favour FRI terms (or FRI by way of service charge i.e. all costs relating to occupation and repairs are borne by the tenants and administered through a service charge).

Lot Size – to maintain portfolio balance the preference will be for no single property investment to exceed £12m for a single let property.

In addition to the above criteria the IGB and the Executive Director should, when assessing the merits of an investment, specifically consider compatibility with all SCDC policies on matters relating to use such as: -

- Alcohol or tobacco production or sale;
- Animal exploitation;
- Environmentally damaging practices;
- Gambling;
- Pornography.

APPENDIX 1 (1b) – Stream 1 Business Case

The ~~PST~~ **IST** will prepare a business case for Stream 1 investments where the minimum weighted score target has been met. The business case will include as a minimum:

a) Financial Appraisal

A detailed financial appraisal setting out the projected income and costs associated with a potential acquisition along with an assessment of the proposed financing options and associated risks and considerations. **This will include an assessment of the net yield over various scenarios up to a 50 year period, and include the following inputs:**

- anticipated void periods at the end of the initial and subsequent occupiers lease(s);
- anticipated Capital Expenditure required by the Landlord, taking into account the age and condition of the premises and Landlords repairing obligations;
- assumptions in the approved Capital and Treasury Management Strategies.

b) Lease Classification

A lease should be classified, for accounting purposes, as an operating lease rather than finance lease, to ensure that all rental income can be treated as revenue income (rather than a mix of capital receipt and revenue income). Operating leases are those where the risks and rewards of ownership are retained by the lessor (the Council) and must meet certain criteria. The main criteria being that the lease term should not be for the major part of the property's economic life and at the start of the lease, the total value of minimum lease payments (rents) should not amount to a significant proportion of the value of the property.

c) Risk Management Assessment

A detailed risk assessment of the potential purchase, including but not limited to:

- Specific risks associated with individual assets;
- Tenant default on rental payment (covenant risk);
- Risk of failure to re-let (void risks);
- Costs of ownership and management;
- Differing lease structures (e.g. rent review structure, lease breaks);
- Sector risk (portfolio spread);
- **Provide an exit strategy financial assessment as a 'worse case' scenario;**
- **Liquidity assessment;**
- **LTV ratio assessment.**

Market Risks, including risks of structural change or market failure, which may affect the market as a whole or particular subsectors or groups of property:

- Illiquidity upon sale (e.g. lot size, transaction times, availability of finance);
- Failure to meet market rental expectations (forecast rental growth);
- Failure to meet market yield expectations (forecast yield shift);
- Risk of locational, economic, physical and functional depreciation through structural change;
- Risks associated with legislative change (e.g. planning or changes in fiscal policy).

d) Portfolio Assessment

An assessment to establish suitability against the Council's existing property portfolio which will consider rental levels, location, property type, rent review and lease expiry patterns, industry sector, tenure, lease covenants, market exit constraints and physical and environmental factors.

e) Report on Title

To confirm ownership.

APPENDIX 2: PROPERTY INVESTMENT STREAM 2

1. Objective

The objective of the Stream 2 investment criteria is to establish a framework for the identification of properties or land for redevelopment. These opportunities may deliver placemaking or economic development benefits, as defined in the Council's Business Plan, as well as positive financial returns for the Council in the form of future revenue income streams or capital uplifts. Future revenue income streams could include increases in retained business rates income and New Homes Bonus.

Developed properties may be retained for the benefit of their long-term rental income and will become an investment asset after completion. **The decision on whether or not these investments would meet the overall objectives of this Strategy will be informed by a financial appraisal as described in Appendix 1.**

The Stream 2 investment criteria will be designed to ensure that the financial returns delivered from investments are commensurate with the deemed levels of associated risk. A higher risk investment will therefore require the delivery of greater financial returns.

2. Market Analysis and Background

Stream 2 investment opportunities could come in a diverse range of forms. Examples include, but are not limited to:

- Investing in climate and environmental initiatives, **further exploiting and supporting green energy generation and maximising energy efficiency**
- Investing in Social Capital
- Redeveloping Council owned assets;
- Building homes and commercial premises;
- Using public land and buildings to achieve long-term socio-economic development within the District and wider Greater Cambridgeshire Area, as identified in the Local Plan and Appendix 4 of this Strategy;

As with other forms of investment there is a trade-off between risk and return. Given the more speculative nature of this type of investment activity the risks associated with this type of investment may, in some cases, be higher than those associated with Stream 1 activity. It may be possible to share risks and rewards of Stream 2 activities with adjoining councils and other public sector and private sector partners.

The assessment criteria for Stream 2 activities needs to be agile enough to allow significantly different schemes to be assessed using the same overarching principles.

For a Stream 2 property investment to be considered by the IGB and the Executive Director it must:

- a) Deliver a rate of return commensurate with the deemed level of risk associated with the investment;
- b) Be accompanied by a full business case prepared by the **PST IST**, and other officers where relevant.

The investment opportunities considered under Stream 2 could vary significantly and, due to the speculative nature of some schemes, there will be higher risks attached to some investment opportunities.

Each potential Stream 2 investment will undergo a qualitative and quantitative appraisal and risk assessment to establish the financial returns, financial and legal implications and risks associated with the purchase. The findings of these appraisals will be reported to the IGB as part of the business case.

An investment opportunity that does not meet the minimum criteria under investment stream 2 may have separate investment or regeneration benefits and, therefore, may still be considered for progression, however, decision making in this case is to be reserved to the Cabinet. For investments where there is a variable revenue stream, such as some energy projects, or a long time gap between investment and first revenue, such as development projects, alternative valuation options, such as the Internal Rate of Return (IRR) may be appropriate as a measure of an investment's rate of return.

3. Property Acquisition/Development Methodology

Identification, consideration and recommendation of assets suitable for acquisition and/or development will be undertaken by the PST designated Head of Commercial Development & Investment in conjunction with internal resource and outside specialist guidance and professional support, as required, procured in accordance with the Council's established Contract Procedure Rules. These investment opportunities will initially be submitted to IST for consideration and subsequently to the IGB.

All investments considered for purchase will undergo qualitative and quantitative appraisal to establish portfolio suitability and risks. In addition, 3rd party advice will be called upon where specialist market knowledge is required. It is recognised that some of the cost of feasibility work and technical appraisal and assessment will be abortive.

All commercially based investments and/or developments involve risk and, at each stage of the process, the commitments made will be at risk as there can be no guarantee that the investment will be secured or a fully successful development will be achieved. The terms of the agreement between the parties will seek to mitigate the inherent risks. Moreover, the timing of the exercise can also be a critical factor in achieving optimum success, particularly in terms of market conditions, the state of the national economy and levels of investment confidence within the development industry.

4. Green Energy Projects

The approved Business Plan 2019-2024 identifies the following Focus, Actions and Measures which relate to green energy investments within the 'Green to our core' priority:

Focus	Action	Measures
We will become a Zero Carbon Council	In recognition of the global climate and health emergency, develop an action plan to deliver a zero-carbon future for South Cambridgeshire	<ul style="list-style-type: none">Gather evidence to establish a carbon baseline by December 2019.Establish the resources and budget needed to address the zero-carbon pledge for the end of March 2021 budget.Run a zero-carbon conference to develop scenarios and learn from best practice to drive decarbonisation by 2050.Commit to a medium-term carbon action plan by April 2020.

We will increase green energy generation and promote environmentally friendly energy consumption	Explore opportunities for renewable energy generation and maximise the energy efficiency of the Council offices and estate. Provide support and guidance to community groups for projects that will reduce reliance on fossil fuels and promote behaviour change to help achieve the zero-carbon target. Look into how electric vehicle charging points can be delivered in the district.	<ul style="list-style-type: none"> • Complete an assessment of investment opportunities at our Cambourne office and Waterbeach Depot by June 2019. • Commission green energy project(s) to fully invest the Renewable Energy Fund by end of March 2021. • Reduction in grid energy usage • Renewable energy generated onsite • Reenergise the Sustainable Parish Energy Partnership and investigate opportunities for helping local groups secure grant funding to kick start projects by the end of April 2019.
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The Investment Strategy will develop projects identified in the Green Energy Programme, which is responsible for co-ordinating transformation activities within the South Cambridgeshire District Council commercial estate and assess these using the same criteria as other Stream 2 investments.

5. Minimum Investment Criteria

In addition to the investment criteria matrix in **APPENDIX 1 (1a)**, Stream 2 investments will be assessed for their strategic fit against the Objectives and Focus Areas contained within the 2019-2024 Business Plan.

5.1. Business Plan Objectives

The IGB will from time to time advise the target scores for the business plan objectives, and the weighting to be given to individual focus areas within each business plan area

6. Risk Management

6.1. Financing Risk: As with all investments, there are risks that capital values, rental values and development values can fall as well as rise. Where the acquisition or development is reliant on increases in borrowing the business case will factor in fixed rate borrowing costs commensurate with the anticipated holding period of the asset. By utilising fixed rate borrowing options the Council will be protected from future increases in financing costs.

Financial returns from Stream 2 activities may come in the form of capital receipts either in place of or in addition to revenue returns. This would need to be considered carefully as part of the overall Strategy given the requirement to achieve net revenue returns of 2.5% from the investment strategy overall.

7. Business Case

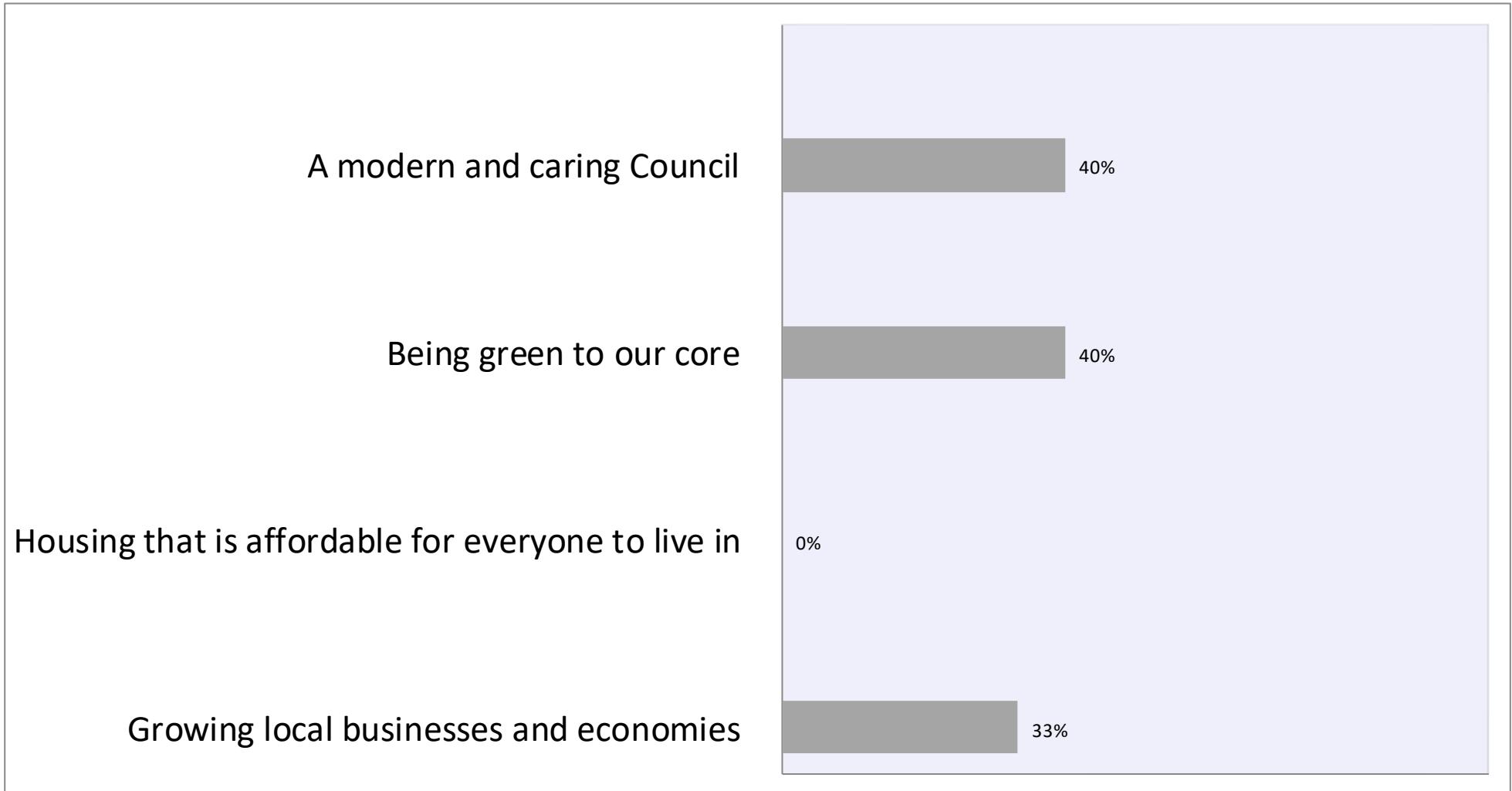
The **PST IST** will prepare a business case for Stream 2 investments where the minimum weighted score target has been met (**APPENDIX 6**).

The minimum score target will be determined by the **Interim Executive Director Head of Commercial Development & Investment and their Team**, in consultation with the Lead Member for Finance, once Business Plan objectives and focus areas have been finalised.

EXAMPLE: ENTERPRISE ZONE INVESTMENT / DEVELOPMENT – STREAM 2 SCHEME FIT AGAINST DRAFT BUSINESS PLAN

Draft Business Plan areas		score	focus area	actions	measures
1	Growing local businesses and economies	33%	We will make it easy to do business in South Cambridgeshire	Deliver support to start-ups and small businesses that is not available elsewhere to help them grow, create new local jobs and deal with the impacts of Brexit	Number of new start-ups and small business growth by 2024
			We will improve environmentally friendly transport links	Improve walking, cycling and public transport links between existing villages and employment sites	
2	Housing that is affordable for everyone to live in	0%			
3	Being green to our core	40%	We will increase green energy generation and promote environmentally friendly energy consumption	Explore opportunities for renewable energy generation and maximise the energy efficiency of the Council offices and estate.	Renewable energy generated onsite
			We will maintain and improve air quality across the district	Reduce carbon footprint and impact on air quality of the Council's activities	
4	A modern and caring Council	40%	We will generate new and innovative sources of income to invest in services for local people	Develop options to generate income by investing in the district in line with the criteria set out in the Council's investment strategy	Income generated from investments
			We will reduce costs and improve customer service	Develop and support Councillors to ensure that they can best serve their communities	

EXAMPLE: ENTERPRISE ZONE INVESTMENT / DEVELOPMENT – STREAM 2 SCHEME FIT AGAINST DRAFT BUSINESS PLAN



APPENDIX 3: PROPERTY INVESTMENT STREAM 3 – INVESTMENT PARTNERSHIPS

1. Objective

The objective of the Stream 3 investment criteria is to establish a framework for the identification of properties or land for development of new homes through Investment Partnerships. These opportunities may deliver regeneration or economic development benefits as well as positive financial returns for the Council in the form of future revenue income streams or capital uplifts. Future income streams may include:

- Rental income from Council Housing (HRA Affordable Homes);
- Rental income from Private Rented Sector Housing (PRS) through Ermine Street Housing;
- Capital receipts from Intermediate Home Ownership staircasing;
- Capital receipts from Right to Buy;
- Increases in retained business rates;
- New Homes Bonus.

Developed properties may be retained for the benefit of their long-term rental income and will become an investment asset after completion. **The decision on whether or not these investments would meet the overall objectives of this Strategy will be informed by a financial appraisal as described in Appendix 1.**

The Stream 3 investment criteria will be designed to ensure that the financial returns delivered from investments are commensurate with the deemed levels of associated risk. A higher risk investment will therefore require the delivery of greater financial returns.

2. Market Analysis and Background

Stream 3 Investment Partnerships could come in a diverse range of forms. Examples include, but are not limited to:

- Building homes and commercial premises;
- Using public land and buildings to achieve long-term socio-economic sustainability for the District and wider Greater Cambridgeshire Area, as identified in the Local Plan and Appendix A4 of this strategy.

As with other forms of investment there is a trade-off between risk and return. Given the more speculative nature of this type of investment activity the risks associated with this type of investment may, in some cases, be higher than those associated with Stream 1 activity. However, these risks and rewards would be shared with the investment partner.

The assessment criteria for Stream 3 activities needs to be agile enough to allow significantly different schemes to be assessed using the same overarching principles.

3. Minimum Investment Criteria

For a Stream 3 property investment to be considered by the IGB it must:

- Deliver a rate of return commensurate with the deemed level of risk associated with the investment;
- Be accompanied by a full business case prepared by the **PST IST**, and other officers where relevant.

The scoring matrix for Stream 3 investments will be based on the targets for Stream 2 investments. Schemes with higher risks will be expected to deliver higher levels of return to cover the risk considerations, and only schemes that deliver the assessed rate of return will pass the minimum assessment criteria.

Each potential Stream 3 investment will undergo a qualitative and quantitative appraisal and risk assessment to establish the financial returns, financial and legal implications and risks associated with the purchase. The findings of these appraisals will be reported to the IGB as part of the business case.

An investment opportunity that does not meet the minimum criteria under investment stream 3 may have separate investment or regeneration benefits and, therefore, may still be considered for progression, however, decision making in this case is to be reserved to the Cabinet rather than the IGB. **For investments where there is a variable revenue stream, such as some energy projects, or a long time gap between investment and first revenue, such as development projects, alternative valuation options, such as the Internal Rate of Return (IRR) may be appropriate as a measure of an investment's rate of return.**

4. Acquisition/Development Methodology

Identification, consideration and recommendation of assets suitable for acquisition and/or development will be undertaken by the **PST designated Head of Commercial Development & Investment** in conjunction with internal resource and outside specialist guidance and professional support, **as required**, procured in accordance with the Council's established Contract Procedure Rules. **These investment opportunities will initially be submitted to IST for consideration and subsequently to the IGB.**

All investments considered for purchase will undergo qualitative and quantitative appraisal to establish portfolio suitability and risks. In addition, 3rd party advice will be called upon where specialist market knowledge is required. **It is recognised that some of the cost of feasibility work and technical appraisal and assessment will be abortive.**

All commercially based investments and/or developments involve risk and, at each stage of the process, the commitments made will be at risk as there can be no guarantee that the investment will be secured or a fully successful development will be achieved. The terms of the agreement between the parties will seek to mitigate the inherent risks. Moreover, the timing of the exercise can also be a critical factor in achieving optimum success, particularly in terms of market conditions, the state of the national economy and levels of investment confidence within the development industry.

In addition to the investment criteria matrix in **APPENDIX 1 (1a)**, Stream 3 investments will be assessed for their strategic fit against the Objectives and Focus Areas contained within the 2019-2024 Business Plan.

The IGB will from time to time advise the target scores for the business plan objectives, and the weighting to be given to individual focus areas within each business plan area.

5. Risk Management

- 5.1. Financing Risk:** As with all investments, there are risks that capital values, rental values and development values can fall as well as rise. Where the acquisition or development is reliant on increases in borrowing the business case will factor in fixed rate borrowing costs commensurate with the anticipated holding period of the asset. By utilising fixed rate borrowing options the Council will be protected from future increases in financing costs.

Financial returns from Stream 3 activities may come in the form of capital receipts either in place of or in addition to revenue returns. This would need to be considered carefully as part of the overall Strategy given the requirement to achieve net revenue returns of 2.5% from the investment strategy overall.

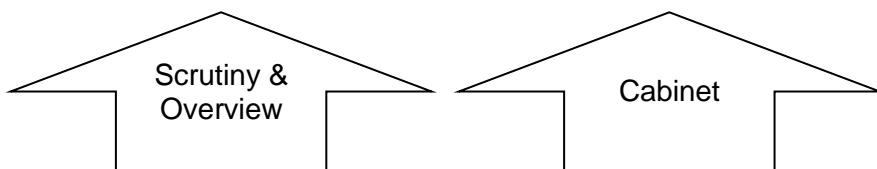
6. Business Case

The PST IST will prepare a business case for Stream 2 investments where the minimum weighted score target has been met (**APPENDIX 6**).

The minimum score target will be determined by the ~~Interim Executive Director Head of Commercial Development & Investment and their Team~~, in consultation with the Lead Member for Finance, once the Business Plan objectives and focus areas have been finalised.

APPENDIX 4: GOVERNANCE

Full Council



Investment Governing Board – approves recommendations within approved scheme of delegations, with recommendations to Council as appropriate

Chief Executive Officer

S151 Officer

Leader

Deputy Leader/
Lead Cabinet Member for Finance

Investment Selection Team – develops Stream 1, 2 & 3 investment recommendations for IGB approval

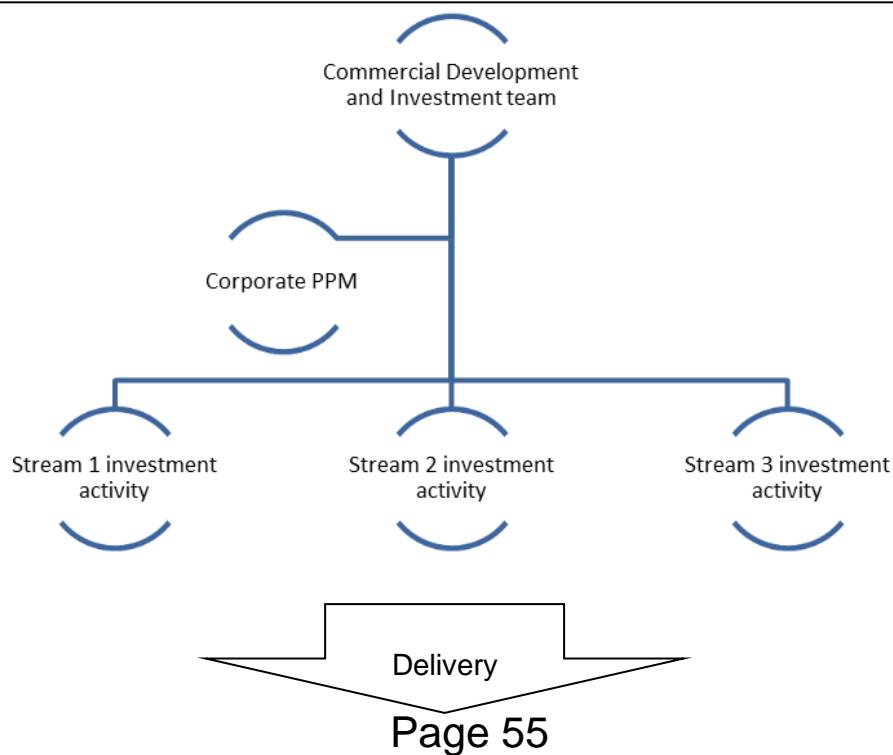
Chief Executive Officer

S151 Officer

Head of Commercial Development & Investment

Director

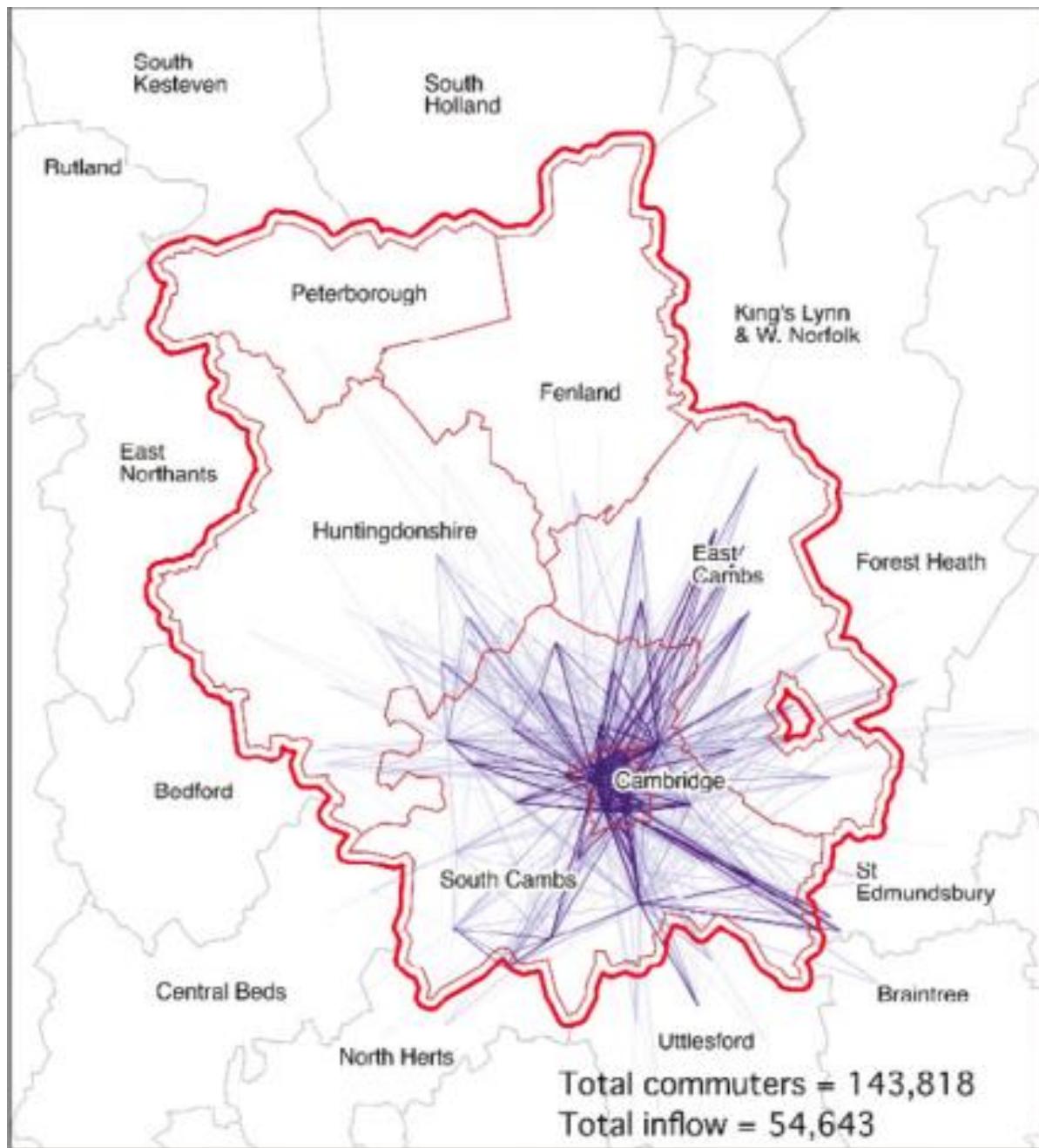
Monitoring Officer



APPENDIX 5: INVESTMENT AREA

Investment Target Area

The investment target area outside of the Local Plan boundary follows the definition of the Greater Cambridge commuting pattern, as identified in the Cambridgeshire and Peterborough Independent Economic Review (September 2018):



APPENDIX 6: STREAM 2 AND 3 BUSINESS CASE OUTLINE

The business case will include the following as a minimum:

Reasons - Why is the investment needed?

Options - What are the options available?

Benefits - What would be the benefits of the investment? How would it help deliver the Business Plan objectives?

Investment Appraisal - A detailed financial appraisal setting out the projected income and costs associated with a potential acquisition along with an assessment of the proposed financing options and associated risks and considerations.

Risk Management Assessment - A detailed risk assessment of the potential investment, including mitigation measures that can be employed:

- Specific risks associated with the proposed investment:
- Risk of failure (sales / letting void risks)
- Costs of ownership and management
- Differing ownership structures (e.g. wholly owned subsidiaries).
- Sector risk (portfolio spread)
- **Provide an exit strategy financial assessment as a 'worse case' scenario**
- **Liquidity assessment**
- **LTV ratio assessment**

Market Risks, including risks of structural change or market failure, which may affect the market as a whole or particular subsectors or groups of property:

- Illiquidity upon sale (e.g. lot size, transaction times, availability of finance)
- Failure to meet market value expectations (forecast value growth)
- Failure to meet market yield expectations (forecast yield shift)
- Risk of locational, economic, physical and functional depreciation through structural change
- Risks associated with legislative change (e.g. planning or changes in fiscal policy)

Portfolio Assessment - An assessment to establish suitability against the Council's existing property portfolio which will consider rental levels, location, property type, rent review and lease expiry patterns, industry sector, tenure, lease covenants, market exit constraints and physical and environmental factors.

Legal

- Report on title (to confirm ownership)
- Options for legal structures (e.g. use of wholly owned subsidiaries)
- Advice on SDLT and VAT linked to use of legal structure options

Estimated Timescale

- Proposed start date
- Estimated end date
- Duration

Estimated project resources

- Identify role and name of officers
- Estimate the demand on officer time
- Identify resource gaps and whether these can be met
- Identify external resources required and estimated budget cost

APPENDIX B

INVESTMENT STRATEGY – SUMMARY OF KEY REVISIONS

ISSUE	OPTIONS	ACTION
1) Publication of Investment Strategy. Currently this is difficult to find on the website. A list of council policies and strategies would aid transparency.	Improve accessibility on the Council's website	Note that Head of Commercial Development & Investment is currently working with the Comms team to present the Strategy on a separate and fully accessible version on the website
2) Loans to 3rd parties. IGB should consider that any loans made to 3rd parties (i.e. Ice Rink) should be explained within the Investment Strategy, and not within other Capital Strategies. The rates of return on such loans need to be explained.	Amend Investment Strategy to include loans to 3 rd parties within 'stream 2' investments	Agree to modify the Investment Strategy within the <i>Acquisition / Development methodology</i> section to include: <i>investments via loans to 3rd parties</i> as an area of activity within stream 2
Page 58	Fair value assessment. Should IGB consider requiring this to be done as part of the annual strategy / review for inclusion within the MTFS?	No action needed. Paragraph 8.2.4 of the Investment Strategy states that: <i>Each year the Council will assess whether assets purchased via the Strategy retain sufficient value to provide security of investment using the fair value model in International Accounting Standard 40: Investment Property. If the fair value of assets is not sufficient to provide security for the capital investment the Strategy will provide detail of the mitigating actions that are being taken, or are proposed to be taken, to protect capital investment</i>
	4) Dependency on yield bearing investment to fund NSE. Investment Strategy should set out extent of dependency and contingency plans if expected yields are not realised. IGB should consider the requirement for each investment proposal to provide an exit strategy financial assessment as a 'worse case' scenario, in order that members can appreciate the level of risk associated with each investment.	Agree to modify the Investment Strategy under APPENDIX 1 (1b) - Stream 1 Business Case item c) Risk Management Assessment, and APPENDIX 6 Stream 2 & 3 Business Case outline, under Risk Management Assessment to include the wording: <i>provide an exit strategy financial assessment as a 'worse case' scenario</i>

ISSUE	OPTIONS	ACTION
5) Liquidity. What procedures exist to ensure funds can be accessed when they are needed? What is the liquidity associated with each asset class?	To require the IST to assess the liquidity of each investment and to maintain a register of the same in the Asset Management Plan for the investment portfolio	<p>Agree to modify the Investment Strategy to include the wording: <i>liquidity assessment</i> under APPENDIX 1 (1b) - Stream 1 Business Case item c) Risk Management Assessment, and APPENDIX 6 Stream 2 & 3 Business Case outline, under Risk Management Assessment</p> <p>Agree to require the IST to provide a <i>liquidity assessment</i> when undertaking the annual Fair Value Assessment (as described in paragraph 8.2.4 of the Investment Strategy)</p>
6) Use of cash as opposed to borrowing. The Investment Strategy assumes all investments would be made through PWLB borrowing, however as the Council has cash available. The indicator Debt:NSE (Net Service Expenditure) only records the amount borrowed. MHCLG guidance requires that the Investment Strategy needs to cover all assets not being used to deliver council services (i.e. cash as well as borrowing). Is a separate indicator required to record use of cash, or should the existing indicator be modified?	<ul style="list-style-type: none"> a) to modify the existing indicator to include cash and debt within the Debt:NSE indicator (i.e. £20m per annum including cash and debt financing) b) to add an additional indicator determining the amount of cash that can be invested each year (as a proportion of Net Service Expenditure) 	<p>Agree to modify the Investment Strategy to include cash within the Debt:NSE ratio by adding the words <i>(as cash or loan financing)</i> after the words 'gross debt' in paragraph 8.2.1 Debt to Net Service Expenditure (NSE) Ratio,</p> <p>OR</p> <p>Agree to <i>create an additional indicator</i> after paragraph 8.2.1 of the Investment Strategy to measure the amount of cash associated with Commercial Property Investments</p>
7) b. Debt:NSE ratio. IGB should consider whether the limits set are reasonable, given the Council's business plan objectives and the growth agenda generally across the District.	To modify to the level of investment from a fixed £20m per annum to a range from £20m up to £120m per annum.	Agree to modify the level of investment (as expressed through the Debt:NSE ratio and any additional cash indicators) from a fixed £20m per annum to a range from £20m to £120m per annum

ISSUE	OPTIONS	ACTION
8) Income:NSE ratio. IGB should consider refining this to reflect the different levels of financial return that each investment stream can deliver	<ul style="list-style-type: none"> a) Stream 1 - generally 5% minimum yield – what is the target level of income from this stream? b) Stream 2 – Investment Strategy states minimum level return of 2.5% - what level of investment is the target? c) Stream 3 – could require significant levels of investment (exceeding current Debt:NSE limits) but will deliver capital receipts rather than annual revenue stream over the long term. 	<p>Agree target yield for Stream 1 investments at least 5%</p> <p>Agree target yield for stream 2 investment at least 2.5%</p> <p>Agree each project within stream 3 to be individually assessed with a minimum yield required of 5%</p>
9) LTV ratio. Is it appropriate to have a fixed indicator for each year, given that cash inflows and outflows (especially from stream 3) will fluctuate within year? Should IGB consider setting an LTV limit no lower than 2.0 as a prudent indicator, including the requirement to calculate LTV of all investments within the Investment Strategy portfolio prior to any investment decision being made (as values can go down within year as well as up).	To modify the LTV ratio to require limit of 2.0 and require the ratio to be assessed prior to any investment being made when preparing the business case	<p>Agree to modify the Investment Strategy to include the wording: <u>LTV ratio assessment</u> under APPENDIX 1 (1b) - Stream 1 Business Case item c) Risk Management Assessment, and APPENDIX 6 Stream 2 & 3 Business Case outline, under Risk Management Assessment</p>
10) Consideration should be given as to a statement of how net revenue is calculated	Annual Net Revenue = Income – acquisition costs - operational costs – loan interest (or where cash is used, the loss of interest), divided by the Total amount invested	<p>Agree to require the IST to agree the formula to calculate net revenue for each investment, and report this to IGB meetings within the Asset Management update</p>
11) Gross and net income and Operating Costs. IGB should consider requiring the Investment Strategy to provide further detail of the operational costs. Going forward each year the Investment Strategy should provide out-turn costs and revenues compared against budgets set the previous year	<p>Operational costs to include staff time and the following:</p> <ul style="list-style-type: none"> i. Repairs, ii. Sinking fund, iii. Running costs (other than those recoverable from tenant) iv. Business rates (if not recoverable for tenants) v. Voids vi. Finance costs vii. Asset management costs, including: insurance; inspections; surveys; lease events; invoicing and arrears management; covenant enforcement, and service charge management. 	<p>Agree to amend the indicator at para 8.2.2. of the Investment Strategy (Commercial Income to NSE Ratio) to include all operational costs, thereby reporting the net income from investments</p>

ISSUE	OPTIONS	ACTION
12) Vacancy levels. Currently set at zero, but what are acceptable parameters for ongoing portfolio management? What allowance should be made of void periods and capital expenditure during investment lifecycle? Is there an asset / portfolio management plan in place and who is responsible for this?	To include an allowance for voids or not	Agree to include an allowance for voids based on the anticipated 25 year cash flow for each investment and include the void costs within the Commercial Income to NSE ratio above
13) Strengthen the Strategy to ensure that it covers all requirements of the CIPFA guidance and statutory guidance.	To review the coverage in relation to contribution, security, risk assessment, liquidity, proportionality and borrowing in advance of need.	Agree to include further clarification if the requirements in relation to contribution, security, risk assessment, liquidity, proportionality and borrowing in advance of need.
14) Clarify governance arrangements, including arrangements for the approval of priority investments	<p>To make appropriate amendments to the Investment Strategy to confirm the role of Council in capital funding allocations and the profiling of expenditure.</p> <p>To make appropriate amendments to the Scheme of Delegations to enable Officers to progress investment opportunities, including undertaking essential due diligence checks and the submission of non-binding offers in line with market practice.</p>	Agree to clarify governance arrangements in the Investment Strategy, including amendments to the Scheme of Delegations to Officers.

Agenda Item 8b



**South
Cambridgeshire
District Council**

Report To: Council 28 November 2019

Lead Cabinet Member(s): Councillor John Williams,
Lead Cabinet Member for Finance

Lead Officer: Peter Maddock, Head of Finance

2018/19 Provisional General Fund Revenue and Capital Budget Outturn

Executive Summary

1. To consider, having regard to the 2018/2019 General Fund revenue and capital budget outturn position, the appropriation of unallocated General Reserve balances and to agree proposed revenue and capital budget carry forward items.
2. This is a key decision as there are resource implications directly arising from the report. The report provides a statement of the year-end financial position and progress with approved capital investment projects and identifies the use of the revenue outturn surplus for transfer to earmarked Reserves and also proposes variations to the approved capital programme.

Recommendations

3. Council is requested to consider the report and, if satisfied, to approve:
 - (a) The re-designation of the established Business Efficiency Reserve as Transformation Reserve and that the sum of £3 million be appropriated from the unallocated General Fund Reserve to the Transformation Reserve to enable the service transformation and organisational change programme to be resourced, noting that the General Fund unallocated reserve would then be £14.446 million;
 - (b) The General Fund Revenue Budget Carry Forwards in the sum of £1.227 million as outlined in Appendix A;
 - (c) The General Fund Capital Budget carry forwards of £6.464 million due mainly to the slippage of capital projects as outlined in the report.

Reason for Recommendations

4. To consider the impact of the 2018/2019 revenue and capital outturn position and, if satisfied, support the carry forward of slippage within the 2018/2019 revenue budget and approved capital programme.

Details

2018/2019 Revenue Budget – Outturn

5. This report sets out the 2018/2019 Outturn position with a brief commentary on some of the variances. The Council's draft Statement of Accounts will be submitted to Audit Committee on 26 November 2019 for approval; it is not envisaged that there will be any issues arising that will impact on the Outturn.
6. The table below sets out the Outturn position for each Directorate:

	Current Net Budget £ million	Outturn £ million	Variance £ million	%
Housing Services	1.373	1.129	(0.244)	(17.7)
Health & Environmental Services	6.639	6.523	(0.116)	(1.7)
Corporate Services	6.609	5.626	(0.983)	(14.9)
Planning	4.727	3.465	(1.262)	(26.7)
Operational Net Cost	19.348	16.743	(2.605)	(13.5)
City Deal and Drainage Levy	1.119	1.078	(0.041)	(3.7)
Investment Income & Expenditure	(1.702)	(1.506)	0.196	11.5
Appropriation to/(from) Earmarked Reserves	(0.443)	2.852	3.295	743.8
Accounting reversals and MRP	(1.313)	(1.617)	(0.304)	(23.2)
Non Operational Budgets	(2.339)	0.807	3.146	134.5
Total	17.009	17.550	0.541	3.1

7. The Operational Net Cost of the Council relates to the day to day spending/service areas of the Council. The outturn for Net Operational Cost is £16.743 million representing an underspend of £2.605 million; this is offset by an overspend of £3.146 million in relation to Non Operational Budgets. The net position being an overspend of £0.541 million. Much of the underspend in operational areas is related to a compensating increase in appropriation to reserves as funding for those projects was intended to come from this source, although some of the transfer to reserves relates to Business Rates income which features in the table at paragraph 10.
8. The key variances in operational areas are detailed below with some commentary on each area:

Directorate	£m	Reason for Variance
Housing	(0.244)	A further allocation of Flexible Homelessness Grant was received during the year. This has been transferred to the Earmarked reserve to aid Homelessness prevention activities for spending over the next 3 years. There were also savings on the Private Sector Leasing Scheme support.

Health and Environmental Services	(0.116)	The variance is made up of a number of under and overspends, with largest savings realised in Health and Wellbeing due to staff savings and additional income. A credit of £40,000 also contributed to savings in Awarded Watercourses.
Corporate Services	(0.983)	Corporate services are underspent in most areas, most notably an underspend of £489,000 on Renewable Energy projects which will now be implemented in 2019/2020. Funding for these projects was planned as a withdrawal from Earmarked reserves. Other notable underspends are in Revenues and Benefits due to staff vacancies and in Democratic services £106,000 were saved on members allowances/travel and subsistence.
Planning Shared Service	(1.262)	The original budget was prepared on a South Cambs only basis, however, the shared service was created during that year and as a result both expenditure and income were substantially different; resulting in an overall under-spent of £1.262 million. Income was up by £2.008 million and expenditure up by £0.746 million. Part of the 2018/2019 savings are also attributable to compensation and appeal costs which are being requested to be rolled over into the financial year 2019/2020.
Overheads	0.642	There were two main areas of overspend relating firstly to ICT of £308,000 and Planning Administration of £542,000. The latter again related to the formation of the shared planning service. There were a number of offsetting underspends including Environmental support (£63,000) and the Contact Centre (£45,000). These services are allocated to both General Fund and Housing Revenue Account services and form part of the costs reported in each operational area above.
Non Operational Budgets	3.146	The most significant part of this overspend is in reality additional contributions to Earmarked Reserves because of the underspends experienced within the operational areas. There is, however, also an additional contribution to reserves from business rate income received from renewable energy schemes. The income appears as part of the next table.

9. It is usual practice to submit any requests for rollover to 2019/2020 as part of this report and the rollovers are listed with some commentary at [Appendix A](#).

10. In addition to operation and non operational income and expenditure above the following table shows the outcome for Council Tax, Business Rates and the various other non-ring-fenced grants received from Central Government:

	Current Net Budget £ million	Outturn £ million	Variance £ million	%
Total Expenditure (from above)	17.009	17.550	0.541	0
Government Grants	(2.923)	(5.752)	(2.829)	(96.8)
Council Tax	(8.616)	(8.616)	0	0
Business Rates	(5.470)	(5.942)	(0.472)	(8.6)
Collection Fund Surplus	0	(3.218)	(3.218)	0
Income from Taxation and Government Grants	(17.009)	(23.528)	(6.519)	(38.3)
Appropriation (to)/from General Fund.	0	(5.978)	(5.978)	

11. The Outturn position set out in the table above reflects the following:

- That due to the constant changes to business rate reliefs since the introduction of 50% local retention, the government is required to compensate local authorities for the loss of revenue as a result. In 2018/2019 this was £2.829 million more than expected.
- That growth in business rates income in the district has been substantial since the setting of the baseline and, although 50% of that growth has to be paid over to central government (amounting to £2.438 million), there was still additional income of £0.472 million.
- The surplus on the business rates collection fund (£0.119 million) and Council Tax Collection fund (£0.99 million). It is normal practice to make provision for this surplus or deficit in setting the revenue budget but, for no known reason, there was no allowance made in the 2018/2019 budget. The same situation has also been repeated in the 2019/2020 budget which will again lead to a more favourable outturn than the approved budget indicates.

12. It is worth noting at this point the complexities of forecasting income in a growth area, particularly for Business Rates. Rather than taking account of the income due in the current year and applying a percentage uplift, there are many factors that need to be accounted for during the estimate process. The evaluation, or "rating", of non-domestic premises is conducted by the Valuation Office Agency (VOA), a process which can take many months following completion of a build. There is a requirement to predict the likely impacts on income of properties being built or demolished, along with reductions in business rates due to appeals which may or may not come to fruition during the financial year. Whilst every endeavour is made to make informed predictions, it is important to accept that there is limited influence over such events, which tend to be driven by economic and market factors; these may arise after estimates have been prepared.

13. It should also be noted that legal challenges on VOA decisions, such as the high profile cases around the rating of ATMs or by NHS trusts who are seeking 80% charitable relief, both of which are yet to be decided, also have the potential to significantly impact estimates. Whilst a provision is made within accounts for such eventualities, there remains a degree of uncertainty and the approach reflects a level of prudence on this basis.
14. The budget assumed no change in the General Fund Balance however as a result of the additional income particularly from Business Rates, £5.978 million has been added to the General Fund Balance.
15. The option of allocating the surplus for an alternative earmarked purpose exists. For example, the establishment of a Property Investment Reserve could enable Council priorities in relation to housing, economic growth and income generation to be advanced further (e.g. land acquisition, asset refurbishment or additions to the property portfolio without reliance on capital funding). It is important that the revenue implications of any investment decision are carefully and fully taken into account.

Reserves

16. There are a substantial number of General Fund revenue reserves in existence and the balance on these as at 31 March 2019 was a little over £24 million. There is a need to review these reserves as to their level and appropriateness and to ensure they are aligned to Council priorities. It is intended to carry out a thorough review of these Reserves as part of the 2020/2021 budget process with a view to rationalising them as appropriate.
17. The major Revenue Reserves held by the Council are detailed below with some commentary on each:

New Homes Bonus (NHB) GCP Reserve – £3.131 million: This reserve was set up to receive a proportion of the NHB monies the authority receives from the Government; 30% is currently set aside each year for costs of the Greater Cambridge Partnership. It is likely that, in the longer term, more will be paid out of the Reserve than received as it is expected that the NHB will either be reduced significantly or phased out completely. The position will need to be reviewed given the impact of any changes to NHB on the existing commitment. During 2018/2019 a contribution of £886,000 was paid towards the Partnership with the contribution inwards being £922,000.

New Homes Bonus A14 upgrade Reserve – £3.318 million: The A14 contribution of £5 million is expected to eventually come from this reserve, collected from the remainder of the NHB funds after the allocation to GCP and General Fund. No funds were allocated to this Reserve for 2018/2019.

Renewables Reserve – £3.425 million: This was set up at the end of 2015/2016 in order to fund an investment programme to build new sources of renewable energy. The funds are built up from amounts retained in respect of Renewable Energy Schemes as per National Non Domestic Rates (NNDR) 3 returns. In 2018/2019, £834,462 was received from Renewable Energy sources, 100% of which is retained locally in order to be reinvested back in Renewable Energy projects. In 2018/2019, £75,172 of the funds were utilised, including funding the installation of the solar panels on the Waterbeach Depot. It is proposed to use some of the balance of funds going forward at South Cambridgeshire Hall to improve energy efficiency and implement green energy schemes.

Business Rates Growth Reserve – £6.230 million: This relates to retained funds from the 100% Business Rates pilot. At the time the funds were made available, it was not clear if there were any restrictions on expenditure funded by this pilot, therefore, funds were put in a reserve pending further clarification from the Government. It is proposed that funds from this reserve are used to top up the A14 Upgrade Reserve at the time payment will fall due.

Business Efficiency Reserve – £1.026 million: Set aside to meet costs associated with council actions, implementation of business improvement and efficiency programmes and commercialisation programme projects and the Shared Services programme. It is proposed to re-designate this reserve as a Transformation Reserve. The Council is embarking on a programme of transformation and there will inevitably be transitional costs arising from the review of business processes, the investment required to achieve the change required and the costs associated with reviewing the level of resource across the Council. There will, therefore, be a need for one-off expenditure to realise on-going savings and it is proposed, at this stage, to set aside a further £3 million from the 2018/2019 outturn surplus to this Reserve for costs associated with the transformation programme over the next few years.

General Fund Capital Programme 2018/2019 – Outturn

18. The outturn in relation to the 2018/2019 Capital Programme identifies an expenditure underspend of £7.316 million and equivalent financing underspend. The budget for comparison purposes is the revised budget that was reported to Council on 21 February 2019 as part of the 2019/2020 budget papers:

	Revised Budget £ million	Outturn £ million	Variance £ million	C/F
Housing Services	2.212	1.063	(1.149)	0.030
Health & Environmental Services	0.921	1.050	0.129	0.052
Corporate Services	0.839	0.604	(0.235)	0.330
Planning Services	0.080	0.071	(0.009)	0
Advances to Housing Company	28.054	23.147	(4.907)	4.907
CLIC Investment	2.400	1.255	(1.145)	1.145
Expenditure	34.506	27.190	(7.316)	6.464
Capital Receipts	1.702	1.773	0.071	
Revenue (Inc. Reserves & HRA)	0.690	0.299	(0.391)	
Contributions (Inc. Section 106)	0.814	0.716	(0.098)	
Borrowing (Internal & External)	31.300	24.402	(6.898)	
Funding	34.506	27.190	(7.316)	

19. Expenditure on Housing includes the re-purchase of General Fund sheltered Properties and Private Sector Housing Grants including Disabled Facilities Grants (DFG's). With regard to the former, an allocation is put in each year as it is unknown how many will occur. There were not as many as expected leading to an underspend and the allocation in for 2019/2020 is felt to be adequate so there is no need to carry forward any monies. The latter was overspent by £50,000 relating to DFG's and home assistance grants, but the Council received additional funding of £80,000 at the end of 2018/2019 so in reality a carry forward of £30,000 is appropriate.

20. The Health and Environmental Services budget is provided in the main for vehicle replacements for the waste and street cleansing fleet. This was overspent when compared to the revised budget mainly due to additional vehicle purchases. There was also an order placed during February 2019 for additional tail lift vehicles but not delivered until April 2019. The cost of £52,000 needs to be carried forward into 2019/2020 but in any event is funded from Earmarked Reserves.
21. The Corporate Support Services budget includes ICT projects and Capital works at the Camborne offices. Overall budgets were underspent by £235,000. The underspend on the Camborne offices was £330,000, with an overspend on ICT projects. It is proposed to carry forward the underspend for the office refurbishment to enable the projects in the programme to be completed.
22. It was expected that £28,054 million would be advanced to Ermine Street Housing Ltd, the Council's wholly owned subsidiary. In the event £23,147 million was actually advanced as the number of properties acquired in the second half of 2018/2019 was lower than expected. These loan advances count as Capital Expenditure as they are for a specific purpose and, as such, the unspent allocation should be carried forward into 2019/2020.
23. The Council has been providing loan finance for the creation of an Ice Rink in the sum of £2.4 million. It was expected that the rink would be complete during 2018/2019 but, in the event, it did not complete until the summer of 2019. The outstanding amount of £1.145 million needs to be carried forward into 2019/2020 to enable the commitment to the project to be met.
24. A summary of the service related rollovers, totalling £412,000, is identified at [Appendix B](#).
25. Use of Capital Receipts to fund the programme was slightly higher than expectations due to additional spend in Health and Environmental Services. Funding for DFG's from the Better Care Fund exceeded expenditure but this funding can be applied during 2019/2020 and there is an expectation that expenditure will rise as demand appears to be increasing. The expected call on reserves was less than anticipated and due to the under-spend this was fairly modest. All borrowing in the year was from internal sources and, due to slippage, was significantly lower than expected.

Implications

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

Legal

27. It is a legal requirement for a Local Authority to set a balanced budget (which can include the use of past surpluses). This report is measuring the actual position against the budget set in February 2018 for 2018/2019.

Policy

28. It is Council Policy and indeed good practice to report on the year end outturn against the budget.

Finance

29. The 2018/2019 General Fund Revenue budget was approved by Council during February 2018. The latest capital budget was approved during February 2019. This report compares the actual outturn for General Fund revenue and capital to the appropriate most recently agreed budgets.

Risk

30. Measuring actuals against budgets is essential for good financial management. A failure to do so carries the risk of not knowing the true financial position.

Environmental

31. There are no environmental implications arising directly from the report.

Equality Analysis

32. In preparing this report, due consideration has been given to the District Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010. A relevance test for equality has determined that the activity has no relevance to South Cambridgeshire District Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

Effect on Council Priority Areas

33. Timely and robust consideration of the Council's outturn is vital to ensure that the financial position of the Council is effectively managed and monitored.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the Public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) In the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- General Fund Medium Term Financial Strategy – Report to Cabinet: 7 November 2018
- Budget Report – Report to Cabinet: 6 February 2019
- Business Plan 2019 - 2024 – Report to Council: 21 February 2019
- Medium Term Financial Strategy and General Fund Budget – Report to Council: 21 February 2019
- An Organisation for a Sustainable Future – Report to Cabinet: 1 May 2019

Appendices

- A 2018/2019 General Fund Revenue Rollovers
- B 2018/2019 General Fund Capital Rollovers

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Details of rollovers from 2018/19 into 2019/20

General Fund Revenue Budgets

Item		Rollover Value £ 000's
	Planning	
1	Consultancy BNE Village Design DCLG Grant received for £130k. Slippage in the works have resulted in a £53,135 underspend at 2018-19 year end. Further project costs are to be incurred in 2019-20 (POs have been raised and c/f in 2019-20).	43
2	Planning Policy Greater Cambridge Local Plan No spend incurred YTD. Budget requested to be rolled over by Assistant Director of Strategy	250
		10
3	Economic Development Market research : Managed workspaces on Cambridge Compass Enterprise Zone in South Cambridgeshire. Match funding from Cambridgeshire & Peterborough Combined Authority	8
4	Development Management Increase of budget due to the amount of outstanding 5 year land supply appeals, that have potential for costs appeals being submitted. Cost award appeals can be submitted either at the start of the appeal or at the start of the hearing or inquiry. There is a known appeal that we know costs will be submitted and is likely to be awarded against us. We anticipate that this cost being in the region of £200,000 Increase of budget due to the amount of outstanding 5 yr land supply appeals, that have yet been through the appeal process. We have a known appeal that will be submitted and we estimate that it will cost in the region of £150,000 to defend the appeal.	200
		150
	Housing General Fund	
5	Improvement Grants Carry forward £30,000 remaining from the 2018/19 budget. The additional flexibilities in the Cambridgeshire Housing Adaptations & Repairs Policy approved by Cabinet in March 2019 will enable us to support a wider group of residents to enable them to live healthy, independent lives in their own home.	30
	This money is grant funding received via the Better Care Fund and is ring-fenced to be used under the Cambridgeshire Housing Adaptations & Repairs Policy. We will undertake a targeted campaign in 2019/20 to improve energy efficiency of existing homes to vulnerable households.	
	Health & Environmental Services	
6	Renewable Energy A delay in starting the Renewable Energy Programme- this is funded from Earmarked Reserves	536
	Total General Fund revenue budget rollovers from 2018-19 to 2019-20	1,227

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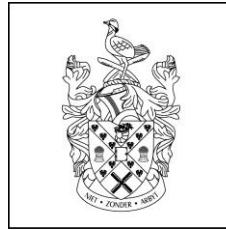
Details of rollovers from 2018/19 into 2019/20

Capital Budgets

Item		Rollover Value £
	Corporate Services	
1	Cambourne Offices- First floor Improvements Ground floor reception improvements did not progress due to quotes received too high. Money to be rolled over to fund alternative improvements projects including reception pods, AV equipment, members' lounge & post room	330
	Housing Services	
2	Private Sector Housing Grants Disabled Facilities Grants underspend required in 2019/20 due to increased demand	30
	Health & Environmental Services	
3	Greater Cambridge Shared Waste Service Late delivery of replacement tail lift collection vehicles as part of the capital replacement programme.. These vehicles are now at the end of their economical useful lives. Vehicles were ordered in February 2019 but not delivered until Q1 in 2019-20.	52
	Funding for these vehicles is coming from earmarked allocation within the Commercial vehicle sinking fund held on reserve.	
	Total General Fund Capital budget rollovers from 2018-19 to 2019-20:	412

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Agenda Item 8c



South
Cambridgeshire
District Council

Report To: Council 28 November 2019

Lead Cabinet Member(s): Councillor John Williams
Lead Cabinet Member for Finance

Lead Officer: Peter Maddock, Head of Finance

2018/19 Housing Revenue Account (HRA) Revenue and Capital Budget Outturn

Purpose

1. To consider, having regard to the 2018/2019 HRA revenue and capital outturn position, the proposed revenue and capital budget carry forward items.
2. This is not a key decision as there are no additional resource implications directly arising from the report at this stage; the report provides a statement of the year-end financial position and progress with approved capital investment projects.

Recommendations

3. **Council is requested to consider the report and, if satisfied, to approve:**
 - (a) **The Housing Revenue Account Revenue Budget Carry Forwards from 2018/2019 to 2019/2020 in the sum of £0.739 million, identified at Appendix A;**
 - (b) **The Housing Revenue Account Capital Budget Carry Forwards from 2018/2019 to 2019/2020 of £1.124 million, identified at Appendix B.**

Reason for Recommendations

4. To consider the impact of the 2018/2019 revenue and capital outturn position on the Housing Revenue Account and to consider the carry forward of slippage within the 2018/2019 revenue budget and the approved capital programme.

Details

2018/2019 Revenue Budget – Outturn

5. This report sets out the 2018/2019 Outturn position with a brief commentary on some of the variances. The Council's draft Statement of Accounts will be submitted to Audit Committee on 26 November 2019 for approval; it is not envisaged that there will be any issues arising that will impact on the Outturn.

6. The table below sets out the outturn position for the Housing Revenue Account:

	Current Net Budget £ million	Outturn £ million	Variance £ million	%
Housing Management	6.995	6.671	(0.324)	(0.05)
Housing Repairs	4.284	3.788	(0.496)	(11.6)
Depreciation	9.881	6.455	(3.426)	(34.7)
Interest Payable	7.193	7.193	0	
Capital Expenditure funded from Revenue	2.925	5.743	2.818	96.3
Other Items	0.122	0.112	(0.010)	(8.2)
Gross Expenditure	31.400	29.962	(1.438)	(4.6)
Rents	28.020	28.506	(0.486)	(1.7)
Charges for services and Facilities	1.804	1.747	0.057	5.6
Interest on Balances	0.585	0.760	(0.175)	(29.9)
Gross Income	30.409	31.013	(0.604)	(2.5)
Contribution (to)/from HRA Balance	0.991	(1.051)	(2.042)	(200.0)

7. HRA expenditure was £1.438 million or 4.6% below expectations and income was £0.604 million or 2.5% above expectations. The net effect was to move from taking £0.991 million from HRA balances to adding £1.051 million to HRA balances a swing of £2.042 million.

8. The key variances are as follows:

Directorate	£m	Reason for Variance
Housing Revenue Account	(2.042)	The reported underspend against the original budget is due to: i) Significant reduction in level of depreciation charged to the HRA following a review of asset lives, resulting in longer residual lives for many dwellings ii) Increase in direct revenue financing of capital expenditure as a result of the approval of rollovers as part of the outturn process for year 2017/2018 iii) Underspending in respect of response repair works iv) An increase in the rental income for the year due to removal of the original assumption of the need to hold void dwellings from October 2018 to meet a higher value voids levy. v) An increase in the interest received on cash balances for 2018/19 due to the level of cash balances held.

9. It is usual practice to submit any requests for budget rollover to 2019/2020 as part of this report and the rollovers are listed with some commentary at [Appendix A](#).

Reserves

10. There are two Earmarked Reserves relating to the HRA. These are an insurance reserve holding £1 million and a reserve set up when Housing Self Financing was introduced in 2012 holding £8.5 million. As regards the latter the original intention was that this could be used to pay off some of the self financing debt early but it is now proposed that this be used to fund HRA Capital Expenditure and a recommendation on this will be brought forward in due course. There was no usage or addition to either of these reserves during 2018/2019.

Capital Programme 2018/2019 – Outturn

11. The outturn in relation to the 2018/2019 Capital Programme identifies an expenditure underspend of £2.742 million and equivalent financing underspend. The budget for comparison purposes is the revised budget that was reported to Council on 21 February 2019 as part of the 2019/20 budget papers:

	Current Net Budget £ million	Outturn £ million	Variance £ million	C/fwd
New Homes Programme	8.916	8.040	(0.876)	0.843
Capitalised Repairs	7.546	6.640	(0.906)	0.281
Self-Build Plot Preparation	0.695	0.092	(0.603)	0
Re-provision of Existing Homes	0.910	0.799	(0.111)	0
Re-Purchase of Shared Ownership Properties	0.300	0.054	(0.246)	0
Gross Expenditure	18.367	15.625	(2.742)	1.124
Capital Receipts	3.319	2.881	(0.438)	
Major Repairs Reserve	6.429	6.455	0.026	
Revenue Funding	5.095	5.538	0.443	
Contributions including S106	3.524	0.751	(2.773)	
Total Funding	18.367	15.625	(2.742)	

12. The proposed capital budget rollovers from 2018/2019 to 2019/2020 are identified at Appendix B and total £1.124 million.
13. There was an underspend within the New Homes Build Programme of £0.876 million. Most of this is slippage and needs to be carried forward into 2019/2020 to continue with the schemes currently being carried out. The extent of carry forward is identified, by scheme, in Appendix A.
14. There was also an underspend on capitalised repairs of £0.906 million due to delays and some this is requested as a carry forward to 2019/2020.
15. Self build plot preparation costs have been significantly lower than expected with an underspend of £0.603 million identified. A carry over is not requested as the budget in 2019/2020 is felt adequate.
16. The re-provision of existing homes budget was for a specific project at Robinson Court, Gamlingay, which has now completed with an underspend of £0.111 million.

17. The re-purchase of Shared Ownership properties budget is set annually at £0.300 million to cover any necessary purchases. It is not known how many will occur in each year so the underspend of £0.246 million will not need to be carried forward.
18. Funding for the programme was somewhat different than expected with section 106 and other contribution funding being lower due in part to slippage but also due to lower sales of self build plots.

Implications

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

Legal

20. It is a legal requirement for a Local Authority to set a balanced budget (which can include the use of past surpluses). This report is measuring the actual position against the budget set in February 2018 for 2018/2019.

Policy

21. It is Council Policy and indeed good practice to report on the year end outturn against the budget.

Finance

22. The 2018/2019 Housing Revenue Account budget was approved by Council during February 2018. The latest capital budget was approved during February 2019. This report compares the actual outturn for Housing Revenue Account revenue and capital to the appropriate most recently agreed budgets.

Risk

23. Measuring actuals against budgets is essential for good financial management. A failure to do so carries the risk of not knowing the true financial position.

Environmental

24. There are no environmental implications arising directly from the report.

Equality Analysis

25. In preparing this report, due consideration has been given to the District Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010. A relevance test for equality has determined that the activity has no relevance to South Cambridgeshire District Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

Effect on Council Priority Areas

26. Timely and robust consideration of the Council's outturn is vital to ensure that the financial position of the Council is effectively managed and monitored.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the Public, they must be available for inspection:

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The following documents are relevant to this report:

- Budget Report – Report to Cabinet: 6 February 2019
- Business Plan 2019 - 2014 – Report to Council: 21 February 2019
- Medium Term Financial Strategy (HRA) and HRA Budget – Report to Council: 21 February 2019
- An Organisation for a Sustainable Future – Report to Cabinet: 1 May 2019

Appendices

A 2018/2019 Housing Revenue Account: Proposed Revenue Rollovers

B 2018/2019 Housing Revenue Account: Proposed Capital Rollovers

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Details of rollovers from 2018/19 into 2019/20

HRA Revenue Budgets

Item		Rollover Value £
	<p>Housing Revenue Account</p> <p>1 Direct Revenue Financing of Capital Expenditure</p> <p>As a direct result of the request to rollover budget in the housing capital programme, any revenue funding to meet this cost will need to be rolled forward to match.</p> <p>Stock Improvements (100% of cost) 280,500 New Build – Tewkesbury (70% of 3/5 of cost) 195,720 New Build – Balsham (70% of 9/13 of cost) 352,320 New Build – Gibson Cl (70% of 6/9 of cost) 231,930 New Build – Highfields (70% of cost) 119,700 New Build – Gt Abingdon (70% of 13/18 of cost) (307,380) New Build – Hardwick (70% of 27/39 of cost) (344,080) New Build – Unallocated (70% of cost) 210,000</p>	
	<i>Total General Fund revenue budget rollovers from 2018-19 to 2019-20:</i>	739

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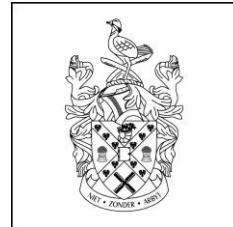
Details of rollovers from 2018/19 into 2019/20

Capital Budgets

Item		Rollover Value £
	Housing Revenue Account	
1	Improvement of Housing Stock Energy Conservation - delayed due to planning decisions: waiting for Planning to decision for external thermal render to 11 Swedish Timber properties at various locations	186
2	Estate Roads & Paths Delay in start to works due to tender process. Resurfacing of Roadway - Hollmans Cl, Fulbourn £12,580.95 Resurfacing of Roadway - Church Cl, Lt Abington £20,010.10	33
3	Parking Facilities Delay in start to works due to tender process. Parking Scheme - Davey Crescent, Gt Shelford £62,199.52	62
4	New Homes Build Program Carry forward of balances for active new build sites: Carry forward balance of funding identified in 2018/19 to provide new homes in Pembroke Way, Teversham 466,000 Carry forward balance of funding identified in 2018/19 to provide new homes in High St, Balsham 727,000 Carry forward balance of funding identified in 2018/19 to provide new homes in Gibson Close, Waterbeach 497,000 Carry forward balance of funding identified in 2018/19 to provide new homes in Highfields, Caldecote 171,000 Recognise early use of 2019/20 resource to fund investment in 2018/19, to provide new homes in Linton Road, Great Abington (608,000) Recognise early use of 2019/20 resource to fund investment in 2018/19, to provide new homes in Grace Crescent, Hardwick (710,000) Carry forward balance of funding identified in 2018/19 for new build expenditure. 300,000	843
<i>Total HRA Capital budget rollovers from 2018-19 to 2019-20:</i>		1,124

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Agenda Item 8d



South
Cambridgeshire
District Council

REPORT TO: Council

28 November 2019

LEAD OFFICER: Liz Watts – Chief Executive, Returning Officer and Electoral Registration Officer

Review of Polling Districts and Polling Places

Executive Summary

1. This report presents the results of a statutory review of the Council's Polling Districts and Polling Places and asks Council to agree the recommendation from the Civic Affairs Committee on 29 October 2019 to retain the existing polling arrangements.

Recommendations

2. It is recommended that Council agree that the current schedule of polling districts and polling places is retained with no changes.

Reasons for Recommendations

3. A public consultation exercise resulted in only two responses, details of which are in the body of the report.

Details

4. Polling districts are the “building blocks” of electoral areas (such as parishes, wards, divisions and constituencies). It is the Council’s job to keep these building blocks under review, primarily to ensure convenient and effective local democracy for its residents.
5. South Cambridgeshire is wholly divided into polling districts. The Council must define a polling place for each of those districts, within which the Returning Officer will site their polling station.
6. The Council last undertook a full review in 2013, with an interim review taking place in 2016 to address a handful of issues raised by the re-warding of the Council by the Local Government Boundary Commission for England (LGBCE).
7. Every council is required to complete a new full review of their arrangements now.

8. In South Cambridgeshire, each parish is made up of either one or two polling districts. There are no parishes made up of three polling districts. Nearly all polling districts already contain their own polling station.
9. The Returning Officer keeps polling arrangements across the district under constant review and is always happy to consider alternative polling arrangements where such are proposed.
10. The Returning Officer has not received any complaints from residents about polling arrangements as they currently exist.
11. Because of these factors, the Returning Officer did not propose in the public consultation to make any changes to the current arrangements.
12. The consultation ran for around 6 weeks. It was sent to all councillors and to all parish councils via the parish council e-bulletin. It was also hosted on the council's consultation portal and was sent to various disability groups and the Acting Returning Officer of the South East Cambridgeshire parliamentary constituency.
13. Two consultation responses were received. The first was from Camsight, a Cambridgeshire based charity that supports people with low vision and blindness to enhance independence and improve well-being and inclusion. Camsight raised some valid points around the process of voting for people with low vision, and we are happy to consider how we can light our polling stations more effectively. Their other points were related to the voting process and cannot be changed as they are driven by statute.

The other response came from Waterbeach Parish Council and related to the availability of car parking at the polling station. When this was discussed further, it became clear that there is a slight lack of parking, but this is counter balanced by the centrality of the station in the village when compared with alternatives. The preference was to retain the current arrangements.

There were no other responses, which would imply a general level of satisfaction with our current polling arrangements.

14. Arrangements will need to be made to establish a new polling district for Northstowe. Currently residents there vote in the Longstanton polling station. The process for establishing this polling district will be tied to the forthcoming Community Governance Review so that we can ensure polling district and town/parish boundaries align.

Options

1. Council could re-adopt the existing arrangements with respect to polling districts and polling places.
2. Alternatively, Council could agree alternative arrangements to those existing, but councillors must be alive to the impact of their decision and ensure that effective local government can continue.

Implications

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

Legal

16. The Council has a legal responsibility to undertake a review of its polling districts and polling places now.

Equality and Diversity

17. The Returning Officer keeps polling arrangements under constant review and is always open to considering adopting alternative arrangements when these are preferable – especially with regards to the accessibility of polling stations.
18. As part of this review, the Returning Officer consulted with a variety of organisations with expertise of disabled and older people, and a response from Camsight was received.

Consultation responses

19. The responses received are appended to the report.

Effect on Council Priority Areas

20. This review is a statutory requirement.

Appendices

Appendix A: Existing polling district arrangements, proposed for retention

Appendix B: Consultation responses

Report Author:

Andrew Francis – Electoral Services Manager, Deputy Electoral Registration Officer
Telephone: (01954) 713014

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Appendix A – Existing Polling Districts, Places and Stations – Proposed for retention

List of Existing Polling Districts, Places and Stations – Amended by Council Jan 2017, Reordered to new wards July 2019				
WARD NAME	PD LETTERS	POLLING DISTRICT	POLLING PLACE	PREFERRED POLLING STATION
BALSHAM	ZA1	Balsham	The Parish of Balsham	Church Institute
	ZC1	Carlton	The Parish of Carlton	Caravan, Pinehawk Kennels
	ZF1	Horseheath	The Parish of Horseheath	Village Hall
	ZI1	West Wickham	The Parish of West Wickham	Village Hall
	ZJ1	West Wratting	The Parish of West Wratting	Village Hall
	ZK1	Weston Colville	The Parish of Weston Colville	Reading Room
BAR HILL	QA1	Bar Hill	The Parish of Bar Hill	Bar Hill Church (Double Station)
BARRINGTON	XB1	Barrington	The Parish of Barrington	Village Hall
	XD1	Great Eversden	The Parish of Great Eversden	Village Hall
	XE1	Little Eversden	The Parish of Little Eversden	The Pavilion
	XL1	Orwell	The Parish of Orwell	Village Hall
	XO1	Wimpole	The Parish of Wimpole	Village Hall
BASSINGBOURN	VB1	Bassingbourn	The Parish of Bassingbourn-cum-Knesworth	The Limes Communal Room
	VE1	Litlington	The Parish of Litlington	Village Hall
CALDECOTE	NA1	Bourn	The Parish of Bourn	Village Hall
	NC1	Caldecote	The Parish of Caldecote	Village Hall
	NL2	Childerley	The Parishes of Childerley, Caldecote and Knapwell	Caldecote and Knapwell Village Halls
	XG1	Little Gransden	The Parish of Little Gransden	Village Hall
	XH1	Kingston	The Parish of Kingston	Village Hall
	XI1	Longstowe	The Parish of Longstowe	Village Hall
CAMBOURNE	NP1	Cambourne	The Parish of Cambourne	The Hub (Triple Station)
CAXTON AND PAPWORTH	NB1	Boxworth	The Parish of Boxworth	Village Hall
	ND1	Caxton	The Parish of Caxton	Village Hall
	NE1	Conington	The Parish of Conington	The Leas

	NF1	Croxton	The Parish of Croxton	Village Hall
	NG1	Elsworth	The Parish of Elsworth	The Pavilion
	NH1	Eltisley	The Parish of Eltisley	Cade Memorial Hall
	NJ1	Graveley	The Parish of Graveley	Village Hall
	NK1	Knapwell	The Parish of Knapwell	Grange Farm
	NM1	Papworth Everard	The Parish of Papworth Everard	The Studio
	NN1	Papworth St. Agnes	The Parish of Papworth St Agnes	The Church
	NP2	Cambourne West	The Parishes of Cambourne and Caxton	The Hub and Caxton Village Hall
	SA1	Cottenham	The Parish of Cottenham	Cottenham Village Hall (Double Station)
COTTENHAM	SC1	Rampton	The Parish of Rampton	Village Hall
	YC1	Babraham	The Parish of Babraham	The George Inn Public House
	YD1	Pampisford	The Parish of Pampisford	Village Hall
	WB1	Duxford	The Parish of Duxford	Communal Centre
	WE1	Hinxton	The Parish of Hinxton	Village Hall
	WF1	Ickleton	The Parish of Ickleton	Village Hall
DUXFORD	RA1	Fen Ditton West	The Parish of Fen Ditton	The Pavilion (recreation ground)
	RA2	Fen Ditton East	The Parishes of Fen Ditton and Teversham	The Pavilion and Hope Community Church, Teversham
	RB1	Fulbourn Village	The Parish of Fulbourn	The Fulbourn Centre (Double Station)
	RB2	Fulbourn Beechwood	Fulbourn Beechwood Polling District	Caravan, Tesco Car Park
	RC1	Horingsea	The Parish of Horingsea	Village Hall
	RD1	Stow cum Quy	The Parish of Stow cum Quy	Village Hall
	RE1	Teversham (Village)	The Parish of Teversham	Hope Community Church
	RE2	Teversham (Foxgloves)	Teversham Foxgloves Polling District	Bewick Bridge School
	RF1	Great Wilbraham	The Parish of Great Wilbraham	Memorial Hall
	RG1	Little Wilbraham	The Parish of Little Wilbraham	The Church
	RG2	Six Mile Bottom (pt)	Six Mile Bottom Polling District	Sports and Social Club
FOXTON	WA1	Great Chishill	The Parish of Great & Little Chishill	Sport Pavilion
	WA2	Little Chishill	The Parish of Great & Little Chishill	Sport Pavilion
	WC1	Fowlmere	The Parish of Fowlmere	United Reformed Church
	WD1	Heydon	The Parish of Heydon	Holy Trinity Church
	XF1	Foxton	The Parish of Foxton	Village Hall

GAMLINGAY	VC1	Gamlingay	The Parish of Gamlingay	Eco Hub (Double Station)
GIRTON	QC1	Dry Drayton	The Parish of Dry Drayton	Village Hall
	QD1	Girton	The Parish of Girton	The Pavilion (Double Station)
	QF1	Madingley	The Parish of Madingley	Village Hall
HARDWICK	PE1	Hardwick	The Parish of Hardwick	Hardwick Pavilion
	PH1	Toft	The Parish of Toft	Meeting Room, Methodist Church
HARSTON AND COMBERTON	PA1	Barton	The Parish of Barton	Village Hall
	PB1	Comberton	The Parish of Comberton	Village Hall/ Baptist Church Centre
	PC1	Coton	The Parish of Coton	Village Hall
	PD1	Grantchester	The Parish of Grantchester	Reading Room
	PF1	Harlton	The Parish of Harlton	Village Hall
	PG1	Haslingfield	The Parish of Haslingfield	Village Hall
	PG2	South Trumpington	The Parish of South Trumpington	Trumpington Meadows Primary School
	TA1	Harston	The Parish of Harston	Village Hall
	TB1	Hauxton	The Parish of Hauxton	Village Hall
	OA1	Histon	The Parish of Histon	Baptist Church Hall (Double Station)
HISTON AND IMPINGTON	OA2	Impington (North)	The Parishes of Histon & Impington	Baptist Church Hall
	OA3	Impington (South)	Impington South Polling District	Meadows Community Centre
	OA4	Orchard Park	The Community of Orchard Park	Orchard Park Community Centre
	YA1	Great Abington	The Parish of Gt and Lt Abington	Village Institute
LINTON	YB1	Little Abington	The Parish of Gt and Lt Abington	Village Institute
	ZB1	Bartlow	The Parish of Bartlow	St Mary's Church
	ZD1	Castle Camps	The Parish of Castle Camps	Village Hall
	ZE1	Hildersham	The Parish of Hildersham	Village Hall
	ZG1	Linton	The Parish of Linton	Village Hall (Double Station)
	ZH1	Shudy Camps	The Parish of Shudy Camps	St Mary's Church
	QE1	Longstanton	The Parish of Longstanton	Village Institute
LONGSTANTON	QG1	Oakington & Westwick	The Parish of Oakington and Westwick	Oakington Pavilion
MELBOURN	XJ1	Melbourn	The Parish of Melbourn	United Reformed Church Hall (Double Station)
	XK1	Meldreth	The Parish of Meldreth	Village Hall
	XM1	Shepreth	The Parish of Shepreth	Village Hall
	XN1	Whaddon	The Parish of Whaddon	Village Hall

MILTON AND WATERBEACH	OB1	Landbeach	The Parish of Landbeach	Village Hall
	OC1	Milton	The Parish of Milton	Bowls Pavilion (Double Station)
	OC2	Milton Detached	The Parish of Milton	Bowls Pavilion
	OD1	Waterbeach	The Parish of Waterbeach	Salvation Army Hall (Double Station)
	OD2	Chittering	The Parish of Chittering	Caravan, Chittering Park Campsite
OVER AND WILLINGHAM	SB1	Over	The Parish of Over	Community Centre
	SD1	Willingham	The Parish of Willingham	Ploughman Hall (Double Station)
	SD2	Willingham Highgate	The Parishes of Willingham & Over	Ploughman Hall and Over Community Centre
SAWSTON	YE1	Sawston	The Parish of Sawston	Free Church Hall (Double Station)
SHELFORD	TD1	Great Shelford	The Parish of Great Shelford	Memorial Hall (Double Station)
	TE1	Little Shelford	The Parish of Little Shelford	Memorial Hall
	TF1	Stapleford	The Parish of Stapleford	Sheltered Housing
SWAVESEY	NI1	Fen Drayton	The Parish of Fen Drayton	Village Hall
	NL1	Lolworth	The Parish of Lolworth	Robinson Hall
	NO1	Swavesey	The Parish of Swavesey	Memorial Hall
THE MORDENS	VA1	Abington Pigotts	The Parish of Abington Pigotts	Village Hall
	VD1	Hatley	The Parish of Hatley	Village Hall
	VF1	Guilden Morden	The Parish of Guilden Morden	Village Hall
	VG1	Steeple Morden	The Parish of Steeple Morden	Village Hall
	VH1	Shingay-cum-Wendy	The Parish of Shingay cum Wendy	Village Hall
	VI1	Tadlow	The Parish of Tadlow	49 High Street
	XA1	Arrington	The Parish of Arrington	Arrington Assembly Rooms and Institute
	XC1	Croydon	The Parish of Croydon	Croydon Reading Rooms
WHITLESFORD	TC1	Newton	The Parish of Newton	Village Rooms
	WG1	Thriplow Village	The Parish of Thriplow	Village Hall
	WG2	Thriplow Heathfield	The Parish of Thriplow	Caravan, Whitehall Gardens
	WH1	Whittlesford	The Parish of Whittlesford	Memorial Hall

Appendix B: Consultation responses

Camsight

This is a general comment/observation on behalf of visually impaired clients of Cam Sight. We are aware, having had a number of very informative talks from the Electoral Department, that you are aware of a shortfall in making voting accessible for those with a visual impairment and are working towards rectifying this. It would be helpful to have voting slips in a variety of formats - large print, braille, even a screen reader would be helpful. In addition if each venue could ensure that there is adequate lighting around at least one of the voting booths that too would be helpful. There needs to be some sort of system whereby a visually impaired person who cannot read braille or read large print has the means to cast a vote in a confidential way. Candidates details could be recorded and an I pad used for the vote to be cast. Cam Sight would be pleased to give further advice and guidance if this would be helpful.

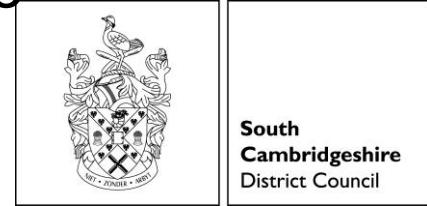
Waterbeach Parish

Not aware of any (issues) – although there isn't much parking at ours. OK for disabled access though...

Follow up: I don't think there are any other more convenient alternatives in Waterbeach but I'll check with the Clerk. The beauty of the Salvation Army Hall is it is pretty central so most people walk.

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Agenda Item 8e



Report To: Council 28 November 2019

Lead Cabinet Member(s): Councillor John Williams,
Lead Cabinet Member for Finance

Lead Officer: Peter Maddock, Head of Finance

General Fund Capital Programme Update and New Bids

Executive Summary

1. To consider the allocation of funding from earmarked reserves for priority projects and an updated capital programme for the period 2019/2020 to 2024/2025. This follows the consideration by Cabinet, at its meeting on 6 November 2019, of the performance of the Council's Capital Programme during 2018/2019 and proposed amendments to the capital programme, including a number of new Capital Programme bids from 2020/2021 to be incorporated into the programme.
2. This is a key decision as there are resource implications directly arising from the report; the report provides monitoring information to ensure awareness of capital scheme progress and new capital bids for consideration and allocation.

Recommendations

3. **Council is requested to consider the report and, if satisfied, to approve:**
 - (a) **The allocation of additional funding of £545,000 from the Renewables Reserve to complete the footpath lighting upgrades given the environmental benefits, acknowledging that a full report would be submitted to Cabinet for approval that outlines the programme of work, timescales, costs and payback period;**
 - (b) **The allocation of funding of £1,300,000 from the Renewables Reserve for a range of energy efficiency and green energy measures at South Cambridgeshire Hall, acknowledging that a full report would be submitted to Cabinet for approval that outlines the range of modifications and enhancements proposed, costs and payback period;**
 - (c) **The revised General Fund capital programme for the period 2019/2020 to 2024/2025, reproduced at Appendix C, to reflect the new scheme bids, amendments to the programme and the reprofiling of expenditure identified in the report.**

Reason for Recommendations

4. To enable Council to consider the allocation of funding from earmarked reserves to enable key projects to be funded and to seek approval for the updated capital programme that incorporates new capital project bids for 2020/2021, amendments to the programme and reprofiling of expenditure outlined in the report.

Details

Capital Programme – Performance Monitoring

5. The Council's approved Capital Strategy and good practice requires that:
 - (i) Effective arrangements are established for the management of capital expenditure, including the assessment of project outcomes, budget profiling, deliverability and the achievement of value for money;
 - (ii) It is appropriate that, in terms of project outcomes and deliverability, the Cabinet receive an annual report covering:
 - the details of schemes commenced on time;
 - the details of schemes completed on time;
 - how many schemes were completed within budget.

Capital Programme – Performance 2018/2019

6. A summary of the performance achieved in relation to the Capital Programme schemes (excluding rolling programmes) substantially completed in 2018/2019 is detailed in Appendix A.
7. In summary, it will be noted that, in many cases, schemes that commenced were completed on time and within budget. It is relevant, however, that there was an expenditure underspend of £7.316 million and equivalent financing underspend in relation to the approved 2018/2019 Capital Programme, with outturn expenditure of only £27.190 million compared to the original funding allocation of £34.506 million.
8. A more detailed post implementation review of key capital projects has been undertaken by relevant Officers in accordance with the Capital Strategy and a summary of the scheme progress is also identified in Appendix A.

New Scheme Bids

9. Cabinet has considered, in line with the Capital Strategy, all new bids for capital investment before making recommendations to Council.
10. It should be recognised that the Council has finite resources and there are competing pressures and affordability issues that need to be taken into account. The corporate focus of capital investment should align with the expectations of the approved Capital Strategy and accordingly there will be a need to:
 - (a) invest where the Council has a statutory, contractual or safety obligation including unavoidable requirements emanating from the Council's approved Corporate Asset Plan;
 - (b) invest in discretionary schemes which meet Business Plan priorities;
 - (c) invest in schemes which provide value for money (i.e. invest to save) provided they are consistent with Business Plan priorities.

11. The schedule of capital programme bids for new projects (i.e. over and above those needed for continued operational purposes, or that form part of a rolling programme) is attached at **Appendix B**.
12. The capital bids have been subject to the completion of a business case in accordance with the Capital Strategy. This covers, amongst other things, project risks, resource implications and compliance with the key priorities of the Council. The bids, summarised at **Appendix B**, are considered to fall into the following categories:
 - (1) Legally/contractually unavoidable;
 - (2) Essential for health and safety reasons;
 - (3) Support Business Plan objectives;
 - (4) Benefit from external funding opportunities; and
 - (5) “Invest to Save” projects (for which regard should be given to the length of the investment payback period).
13. The schedule of new bids includes additional funding for Business Plan priorities of (i) £545,000 in 2020/2021 for essential investment in footpath lighting upgrades given the level of need and energy consumption benefits (topping up an existing allocation of £750,000 from this source) and (ii) £1.3 million for a range of energy efficiency and green energy measures at South Cambridgeshire Hall. There is an uncommitted balance of **£3.425 million** in the established Renewables Reserve which could be used for these projects, subject to a detailed report to Cabinet on the scheme proposals, options, timescales and costings.

Investment Strategy

14. An updated Investment Strategy was considered by Cabinet, at its meeting on 2 October 2019, and has been recommended to Council for approval. The Strategy sets out how the Council determines its capital investment priorities and the updated version identifies the sum of £340 million in the period 2019/2020 to 2023/2024 for potential investment in the following streams:

Stream 1: Prime and close to prime commercial real estate investment let on long leases to good covenants which will provide a secure long-term income over and above their ability to pay back the purchase price debt;

Stream 2: Investment which can generate regeneration or economic development benefits as well as positive financial returns for the Council (e.g. energy storage projects or investments with regeneration benefits);

Stream 3: Investment partnerships with third party developers to deliver new homes (subject to completion of the Members Agreements).

15. The projection of likely investments in all three streams as follows:

Funding Allocation	2019/2020 £'000	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Stream 1	40,000	60,000	80,000	100,000	120,000
Stream 2	10,000	20,000	30,000	40,000	50,000
Stream 3	-	42,500	85,000	127,500	170,000
Totals	50,000	122,500	195,000	267,500	340,000

Vehicle, Plant and Equipment

16. The renewal of vehicles, plant and equipment, including IT equipment, has relied on capital programme bids and funding. As an alternative, a Renewal and Repairs (R&R) Fund could be established for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing and renewing buildings, works, plant or equipment belonging to the Council. This would require annual revenue contributions to the R&R Fund to equalise costs over the life of the asset. A similar arrangement could apply to IT replacement systems by establishing a Software Fund with annual contributions set to meet the cost of replacement software systems.
17. It is proposed that, in preparing the 2020/2021 revenue budget, such Funds are established with revenue contributions built into the budget rather than recourse to borrowing and its associated costs. The extent to which this can be achieved will depend on the extent of savings achieved and other funding pressures that will impact on the delivery of a balanced budget.

Capital Programme Financing

18. Council will need to rely on borrowing to fund capital investment going forward and this has a direct impact on the revenue budget. The level of borrowing is clearly a factor that needs to be considered by the Council, but excessive borrowing must be considered with caution as repayment of any loans would fall on Council Tax, at a time when significant budgetary savings must be made to avoid an unacceptable increase in Council Tax or reductions in key services.
19. The ability to generate capital receipts to contribute to the capital programme funding is very limited and relates entirely to HRA right to buy sales, with only £25,000 currently forecast for 2020/2021. It would not be prudent, given uncertainty in terms of timing and the planning framework, to include them in projections at this time.
20. In determining its Capital Programme, the Council must comply with the regulations relating to the Prudential Framework for Capital Finance in local authorities and related prudential indicators, i.e. is it prudent, affordable (in Council Tax terms) and sustainable (in the Medium Term). Due regard should, therefore, be given to:
 - (i) The estimate of available capital finance (from borrowing and capital receipts if any) needed to cover existing committed schemes and any residual sum available for uncommitted and future priority schemes;
 - (ii) The estimate of capital finance resource becoming available in the ensuing four years for uncommitted schemes and new priority schemes (e.g. from external borrowing, forecast new capital receipts (if any) or external funding);
 - (iii) The estimated revenue implications (estimated at £55,000 per year per £1 million borrowed over 25 years) of the proposed total programme and impact on Council Tax in terms of affordability.
21. Consequently, the number of new priority capital schemes which can be approved at each annual review of the programme will be limited by these affordability factors.

22. To enter into excessive long term borrowing would only exacerbate the position and, on this basis, it is strongly recommended that the Council carefully considers the level of capital investment.
23. The Capital Programme is prepared on a five year rolling programme. As such Cabinet/Council in February 2020 will be considering the programme for the 2020/2021, 2021/2022, 2022/2023, 2023/2024 and 2024/2025 financial years.
24. In the event that all new bids in **Appendix B** are eventually approved, and new borrowing is required for those schemes not financed from Earmarked Reserves (totalling £731,100), the additional cost of the capital programme in 2020/2021 will be **£145,000** (reflecting the relatively short-term life of the assets). This is in addition to the borrowing required for the existing capital scheme approvals for 2020/2021 (i.e. £32.903 million) at an estimated revenue cost of **£1.085 million**.
25. The total additional cost to revenue for the borrowing costs of the full capital programme (including existing approvals plus the above new bids) is **£1.23 million** in 2020/2021. Additional borrowing for the purposes of the revised Investment Strategy (over and above the £20 million per annum in the approved capital programme) will have an estimated revenue cost of £2.72 million in 2021/2022 (if acceptable property investments are identified and commitments made), bringing the total borrowing costs to be met from revenue to £3.95 million for this period. This will be offset by the revenue returns from the property investment portfolio.

Options

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

Implications

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

Policy

28. The Council has two policies which underpin the Capital Programme, namely the Capital Investment Strategy and the Medium Term Financial Strategy (MTFS). The former provides the framework for the evaluation, approval and monitoring of capital schemes and this includes a requirement for an annual report each September relating to schemes completed in the previous financial year. The MTFS provides the framework for funding the Capital Programme and, in line with good practice, no capital scheme can be authorised and no commitment made until:
 - Capital finance is in place to cover the full capital costs; and
 - It has been determined by Council that the ongoing revenue cost consequences are affordable in the light of forward three year Revenue Budget forecasts and related Council Tax consequences.
29. The Capital Strategy was approved by Council at its meeting on 21 February 2019 and provides the framework for submitting and considering new bids and for reviewing the performance of schemes in the approved programme.

30. Specifically, it is appropriate to submit an annual report (as part of performance monitoring arrangements) in respect of capital schemes that have reached practical/substantial completion in terms of whether or not the scheme has met the objectives and, where appropriate, relevant performance measures.

Legal

31. The Council is not legally required to have a Capital Programme but from time to time legally unavoidable schemes, such as those relating to Health and Safety, are required for which the Council has to identify an appropriate source of funding.
32. The Local Government Act 2003 introduced the Prudential Code which requires the Council to agree and comply with a number of Prudential Indicators that underpin the Council's capital investment demonstrating that the investment is prudent, sustainable and affordable.

Resource Implications

33. The net budget for the capital programme will need to be financed from the Council's resources (e.g. capital receipts), revenue financing or, primarily, by borrowing. The borrowing costs are approximately £55,000 per year for every £1 million borrowed and these borrowing costs will need to be factored into the revenue budget when preparing the Medium Term Financial Strategy.
34. Full Council, at its meeting on 21 February 2019, approved new schemes for inclusion in the General Fund capital programme for the period 2019/2020 to 2023/2024 and also the re-profiling of the existing programme. The full programme is summarised in the table below:

Capital Programme: General Fund	2019/2020 £million	2020/2021 £million	2021/2022 £million	2022/2023 £million	2023/2024 £million
Expenditure					
Housing Services	2.380	2.380	2.380	2.380	2.380
Health & Environmental Services	0.721	0.462	0.741	0.486	0.734
Corporate Services	20.753	25.053	20.142	20.153	20.153
Planning Services	-	-	-	-	-
Advances to Housing Company	12.507	12.689	-	-	-
Total	36.361	40.584	23.263	23.019	23.267
Funding					
Capital Receipts	1.698	1.284	1.373	1.384	1.384
Grants/Contributions	2.156	6.397	1.448	1.293	1.218
Borrowing	32.507	32.903	20.442	20.342	20.665
Total	36.361	40.584	23.263	23.019	23.267

35. The outturn in relation to the 2018/2019 Capital Programme, reported to Cabinet on 2 October 2019, identified an expenditure underspend of £7.316 million and equivalent financing underspend. This is shown in the table below:

	Revised Budget £ million	Outturn £ million	Variance £ million	C/F
Housing Services	2.212	1.063	(1.149)	0.030
Health & Environmental Services	0.921	0.976	0.055	0.052
Corporate Services	0.839	0.678	(0.161)	0.330
Planning Services	0.080	0.071	(0.009)	0
Advances to Housing Company	28.054	23.147	(4.907)	4.907
CLIC Investment	2.400	1.255	(1.145)	1.145
Expenditure	34.506	27.190	(7.316)	6.464
Capital Receipts	1.702	1.773	0.071	
Revenue (Inc. Reserves & HRA)	0.690	0.299	(0.391)	
Contributions (Inc. Section 106)	0.814	0.716	(0.098)	
Borrowing (Internal & External)	31.300	24.402	(6.898)	
Funding	34.506	27.190	(7.316)	

36. There is a need to update the capital programme to take into account the roll-over of funding from 2018/2019 to 2019/2020, the updated Investment Strategy, other amendments to the phasing of work and to include the proposed new bids. The revised programme is reproduced at [Appendix C](#).

Risk Implications

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

Environmental Implications

39. There are no environmental implications arising directly from the report. A number of the proposed bids would have environmental impacts that would be considered prior to implementation.

Equality Impact

40. The report is exclusively a support or administrative process and has no direct relevance to the Council's duty to promote equality of opportunity, promote good relations and eliminate unlawful discrimination. Individual bids may have specific equality impacts. For example, the highways bid would include improvements to street lighting and footways that would directly benefit people with restricted mobility.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- General Fund Medium Term Financial Strategy – Report to Cabinet: 7 November 2018
- Budget Report – Report to Cabinet: 6 February 2019
- Business Plan 2019 - 2014 – Report to Council: 21 February 2019
- Medium Term Financial Strategy and General Fund Budget – Report to Council: 21 February 2019
- General Fund Revenue & Capital Budget Provisional Outturn – Report to Cabinet: 2 October 2019
- Investment Strategy – Report to Cabinet: 2 October 2019

Appendices

- A Completed Capital Projects 2018/2019: Performance
- B Capital Programme – New Bids
- C Updated Capital Programme 2019/2020 – 2023/2024

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South
Cambridgeshire
District Council

Appendix A

Completed Capital Projects [General Fund]: Performance - 2018/2019 Projects

Capital Funded Projects: Housing Services	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
Social Housing Grants	502	50	YES	YES	YES
Home Repairs Assistance	100	76	YES	YES	YES
Disabled Facilities - Mandatory	490	564	YES	YES	NO
Disabled Facilities - Discretionary	10	10	YES	YES	YES
General Fund Housing Refurbishments	10	34	YES	YES	NO
Sheltered Properties - Repurchase	1,100	329	YES	YES	YES
TOTAL	2,212	1,063			

Lead Officer
Julie Fletcher
Geoff Clark

Capital Funded Projects: Health & Environmental Services	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
Refuse Collection Vehicles	846	846	YES	YES	YES
Waterbeach Depot Solar Panels		36 *			
Underground Bins		11 *			
Land Drainage Trailer	8				
Pavement Street Sweepers	67	67	YES	YES	YES
Noise Monitoring Equipment		16 *			
TOTAL	921	976			

Lead Officer
Trevor Nicoll
Trevor Nicoll
Trevor Nicoll
Pat Matthews
Trevor Nicoll
Jane Hunt

Capital Funded Projects: Advances to Housing Company	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
Housing Company: Advance Funding	28,054	23,147	YES	YES	YES
TOTAL	28,054	23,147			

Lead Officer
Duncan Vessey

Capital Funded Projects: Corporate Services	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
PC Refresh Programme	15	13	YES	YES	YES
Financial Management System (FMS)	130	109	YES	YES	YES
Revenues/Benefits System	28	45	YES	YES	NO
Environmental Health System		29 *			
Housing Management System		125 *			
Yotta Waste Management System		150 *			
Income Management System		9 *			
Desktop Transformation Programme	180	180	YES	YES	YES
Customer Portal to Website	15	7	YES	YES	YES
Secure Storage Facility at SC Hall	30	-]		
Fire Escape Enclosures	50	-] Projects deferred pending further review of priority requirements.		
Planning Service: Adoptions for Flexible Working	28	-] review of priority requirements.		
Ground Floor Adaptations	363	11]		
TOTAL	839	678			

Lead Officer
Alex Young
Peter Maddock
Dawn Graham
Jane Hunt
Geoff Clark
Trevor Nicoll
Katie Kelly
Susan Gardner-Craig
Sonia Constant
Phil Bird
Phil Bird
Phil Bird
Phil Bird

Capital Funded Projects: Planning Services	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
ICT New Planning System	80	71	YES	YES	YES
TOTAL	80	71			

Lead Officer
Stephen Kelly

Capital Funded Projects: CLIC Investment	Funding Allocation £'000	Actual Cost £'000	Commenced on Time?	Completed on Time?	Completed within Budget?
CLIC Investment	2,400	1,255	YES	NO	YES
TOTAL	2,400	1,255			

Lead Officer
Peter Maddock

* Residual costs associated with original capital programme projects/essential capital investment.

Capital Projects – Scheme Progress/Post Implementation Review

REVIEW OF SCHEMES: HOUSING GRANTS

This includes Private Sector Housing Grants including Disabled Facilities Grants (DFGs). The budget was overspent by £74,000 relating to DFGs and underspent by £24,000 in relation to home assistance grants; the overall position being an overspend of £50,000. The Council did, however, receive additional funding of £80,000 at the end of 2018/2019 so in reality a carry forward of £30,000 is appropriate. Cabinet, at its meeting on 2 October 2019, recommended to Council that the sum of £30,000 be carried forward to 2019/2020 for this purpose.

REVIEW OF SCHEMES: SHELTERED PROPERTIES - REPURCHASE

This relates to the re-purchase of General Fund sheltered properties. An allocation is identified in the capital programme each year, but it is unknown how many will occur. There were not as many as expected leading to an underspend and the allocation for 2019/2020, in the sum of £1.1 million, is deemed adequate. There is, therefore, no requirement to carry forward funding from 2018/2019 to 2019/2020. The Service Area have usefully provided the following additional information in relation to the project:

Project Brief: The project has derived a profit from the properties that are on the old lease and are ring fenced to be resold after they have surrendered; these are all 75% share leases. The Council buy the properties back, carry out void works to make the property marketable and then sell. A profit is generated because the Council is spending money to increase the desirability of these homes. The amount of void works completed depends on the condition of the property at time of surrender, sometimes they are negligible and other times the kitchen/bathroom/heating etc may need to be replaced. The length of time between buy back and resale usually has a positive influence on sale price due to upward trend of property prices and market forces in this district. The current figures are as follows:

Total profit generated for year 2018/2019 = £125,020

For the first quarter of 2019/2020: April to June 2019 = **£72,688** profit from 3 sales after cost of void works, estate agents and legal fees. To break that down further, a total of £3,442 was spent on void works between these 3 properties.

For the second quarter: July to Sept 2019 = **£12,150** profit from 1 sale after above costs deducted.

For the third quarter (based upon current projections): October to December 2019 – Projected profit of **£6,930** from one house sale, currently with legal to complete. 4 further properties are in the pipeline at surrender stage.

Total profit generated for 2019/2020 so far = £91,768.

Please note that this project is time limited. There are roughly 30 properties remaining on old style leases, and there is a commitment to buy the properties back; once these are exhausted the project comes to an end. There is the potential to enter the market and buy properties back that have transferred to the new leases when they are being surrendered but this will have to be a more commercial approach.

REVIEW OF SCHEMES: HEALTH & ENVIRONMENTAL SERVICES

The Health and Environmental Services budget is provided in the main for vehicle replacements for the waste and street cleansing fleet. This was overspent when compared to the revised budget mainly due to the installation of solar panels at the Waterbeach Depot and the purchase of noise monitoring equipment. There was also an order placed during February 2019 for additional tail lift vehicles but not delivered until April 2019. The cost of this acquisition in the sum of £52,000 needs to be carried forward into 2019/2020 but in any event is funded from Earmarked Reserves. Cabinet, at its meeting on 2 October 2019, recommended to Council that the sum of £52,000 be carried forward to 2019/2020 for this purpose.

REVIEW OF SCHEMES: CORPORATE SERVICES

The Corporate Support Services budget includes ICT projects and Capital works at the Camborne offices. Overall budgets were underspent by £161,000. The underspend on the Camborne offices was £460,000, with an overspend on ICT projects of £299,000. Cabinet, at its meeting on 2 October 2019, recommended to Council that the sum of £330,000 be carried forward to 2019/2020 due to slippage in the existing approved capital programme to enable priority office refurbishment projects in relation to South Cambridgeshire Hall to be completed.

REVIEW OF SCHEMES: ADVANCES TO HOUSING COMPANY

It was expected that £28,054 million would be advanced to Ermine Street Housing Ltd, the Council's wholly owned subsidiary. In the event £23,147 million was actually advanced as the number of properties acquired in the second half of 2018/2019 was lower than expected. These loan advances count as Capital Expenditure as they are for a specific purpose and, as such, the unspent allocation should be carried forward into 2019/2020. Cabinet, at its meeting on 2 October 2019, recommended to Council that the sum of £4.907 million be carried forward to 2019/2020 to complete the programme.

REVIEW OF SCHEMES: CLIC INVESTMENT

The Council has been providing loan finance for the creation of an Ice Rink in the sum of £2.4 million. It was expected that the rink would be complete during 2018/2019 but, in the event, it did not complete until the summer of 2019. The outstanding amount of £1.145 million needs to be carried forward into 2019/2020 to enable the commitment to the project to be met. Cabinet, at its meeting on 2 October 2019, recommended to Council that the sum of £1.145 million be carried forward to 2019/2020 to ensure that the funding commitment to the project can be met.



Capital Budget Planning 2020-2024

Summary of New Funding Bids

New Capital Bids	2020/2021 £	2021/2022 £	2022/2023 £	2023/2024 £
Waste Service: Vehicle Costs Modelling has determined that new vehicles will be required in 2020/2021, 2021/2022 and 2023/2024 to meet the growth in new households and essential replacement programme. This is a shared service with replacements programmed equally between the partner Council's. The cost is based upon the proposed acquisition of electric vehicles, with higher initial costs but reduced revenue costs.	375,000	-	-	375,000
Upgrade AV and Delegate Systems The current facilities are in a legacy state; two of the ceiling mounted projectors have failed, and the remaining projector has a 4:3 ratio for presentations. The hearing aid loop system also needs to be replaced as it suffers from wireless interference. Management systems for controlling equipment and lighting in the Council Chamber are also recommended for efficient staging of meetings.	150,000	-	-	-
Human Resources: New IT System This relates to the apportioned cost of the new human resources software system to this Council. Transfer to the new platform will enhance efficiency, reduce costs and improve the way the service can support the organisation.	115,500	-	-	-
IT Investment: Other Projects <ul style="list-style-type: none">• Data Centre Generator• Data Centre Capacity Growth• Business Analytics Service• Replacement WIFI Access Points This relates to the cost of replacement equipment to support the ICT Service at the Council and to provide resilience in the event of an extended power cut, provide for the expected growth within the data centre and ensure compliance with Public Service Network requirements.	16,000 14,000 3,800 6,800	- - - -	- - - -	- - - -

Footway Lighting	545,000	-	-	-
A review of the structural condition of the current footway lighting stock has been concluded and the total cost of the project to replace the stock of 1,800 footway lights to LED provision is £1.295 million, of which £750,000 has been identified for funding from the Renewables Reserve. If supported, it is proposed that the balance of funding, in the sum of £545,000, is also met from the Renewables Reserves, rather than identified as a capital programme bid and included in Budget Setting Reports to Cabinet/Council in February 2020. The investment will result in reduced ongoing maintenance costs to the Council and reduced energy usage, with savings to Parish Councils.				
South Cambs Hall: Energy Efficiency	1,300,000	-	-	-
The approved Business Plan identifies the Theme "Green to Our Core" as one of four key organisational priorities. This includes the commitment to reach zero net carbon by 2050 and to reduce the environment and carbon footprints of the Council's property assets. Energy efficiency and green energy measures have been developed for South Cambridgeshire Hall, including Ground Source Heat Pump, solar canopies in the car park, internal LED lighting upgrades, electric vehicle charging points and chiller modifications and enhancements. The proposals deliver a positive payback from the investment, estimated at £79,700 per annum (a payback period of 16.3 years). If supported, it is proposed that the funding of the scheme is met from the Renewables Reserves, rather than identified as a capital programme bid and included in Budget Setting Reports to Cabinet/Council in February 2020.				
Business Plan Priorities: Other Projects	50,000	-	-	-
There is a commitment to reduce paper consumption without compromising effective working arrangements. This will require investment in technology to ensure effective access to information.				
TOTAL	2,576,100	-	-	375,000

Appendix C

NET EXPENDITURE	Budget	Revised	Budget	Budget	Budget	Budget	Budget
	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Directorate/Cost centre		£'000	£'000	£'000	£'000	£'000	£'000
CORPORATE SERVICES - OVERHEADS							
ICT Development :							
PC Refresh Programme	10	10	10	10	10	10	10
New Server Technologies					15	15	15
Share Point Portal Server	10	0	10	10	10	10	10
Government Connect	5	0	5	5	5	5	5
Network security	10	10	10	10	10	10	10
Housing management system	387	387	8	8	4	4	4
Financial Management System (FMS)	10	10	10	10	10	10	10
Health and Environmental Services System		50					
Waste Management System		150					
Cash Receipting System	69	69					
Aerial Photography Refresh	15	0	15				
Desktop Transformation Programme	53	233		89	89	89	89
Telephony Replacement	150	30	120				
Secure Phone Payments	34	34					
Upgrade AV and Delegate System			150				
Human Resources System			116				
Wi-Fi Access Points			7				
Data Centre Generator			16				
Data Centre Capacity Growth			14				
Business Analytics Service			4				
South Cambridgeshire Hall :							
Energy Efficiency			1,300				
Office adaptations and enhancements		330					

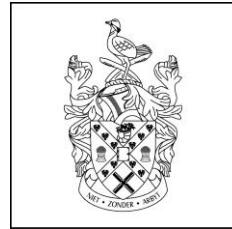
CORPORATE SERVICES DIRECTORATE							
Advance funding for housing company pilot scheme	12,507	13,500	16,603				
CLIC investment		1,145					
Contribution towards A14 upgrade			5,000				
Investment Strategy	20,000	50,000	72,500	72,500	72,500	72,500	
CORPORATE SERVICES TOTAL	33,260	65,958	95,898	72,642	72,653	72,653	153
Greater Cambridge Shared Waste Service :							
Team Manager Vehicles	59	0	36				
Refuse Collection Vehicles		253	465	1,122	835	1,115	576
Street Cleaning :							
Pavement Street Sweepers	64	67				73	74
Mechanical Road Sweeper and Truck Replacements	44	79	170	267	136		
Land Drainage :							
Tractors	80	0	80		80		
Flail Mowers	37	0	37	10	37		
Trailer			8				
Environmental Protection :							
Air Quality Monitoring Equipment	50	100					
Noise Monitoring Equipment	16						
Environmental Services Enforcement Vehicle	20		21				
Footway Lighting :							
Parish Maintained Street Lights	350	750	545				
HEALTH & ENVIRONMENTAL SERVICES TOTAL	721	1,249	1,362	1,399	1,088	1,188	650

HOUSING DIRECTORATE (GENERAL FUND)							
Requited GF Share of HRA Capital Expenditure	10	25	25	25	25	25	25
Repurchase of General Fund Sheltered Properties	1,100	500	500	500	500	500	500
Grants for the provision of Social Housing	500	0					
Improvement Grants/Loans :							
Home Repairs Assistance	100	100	100	100	100	100	100
Disabled Facilities							
Mandatory	660	852	660	660	660	660	660
Discretionary	10	10	10	10	10	10	10
HOUSING (GENERAL FUND) TOTAL	2,380	1,487	1,295	1,295	1,295	1,295	1,295
Gross Capital Expenditure (General Fund)	36,361	68,694	98,555	75,336	75,036	75,136	2,098
Fixed Assets	22,584	53,087	76,182	74,566	74,266	74,366	1,328
Revenue Expenditure funded from Capital under Statute (REFCUS)	13,777	15,607	22,373	770	770	770	770
	36,361	68,694	98,555	75,336	75,036	75,136	2,098

Financed By:							
Capital Receipts	(1,698)	(1,646)	(1,155)	(766)	(777)	(850)	(851)
S106 Agreement Contribution (ring fenced for Housing)	(500)	0	0	0	0	0	0
Cambridgeshire County Council (DFG)	(630)	(852)	(630)	(630)	(630)	(630)	(630)
Housing Capital Reserve							
Revenue Contribution from HRA towards software etc	(419)	(486)	(130)	(41)	(41)	(41)	(41)
Internal Borrowing - re Commercial Vehicles		(67)	(185)	0	0	(185)	0
External funding from CCC for Waste Vehicle		(65)	0	(532)	(372)	(156)	(323)
External funding from CCC for Waste IT System			(75)				
Earmarked Reserves	(607)	(858)	(7,352)	(867)	(716)	(774)	(253)
Internal Borrowing 140CSP and ESH			(24,145)				
External Borrowing	(32,507)	(40,500)	(89,103)	(72,500)	(72,500)	(72,500)	0
	(36,361)	(68,694)	(98,555)	(75,336)	(75,036)	(75,136)	(2,098)

The Capital Programme has been revised to reflect when expenditure is expected to occur and also includes the capital bids submitted as part of the 2020/21 budget process. In Particular the ICT budgets have been re-profiled and amended to reflect expected spending patterns, Ermine Street investments have been re-profiled to better reflected expectations and a more realistic budget for re-purchase of General Fund Sheltered Properties has been included.

Agenda Item 8f



South
Cambridgeshire
District Council

REPORT TO:	Full Council	28th November 2019
LEAD CABINET MEMBER:	Cllr Bill Handley – Lead Cabinet Member for Environmental Services & Licensing	
LEAD OFFICER:	Mike Hill – Director of Housing, Health & Environmental Services	

Hackney Carriage & Private Hire Licensing Policy

Executive Summary

1. Full Council is requested to approve and adopt a new Licensing Policy for Hackney Carriage and Private Hire vehicles, drivers and operators following a public consultation process and as recommended by the Licensing Committee and Climate & Environment Advisory Committee.

Key Decision

2. This is not a key decision, as it is reserved to Full Council due to its significance in terms of its effects on the public safety of residents and communities throughout the District where hackney carriage and private hire services are an integral part of the transport needs for a rural area. Notice of this decision was first published in the October 2019 Forward Plan.

Recommendations

3. That Full Council approve and adopt the revised Hackney Carriage & Private Hire Licensing Policy at Appendix A, effective from 1st January 2020.

Reasons for Recommendations

4. This is a brand-new policy, updated to address the Council's Business Plan 2019-2024 and to increase protection of the public, improve air quality and support small local businesses. There are significant changes to the layout of the policy, and it is recommended that the policy is viewed as a completely new document.
5. Following a full public consultation, the Policy has been recommended for adoption by Licensing Committee at its meeting on 11th November 2019. Additionally, Climate & Environment Advisory Committee considered the Policy at its meeting on 19th November 2019. Recommendations have been included in the Policy document.
6. An external legal review of the policy has been undertaken and the policy updated to ensure complete legal compliance.

Details

7. The Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 creates a statutory duty for Local Authorities to licence Private Hire and Hackney Carriage vehicles, drivers and operators. In carrying out this function the Licensing Authority has a duty to ensure that public safety is paramount whether it is to prevent direct danger to the passenger from the driver of the vehicle or danger to the passenger and other members of society from the vehicle itself.
8. Under legislation the Council has the powers to introduce policies and conditions that it considers reasonably necessary to provide hackney carriage and private hire vehicles that are accessible and safe and to promote the safety of the travelling public. Too restrictive an approach can work against the public interest and could have safety implications by encouraging illegal operations or forcing the trade to licence elsewhere where conditions are less onerous, thereby losing regulatory control over drivers and vehicles working in our area.
9. To provide context, there are currently 1337 drivers licensed by South Cambridgeshire DC, along with 1160 vehicles. By comparison, Cambridge City current licenses around 500 vehicles.
10. A full public consultation on the draft 2019 policy took place between 8th July and 23rd September 2019. The consultation document was available on the SCDC website and sent out to key stakeholders. Additionally, a successful and very well-attended public and trade consultation event was undertaken in the Council Chamber on the 29th and 30th July 2019 with over 150 people visiting over both days. In total 54 consultation responses were received from individuals, businesses, Councillors, Cambridge City Council and trade associations on behalf of drivers and operators.
11. An online petition was received in September 2019 rejecting the policy item on company door signs being mandatory. The petitioner attended Licensing Committee on 11th November 2019 and has indicated that he will also attend Full Council to present the petition as set out in the SCDC Constitution. A copy of the petition can be seen at Appendix B and copies of signatures are available on request.
12. A Licensing Committee workshop was held to consider the comments made at the consultation, taking on board the views of the trade, officers and members. Issues of particular note considered by Licensing Committee included:
 - CCTV in vehicles
 - Private Hire Vehicle Plate Exemption
 - Introduction of ultra-low and zero emission vehicles for
 - all new vehicle licences from 2021
 - all renewed vehicle licences from 2028
 - Vehicle Age policy

CCTV

13. The requirement for CCTV to be installed in private hire and hackney carriage vehicles was agreed by Council in 2018, subject to further consultation with the trade. Following that consultation, operators and drivers of plate exempt vehicles delivering executive and chauffeur style business models continue to argue against the installation of CCTV in their vehicles on the grounds of protecting the privacy of pre-booked, contract-based clients.

14. Concerns were also raised that the cost of CCTV would be a barrier to entry to the trade. Officers have looked into the overall cost of purchase and have come to an indicative price of around £350 to £550 for a system that will meet the ICO (Information Commissioner Office) standards.
15. Licensing Committee considered the 2019 consultation responses and recommends that CCTV is installed in all vehicles licenced by this Council, with no exceptions. The policy at Appendix A implements the requirement for all vehicles, including plate exempt vehicles, to install CCTV to provide a consistent approach to public safety and safeguarding.

Plate Exemption Policy

16. Legislation allows the Council the freedom to exempt certain types of business and vehicle from elements of the licensing policy. The current exemptions allow chauffeur-type vehicles not to display licensing plates ("plate-exemption") and door signage which would detract from the prestige image that is part of that business model.
17. The 2018 policy provided for plate-exemption for vehicles engaged 'primarily' in executive/chauffeur-based work. This enabled plate-exempt vehicles to undertake occasional non-plate-exempt private hire work, in competition with normal private hire vehicles. As a result, applications for plate-exempt vehicle licenses have noticeably increased due to the ambiguity of this policy wording and now account for approximately 25% of all vehicles licensed by the Council.
18. Licensing Committee considered that the ambiguous wording "primarily" should be removed as it was having the effect of creating a loophole in the standards and consistency of approach to public safety and is almost impossible to enforce. Non-plate-exempt private hire drivers and operators also argued that it had introduced unfair competition, as plate-exempt vehicles could still do "normal" private hire work from which they were claiming exemption.
19. However, small operators and drivers were concerned that any tightening up of the policy wording would mean that they will be unable to provide occasional services to local residents which may keep their business trading. This must be balanced by a policy change which brings certainty of approach to public safety and creates a level-playing field for drivers and operators. Small, local operators wishing to fulfil local residents' needs for e.g. regular trips to hospital appointments, will still be able to do this work by arranging for a contract to be in place before the work begins. Small local operators wishing to undertake occasional "normal" non-plate-exempt bookings will be able to do so by either
 - (a) giving up their vehicle plate-exemptions or
 - (b) running one vehicle in their fleet with no plate-exemption.
20. As a result, Licensing Committee recommends that the new policy at Appendix A replaces the word 'primarily' with the word 'solely' to clarify the grounds on which plate-exemption can be agreed for vehicles. This has the effect of preventing plate-exempt vehicles from being used for occasional 'normal' private hire work.

21. No legal definition exists for granting a vehicle a plate-exemption. Following challenge from Licensing Committee for increased clarity, the definition of the type of business that can apply for a vehicle plate-exemption is now recommended as:
 - (a) Chauffer / prestige-type services
 - (b) Fulfilling a pre-existing, written contract (pre-existing meaning signed at least 10 working days in advance of the hire)
 - (c) Providing a regular service (whether to an individual or to a business)
22. This definition will not cover every business circumstance and officer discretion will be used to determine individual applications based on the merits of the case, as required by legislation.

Introduction of ultra-low & zero emission vehicles for all new vehicle licences from 2021

23. As part of the SCDC Business Plan 'Green to the Core' commitments, the new policy introduces a requirement for all new vehicles to be ultra-low or zero emission with effect from 1st October 2021. This will have a significant impact on improving air quality across the District and Cambridge City and contribute to protecting the health of residents. Additionally, this policy-change aligns South Cambridgeshire and Cambridge City providing consistency of approach for local businesses across the local authority boundary.
24. However, concerns were raised that this part of the new policy is being introduced too quickly and that there are not enough charging points in South Cambridgeshire, there is only limited availability of expensive ultra-low or zero emission vehicle that are suitable for use by the trade due to their relatively low mileage range.
25. For information Cambridge City Council has already introduced a similar policy but from April 2020. Cambridge City recently consulted on changing this date to April 2021 but Members decided against this.

Introduction of ultra-low & zero emission vehicles for all renewed vehicle licences from 2028

26. Similarly, as part of the SCDC Business Plan 'Green to the Core' commitments, the new policy introduces a requirement for all vehicles seeking a licence renewal to be ultra-low or zero emission with effect from 1st October 2028. This will allow current licence holders adequate time to plan for this change. Again, this will have a significant impact on improving air quality across the District and Cambridge City.

Vehicle Age Policy

27. The vehicle age policy has been amended to encourage use of ultra-low and zero emission vehicles. It is proposed to introduce an upper age limit of 9 years for petrol and diesel vehicles seeking the renewal of a licence. This age limit will support drivers and small businesses to complete current hire purchase agreements.

Climate & Environment Committee Considerations

28. Climate & Environment Committee considered the proposed environment and emissions-related policy changes at its meeting on 19th November 2019. The committee recommended that:
- (a) The petrol and diesel vehicle age on renewal be kept at 9 years but that additionally, all petrol and diesel vehicles must comply with at least the “Euro 5” emissions standards limiting CO, NOX and particulate matter emissions, introduced in September 2011.
 - (b) The 2021 and 2028 deadlines for the introduction of ultra-low and zero-emission vehicles be agreed by Council
 - (c) That in addition to the vehicle age criteria, that clear standards are included in the Policy for the reduction of CO₂, CO, NOX and Particulate Matter.
 - (d) Cabinet should consider increasing investment in the provision of dedicated electric vehicle charging points for use by drivers and vehicles across the district to support the uptake of ultra-low emission and zero emission vehicles.
 - (e) Council should balance the need to be ambitious in our environmental standards with the provision of sufficient high-quality vehicles to meet the huge accessibility and rural transport needs of South Cambridgeshire district.
 - (f) To keep up with changing standards and technical developments, that the detailed emissions limits be stated not in the Policy document, but in the accompanying “Hackney Carriage and Private Hire Handbook”. This will enable any detailed national standards to be updated via the Handbook and without the need for a full consultation and review of the Policy.

Appeals against Officer Decisions

29. The previous policy included provision for appeals against officer decisions to be heard by a Licensing Sub-committee. This is not a legal requirement but has been an extra step introduced by South Cambridgeshire District Council, with associated extra costs of officer and committee time.
30. Licensing Committee recommends removing this route of appeal to licensing Sub-Committee and adopt the formal legal appeal route via Magistrates Court. This will reduce costs to the Council and speculative appeals against officer decisions.

Certificate of Compliance testing

31. To increase public confidence, maintain high standards of mechanical safety and environmental performance, and align with Cambridge City’s policy, Licensing Committee recommends that all private hire and hackney carriage vehicles undergo 2 “Certificate of Compliance” tests against the Policy each year at 6 month intervals. This is in addition to an annual MoT test. This is an improvement over the current policy requirement for a single, annual Certificate of Compliance check. These Certificate of Compliance test can be delivered by a network of 25 local garages across the District and Cambridge City, supporting local businesses in our local villages.

Considerations

32. In recommending the proposed draft policy and conditions, consideration has been given to the views of those that responded to the consultation, Department of Transport Best Practice Guidance on Taxi & Private Hire Vehicle Licensing, Local Government Association guidance, Institute of Licensing model convictions policy, as well as policies currently in force with neighbouring authorities and the need to promote public safety. In addition, the policy has been reviewed by a leading legal expert on licensing law.
33. The adoption of a comprehensive policy alongside more specific conditions will allow the authority to maintain high standards throughout the trade and will set expectations of conduct both to existing licence holders and prospective license holders. The overarching aim of any policy or conditions is to ensure that protection of the travelling public is paramount in any decisions taken by this authority
34. In preparing any policy, consideration must be given to the risks and benefits of adopting a policy that is too onerous to encourage take up by new applicants and existing trade.

Benefits

A strict policy and conditions will contribute to those people applying for and holding a licence with South Cambridgeshire District Council meeting stringent standards that will help contribute to a higher professional standard and safety of the travelling public.

Risk

A licensing policy and conditions that are too onerous may encourage the trade to go elsewhere where conditions are lower to obtain a licence and return to work in the South Cambridgeshire district. In such cases this authority would have no powers to enforce or regulate such activities.

Setting entry standards that are disproportionate or too onerous may lead to persons deliberately operating illegally due to the difficulty and cost of being licensed against the risk of being caught and the possible fines imposed by any court.

Options

35. Council may agree one of the following options
 - Agree the proposed policy as recommended
 - Reject the proposed policy.
 - Amend the proposed policy.

Implications

36. 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

37. There are no significant financial implications for SCDC. Private Hire and Hackney Carriage licensing remains chargeable on a cost-recovery basis.

Legal

38. Any applicant for a licence or any existing licensee affected by a decision resulting from the introduction of new policies or conditions has a right of appeal to a Magistrates Court

Staffing

39. There are no significant implications. The new policy will be delivered within a cost-recovery budget.

Risk Management

40. There is a risk to the implementation of CCTV by the policy date. This is due to continued uncertainty as to the date by which CCTV standards will be agreed by the Information Commissioner's Office. If required, Licensing Committee will be asked to review and agree a revised implementation date in line with the Policy requirements.

Equality and Diversity

41. Concerns have been raised by the trade over the possible low availability of wheelchair accessible vehicles that meet the ULEV and zero-emissions standards required from October 2021. This may have a negative impact on residents and customers who use a wheelchair. A Wheel Chair Demand Survey will be undertaken by June 2021 and the results taken to Licensing Committee to review the impact of the proposed policy on wheelchair users and make recommendations as to any Policy changes required, if any.

Climate Change

42. Promotion of environmentally friendly vehicles will contribute to the reduction of harmful gasses in the atmosphere.

Consultation responses

43. All existing licence holders were consulted seeking their written views and comments on the proposed changes. In addition we also sought views from: -

- (a) Hackney Carriage drivers and proprietors
- (b) Private Hire drivers and proprietors
- (c) South Cambridgeshire Private Hire operators
South Cambridgeshire DC Councillors
- (d) Parish Councillors
- (e) Neighbouring authorities
- (f) General Public

Effect on Council Priority Areas

Growing local businesses and economies

44. This policy supports local businesses in our villages by supporting local garages to undertake Certificate of Compliance tests twice a year on all licensed vehicles.
45. Additionally, the policy requires operators to be based in the District. This encourages local business opportunities.

Housing that is truly affordable for everyone to live in

46. This policy ensures that South Cambridgeshire residents have access to sufficient local transport options in our rural district

Being green to our core

47. This new licensing policy promotes improved air quality and reduces environmental impacts through the introduction of ultra-low and zero emission vehicles.

Background Papers

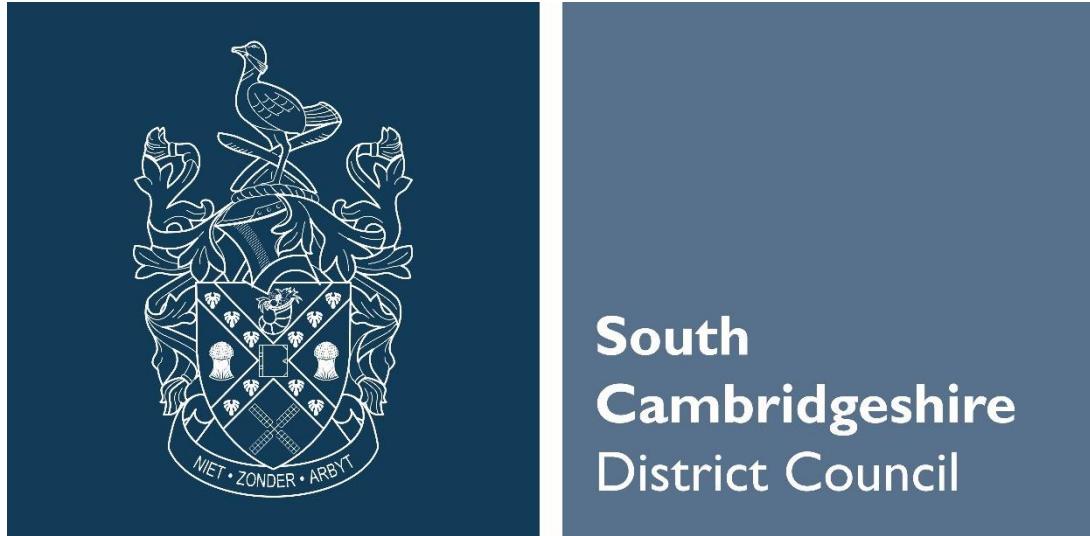
Local Government (Miscellaneous Provisions) Act 1976
Town Police Clauses Act 1847
DFT Taxi & Private Hire Vehicle Licensing – best practise guidance
Local Government Association Convictions guidance

Appendices

Appendix A: Hackney Carriage and Private Hire Policy
Appendix B: Online petition

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South Cambridgeshire District Council

Hackney Carriage and Private Hire Licensing Policy

January 2020

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1. Introduction

1.1 Definitions

Applicant	Person or business who has submitted an application for either a grant or renewal of a licence.
Assistance Dog	<ul style="list-style-type: none">a. a dog which has been trained to guide a blind person;b. a dog which has been trained to assist a deaf person;c. a dog which has been trained by a prescribed charity to assist a disabled person who has a disability that consists of epilepsy or otherwise affects the person's mobility, manual dexterity, physical co-ordination or ability to lift, carry or otherwise move everyday objects;d. a dog of a prescribed category which has been trained to assist a disabled person who has a disability (other than one falling within paragraph (c)) of a prescribed kind;
Authorised Council Officer	A Council officer who is authorised by the Council to exercise powers and duties conferred by legislation.
Badge	Issued to all licensed drivers and must be worn at all times when working as a licensed driver.
Byelaws	Locally adopted laws applicable to Hackney Carriage drivers. Breach is a criminal offence.
Conditions	Conditions of licence applied by the Council to a driver's licence, an operator's licence or a vehicle licence.
Controlled District	Boundary area of a local authority which has adopted the provisions of the Local Government

(Miscellaneous Provisions) Act 1976 or the Town Police Clauses Act 1847.

Date of First Registration

The date of first registration on the vehicles V5 log book issued by DVLA.

DBS

Disclosure & Barring Service.

DfT

Department for Transport.

Door Signage

Council issued door signage which must be affixed to the rear doors of all licenced vehicles.

Driving licence

Full GB driving licence issued by DVLA or, EEA driving licence or, acceptable equivalent as defined by DVLA or appointed agency.

DVLA

Driver and Vehicle Licensing Agency.

DVSA

Driver and Vehicle Standards Agency (which replaced VOSA in 2014).

Fare Card

A card which must legally be displayed in Hackney Carriage vehicles that are fitted with a taximeter which indicates the maximum authorised fare to be charged for distance travelled, waiting time and soiling charge and the licence plate number.

Hackney Carriage Vehicle

A vehicle licensed under the 1847 Act commonly referred to as a taxi.

ICO

Information Commissioners Office.

IoL

Institute of Licensing.

LGA

Local Government Association.

Legislation

Law which has been enacted by a legislature or other governing body.

Licensing Authority

The licensing function within South Cambridgeshire District Council.

Licensing Committee	The committee which determine licensing matters as set out in the Council constitution.
Licensed Driver	A driver licensed under the 1847 Act to drive a Hackney Carriage vehicle or under the 1976 Act to drive a Private Hire vehicle.
Licence Plate	The plate that licensed vehicles must display showing the licence number, maximum number of persons to be carried, expiry date, vehicle registration number, and make and colour of vehicle.
Licensed Vehicle	Vehicle licensed under 1847 Act as a Hackney Carriage or licensed under the 1976 Act as a private hire vehicle.
Operator	The business which invites and accepts bookings for private hire work.
Private Hire Vehicle	A vehicle licensed under the 1976 Act.
Proprietor	Registered owner or part owner of a vehicle.
PSV	Public Service Vehicle.
Road Traffic Acts	Including all associated legislation.
Taximeter	Device used for calculating the fare to be charged for the journey by measuring distance travelled plus any time waiting. Fitted in all hackney carriage vehicles and some private hire vehicles.
The 1847 Act	The Town and Police Clauses Act 1847 and the provisions within.
The 1976 Act	The Local Government (Miscellaneous Provisions) Act 1976 and the provisions within.
The Council	South Cambridgeshire District Council.

The Equality Act	Equality Act 2010 which has legislation specific to disabled people
This Policy	This policy document.
WAV	Wheelchair Accessible Vehicle.

1.2 Policy Purpose, Status and Scope

- a) The purpose of this policy is to inform and guide The Council when administering its responsibilities within the legislative framework of the Town Police Clauses Act 1847 and Local Government (Miscellaneous Provisions) Act 1976, (as amended).
- b) It has traditionally exercised these responsibilities by way of conditions, by-laws, guidelines and procedures which have been developed and adopted over the years.
- c) It is widely considered best practice to create a unified policy that brings together all of these procedures and documents in one overarching policy.
- d) This policy does not override the legal requirements embodied in any primary or secondary legislation in force at the time of adoption, or as may be enacted after the adoption of this policy.
- e) Where there are any subsequent changes made to the applicable legislation, or its interpretation by the courts that conflict with this policy, the conflicting elements shall not apply and will be amended at the earliest opportunity.
- f) The legislation places a duty on the Council as the Licensing Authority for licensing Hackney Carriage and Private Hire vehicles, drivers of those vehicles and operators of those vehicles. The Licensing Authority understands the importance and responsibility it has in ensuring that licensed vehicles in the district are safe, comfortable, properly insured and available where and when required, and that drivers are fit and proper to undertake the role.
- g) The primary focus when administering its functions are public safety, safeguarding and wellbeing. In exercising its discretion in carrying out regulatory functions, the Council will have regard to this policy.
- h) In formulating this policy, consideration has been given to local circumstances and requirements and the DfT best practice guidance. Every decision, application and enforcement action will be considered on its own merits.

- i) The Council may depart from this policy if merited but will provide clear and detailed reasons for doing so.
- j) This policy is not a comprehensive statement of the law; applicants should always obtain their own legal advice if they are unsure of the requirements of legislation.
- k) In setting out this policy, the Licensing Authority seeks to carry out its licensing functions with a view to promoting the following objectives:

i) Safety and protection of the public:

- Consideration of history of convictions and cautions
- Driver conduct and performance
- Knowledge of South Cambridgeshire and Cambridge City
- Health and fitness to fulfil the role of a licensed driver
- Vehicle specifications

ii) Vehicle safety, comfort and access:

- Standards of vehicle comfort and appearance
- Location and use of ranks
- Accessibility of facilities
- Number of vehicles available
- Livery

iii) The prevention of crime and disorder:

- Commitment to work with the Police and other relevant agencies
- Planned and unplanned enforcement programme to ensure compliance
- Operating rules, conditions, byelaws and fit and proper processes
- Support with local businesses for the dispersal of customers from licensed premises

iv) The promotion of environmental sustainability:

- To encourage the uptake of zero and ultra-low emission vehicles
- To only permit licenses for vehicles that comply with the particular age requirements set out in this policy
- To work with stakeholders and the trade to improve Air Quality across the District

v) The protection of children and adults at risk from harm:

- Safeguarding requirements as set down in this policy
- Cooperation with other agencies to protect children and adults at risk
- Training to cover awareness of Safeguarding
- A robust reporting mechanism for Safeguarding issues
- Determination of fit and proper persons

1.3 Consultation and Revision

- a) The Council will consult with stakeholders prior to the adoption of this policy, and for the further continuation and development of the policy.
- b) The Council will keep the policy under review and will consult where appropriate on proposed revisions. Appendices and sections of the policy may be updated and amended by the licensing committee after consultation without the whole policy being consulted upon.
- c) Minor editorial changes to ensure content is up to date and do not affect the ethos of the policy will be delegated to officers, such changes may be to change web addresses, postal addresses, contacts etc.

1.4 Implementation

- a) This policy shall take effect from 1st January 2020 and will override and supersede all existing Council policy and guidance in relation to Hackney Carriage and Private Hire Licensing.
- b) Once adopted this policy will be kept under review and revised as appropriate and in any event not less than every five years. The Council expects licence holders to comply with its terms and conditions.

1.5 The Licensing Regime – General Overview

- a) The principal legislation is the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976. The purpose of taxi licensing is detailed in the DfT “Taxi and Private Hire Licensing – Best Practice Guide” para 8 which states:

“The aim of local authority licensing of the taxi and PHV trades is to protect the public.”

- b) Vehicles used for hire with the services of the driver, which accommodate a maximum of up to eight passengers, drivers of those vehicles and operators of private hire vehicles are regulated by the above legislation.

- c) Vehicles which accommodate more than eight passengers are classed as Public Service Vehicles (PSV) and are not covered by the legislation or this policy. The Council has no involvement in the licensing of PSVs; they are the responsibility of The Traffic Commissioner.
- d) Any person who carries out, hackney carriage or private hire activities without the correct licences, would be breaking the law and would likely not have valid insurance. This can have serious consequences for all parties involved, if an accident or incident occurs.
- e) The legislation creates three types of licence:
 - Vehicles (Hackney Carriage & Private Hire)
 - Drivers (Hackney Carriage and Private Hire)
 - Operators (Private Hire only)
- f) A Hackney Carriage vehicle and the driver must be licensed by the same local authority. Private Hire vehicle, driver and operator must be licensed by the same authority. This does not prohibit the Private Hire Operator subcontracting a booking to another operator licensed by a different local authority.
- g) The legislation places a duty on the local authority to only license those who are considered to be 'fit and proper' to hold that licence. (see Local Government (Miscellaneous Provisions) Act 1976 ss 51 and 59 in respect of drivers; s55 in respect of operators).
- h) The term 'fit and proper' is not defined in legislation, but it may be useful to think of a person being considered as "safe and suitable".
- i) The legislation allows local authorities to set their own conditions, requirements and application processes. This means that each local authority's requirements and conditions can be different.
- j) The aim of the legislation and the licensing regime is to ensure that the public are protected and have reasonable access to these services.
- k) Public safety is paramount and has a wide scope; it includes public safeguarding, protecting vulnerable persons and public wellbeing.
- l) To achieve the aim of the legislation and to meet the obligations of the Acts, South Cambridgeshire District Council has adopted this policy which will promote well-run, safe and responsible businesses.

- m) Other general law is also applicable such as the Highway Code, Road Traffic Act, Health and Safety at Work Act, Health Act 2006, Equality Act 2010, etc. This is not a definitive list and not all applicable legislation is enforced or regulated by the Council e.g. Road Traffic Act 1991. South Cambridgeshire District Council expects licence holders to ensure that they keep up to date and comply with all applicable legislation.
- n) Both Hackney Carriage and Private Hire drivers are exempt from the provisions of the Rehabilitation of Offenders Act 1974. This means that there are no “spent” convictions for applicants for drivers’ licences and that any and all criminal convictions can be taken into account by the local authority in assessing safety and suitability. In relation to private hire operators and hackney carriage and private hire vehicle proprietors, the Hire Court has determined that spent convictions can be considered. In all cases this will be in accordance with the Council’s Previous Convictions Policy, but only relevant spent convictions should be considered by the decision maker.

1.6 Information Sharing

- a) The Council works in partnership with many other enforcement agencies such as the Police, HM Revenue and Customs, Home Office, DVSA, Department of Work and Pensions, Benefit Fraud etc.
- b) The Council will share information with other departments or regulatory bodies where appropriate.
- c) The Council is legally required to provide information if requested, pursuant to a criminal offence, or to detect fraud, or immigration offences.
- d) The legislation also requires local authorities to maintain a public register.
- e) The Council will work with neighbouring authorities and report to them any relevant matters that relate to their licence holders.

1.7 National Register of Refusals and Revocations

- a) The Local Government Association (LGA) has launched a national register of Hackney Carriage and Private Hire licence refusals and revocations called NR3, which is being introduced within the National Anti-Fraud Network. It is a shared service that allows Councils to share information about revocations and refusals.

- b) The process of assessing whether an applicant or licensee is ‘fit and proper’ may vary between authorities but there is widespread consensus on the need to increase consistency and set national minimum standards for the ‘fit and proper’ test at a suitably high level. This would help prevent individuals who have had a licence revoked by one authority from applying to another area and securing a licence - assuming the second authority was aware of the earlier revocation.
- c) It is essential for this Local Authority to maintain control and knowledge of all its applicants to ensure that the public have confidence in the safety of our licensed Hackney Carriages and Private Hire Vehicles.
- d) This Local Authority has subscribed to the national register of Hackney Carriage and Private Hire driver licence refusals and revocations, the ‘national register of refusals and revocations’ or NR3.
- e) The register will allow licensing authorities to record details of where a hackney carriage or PHV drivers’ licence has been refused or revoked and allow licensing authorities to check new applicants against the register. For the avoidance of doubt, NR3 does not extend to vehicle or operator licensing decisions.

1.7 Decision Making

- a) Each application and enforcement action will be determined on its own merits.
- b) Determination of applications will be made in accordance with this policy and the Council’s constitution. Officers have delegated powers to make decisions, but may also refer certain matters to the Licensing Committee if appropriate. Members, when determining applications for a licence, renewals or reviews of a licence, will have regard to Hackney Carriage and Private Hire legislation, this Policy and any other relevant legislation, case law and other relevant Council policies.
- c) Enforcement actions will be in accordance with this policy, the Council’s enforcement and inspection policy and the Regulators’ Code 2014.
- d) The Licensing Authority has the power to refuse to grant or renew licences and also to suspend or revoke existing licences in accordance with relevant legislative provisions.
- e) Any person who has been refused a licence, or has had their licence revoked or suspended, or who believes that a condition has been attached to a licence

which is not reasonably necessary may appeal to the Magistrates Court within 21 days of being given the decision.

- f) The Licensing Sub-Committee is made up of a selection of Members from the Licensing Committee. Three Members will make up the panel for hearings to deal with new applications, renewals and reviews of licences that are referred directly by officers.
- g) Following the determination of an application by the Licensing Authority, the applicant will receive a copy of the decision in writing. The written decision will be delivered as soon as is practicable after the decision has been made. This will include information on the right of appeal where appropriate.

1.8 Immigration Act

- a) The Council has a statutory duty to ensure that applicants have the legal right to work in the UK prior to issuing a licence. The issuing or refusing of licences will be undertaken in accordance with the requirements of the Immigration Act 2016.
- b) The Council takes this responsibility seriously and has checks in place to ensure compliance with the Act and will liaise where required with relevant Home Office departments. If however, a licence has been issued incorrectly for whatever reason, the licence ceases to have effect if the person does not have the right to work in the UK.
- c) Any licence which has expired due to the person's immigration status must be returned to the Council within 7 days.
- d) A licence may be suspended or revoked, or its renewal refused if, since the grant of the licence there has been a conviction of an immigration offence or a requirement to pay an immigration penalty.
- e) Proprietors and operators also have an obligation to ensure that they only use, as their staff, persons who have the right to work in the UK. Failure to observe this obligation, or to provide due diligence checks, will be subject to enforcement action by the appropriate Home Office department, which may result in a civil penalty or imprisonment. In these circumstances action may also be taken by the Council against the licence.
- f) If an applicant cannot demonstrate the right to remain and work, the licence cannot be granted. If that status is lost during the currency of the licence, the licence lapses see s53A(6) Local Government (Miscellaneous Provisions) Act 1976.

1.9 Policing and Crime Act 2017

- a) The Council will give full regard to any guidance issued by the Secretary of State regarding the protection of children, and vulnerable individuals who are 18 or over, from harm. The Council will also consider any future guidance issued by the Department of Transport.
- b) If any changes to any parts of this policy or any related appendices are required when the guidance is released, they will be amended at the earliest opportunity.

1.10 Fees

- a) There is a statutory power for the Licensing Authority to charge fees associated with the Hackney and Private Hire licensing regime to recover costs of inspecting vehicles, providing Hackney Carriage stands and administration and issue of licences in relation to the Hackney Carriages and Private Hire trades.
- b) The appropriate fee should accompany any application or renewal made.
- c) There will be no refund issued for any licence surrendered prior to expiry, suspended or revoked.

2 Hackney Carriage and Private Hire Drivers

2.1 General

- a) Licensed drivers provide a public service. The Licensing Authority will not licence anyone to drive a Hackney Carriage or a Private Hire vehicle unless it is satisfied that they are a fit and proper person.
- b) Taxis are used by almost everyone in our society, but most frequently by vulnerable groups e.g. children, elderly, disabled people and the intoxicated. A taxi driver is in a position of trust and responsibility to protect a passenger who places themselves, and their personal safety in their hands. They also have responsibilities to other road users and the general public.
- c) The statutory and practical criteria and qualifications for a Hackney Carriage driver are similar to those of a Private Hire driver. The sections below apply equally to Hackney Carriage and Private Hire unless otherwise indicated.
- d) This Licensing Authority issues two types of licences for drivers, a Hackney Carriage Driver licence and a Private Hire Driver licence. These are two separate licences and therefore if any person wishes to hold both a Hackney Carriage and Private Hire driver licence they are required to submit two separate applications.
- e) New Private Hire and Hackney Carriage driver licences will be issued for one year with a renewal application for a further two years subject to checks (please see Hackney Carriage and Private Hire Handbook for further details). Thereafter licences will be renewed every three years (subject to exceptions as determined by this Licensing Authority).
- f) It may be considered necessary by the Licensing Authority to issue a licence for a lesser period e.g. the applicant's right to work is of a shorter or limited duration.
- g) If a licensed driver fails to renew before the expiry of the licence, they will be required to apply as a new driver and meet all the requirements as set out in this policy and Hackney Carriage and Private Hire Handbook. They will not be able to drive a hackney carriage or private hire vehicle until a new drivers licence has been issued.

- h) It is the responsibility of the driver to ensure they apply for their renewal with all relevant supporting original documentation in good time, with a recommendation that the submission is not less than eight weeks before expiry.
- i) Applicants who hold a licence with one licensing authority should not automatically assume that their application will be granted by another.
- j) In the circumstance that a licence holder has multiple licences with other authorities it is their duty to inform South Cambridgeshire District Council and to additionally advise each authority of any changes in this respect.
- k) South Cambridgeshire District Council will share and obtain any relevant information with other authorities regarding conduct of licence holders and will take into account this information as appropriate.
- l) If an applicant cannot demonstrate the right to remain and work, the licence cannot be granted. If that status is lost during the currency of the licence, the licence lapses see s53A(6) Local Government (Miscellaneous Provisions) Act 1976.

2.2 Fit and Proper

- a) This Local Authority will only license drivers that it considers are 'fit and proper' to hold a licence, and that the applicant is not disqualified by reason of their immigration status. 'Fit and proper' is given its widest interpretation and includes physical fitness, character, behaviour etc.
- b) Applicants should be aware that we will not allow any member of staff to be subjected to rude, threatening, abusive, intimidating or violent behaviour either directly, by telephone or other methods of communication.
- c) In any of these circumstances staff members have the right to refuse to process the application.
- d) Any person exhibiting any of the above behaviours will be subject to enforcement and may have the application refused or licence revoked.
- e) The Council will require applicants and licence holders to undertake several checks and tests to establish their suitability to be considered 'fit and proper' to either be or remain licensed.

- f) Applicants and existing licence holders are required to share information held about them by various bodies e.g. DVLA, police, home office etc.
- g) The Council can request any information on the applicants that it deems to be relevant to determine their fit and proper status. This may include checking a driver's prior history with this or any other Council, using intelligence from the police or any other regulatory authority as appears relevant.
- h) Consideration of suitability includes character and patterns of behaviour and is not limited to incidents which occur whilst the driver is 'on duty'. Conduct or behaviour which may indicate that the safety and welfare of the public may be at risk will also be considered when assessing their fit and proper status. Any matters that occur whilst the person is using their licence (driving, operating or in connection with their vehicle) will be considered as aggravating factors, and the fact that they did not occur in this way will not be regarded as mitigating factors.
- i) The onus is on the applicant or licensed driver to satisfy the Council that they are and remain 'fit and proper'.
- j) Applicants will be required to undertake and provide an enhanced DBS, (including a check of both the Adult and Childrens barred lists), statutory declaration listing all criminal convictions and other matters detailed on the application form, medical health check to the DVLA group 2 standard as a minimum, and share information held by DVLA, upon new and renewal applications.
- k) Additional information may be sought as part of the process if considered appropriate in individual circumstances.
- l) Applicants for both new licences and renewals, who fail to report or declare an offence, or other relevant matters, will bring in to question their suitability to hold a licence. Failure to report or declare an offence prevents the authority from taking into account that information in protecting public safety. It is also a breach of this Licensing Authority's Code of Conduct and will be taken into account as part of the consideration of the applicant's suitability and their fit and proper status.

2.3 Data Request/ NR3

- a) When an application is made to this authority for the grant of a new, or renewal of, a taxi driver's licence, this Local Authority will check the NR3.
- b) NR3 was commissioned by the LGA as a voluntary register. Licensing authorities will be responsible for adding basic details of drivers who have had applications for a licence either refused, revoked or suspended.
- c) Details contained on the register will be limited to information that will help to identify an individual to a certain degree of accuracy but will not give a reason why actions were taken. It will be up to individual authorities to follow up on any searches they make which come back with a match
- d) This Authority will make and then retain a clear written record of every search that is made of the register. This will detail:-
 - i) the date of the search;
 - ii) the name or names searched;
 - iii) the reason for the search (new application or renewal);
 - iv) the results of the search; and
 - v) the use made of the results of the search (this information will be entered to the register at a later date)
- e) If any match is discovered (i.e. there is an entry in the register for the same name and identifying details) a request will be made to the authority that entered those details (the first authority) for further information about that entry. That request will also include details of this authority's data protection policy in relation to the use of any data that is obtained as a result of this process.
- f) When this authority receives a request for further information from another authority, a clear written record will be made of the request having been received. This record will not be combined with any other records (i.e. combined with a register of licences granted) and will be retained for the retention period of 25 years.
- g) This Authority will then determine how to respond to the request. It is not lawful to simply provide information as a blanket response to every request and therefore we will conduct a Data Protection Impact Assessment. This will consider how the other authority (the second authority) will use the data, how it will store that data to prevent unauthorised disclosure, the retention period for that data, and the mechanism for erasure or destruction of the data at the

end of that period. It is expected that if the second authority has adopted a policy similar to this, that should be a reasonably straightforward process.

- h) For this database to serve its purpose of protecting the public and the trade from unacceptable drivers obtaining licences in other districts, unscrupulous drivers will not be allowed to circumvent the provisions by surrendering their licence ahead of any revocation or non-renewal decision being made.

2.4 Drivers Licences

- a) All licensed drivers are required to prominently display their driver's badge whilst working as a licensed driver. Failure to comply is an offence under the 1976 Act and local byelaws. Please see the Hackney Carriage and Private Hire Handbook
- b) Drivers are reminded that the driver's badge remains the property of South Cambridgeshire District Council; all expired and revoked badges must be returned to the Council.
- c) It is important that private hire drivers notify the Council of any significant changes which occur after their licence has been granted. This includes but is not limited to changes in name, address, email address or telephone number, change of immigration status etc. This also includes any health changes which may affect their driving ability, all convictions, cautions, reprimands, warnings and DVLA penalty points currently shown on the licence or any other matter which may bring in to question their fit and proper status.
- d) In order to be eligible to apply to be a licensed driver with this authority an applicant must have held a valid full driving licence for a minimum of 12 months. Therefore, the minimum age a person could be eligible to apply is 18 years old. There is no maximum age, so long as the applicant still meets the full criteria.

2.5 Eligibility to Live and Work in the UK

- a) The Licensing Authority has a duty to ensure that it only issues operators' and drivers' licences to individuals who have a legal entitlement to live and work in the UK.
- b) No licence can be legally issued unless the Licensing Authority receives proof of their right to work in the UK.

- c) Proof of the right to live and work in the UK must be provided by Driver and/or Operator applicants in accordance with the Immigration Act 2016. As part of the licence application process, individuals will be required to present original documentation for verification and copies will be made and retained on file.
- d) The Home Office has produced a list of documents that applicants can provide, further information can be found in the Handbook. A link to the Home Office guidance can be found here: www.gov.uk/topic/immigration-operational-guidance
- e) Applicants with a restricted right to work in the UK may be issued with a time or hours restricted licence, no licence will be permitted to expire beyond the licence holder's right to work expiry date.
- f) This Authority will work in conjunction with the Home Office or its appointed agents to ensure immigration offences are minimised.
- g) This Authority will refuse to grant or renew a licence and will suspend or revoke an existing licence if an individual is found to be living or working in the UK without the relevant authorisation. Under s53A(6) Local Government (Miscellaneous Provisions) Act 1976 a licence ceases to be in force if the person to whom it was granted becomes disqualified by reason of the person's immigration status from driving a hackney carriage.
- h) If an applicant cannot demonstrate the right to remain and work, the licence cannot be granted. If that status is lost during the currency of the licence, the licence lapses see s53A(6) Local Government (Miscellaneous Provisions) Act 1976.

2.6 References

- a) Applicants are required to provide two referees, at least one from a professional person (e.g. accountant, solicitor, magistrate), who has known the applicant for at least three years.
- b) It is the responsibility of the applicant to provide the name and contact information so that the Licensing Department can make contact with the referee.
- c) It is the responsibility of the applicant to pay any costs to the referee (if applicable)

- d) Please see the Hackney Carriage and Private Hire Handbook for further details.

2.7 Disclosure and Barring Service (DBS), Convictions, Cautions and other Related Matters

- a) An enhanced DBS certificate is a mandatory requirement as part of the application for a Hackney or Private Hire drivers licence and is an important element used by this Authority to ascertain whether or not the person is fit and proper to hold a licence.
- b) In considering 'fit and proper', the Council will take into consideration any prior convictions and cautions. Therefore, all applicants for new and renewal licences are required to undertake and submit an enhanced DBS check. This check will detail all criminal convictions and cautions including those that are spent, and any other relevant matters held by the police.
- c) All licensed drivers will be required to subscribe to the DBS Update Service and renew on an annual basis to continue to hold a South Cambridgeshire District Council driver's licence.
- d) This authority will undertake an annual online check of the DBS Update Service for the applicant's current status.
- e) It is the Council's prerogative to require the licensee to obtain an additional enhanced DBS check if a new certificate is required at any time.
- f) Where an individual fails to maintain their subscription before expiry they will be required to reapply for a new enhanced DBS check and register for the Update Service. Failure to do so will result in suspension of the licence until they have complied.
- g) Due to the role of a hackney carriage or private hire driver, the Rehabilitation of Offenders Act 1974 does not apply and there are no spent convictions. All convictions will be taken into consideration in determining the application.
- h) In instances where convictions, cautions, reprimands or warnings appear on a DBS, the cause/motive/mitigating circumstances may not be taken into consideration, however as each application is determined on its own merits, the applicant will be afforded the opportunity to state their case as part of the application.

- i) Further information can be found in the Relevance of Convictions/Cautions in relation to taxi licensing section this policy.
- j) Where there is a public protection risk, the police will pass information under Common Law Police Disclosure (CLPD) to the Licensing Authority to allow immediate action to be taken to protect public safety regardless of whether there has been a conviction.
- k) South Cambridgeshire District Council drivers' licence holders must notify the Licensing Authority in writing within 72 hours of any cautions, convictions or warnings including but not limited to driving endorsements, driving convictions, police warnings and reprimands, cautions, community service orders, restraining orders, fixed penalties immigration offences, or other relevant matters, including road traffic offences such as speeding.
- l) If it comes to the attention of the Council that a licensed driver has failed to notify the Council of relevant matters which occur during or after the licence has been issued, enforcement action will be taken.

2.8 Overseas Criminal Record Check

- a) Applicants who have resided outside of the UK for 3 months or longer, since the age of 18 years, in the last five continuous years will be required to submit an overseas record check which has been authenticated by each embassy of the country of residence.
- b) This must be translated into English at the applicant's expense. The overseas criminal record check must be no more than 3 months old at the time of submission.
- c) Further information can be found in the Hackney Carriage and Private Hire Handbook.

2.9 DVLA

- a) The applicant must be authorised to drive a car in the UK (e.g. held a full driving licence issued by a state in the European Economic Area) for a minimum of one year.
- b) Consideration of penalty points and driving offences will be made in accordance with the relevance of convictions/cautions in relation to taxi licensing. Further information can be found in the Relevance of Convictions/Cautions in relation to taxi licensing section this policy.

- c) As part of the application, (both new and renewal), officers of the Council will undertake an online DVLA check for the applicant's current status and any endorsements. The Council can request that an additional DVLA check is performed at any point during the lifetime of the licence and failure to provide permission may result in enforcement action being taken.

2.10 Medical Requirements

- a) Due to the length of time an occupational driver (hackney carriage and private hire) spends at the wheel, it is appropriate to have more stringent medical checks and standards than those applicable to non-professional drivers.
- b) The DVLA, The Royal Society of Medicine and the DfT recommend and consider it best practice for licensed drivers (Hackney Carriage and Private Hire) be subject to the DVLA group 2 medical requirements..
- c) To ensure that public safety is protected, the Council requires all applicants to obtain and submit a group 2 medical report with their application for new licences and renewals.
- d) The group 2 medical assessment must be completed by a registered medical practitioner who has access to the applicant's full medical records (i.e. own GP) and licensed to practice in the UK
- e) The medical assessment must be no older than three months at the time of submission with the relevant application.
- f) If the medical assessment is not completed by the applicants own GP, and the Council is not satisfied with the medical assessment provided (i.e. the applicants medical records have not been accessed) a second medical opinion will be required, to be obtained at the applicants cost but with a registered medical practitioner nominated by the Council.
- g) The Council can require an interim medical report from the Councils nominated RMP at any time, at the Councils expense.
- h) A group 2 medical report must be submitted with all new applications and every three years upon renewal. Upon reaching the age of 65 years a medical will be required annually.

- i) Applicants must pay any fees to the registered medical practitioner for completing the medical and report.
- j) The Council can require a second medical opinion, as deemed necessary, to be obtained at the applicants cost but with Registered medical Practitioner nominated by the Council.
- k) The Council can require an interim medical report from the Council's nominated Registered Medical Practitioner at any time, cost to be borne by the Council.
- l) Licensed drivers must notify the Council and their medical practitioner of any deterioration in their health which may affect their ability to drive or complete their tasks as a licensed driver. The Council expects licensed drivers to be responsible and not continue driving following any deterioration in their health, or any health problems which could endanger the lives of the general public.
- m) If a licensed driver is involved in an accident in which s/he is injured, they must ensure that they are fit prior to returning to hire and reward work; this is for the safety of the driver and the general public. All accidents, however minor, must be reported to us using the accident report form.

2.11 Driving Proficiency and Assessment Test

- a) Additional checks are required to determine the suitability of the applicant. In addition to the DVLA driving test this Licensing Authority determines that an approved Council driving test as outlined in the Hackney Carriage and Private Hire Handbook is successfully completed before the first application, or before any renewal if not already obtained.
- b) Successful applicants will be issued with a certificate which will remain valid for 12 months. This must be presented as part of the Hackney Carriage and/or Private Hire driver application.

2.12 Competency Test

- a) In order to be a licensed driver a new applicant must first complete and pass the Private Hire or Hackney Carriage Competency Test which should have been completed no more than 12 months prior to application.
- b) Existing drivers may be required to undertake the Competency Test as determined by this Local Authority.

- c) Any applicant found to be cheating on the test will be refused to re-take the test within 1 year of that date. This will also influence the outcome of the Licensing Authority decision in determining any future applications, as this action will go towards a consideration of suitability and their 'fit and proper' status, and any further application is likely to be refused.
- d) See the Hackney Carriage and Private Hire Handbook for further details.

2.13 Safeguarding

- a) This Authority is committed to safeguarding and promoting the welfare of children, young people and adults at risk. We take our responsibilities seriously and expect all our licensed drivers, proprietors and operators to share this commitment.
- b) Safety, security and welfare apply to the public, passengers and licensed drivers and proprietors and operators must consider these factors when determining what safeguarding measures should be in place.
- c) All new applicants for Hackney Carriage and Private Hire driver, proprietors of Hackney Carriage and Private Hire vehicle and Operator licences will be required to attend and successfully pass a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate. There is no limit for the number of attempts to complete the test, to be borne at the applicant's own expense, however no licence will be issued until the applicant provides a certificate showing they have passed the safeguarding course.
- d) All existing licensed drivers, proprietors and operators will be required to participate and undertake a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate which must be produced within 1 calendar year of adoption of this policy or on renewal whichever is sooner. Failure to do so may result in suspension of the licence until successful completion of the test.
- e) As part of the Hackney Carriage and Private Hire driver application process all renewal applicants will be required to submit a current safeguarding certificate, no older than 3 months. It is the duty of the applicant to ensure that they have completed the course and passed the test in sufficient time before applying for a renewal licence. There is no limit for the number of attempts to complete the test, to be borne at the applicant's own expense, however no licence will be issued until a certificate is produced.

- f) See the Hackney Carriage and Private Hire Handbook for further details.

2.14 Council Byelaws

- a) In addition to primary legislation, Hackney Carriage drivers are also subject to requirements and restrictions by way of Byelaws which can be found in the Hackney Carriage and Private Hire Handbook.

2.15 Service Expectations

- a) The Council and the travelling public expect licensed drivers to provide good customer service and behave in a civilised and courteous manner. They are expected to be clean and smart in their appearance. The vehicle must also be clean, presentable and roadworthy.
- b) Drivers must be aware of and comply with the legislation, byelaws and conditions applied to their licences by this Council and other appropriate legislation. Drivers who fail to observe these requirements may be subject to prosecution and enforcement action which could lead to suspension or revocation of the licence. Licensed driver conditions are shown in the Hackney Carriage and Private Hire Handbook.
- c) Drivers must not operate any equipment which may distract them whilst driving.
- d) Drivers are reminded that it is illegal to hold a phone or sat nav whilst the vehicle engine is running. Drivers must not cause annoyance to passengers during the journey by playing music without the consent of the passenger/hirer, or constantly talking on a hands-free mobile phone.
- e) Drivers must be aware of their obligations under the Equality Act to provide a service and assistance to passengers with mobility problems, or disabilities and to take assistance dogs, without extra charge.
- f) Drivers without an exemption who refuse or fail to take assistance dogs may be prosecuted by the Council and may also be subject to enforcement action by the Council including suspension or revocation of the licence.
- g) This Council condemns discriminatory behaviour which is harassing, racist, religiously motivated, homophobic, sexist, or in any way offensive to disability or gender. Complaints of this nature are taken particularly seriously. The Council does not have any power over passengers who use licensed vehicles

but will give support to the trade where possible. Drivers who experience any of the above behaviour should report it to the police.

- h) Licensed drivers are responsible for their own safety, the safety of their passengers and other road users. They have a duty to take regular rest periods. Licensed drivers must not drive if they are taking medication which impairs their judgement or driving ability.

2.16 Complaints against Drivers

- a) In the interests of public safety, this Authority has a duty to ensure that licensed drivers remain 'fit and proper' as well as 'safe and suitable' and will intervene where appropriate. Complaints made to the Council are investigated, recorded and monitored and enforcement action may be taken as appropriate and necessary.
- b) Similarly, the accumulation of several complaints could highlight that there is cause for concern. Each case will be considered on its individual merits. The licensee may be asked to attend the Council offices to determine an appropriate course of action that reflects South Cambridgeshire District Councils Corporate Enforcement Policy.

2.17 Assistance Dog Exemption Certificate

- a) Drivers may apply for an exemption certificate if, for health reasons, they are unable to take assistance dogs.
- b) Drivers who wish to apply for an exemption certificate must provide written documentation signed by a registered health practitioner giving the reasons why they should be exempted from transporting assistance dogs.
- c) Drivers who have been issued with an exemption certificate must inform proprietors or operators that they have the exemption to avoid any unnecessary distress or delay to passengers.
- d) The certificate must also be on display in the vehicle.

2.18 Environmental impacts - Idling Offence

- a) Drivers are reminded that it is an offence to leave a vehicle engine running whilst stationary unless waiting in traffic.

- b) Rule 123 of the Highway Code states: "You must not leave a vehicle's engine running unnecessarily while that vehicle is stationary on a public road." Doing this may incur fixed penalty fine under the Road Traffic (Vehicle Emissions) Regulations 2002.

2.19 Monitoring of Licensed Drivers – Penalty Points Enforcement System

- a) This Local Authority has in place a Penalty Point Enforcement System that assesses the severity of a complaint, the accumulation of complaints, and the timeframes in which they are received. This does not mean that sanctions or enforcement action will automatically be applied. Each incident, complaint, breach or infringement against a driver will be considered on the individual circumstances of each case and as an accumulation.
- b) When making enforcement decisions, Authorised Officers take the Penalty Point Enforcement System into account. Any departure from this must be fully considered, exceptional, capable of justification and must be endorsed by a duly authorised Head of Service under the Council's constitution and scheme of delegation or other officer as is consistent with the Council Constitution before the decision is implemented.

2.20 Driver Application Procedures

- a) An application for a Hackney Carriage and/or Private Hire licence must be made on the specified application form, be accompanied by the appropriate fee and the required original documentation and in accordance with the full procedure as set out in the Hackney Carriage and Private Hire Handbook.

2.21 Fees and Charges

- a) The licence fees applied by this Local Authority are set on a cost recovery basis. They are regularly reviewed, and any increase or reduction will be published and consulted upon as required by the legislation.

2.22 Conditions

- a) The Authority considers that the conditions as set out in the Hackney Carriage and Private Hire Handbook are reasonable, necessary and appropriate for all licensed Private Hire Drivers.

- b) This Licensing Authority has the power to attach conditions to Driver, Vehicle and Operator licences as deemed suitable by an officer of The Council or Licensing Committee which is determined on an individual basis.
- c) The standard conditions are as set out in the Hackney Carriage and Private Hire handbook. Any requirements of legislation that affects the operations being carried out under the terms of a licence shall be regarded as if they are conditions of that licence.

2.23 Surrender of Hackney Carriage and Private Hire Driver licence

- a) This Local Authority will not accept a surrender of a Hackney Carriage or Private Hire Driver licence. The licence remains current, even if the driver returns his or her badge and paper licence to this authority, the licence still remains in force.
- b) There is no right of appeal against any decision not to accept the surrender of a driver's licence, and the only challenge to this would be to be judicial review.
- c) An inability to surrender a driver's licence will not impact upon the honest driver. There is no continuing liability.

2.24 Renewal of Hackney Carriage and Private Hire Driver Licence

- a) If the licence renewal is not applied for before expiry of the existing licence, a new application is required.
- b) If the application is submitted before expiry of the licence, the existing licence expires and cannot be used until the renewal is determined. The applicant will not be permitted to drive until a new licence is issued.

2.25 Code of Conduct

- a) The code of conduct is in place to enhance the professionalism of, and to promote public confidence in licensed drivers. Failure to comply with any aspect of the Code of Conduct may result in enforcement action.
- b) Please see Appendix A for the code of conduct.

3 Hackney Carriage and Private Hire Vehicles

3.1 General

- a) The main difference between Hackney Carriage and Private Hire vehicles is that a Hackney Carriage can be hailed in a public street or hired from a taxi rank.
- b) Private Hire vehicles must be pre-booked in advance through a licensed Private Hire Operator; they cannot stand or ply for hire.
- c) Should a Private Hire licensed driver accept a fare which has not been pre-booked through an Operator they are committing an offence, will be subject to relevant enforcement action by this Licensing Authority, and the Council within whose district the offence was committed (if different).
- d) Anyone being conveyed in a Private Hire vehicle which has not been pre-booked may not be covered by the driver's insurance.
- e) Once a vehicle is licensed as either a Private Hire vehicle or a Hackney Carriage vehicle it always remains a licensed vehicle until that licence is suspended, revoked or expires. This means that these vehicles may not be driven by anyone other than a South Cambridgeshire District Council Private Hire or Hackney Carriage Driver even when the vehicle is considered 'off duty'. Any insurance policy which provides insurance for a licensed vehicle may become void if the vehicle is driven by an unlicensed driver.
- f) This Licensing Authority will not grant a Hackney Carriage or Private Hire Vehicle Licence for any vehicle that is already licensed by another authority.
- g) Vehicles which accommodate more than 8 passengers cannot be licensed as a Hackney Carriage or Private Hire vehicle.
- h) Local Licensing Authorities have a wide range of discretion over the types of vehicle they licence as Hackney Carriage and Private Hire vehicles.
- i) A vehicle will only be licensed as a Private Hire vehicle if it is not of an appearance or design that resembles a hackney carriage licenced by this Council and is therefore considered likely to lead the public to think it is a South Cambridgeshire District Council licensed Hackney Carriage vehicle.

- j) This Licensing Authority has set conditions applicable to the vehicle requirements, internal and external specifications, of the vehicles it will license. These can be found in the Hackney Carriage and Private Hire Handbook.
- k) There is a separate set of conditions applicable for Limousine and speciality vehicles, licensed as private hire vehicles, which can be found in the Hackney Carriage and Private Hire Handbook.
- l) This Licensing Authority has set these conditions as the minimum standards to ensure that the public travel in safe, comfortable and roadworthy vehicles. All vehicles must also conform to the type approval and construction and use regulations.
- m) Whilst each application will be determined on its own merits, it is unlikely that the Licensing Authority would license a vehicle which did not meet the licensing standards and specifications. Where an application is refused, a right of appeal exists. This is to the Magistrates Court if the application was for a private hire proprietors' licence, and to the Crown Court if the application was for a hackney carriage proprietors' licence.

3.2 Non-driver Proprietors

- a) Vehicle proprietors (both Hackney Carriage and Private Hire) must ensure that the vehicle is maintained to an acceptable standard at all times and
- b) Vehicle proprietors (both Hackney Carriage and Private Hire) must ensure that the vehicle is not used for illegal or illicit purposes.
- c) As public trust and confidence in the overall safety and integrity of the private hire system is vital, the same standards will be applied to proprietors as those applied to drivers, which are outlined above.
- d) All new applicants for proprietors of Hackney Carriage and Private Hire vehicles will be required to participate and undertake a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate. There is no limit for the number of attempts to complete the test, to be borne at the applicant's own expense, however no licence will be issued until a certificate is produced.
- e) All existing licensed vehicle proprietors will be required to participate and undertake a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate which must be produced within 1 calendar

year of adoption of this policy or on renewal whichever is earlier. Failure to do so may result in suspension of the vehicle licence until successful completion of the test.

- f) A basic DBS certificate is a mandatory requirement as part of the application for a non-driver proprietor vehicle licence and is an important element used by this Authority to ascertain whether the person is 'fit and proper' to hold a licence. This certificate for all new and renewal applications must be dated within 1 month.
- g) The DBS check will last for 1 year.
- h) South Cambridgeshire District Council licence holders must notify the Licensing Authority in writing within 72 hours of any cautions, convictions or warnings including but not limited to driving endorsements, driving convictions, police warnings and reprimands, cautions, community service orders, restraining orders, fixed penalties immigration offences, or other relevant matters, including road traffic offences such as speeding.

3.3 Limitation of Vehicle Numbers

- a) The legal provision on quantity restrictions for Hackney Carriages is set out in the Transport Act 1985, Section 16. Any limit imposed needs to comply with Part 12 of the Equality Act 2010 and any associated regulations in respect of the proportion of the taxi fleet accessible to disabled persons.
- b) South Cambridgeshire District Council has not set a limit for the number of Hackney Carriage vehicles it will licence. There is no provision for the Council to limit the number of Private Hire vehicles it licenses.

3.4 Appearance

- a) Vehicles must be safe, comfortable, the passenger compartments must be clean and dry including upholstery, without rips or tears or sharp protrusions. Proprietors, drivers and operators must ensure that the vehicles they utilise meet the expectations of this Council and the travelling public.
- b) The exterior of the vehicle must be reasonably clean to ensure that passengers can board and alight the vehicle without getting dirty. Drivers are also reminded to ensure that the licence plate, registration plate and all other identifying features remain clean and visible.
- c) Any vehicle which has suffered damage that materially affects the safety, performance, appearance, or the comfort of the passenger must not be used for hire and reward purposes, until the vehicle has been suitably repaired.

3.5 Smoking

- a) All licensed vehicles must comply with the requirements of the Health Act 2006 and display 'No Smoking' signs. Drivers are reminded that it is against the law to smoke or allow someone to smoke in a licensed vehicle at any time. For the avoidance of doubt, the Council also forbids the smoking of electronic cigarettes and vaping, whether by the driver or passengers.

3.6 External Signage and Livery

- a) This Licensing Authority must ensure that the travelling public are aware of the type of vehicle they are using. Some members of the public do not distinguish between Hackney Carriage and Private Hire vehicles and do not realise that Private Hire vehicles are not available for immediate hire and must not be hailed in the street.
- b) It is essential that the public are able to easily identify between a Hackney Carriage and a Private Hire vehicle and the identification features are as follows:

Hackney Carriage Vehicles

- c) Any new vehicle licensed by the Council as a Hackney Carriage can only be white in colour. All existing Hackney Carriage vehicles must be compliant by 31st March 2021.
- d) All Hackney Carriage vehicles must display the South Cambridgeshire District Council white identification plate on the rear of the vehicle.
- e) The licence plate must be securely fixed to the bracket which should be bolted or screwed to the outside rear of the vehicle, in such a manner that the plate is not obscured from view by fixtures or fittings, and the plate does not obscure the vehicle registration plate. The plate must also be able to be easily removed by an authorised Council officer or police officer. Magnetic fittings are not allowed.
- f) Hackney Carriage vehicles must affix permanently on the front and rear external passenger and driver doors in a prominent location, South Cambridgeshire District Council issued door signage. See Hackney Carriage and Private Hire Handbook for details.
- g) The vehicle must be fitted with a roof sign not exceeding 500mm in length and 120mm in height and bearing the word "TAXI" in black lettering illuminated in

yellow and no other lettering to the front. The word “TAXI” and the wording “SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL” in black lettering, illuminated in red or yellow and no other lettering to the rear. Any exceptions to the above must be presented to this Licensing Department for approval before purchase of a vehicle.

- h) Any alternative signage must not be displayed except with the written authority of the Licensing Officer.
- i) A vehicle remains a Hackney Carriage vehicle until the licence is suspended, revoked or expires and it is the responsibility of the driver and/or proprietor to ensure door signage and licence plate is in place at all times and in all part of England and Wales. Failure to do so will result in enforcement action being taken.

Private Hire Vehicles

- j) All licensed Private Hire Vehicles must display permanently the yellow Council issued licence plate on the rear of the vehicle, except where a plate exemption certificate has been issued.
- k) The licence plate must be securely fixed to the bracket which should be bolted or screwed to the outside rear of the vehicle, in such a manner that the plate is not obscured from view by fixtures or fittings, and the plate does not obscure the vehicle registration plate. The plate must also be able to be easily removed by an authorised Council officer or police officer: magnetic fittings are not allowed.
- l) The vehicle must display permanently on the driver and front passenger door in a prominent position the name and telephone number of the Operator fulfilling the booking, except where a plate exemption certificate has been issued. Please see the Hackney Carriage and Private Hire Handbook for specified signage format.
- m) Private Hire vehicles must affix on the rear external passenger doors in a prominent location, Council issued door signage, except where a plate exemption certificate has been issued.
- n) Private Hire vehicles are not be permitted to display roof mounted signs or any signage that include the words “taxi” or “cab” or “for hire”.
- o) All expired Vehicle licence plates must be returned to the Licensing Authority.

- p) Any alternative signage must not be displayed except with the written authority of the Licensing Officer.
- q) A vehicle remains a Private Hire vehicle until the licence is suspended, revoked or expires and it is the responsibility of the driver and/or proprietor to ensure door signage and licence plate is in place at all times and in all parts of England and Wales. Failure to do so will result in enforcement action being taken.
- r) Private Hire vehicles must not stop or wait on ranks for any reason If a private hire driver accepts a fare which has not been pre-booked through a licensed operator, they are committing an offence and enforcement action will be taken.

3.7 Age of Vehicle

- a) As an incentive for the uptake of zero and ultra-low emission vehicles and to recognise the South Cambridgeshire District Council's recognition of the global climate and health emergency action plan to deliver a zero-carbon future for South Cambridgeshire, it is required that: -
 - A new vehicle licence will not be granted in respect of a vehicle unless it is less than 4 years old.
 - A vehicle licence will not be renewed for a petrol or diesel vehicle unless the vehicle is less than 9 years old and complies with at least the Euro 5 emission standards limiting CO, NOX and particle matter emissions introduced in September 2011, please see Hackney Carriage and Private Hire Handbook for current criteria.

To incentivise investment in ULEV and Zero Emission Vehicles, this rule will be extended as follows

- A vehicle licence will not be renewed for an Ultra-low emissions vehicle unless the vehicle is less than 12 years old.
- A vehicle licence will not be renewed for a zero emissions vehicle unless the vehicle is less than 15 years old.

3.8 Insurance

- a) It is the responsibility of proprietors, operators and drivers to ensure that they are properly insured at all times. Insurance provided by operators to cover their fleet and drivers is usually only valid when drivers are driving for that

company. If drivers work for multiple operators, all parties must ensure that appropriate and valid insurance is in place to avoid criminal offence.

- b) Applications for a new or renewal of a vehicle licence will require submission of proof of valid insurance which covers the vehicle and driver hackney carriage or private hire reward purposes. The vehicle proprietor and the driver must ensure that valid insurance is maintained at all times. It is considered best practice for proprietors and or drivers to keep copies of expired insurance policies for a reasonable period of time in case of any retrospective claims i.e. 3 months minimum. An original insurance certificate must be provided with an application, or if an electronic version, it must be supplied by the insurance company to taxis@scambs.gov.uk
- c) It is the responsibility of the driver to inform and supply this Licensing Authority with proof of valid insurance for each operator that they work for.

3.9 Safety Equipment

- a) All licensed vehicles must have a suitable first aid kit containing appropriate first aid dressings and appliances. This equipment must be in date and carried in such a position in the vehicle as to be readily available and visible for immediate use in an emergency. This item must be clearly marked with the licence plate number.
- b) All vehicles must have an efficient fire extinguisher which shall be carried in such a position as to be readily available for use. Please see the Hackney Carriage and Private Hire handbook for further specification.
- c) All vehicles must have a warning triangle carried in the vehicle to ensure the safety of the driver and passengers in the event of an accident, and drivers must understand the guidelines for the use of such devices and use the warning triangle in those circumstances.

3.10 CCTV

- a) The key objects are:
 - The protection of licensed drivers.
 - The protection of the travelling public.
 - To ensure that licensed drivers continue to be 'fit and proper' in line with licence conditions.

- To enable investigations to be fully supported with evidence in a secure and retrievable form.
- b) The installation of CCTV in licensed vehicles can be both a deterrent to would-be troublemakers and a source of evidence in the case of disputes between drivers and passengers, other incidents and accidents. If fitted correctly, it can assist the police and insurance companies with their investigations and must be recording at all times when working as a licensed vehicle.
- c) All Hackney Carriage and Private Hire vehicles must be fitted with an approved CCTV system no later than 30th November 2020.
- d) Drivers, proprietors and operators must notify the Council prior to installation. They must be registered with the ICO (Information Commissioners Office) if required and comply with all aspects of data protection and CCTV codes of practice, including clear signage that the vehicle uses CCTV. Further information can be found on the following link <https://ico.org.uk/>.
- e) CCTV must be professionally installed to ensure no interference with other equipment, in such a manner that it does not increase the risk of injury or discomfort to the driver and passengers, or affect any other safety system or in any way breach the motor vehicle construction and use regulations. It must be regularly checked and maintained, be clearly visible and the vehicle must display the required signage.
- f) The Licensing Authority reserves the right to amend the CCTV specification from time to time as the need arises, having regard to changes in technical standards, case law, national policy or any other circumstances that make it reasonable to amend the current specification.

g) Audio recording

- i) CCTV systems must not normally be used to record conversations between members of the public as this is highly intrusive and unlikely to be justified except in very exceptional circumstances.
- ii) Audio recording must be active in any of the following circumstances:
 - iii) An unaccompanied child (i.e. under 18) or vulnerable adult is being carried in the vehicle

- iv) Where the driver and/ or the passenger are involved in a dispute or the driver or the passenger feels threatened by the behaviour of a passenger.
- v) Activation of audio recording must be triggered by the driver and/or the passenger by pressing a switch / panic button.
- vi) Audio recording will continue until such time as the switch/panic button is pressed again.
- vii) This switch/panic button will activate/deactivate audio recording independent of the driver's/ passenger's audio activation switch/ panic button.
- viii) Once activated (by either passenger or driver), the audio recording must continue for an uninterrupted period until it is deactivated.
- ix) There must be an indicator located within the vehicle that is clearly visible to the passenger and clearly shows that audio recording is taking place.
- x) At the end of journey when the passenger leaves the vehicle, audio must be deactivated before another passenger enters the vehicle.

h) Image security

- i) Images captured must remain secure at all times. The captured images must be protected using approved encryption software which is designed to guard against the compromise of the stored data, for example, in the event of the vehicle or equipment being stolen. It is recommended by the Information Commissioner's Office (ICO) that the encryption software used meets or exceeds the current FIPS 140-2 standard or equivalent.
- ii) System protection access codes for "data controllers" will also be required to ensure permanent security.

i) Retention of CCTV images

- i) The CCTV equipment selected for installation will only have the capability of retaining images within its own hard drive.
- ii) Images must not be downloaded onto any kind of portable media device (eg CDs or memory sticks) for any purpose other than retention of data in the event of investigations.

iii) CCTV equipment selected for installation will include an automatic overwriting function, so that images are only retained within the installed system storage device for a period of 28 days from the date of capture.

j) Use of information recorded using CCTV

- i) The data controller (being the Council) is responsible for complying with all relevant data protection legislation. The data controller is legally responsible for the use of all images including breaches of legislation.
- ii) Data will only ever be downloaded on occasions: -
 - where a crime report has been made involving the specific vehicle and the Police have formally requested that data
 - when a substantive complaint has been made to the licensing authority regarding a specific vehicle / driver and that complaint is evidenced in writing (and cannot be resolved in any other way)
 - where a Data request is received from an applicant e.g. police or social services, that has a legitimate requirement to have access to the data requested to assist them in an investigation that involves a licensed vehicle or driver.

k) Requests for Data

- i) Requests may be made by the police or other statutory law enforcement agencies, insurance companies/brokers/loss adjusters or exceptionally other appropriate bodies, to the "data controller" to view captured images. The data controller is responsible for responding to these requests. Police or other law enforcement agencies should produce a standard template request form, setting out the reasons why the disclosure is required. Alternatively, a signed statement may be accepted. A fee may be made for any information provided.
- ii) All requests will only be accepted in writing and specify the reasons why disclosure is required. Please see the handbook for details.
- iii) Under the Data Protection Act, members of the public may also make a request for the disclosure of images, but only where they have been the subject of a recording. This is known as a 'subject access request'. Such requests must only be accepted where they are in writing and include

sufficient proofs of identity (which may include a photograph to confirm they are in fact the person in the recording). A fee may be made for any information provided.

- I) Further guidance on CCTV can be found in the Hackney Carriage and Private Hire Handbook.

3.11 Dashcams

- a) Use of dashcams is not permitted in licensed vehicles due to:
 - no provision of an audio switch/ panic button
 - insufficient data retention
 - the device is portable and therefore easily stolen
 - the data is not encrypted and therefore accessible to anyone
- b) If a vehicle is found to be using dashcams, enforcement action will be taken.

3.12 Vehicle Testing

- a) The vehicle must have a MOT certificate and a Certificate of Compliance that is no older than 1 month at the date of application for both new and renewal.
- b) The Certificate of Compliance will be issued for six months and a second test must be carried out 6 months minus 1 day from the last test.
- c) Failure to produce the certificate will result in enforcement action which may include suspending of the licence.
- d) The Hackney Carriage and Private Hire Handbook sets out the specification and standards for vehicle testing and compliance. In addition to this, the Authority will adhere to National Vehicle Standards along with any localised byelaws.
- e) Full details on the Certificate of Compliance process can be found in the Hackney Carriage and Private Hire Handbook.

3.13 Vehicle Inspections

- a) Licensed vehicles must at all times, be kept in a safe, tidy and clean condition.

- b) Compliance with the vehicle specifications and conditions of licence are essential and will be enforced by periodic and/or random vehicle inspections by authorised officers of the Licensing Authority.

3.14 Accidents

- a) Proprietors and drivers of licensed vehicles are required to inform this Authority as soon as possible and in any event within 72 hours, of any accident that causes damage which materially affects the safety, performance or appearance of the vehicle or the comfort or convenience of passengers. Failure to report an accident may result in suspension or revocation of both vehicle and driver licences.
- b) The driver involved in the accident must provide details to this Licensing Department of how, where and when the accident occurred. The damage to the vehicle may be required to be assessed by an officer, the vehicle and/or evidence of the damage and/or repair work must be presented to this Licensing Department on request. If it is felt necessary, a vehicle suspension notice will be issued.
- c) Drivers, proprietors and operators are advised that the Council may be contacted by insurance companies to verify an accident damage report and details provided.
- d) Full details on the accident reporting process can be found within the Hackney Carriage and Private Hire Handbook.

3.15 Taximeters

- a) All Hackney Carriages licensed by this authority are required to have a working taximeter fitted in the vehicle; some Private Hire vehicles are also fitted with a taximeter. Where a taximeter is fitted, it must be calendar controlled, must not be set at a higher fare than the current maximum fare as agreed by the Council. The taximeter must be sealed by an authorised person.
- b) Where a journey starts and finishes within the South Cambridgeshire district, if a vehicle is fitted with a taximeter, it must be used when conveying passengers.
- c) The fare demanded cannot be more than that shown on the taximeter. If a fare has been quoted and agreed and is less than the fare shown on the taximeter, the quoted lesser fare must be charged.

3.16 Accessibility

- a) The aim of the Council is to provide an accessible public transport system where people with disabilities have the same opportunities to travel as other members of society. The Council expects that proprietors, drivers and operators give full consideration to ensure they provide a service to all members of society without discrimination. The Council will keep a register of all wheelchair accessible vehicles (WAV).
- b) The Council is committed to social inclusion and ensuring a wide variety of opportunity is available to all residents to enjoy a high quality of life. It is recognised that making door to door journeys easily and on-demand is crucial to social inclusion for all members of society.
- c) All Hackney Carriage vehicles must be WAV's to ensure that disabled people are able to hire the vehicle on the spot with the minimum delay or inconvenience.
- d) New vehicles will need to comply with this immediately, and for those vehicles currently licensed as a Hackney Carriage they will have to comply by 31st March 2021. Failure to do so will result in the vehicle licence being revoked, or not renewed.
- e) The Equality Act 2010 places certain duties on licensed drivers to provide assistance to people in wheelchairs and to carry them safely. There are similar requirements on drivers in relation to the treatment of passengers with an assistance dog. Neither drivers nor operators of licensed vehicles can make any extra charge or refuse to carry such passengers. It is a criminal offence to breach any of these requirements.
- f) Licensed drivers who are unable to carry out the duties imposed upon them under the Equality Act 2010 may apply to the Licensing Authority for an exemption certificate from those duties. The Council must issue an exemption certificate to that licensed driver if they are satisfied that it is appropriate to do so on medical or physical grounds. Even if a medical ground or other physical condition exists, a driver has no defence against the offence of failing to provide assistance to people in wheelchairs contrary to s165 Equality Act, if he has not been issued an exemption certificate.
- g) The Council encourages all Private Hire operators to include WAV's amongst their fleet and to ensure that no additional costs are levied by them or their drivers, for conveying disabled passengers or assistance dogs.

- h) Private Hire vehicles fitted with a tail lift for wheelchairs must provide a valid Lifting Operations Lifting Equipment Regulations (LOLER) certificate of compliance to prove that the tail lift has been tested and checked to the required standards. It must be retested every six months as per Health and Safety Executive (HSE) requirements.
- i) When a vehicle has been modified post manufacture to provide access or special facilities for disabled passengers, the vehicle must meet the relevant standards as defined in the Hackney Carriage and Private Hire Handbook. Prior to the first licensing of the vehicle, the proprietor and/or driver must produce certification that the vehicle meets the required standards.
- j) It is important that vehicle drivers, proprietors and operators ensure that licensed drivers carry all passengers in safety and comfort, and that they do not allow wheelchair passengers to travel sideways in their wheelchair. Therefore drivers must be appropriately trained in the use of relevant belts and other restraint locking mechanisms to ensure the safety of their passengers. It is the driver's responsibility to ensure that they understand fully how to use the equipment and then do so.
- k) The Licensing Authority takes all complaints of discrimination seriously and will have due regard to its duty to eliminate discrimination, along with the provisions of the Equality Act 2010, when considering the fitness of an individual to hold a Hackney Carriage or Private Hire licence (driver, vehicle or operator).

3.17 Exemptions

- a) The DfT issue guidance regarding the types of activities that may require licensing. In general, the following are not currently considered to require licensing.
 - Child minder vehicles
 - Care transport workers
 - Volunteers
 - Ambulances
 - Courtesy Cars
 - Funeral Vehicles - There is no requirement for a vehicle to be licensed as a private hire vehicle if it is being used in connection with a funeral, or is being wholly or mainly used by a person carrying on the business of a funeral director for the purpose of funerals.

- Wedding Vehicles - There is no requirement for a vehicle to be licensed as a Private Hire Vehicle while it is being used in connection with a wedding.
- b) Should DfT guidance change, this authority will reserve the right to amend the information and guidance within the policy

3.18 Speciality Vehicles and Limousines

- a) Limousine and speciality vehicles are generally used for special occasions such as anniversaries, stag and hen parties, prom nights, etc. and may be specialist, or stretched vehicles.
- b) Limousine and speciality vehicles used for the purpose of hire and reward are required to be licensed as Private Hire vehicles, with a seating capacity for 8 passengers or less, and all bookings must be made via a licensed operator.
- c) These are specialist types of vehicles with their own set of conditions in addition to the standard conditions. Where there is any inconsistency between the standard conditions and these specialist conditions, then these specialist conditions shall prevail. The conditions can be found in the Hackney Carriage and Private Hire Handbook.
- d) The Council strongly recommends that anyone wishing to purchase and license a speciality vehicle or limousine, contacts the licensing team prior to purchase, to ensure that the vehicle will meet the conditions applied. Each application will be determined on its own merits.
- e) Proprietors of prestige type vehicles licensed as Private Hire vehicles or Private Hire vehicles used in special circumstances may seek the permission of the Council to waive the conditions of their licence relating to the display of licence plates and door signage.

3.19 Private Hire Vehicle Notice of Exemption

- a) The Council recognises that there is a specialist market for the use of unmarked hire and reward vehicles in the following circumstances:
 - Chauffer / prestige-type services
 - Fulfilling a pre-existing, written contract (pre-existing meaning signed at least 10 working days in advance of the hire)
 - Providing a regular service (whether to an individual or to a business)

- b) This definition will not cover every business circumstance and officer discretion will be used to determine individual applications based on the merits of the case, as required by legislation.
- c) Customers for this type of service will expect these vehicles to be prestige high specification vehicles and will also expect the driver to be smartly dressed either as a chauffeur or in a business suit with collared shirt and tie.
- d) The ability to exempt a vehicle from displaying the licence plate only applies to Private Hire vehicles, it does not extend to Hackney Carriages which must display their plates at all times.
- e) Prestige high specification Private Hire vehicles which carry out contract work such as executive bookings etc. may apply for an exemption licence, which exempts that vehicle from the requirement to display the standard licence plate and door signage.
- f) The driver must carry his Private Hire Driver badge with him so that it is immediately available upon request.
- g) The vehicle will be issued with a licence plate, which must be kept within the vehicle at all times.
- h) A certificate of exemption and internal vehicle notice will also be issued by this Authority and must displayed in a prominent place, visible to all passengers.
- i) It is expected that vehicles which have been issued with an exemption certificate will solely undertake executive chauffeur work.
- j) Exempted vehicles found to be carrying out standard private hire work will be subject to enforcement action and the exemption certificate may be revoked.
- k) Exempted vehicles must not display any advertisements, signage, logos, or insignias advertising the operating company inside or outside the vehicle.
- l) Operators and proprietors who wish to apply for an exemption certificate must complete the application form, pay the required fee and provide sufficient supporting documentation to establish that the vehicle will be solely used for executive bookings.
- m) There are extra conditions applicable to exempted vehicles, in addition to the standard conditions. Where there is any inconsistency between the standard

conditions and these extra conditions, then these extra conditions shall prevail. The extra conditions can be found in the Hackney Carriage and Private Hire Handbook.

- n) If an exemption certificate has been issued but the vehicle will no longer be utilised solely for executive type bookings, the exemption plate and certificate must be surrendered and returned to the Council. If the vehicle is still licensed, it must then display the plate and door stickers as required by the conditions for private hire vehicles. There will be a fee for the replacement plate and door stickers.
- o) The types of work that will not be considered for the grant of an exemption include but is not limited to: -
 - Council 'school contract' work;
 - Journeys to airports, seaports or railway stations, unless part of a journey covered by an exemption
 - Theatre journeys or sporting events unless stipulated on the exemption
 - 'Hen' and 'Stag' nights.
- p) Each application for exempt status will be considered on its own merits and there is no right of appeal against a decision by the Local Authority to refuse to grant under s75(3) Local Government (Miscellaneous provisions Act) and the only direct means of challenge would be judicial review. Full details of the process for obtaining an Exemption can be found in the Hackney Carriage and Private Hire Handbook.

3.20 Required Information for Passengers

- a) Members of the public who have cause for concern, or who wish to complain about a journey in a licensed vehicle, will need some information about the driver or vehicle they used in order to progress their complaint or report their concern.
- b) Exempt vehicles do not display a licence plate and therefore members of the public may have no information about the driver or operator prior to getting into a licensed vehicle. If they have a problematic journey, they may ask the driver for information.
- c) Whilst licensed drivers are required to wear their licence badge, which contains their information, a passenger may feel it too confrontational to

request to see the driver's badge, especially if they have had a difficult journey.

- d) In order to protect the public and to allow customers to correctly identify and report either a driver or a vehicle which caused concern, the Council has determined that certain information must be displayed inside all licensed vehicles, in the form of a Council issued Internal Vehicle Notice. Please see Hackney Carriage and Private Hire Handbook for further information.
- e) Licensed drivers who work for more than one operator must have an internal vehicle notice for each operator that they work for.

3.20 Advertising

- a) The Council will not permit any advertising on or in vehicles.

3.21 Contract Vehicles

- a) The Road Safety Act 2006 requires vehicles used for a contract with an organisation or company, for carrying passengers for hire or reward under a contract, to be licensed as private hire vehicles. As a general guide this shall include executive hire, chauffeur services, park and ride for private car parks, airport travel, stretch limousines and novelty vehicles.
- b) All vehicles with less than 8 passenger seats that carry passengers for hire and reward must be licensed by the Local Authority. Vehicles which are used as 'courtesy cars', i.e. for transporting customers to and from hotel, nightclubs, etc. are being provided for hire and reward in the course of business, irrespective of whether or not a charge is made for such service. They should, accordingly, be licensed.
- c) Those operating 'courtesy cars', e.g. for transporting customers to and from hotels, nightclubs, etc. should have an operator's licence and the vehicles and driver must be appropriately licensed.
- d) All ambulances registered with the British Ambulance Association will be exempt from private hire licensing.
- e) Other patient transport services provided by either NHS or Voluntary Services that are registered with the British Ambulance Association will be exempt from private hire licensing.

- f) All other ambulance or patient transport services that are not registered with the British Ambulance Association may be required to conform to private hire licensing requirements. The Licensing Authority strongly recommends that anyone wishing to provide this type of service contact the Council for each case to be considered on its merits.
- g) In relation to Voluntary Sector Transport, the Licensing Authority will assess each individual organisation on its own merits to determine whether or not it will require licensing as a private hire business. Whilst it is clear that the organisation is providing a service, it is less clear that such provision can be defined as operating a private hire business.
- h) When determining whether a vehicle is operating as a Private Hire Vehicle, the Licensing Authority will have reference to the Department for Transport's guidance note "Private Hire Vehicle Licensing" and any relevant case law.
- i) The Licensing Authority will, however, seek to enforce against unlicensed businesses where it can be proven that the business obtains a benefit and the Authority considers that private hire vehicle licensing is necessary.

3.22 Hackney Carriage Stands (Known as Taxi Ranks)

- a) A Hackney Carriage stand is a location reserved exclusively for Hackney Carriages to wait a hiring. A Hackney Carriage can lawfully be hired from any point on the street when it is either stationary (standing) or cruising in response to a hailing (plying).
- b) Details of Taxi Ranks in South Cambridgeshire can be found in the Hackney Carriage and Private Hire Handbook.

3.23 Vehicle Application Procedures

- a) The application procedures for a Hackney Carriage or Private Hire vehicle licence must be made on the specified application form, be accompanied by the appropriate fee and in accordance with the application procedure set out in the Hackney Carriage and Private Hire Handbook.
- b) The Licensing Authority will consider all applications on their own merits once the appropriate criteria have been met and the application form and supporting documents are complete. Only then, and if this Licensing Authority is satisfied that the vehicle is suitable, will a licence be granted.

- c) The vehicle proprietor is responsible for ensuring that the application process is followed, and all necessary steps, documentation and fees are submitted in accordance with the procedure.

3.24 Grant of Vehicle Licences

- a) The maximum period for which a vehicle licence will be granted is 1 year. This Licensing Authority may exercise discretion and issue a licence of a shorter duration if it considers this to be reasonable given the individual circumstance.
- b) This Licensing Authority will only accept complete applications including all the necessary information and documentation.
- c) If a renewal application has not been received at the end of the vehicle's licensed period, the vehicle cannot be used for hire and reward purposes.
- d) Any vehicle which has not renewed within the expiry of the licence, will be classed as unlicensed, and will be required to apply as a new vehicle and meet the required age and specification criteria for a new vehicle.
- e) It is the responsibility of the vehicle owner to ensure that renewal applications, paperwork and mechanical tests are carried out in a timely manner to avoid the vehicle becoming unlicensed.

3.25 Transfer of Ownership of the Vehicle

- a) It is possible to transfer a South Cambridgeshire District Council vehicle licence to another driver/proprietor. The required notice must be given, providing full details of the new owner of the vehicle within 14 days. An application form is provided for this purpose, please see the Hackney Carriage and Private Hire Handbook for details.
- b) Compliance with all requirements of the vehicle licence remain the responsibility of the current licence holder and any requirement for enforcement action will be taken against him/her until the new licence has been issued in the new proprietor's name. It is therefore advisable to action this as soon as possible. Failure to do so with 14 days is a criminal offence.

- c) A driver/proprietor who fails to give such notice, without reasonable excuse will be subject to enforcement action. There is an administration charge for this process to cover the cost of issuing an amended licence. Where the vehicle is changed, this will be treated as a new application.
- d) See the Hackney Carriage and Private Hire Handbook for the application process.

3.26 Environmental Considerations

- a) In March 2017 there were 290,900 licensed Hackney Carriage and Private Hire vehicles in England and Wales and 23,353 in Scotland.
- b) While this is a relatively small proportion of the 31.3 million licenced cars in Great Britain at the end of 2017, Hackney Carriage and Private Hire vehicles have a disproportionate impact on air quality impacting human health. This is due to the relatively high mileage they cover. Emissions produced by these vehicles not only have an impact on the health of the local population (almost all Hackney Carriage and Private Hire vehicles are fuelled by diesel) but also on Hackney Carriage and Private Hire drivers who may be exposed to poor air quality for 8-12 hours a day.
- c) The Government aspirations are that by 2040 every new car in the UK will be an Ultra-Low Emission Vehicle (ULEV) and is facilitating this through a range of measures including financial support to help consumers meet the upfront purchase costs of ULEVs, through the Plug-in Car Grant, and investment in the creation of a national charge point network.
- d) The definition of an Ultra-Low Emission Vehicle (ULEV) is defined by the Vehicle Certification Agency. Please see the Hackney Carriage and Private Hire handbook for further details.
- e) South Cambridgeshire District Council has committed to reduce the environmental impacts of vehicles licensed to operate in the district by reducing the emissions of pollutants such as Nitrous Oxides (NOx), Particulate Matter (PM), Carbon Dioxide (CO2) and Carbon Monoxide (CO).
- f) This Local Authority is developing an action plan to deliver a zero-carbon future for South Cambridgeshire by assessing the current levels of carbon and committing to an action plan to meet our 2050 zero-carbon pledge.

- g) This plan includes installing electric vehicle charging points across the district and incentives for taxi operators and drivers to make the move to electric vehicles.
- h) The petrol and diesel vehicle age on renewal must be under 9 years and must comply with at least the “Euro 5” emissions standards limiting CO, NOX and particulate matter emissions, introduced in September 2011. To keep up with changing national standards and technical developments details of emission limits will be updated in the Hackney Carriage and Private Hire handbook.
- i) AQMAs are areas where levels of air pollution are higher than they should be (as defined by central government). Cambridge City was declared an Air Quality Management Area (AQMA) due to its predicted levels of nitrogen dioxide breaching the statutory UK air quality objectives. These levels of nitrogen dioxide remain above the National Objectives and the City Council’s low emission strategy for Buses and Taxis within Cambridge over a period of 10 years aims to address this.
- j) It is the intention of the South Cambridgeshire District Council policy to align with Cambridge City Council in respect to environmental considerations.
- k) See below for the rationale and implementation dates for new and renewal Hackney Carriage and Private Hire vehicle licence applications.

Policy	Rationale	Implementation
A set date for all Hackney Carriage and Private Hire vehicles licensed for the first time by the Council to be Zero or Ultra-Low Emission	This allows proprietors/potential proprietors to focus on planning to move to Zero or Ultra Low emission vehicles by a set date.	With effect from 1 st December 2021
A set date for all Hackney Carriage and Private Hire vehicles licensed by the Council to be Zero or Ultra-Low Emission	This allows proprietors/potential proprietors to focus on planning to move to Zero or Ultra Low emission vehicles by a set date and allows adequate business planning.	With effect from December 2028

- i) Maintaining the vehicle to a good standard may reduce emissions. This will be enforced through twice yearly vehicle testing as part of the Certificate of Compliance and this Local Authority will perform test emissions as part of its enforcement activities.
- m) The Authority recognises that low emission vehicles can have a positive impact on the environment and any application receives for other low and ultra-low emission vehicles will be considered on its own merits.
- n) Vehicle purchase subsidies are available for electric vehicles, dependent on the emissions. OLEV have different levels of Plug In Car Grant for different vehicles.
- o) For further details of grants and incentives available see the Hackney Carriage and Private Hire Handbook.

4 Operators

4.1 General

- a) The legislation requires that any person, who in the course of business makes provision for the invitation or acceptance of bookings for a Private Hire vehicle, must be licensed as a Private Hire operator.
- b) Any individual, partnership, company or other body that advertises the services of a private hire vehicle, provided with a driver, for hire and reward, is required to be licensed as an operator.
- c) The acceptance of bookings may be provided for by a variety of methods, such as, in person, by telephone, text, email, internet, smart phone app, in writing, or by any other communication means.
- d) The legislation requires the authority to only license operators who are considered to be 'fit and proper' to hold an operator's licence and who are not disqualified by reason of their immigration status.
- e) All work undertaken by Private Hire vehicles and drivers, must be pre-booked via a licensed operator. All three licences (Private Hire vehicle, Private Hire driver and operator) must be issued by the same local authority.
- f) Operators can only utilise drivers and vehicles that are correctly licensed by the same authority that issued the operators' licence. Operators, who fail to ensure that the drivers and vehicles they utilise have valid licences may be subject to enforcement action as deemed appropriate by this Authority.
- g) New operators licences will be issued for one year with a renewal application for up to a further five years subject to checks. See Hackney Carriage and Private Hire Handbook for further details.
- h) There is no provision within the legislation to transfer an operator's licence. If an existing operator sells or otherwise transfers their business (whether or not

including any assets) to another person, partnership or limited company, the new person must make a new application for a private hire operators licence. They will be subject to the ‘fit and proper’ test and be assessed by this Authority for suitability, have to demonstrate their right to remain and work in the UK and any new premises must be within this district.

- i) Licensed operators may accept bookings and may subcontract these bookings, but only to another licensed operator. However, the operator who accepted the initial booking remains responsible for that booking.
- j) Operators are required by law to keep a record of bookings and records relating to each and every vehicle operated by the operator, the contents of recording these records are detailed in the conditions attached to the operator’s licence. Breach of this condition is a criminal offence which result in prosecution and a criminal conviction, as well as action against the operator’s licence. Records of bookings must be made before the commencement of the journey. All such records must be made available to an authorised officer for inspection. Further information can be found in the Hackney Carriage and Private Hire Handbook.
- k) The Licensing Authority has power to impose such conditions on an operator’s licence, as it considers reasonably necessary.
- l) These are set out in the Hackney Carriage and Private Hire Handbook.

4.2 Fit and Proper

- a) This Local Authority will only license operators that it considers are ‘fit and proper’ to hold a licence, and that the applicant is not disqualified by reason of their immigration status. ‘Fit and proper’ is given its widest interpretation and includes physical fitness, character, behaviour etc.
- b) Applicants should be aware that we will not allow any member of staff to be subjected to rude, threatening, abusive, intimidating or violent behaviour either directly, by telephone or other methods of communication.
- c) In any of these circumstances staff members have the right to refuse to process the application.
- d) Any person exhibiting any of the above behaviours will be subject to enforcement and may have the application refused or licence revoked.

- e) The Council will require applicants and licence holders to undertake several checks and tests to establish their suitability to be considered 'fit and proper' to either be or remain licensed.
- f) Applicants and existing licence holders are required to share information held about them by various bodies e.g. DVLA, police, home office etc.
- g) The Council can request any information it deems may be relevant to determine their fit and proper status. This may include checking an applicant's prior history with this or any other Council, using intelligence from the police or any other regulatory authority as appears relevant.
- h) Consideration of suitability includes character and patterns of behaviour and is not limited to incidents which occur whilst the operator is 'on duty'. Conduct or behaviour which may indicate that the safety and welfare of the public may be at risk will also be taken into account when assessing their fit and proper status. Any matters that occur whilst the person is using their licence (driving, operating or in connection with their vehicle) will be considered as aggravating factors, and the fact that they did not occur in this way will not be regarded as mitigating factors.
- i) The onus is on the applicant or licensed operator to satisfy the Council that they are and remain 'fit and proper'.
- j) Applicants will be required to undertake and provide a Basic DBS, together with a statutory declaration listing all criminal convictions and other matters detailed on the application form.
- k) Additional information may be sought as part of the process if considered appropriate in individual circumstances.
- l) Applicants for both new licences and renewals, who fail to report or declare an offence, or other relevant matters, will bring in to question their suitability to hold a licence. This deliberately prevents the authority from taking into account that information in protecting public safety. It also shows a blatant breach of conditions and will go toward consideration of suitability and their fit and proper status.

4.3 Eligibility to Live and Work in the UK

- a) The Licensing Authority has a duty to ensure that it only issues operators' licences to individuals who have a legal entitlement to live and work in the UK.

- b) No licence can be legally issued unless the Licensing Authority receives proof of their right to work in the UK.
- c) Proof of the right to live and work in the UK must be provided by Driver and/or Operator applicants in accordance with the Immigration Act 2016. As part of the licence application process, individuals will be required to present original documentation for verification and copies will be made and retained on file.
- d) The Home Office has produced a list of documents that applicants can provide, further information can be found in the Handbook. A link to the Home Office guidance can be found here: www.gov.uk/topic/immigration-operational-guidance
- e) Applicants with a restricted right to work in the UK may be issued with a time or hours restricted licence, no licence will be permitted to expire beyond the licence holder's right to work expiry date.
- f) This Authority will work in conjunction with the Home Office or its appointed agents to ensure immigration offences are minimised.
- g) If an applicant cannot demonstrate the right to remain and work, the licence cannot be granted. If that status is lost during the currency of the licence, the licence lapses see s53A(6) Local Government (Miscellaneous Provisions) Act 1976.

4.4 Safeguarding

- a) This Authority is committed to safeguarding and promoting the welfare of children, young people and adults at risk. We take our responsibilities seriously and expect all our licensed drivers, proprietors and operators to share this commitment.
- b) Safety, security and welfare apply to the public, passengers and licensed drivers. Proprietors and operators must consider these factors when determining what safeguarding measures should be in place.
- c) All new applicants for Private Hire Operator licences will be required attend and successfully pass a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate. There is no limit for the number of attempts to complete the test, to be borne at the applicant's own expense, however no licence will be issued until a certificate is produced.

- d) All existing licensed operators will be required to participate and undertake a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate which must be produced within 1 calendar year of adoption of this policy or on renewal whichever is sooner. Failure to do so may result in suspension of the licence until successful completion of the test.
- e) As part of the Private Hire operator application process all renewal applicants will be required to submit a current safeguarding certificate, no older than 3 months. It is the duty of the applicant to ensure that they have completed the course and passed the test in sufficient time before applying for a renewal licence. There is no limit for the number of attempts to complete the test, to be borne at the applicants' own expense, however no licence will be issued until a certificate is produced.
- f) See the Hackney Carriage and Private Hire Handbook for further details.

4.5 Application

- a) An application for a Private Hire Operator's licence must be made on the specified application form, be accompanied by the appropriate fee and in accordance with the application procedure set out in the Hackney Carriage and Private Hire Handbook. The supporting documents must be the originals, not photocopies or photographs. The Licensing Authority will then decide whether the applicant is a 'fit and proper' person to hold an operator's licence.
- b) If the licence renewal is not applied for before expiry of old one, the existing licence expires and a new application is required.
- c) If the application is submitted before expiry of the licence, the exiting licence expires and cannot be used until the renewal is determined.

4.6 Fees and Charges

- a) The licence fees applied by this Local Authority are set on a cost recovery basis. They are regularly reviewed, and any increase or reduction will be published and consulted upon as required by the legislation.

4.7 References

- a) To ensure that those involved in the operation of the business are 'fit and proper' to operate a business, applicants are required to provide two referees,

at least one from a professional person (e.g. accountant, solicitor, magistrate), who has known the applicant for at least three years.

- b) It is the responsibility of the applicant to provide the name and contact information so that this Licensing Department can make contact with the referee.
- c) It is the responsibility of the applicant to pay any costs to the referee (if applicable)
- d) Please see the Hackney Carriage and Private Hire Handbook for further details.

4.8 Disclosure and Barring Service (DBS) Disclosures

- a) A basic DBS certificate is a mandatory requirement as part of the application for an Operator licence and is an important element used by this Authority to ascertain whether or not the person is 'fit and proper' to hold a licence. This certificate for all new and renewal applications must be dated within 1 month.
- b) Although enhanced DBS certificates cannot be demanded by the Council for operator licences, we are happy to accept them, and we are happy to accept DBS update service certificates.
- c) In considering 'fit and proper', the Council will take into consideration any prior convictions and cautions. Therefore, all applicants for new and renewal licences are required to undertake and submit a Basic DBS check. This check will detail all live criminal convictions.
- d) It is the Council's prerogative to require the licensee to obtain an additional Basic DBS check if a new certificate is required at any time.
- e) Although the role of a private hire operator is not covered by the Rehabilitation of Offenders Act 1974, the High Court decision in Adamson v Waveney BC make it clear that the Council can take spent convictions into account when considering an application for a private hire operator's licence. All convictions must be revealed on the application form and accompany Statutory Declaration and will be taken into consideration in determining the application.
- f) In instances where convictions, cautions, reprimands or warnings appear on a DBS, the cause/motive/mitigating circumstances may not be taken into

consideration, however as each application is determined on its own merits, the applicant will be afforded the opportunity to state their case as part of the application.

- g) Further information can be found in the Relevance of Convictions/Cautions in relation to taxi licensing section this policy.
- h) Where there is a public protection risk, the police will pass information under Common Law Police Disclosure (CLPD) to the Licensing Authority to allow action to be taken to protect public safety regardless of whether there has been a conviction.
- i) South Cambridgeshire District Council private hire operators' licence holders must notify the Licensing Authority in writing within 72 hours of any cautions, convictions or warnings including but not limited to driving endorsements, driving convictions, police warnings and reprimands, cautions, community service orders, restraining orders, fixed penalties immigration offences, or other relevant matters, including road traffic offences such as speeding.
- j) If it comes to the attention of the Council that a licensed operator has failed to notify the Council of relevant matters which occur during or after the licence has been issued, enforcement action will be taken.

4.9 Overseas Criminal Record Check

- a) Applicants who have resided outside of the UK since the age of 18 years of age or for the last five continuous years will be required to submit an overseas record check which has been authenticated by each embassy of the country of residence.
- b) This must be translated into English at the applicant's expense. The overseas criminal record check must be no more than 3 months old at the time of submission.
- c) Further information can be found in the Hackney Carriage and Private Hire Handbook.

4.10 Suitability of Premises

- a) When considering an application for a new operator's licence, consideration will be given to the location, the vicinity, facilities, and parking arrangements.
- b) Applicants should ensure that they obtain any necessary planning consents relating to the use of the premises in connection with the operation of the business. Where planning permission is required, operators must comply with

any condition attached to such permission. Whilst any breach of planning legislation will be enforced by the planning department, it may also be used in consideration of an operator's 'fit and proper' status.

- c) If the property is a Council or Housing Association property or rented privately, any applicants should seek written permission from the landlord to operate a private hire business from the premises.
- d) The Council will not grant a licence to an operator whose premises are located outside South Cambridgeshire. This is to ensure that proper regulation and enforcement measures may be taken by the Council and is in no way intended to be a restraint of trade.

4.11 Operator's Responsibilities and Obligations

- a) Operators are responsible for keeping accurate records of bookings and retaining them for a period of not less than six months. These records must detail required information about each booking taken and fulfilled by the operator. Further information is contained within the Hackney Carriage and Private Hire Handbook.
- b) If an operator subcontracts a booking to another licensed operator, both operators must keep a record of the booking. The operator who accepted the initial booking remains fully responsible for that journey even though it has been subcontracted to another licensed operator. The initial operator must record what checks they made to ensure that the operator they passed the booking onto is correctly licensed.
- c) Regardless of which operator fulfils the booking, the operator can only dispatch a vehicle licensed by the same authority that licenses the operator and driven by a driver also licensed by that same authority.
- d) Operators need to be aware of their obligations when it comes to data protection. Where databases containing personal information, such as records of bookings and CCTV, they are required to be registered with the Information Commissioners Office (ICO). Further information can be found on the following link;

<https://ico.org.uk/for-organisations/register/>

- e) Operators must make customers fully aware of any the fare and any additional charges which may be applied, e.g. for waiting time and for cleaning a soiled vehicle. These additional charges must be clearly displayed in the operator's office and on their website, if they have one.

- f) Operators are responsible for ensuring that the vehicles utilised are clean, fit for the purpose of the booking and comply with the conditions applied by this Council. It is expected that operators have a planned maintenance programme in place for all vehicles it utilises. The testing requirements applied by this Council are to confirm a level of safety and quality, rather than to highlight what maintenance needs to be carried out.
- g) This Local Authority encourages all Private Hire operators to include wheelchair accessible vehicles amongst their fleet. They must ensure that no additional costs or charges are levied by them or their drivers for conveying disabled passengers or assistance dogs.
- h) Operators and/or proprietors, who provide Wheelchair Accessible Vehicles must ensure that the driver is appropriately trained to load, unload and convey passengers in a safe and secure manner. This training, if not part of the original licensing requirements, must be documented and refreshed at suitable intervals. These training records must be available for inspection by an authorised officer.
- i) Operators must ensure that the drivers they utilise are 'fit and proper' to carry out the bookings and are appropriately trained for their role. Operators should be able to demonstrate how they will achieve this by way of a policy to include any training (or checks) provided by the operator, customer service company policies and practices, including disability awareness. A copy of this policy must be included with all applications.
- j) Operators must be aware of their obligations under the Immigration Act and only utilise persons who have the right to work in the UK. Failure to observe this requirement or to provide due diligence checks may be subject to enforcement action by the relevant Home Office department.

4.12 Insurance

- a) Operators must ensure they have all the correct insurances in place for the vehicles and drivers they utilise.
- b) Those who provide a waiting area for clients must provide evidence that they have valid public liability insurance.

4.13 Cross Border Hiring

- a) The customer has the choice of which operator they book through. This means that the customer may choose an operator licensed by a neighbouring authority, known as cross border hiring.
- b) The legislation permits cross border hiring for bookings across other authorities and the Council has no jurisdiction over these private hire contracts.

4.14 Sub-Contracting

- a) Section 55a of the Local Government (Miscellaneous Provisions) Act 1976, inserted by the Deregulation Act 2015, permits Operators licensed by the Council to sub-contract a private hire booking to another operator licensed by the Council or to any other licensed private hire operator holding a private hire licence granted by another local authority.
- b) Regardless of which operator fulfils a booking, the operator can only dispatch a vehicle licensed by the same Council that licenses the operator and driven by a driver licensed by that same Council.
- c) Operators that accept an initial booking remain legally responsible for that booking even if they sub-contract the booking to another Operator and should record the booking as usual and note the fact that it was sub-contracted.

4.15 Radio Systems

- a) Applicants who intend to operate a radio system will be required to provide proof of their licence from Ofcom as part of the application process.

4.16 Operator's Complaint Policy

- a) Customers have a right to complain if the service provided by the operator fails to meet expectations. It is the responsibility of operators to attempt to find an amicable resolution to the complaint, without any unnecessary regulatory burden or intervention by this Local Authority.
- b) Complainants must be dealt with in a respectful, timely manner in an open and transparent way. To ensure this is achieved, operators are required to have a formal complaints policy and procedure which is made freely available to all customers, and to maintain a record of complaints received.
- c) A copy of the operator's complaints policy and procedure must be produced as part of all new and renewal applications.

- d) The complaint records must detail specific information, be monitored, and be made available to authorised officers upon request. The specified information to be recorded must include the following information as a minimum:
 - The name of the complainant and how they can be contacted
 - The date the complaint was made and the time and date of the journey,
 - If the booking was subcontracted, the details of the licensed operator who fulfilled the booking and any action taken by the subcontractor regarding the complaint or concern
 - The name of the driver and vehicle being reported,
 - The nature of the complaint or concern,
 - The date by which the proprietor will respond to the complaint, which must not exceed 72 hours from time of receipt,
 - The action taken, if any, by the operator to resolve the complaint or concern.
- e) Operators must also inform the complainant that they can further their complaint to this Authority if they remain dissatisfied with the outcome of their complaint.
- f) If an operator is made aware of any information or complaint reflected in the relevant convictions section of this policy, they must notify this Licensing Department immediately and provide details of the actions taken by the operator.
- g) Operators must ensure that persons hiring a vehicle are aware of a complaints policy either by digital notification given before the commencement of the hiring or by way of a notice in the vehicle.

5 Enforcement

5.1 General

- a) As all licence holders are considered to be 'fit and proper', they are expected to fully understand the conditions and requirements placed on them by this Authority and other applicable legislation.
- b) The Council will take comprehensive and appropriate action against licence holders upon receipt of evidence that an offence has been committed. An offence may be, but is not limited to, a breach of the legislation or condition imposed on a licence, byelaw, or this policy.
- c) The Council will undertake overt and covert targeted enforcement operations as well as ad hoc compliance checks on licence holders. These operations and compliance checks may be inside and outside normal office hours and may involve partner agencies.
- d) Some breaches of legislation will be enforced where appropriate, by other partner agencies, e.g. the Police, DVSA, the Home Office etc.
- e) Every enforcement action taken by this Local Authority will be determined on the individual circumstances, will be in accordance with this policy, the Council's Enforcement and Inspection policy and the Regulator's Code 2014.
- f) Where an applicant or licence holder is aggrieved by the Council's decision to refuse an application, revoke or suspend a licence, or impose conditions on a licence, the applicant or licence holder has a right of appeal to the Magistrates Court within 21 days of being given that decision.
- g) This Local Authority will communicate regularly with licensing committees and officers in neighboring Councils to ensure critical information is shared and that there is a consistency and robustness in decision-making.
- h) It is recommended by the LGA that all Councils have a robust system in place for recording complaints in order to monitor a driver and their suitability. This Local Authority has therefore developed a Penalty Points Enforcement System as seen later in this policy.

5.2 Compliance

- a) Informal action to secure compliance with legislation, conditions and policy will include offering advice, requests for action, verbal advice, guidance notes, the use of written instructions and the undertaking of inspections.

5.3 Range of Powers

- a) There are a range of sanctions and actions which may be taken by the Council, e.g. prosecution, suspension, revocation, refusal to renew, formal written warning, caution, verbal warning, advisory letter, note on records and no action. The course of action will depend on the severity of the offence committed, the evidence available and the risk to public safety.
- b) Prosecutions will be taken where it is in the public interest.
- c) The Council will revoke or suspend or refuse to renew a licence where the licence holder has committed offences that could put public safety at risk.
- d) Where an applicant or licence holder is aggrieved by the Council's decision to refuse an application, revoke or suspend a licence, or impose conditions on a licence, the applicant or licence holder has a right of appeal to the Magistrates Court within 21 days of being given that decision.

5.4 Complaints, Compliments and Comments

- a) Members of the public who wish to submit complaints, compliments or comments about licensed drivers and operators can do so via the Licensing and Enforcement Team. All complaints will be dealt with in accordance with the process as described in the Hackney Carriage and Private Hire Handbook.

5.5 Warnings

- a) In respect of minor breaches of licence conditions the Licensing Authority shall issue warnings as appropriate to the circumstances. A Warning may be used for minor, technical or first-time transgressions where it may not be in the public interest to prosecute. Further guidance relating to this can be found in the Hackney Carriage and Private Hire Handbook.

5.6 Suspension or Revocation of a Licence

- a) The Council may suspend, revoke or refuse to renew a Driver's Licence in the following circumstances:

- i. there has been a conviction/caution for an offence involving dishonesty, indecency or violence or there has been a conviction or caution for an offence under or a failure to comply with the relevant legislation
 - ii. that since the grant of the licence been convicted of an immigration offence or required to pay an immigration penalty
 - iii. any other reasonable cause
- b) Action against a drivers' licence can be imposed with immediate effect if "the interests of public safety require the suspension or revocation of the licence to have immediate effect". As public safety is the paramount consideration in relation to hackney carriage and private hire licensing, the council will consider immediate action whenever the actions of the driver need to be examined.
- c) The Council may suspend, revoke or refuse to renew an Operator's Licence in the following circumstances:
 - i. there has been an offence under or non-compliance with the Relevant Legislation;
 - ii. any conduct on the part of the Operator which renders him unfit to hold a licence;
 - iii. any material change since the Licence was granted in any of the circumstances of the operator on the basis of which the licence was granted;
 - iv. that the operator has since the grant of the licence been convicted of an immigration offence or required to pay an immigration penalty
 - v. any other reasonable cause
- d) Generally, a suspension will be imposed because there is a problem which needs to be addressed and overcome. Once that has been achieved, the suspension can be lifted. However, in relation to both drivers and operators

licences a suspension can also be imposed as a punishment. In these circumstances it will be for a fixed period.

- e) The Council will also have due regard to:
 - i. S.17 of the Crime and Disorder Act 1998 which states ‘without prejudice to any other obligation imposed on it, it shall be the duty of each authority to which this section applies to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area.’
 - ii. The Department for Transport’s Taxi and Private Hire Vehicles: Best Practice Guidance which recognises the need for criminal record checks as an important safety measure and contemplates that a particularly cautious view will be taken in relation to offences of a violent or sexual nature.

5.7 Refusal to grant a Licence

- a) This Licensing Authority has the discretion to decide that a licence will not be granted if the vehicle, driver or operator does not meet the requirements of the policy. There is a right of appeal to the Magistrates Court (unless it is a refusal to grant a hackney carriage proprietors licence where the appeal is directly to the Crown Court).

5.8 Rights of Appeal

- a) Where an applicant is aggrieved by the Licensing Authority's decision to suspend, refuse to renew, revoke a Licence or by conditions attached to a Licence or to refuse to grant or renew a Licence, the applicant has a right of appeal to the Magistrates' Court, and a further right to appeal to the Crown Court. The specific grounds for appeal are detailed in the Hackney Carriage and Private Hire Handbook.
- b) Any appeal must be lodged at the Magistrates Court within 21 days of the applicant receiving written notification of the Council's decision. The appeal must state the grounds upon which the appeal is based.

5.9 Information and Data Sharing

- a) The Council may process the information provided to prevent and detect fraud in any of our systems and may supply information to other departments within this Licensing Authority and externally to government agencies, credit

reference agencies, audit or other external bodies for such purposes. We participate in the Governments National Fraud Initiative.

- b) We may share personal data with Local Partner Authorities, Police, Legal, Courts, Internal/External audit, Disclosure and Barring Service, HM Revenue & Customs, Driver & Vehicle Standards Agency, Customs and Border Agency as required.

5.10 Penalty Point Scheme

- a) This Policy will be fully considered by an authorised officer when determining the manner on which any breach of legislation or the requirements of this Policy are dealt with.
- b) The Penalty Points Scheme will operate without prejudice to this Licensing Authority's ability to take other action under appropriate legislation or as provided for by this policy.
- c) The Penalty Points Scheme outlined identifies a number of breaches of conditions, byelaws and/or statutory provisions and indicates the number of points to be invoked should the breach be proven and by whom.
- d) Where it is decided that the use of the Penalty Points Scheme is appropriate, the points will be issued in accordance with the schedule, as detailed in the Hackney Carriage and Private Hire Handbook.
- e) The imposition of penalty points against a driver who is an employee will not necessarily result in the additional imposition of points to his/her employer or operator. However, this Licensing Authority will issue penalty points to drivers, proprietors, driver/proprietors and operators for a single contravention if the circumstances warrant it, i.e. the breach is one against all these licences and it is considered joint responsibility is held.
- f) Points issued to a proprietor, operator or driver will be confirmed in writing if the completion of enquiries into the contravention or upon discovery of breach.
- g) The licence holder may be asked to attend a hearing before the Licensing Sub-Committee if 12 or more penalty points are imposed on an individual licence and are still valid. Appropriate action will be taken in accordance with this policy and may include suspension or revocation of the driver's licence. The licence holder may be permitted to continue working until a decision has been made.

- h) When issued, the penalty points will remain “live” for the period specified in the schedule as detailed in the Hackney Carriage and Private Hire Handbook.
- i) A driver will always have the right to be represented at any meeting, either legally or otherwise, and to state any mitigating circumstances they deem necessary.

6 Relevance of Convictions / Cautions in Relation to Taxi Licensing

6.1 Introduction

- a) For the purpose of this policy the term conviction is interpreted as including conviction, caution, reprimands, warning or where relevant information is received.
- b) Convictions, cautions, reprimands or warnings do not necessarily mean that an application will be refused, or a licence will be revoked. Also, where an applicant does not have any convictions or cautions, the applicant must still be deemed ‘fit and proper’ by the Licensing authority. Each case is treated on its own merits.
- c) Drivers have a duty to disclose all convictions or cautions.

6.2 Scope

- a) This policy applies to the grant, revocation, suspension or renewal of Operator's Licences (“Operator's Licences”) and Licences to drive hackney carriages and/or private hire vehicles (“Driver's Licences”) issued by South Cambridgeshire District Council (“the Council”).

6.3 Purpose

- a) The purpose of the relevance of convictions/cautions as outlined in this policy is to facilitate the Council’s duties and responsibilities in determining the impact of convictions and cautions on the grant or renewal of Driver’s, vehicle proprietors and Operator’s Licences in accordance with the legislative considerations set out below.

6.4 Licensing Legislation

- a) The Council licences drivers, vehicles and operators under the Town and Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976 (“the Relevant Legislation”).

6.5 Grant and Renewal of Licences

- a) Sections 51, 55 and 59 of the Local Government (Miscellaneous Provisions) Act 1976 prescribe that the Council shall not grant a Driver’s or Operator’s Licence unless satisfied that the applicant is ‘fit and proper’ for that purpose.
- b) Whilst the relevant legislation is not specific as to what will constitute a fit and proper person for the purpose of determining whether to issue a Licence, it is commonly accepted that any history of offending will be a relevant consideration. The overriding aim of the licensing authority is to protect the public.

6.6 Immigration Act 2016

- a) The legislation also adds immigration offences and penalties to the list of grounds on which operator and private hire and hackney carriage driver licences may be suspended or revoked by this authority. Where licences expire, or are revoked or suspended on immigration grounds, the licence must be returned within seven days. Failure to return the licence within seven days is a criminal offence.

6.7 Assessment of Applications

- a) The Council will not prevent a person who have previous criminal convictions and/or cautions making an application for a licence and will consider the application on its own merits subject to the application of this policy. In particular, having a criminal record will not necessarily be a bar from obtaining a Licence. Each case will be decided on its own merits.
- b) The fact that no convictions/cautions are revealed does not mean that applications will automatically be granted. In some cases, the applicant’s history may be such that they can never be deemed a ‘fit and proper’ person to hold a licence with this Authority. This Local Authority retains absolute discretion as to whether or not a Licence will be granted, having regard to the licensing legislation as outlined at section 1.2 above and all information obtained, and observations made during the relevant application process.
- c) Careful consideration of the evidence provided will be given if an applicant has on more than one occasion been arrested, charged, but not convicted of a serious offence, which suggests on the balance of probabilities that they

could pose a danger to the public. Consideration will be given to refusing the application. In assessing the action to take, the safety of the travelling public must be the paramount concern.

- d) It is an offence for any person knowingly or recklessly to make a false declaration or to omit any material, particularly in giving information required on the application form. Where an applicant has made a false statement, false declaration or omitted to include information on their application for the grant or renewal of a licence, the licence will normally be refused.
- e) The Council is also entitled to use other records and available information when determining applications. This may include information held by the Council or other Licensing Authorities and information disclosed by the Police under the Home Office scheme for reporting offences committed by notifiable occupations or with the Home Office regarding immigration offences. Anyone on the Disclosure and Barring Service (DBS) Barred List will be refused a licence. Any licence holder who is subsequently included on the DBS Barred List will have their licence revoked.

6.8 Impact of Convictions, Cautions, Reprimands or Warnings

- a) Each application will be assessed and in each case the information provided will be considered in relation to the particular circumstances and shall take into account one or more of the following (non-exhaustive) factors:

6.8.1 Level of Responsibility

- i. This Authority will consider the level of independence afforded to the Applicant. An Applicant who works alone with minimal supervision will be considered a greater risk than one who works in a group and/or is closely supervised.

6.8.2 Date of Offence(s)

- i. This Authority recognises that historic offences may have less relevance than recent offences. As a general rule, a pattern of unrelated or similar offences over a period of time will be considered more serious than an isolated minor conviction.

6.8.3 Attitude of the Applicant

- i. This Authority will look for evidence that the applicant has been rehabilitated and has demonstrated a determination not to re-offend.

6.8.4 Mitigating Circumstances

- i. This Authority may ask applicants about offence(s)/convictions so that the context can be considered. Due consideration will also be given to any references provided.

6.8.5 Sentence Imposed

- i. This Authority will consider any sentence imposed as an indication of the Court's view of the seriousness of the offence.

6.8.6 Rehabilitation

- i. This policy prescribes the minimum periods of rehabilitation which will ordinarily need to have elapsed before an application can be approved. These minimum periods will be considered in conjunction with the general considerations outlined above, as well as with reference to any additional information provided or observations made during the disclosure procedure.
- ii. Representatives of this Authority tasked with deciding whether or not to approve an application have absolute discretion as to the application of the minimum periods of rehabilitation. This will apply both in favour of granting an application prior to the expiry of a rehabilitation period (for example where exceptional circumstances exist) or in declining an application before or after the expiry of a rehabilitation period (for example where there is evidence of any recent, persistent or habitual offending history).
- iii. Simply remaining free of conviction may not generally be regarded as adequate evidence that a person is a 'fit and proper' person to hold a licence.

6.9 Right of Appeal

- a) Applicants have a right to appeal against decisions made in pursuance of this policy in the following circumstances:
 - i. Refusal to grant or renew an Operator's, Vehicle or Driver's Licence
 - ii. Suspension or revocation of an Operator's, Vehicle or Driver's Licence

- iii. The imposition of conditions which may have been placed on the grant of an Operator, Vehicle or Driver's Licence
- b) When an officer makes a decision under delegated powers, that is the decision of the authority, and the rights of appeal against that decision are clearly detailed within the legislation (generally to the magistrates' court, followed by the Crown Court unless it is a refusal to grant a hackney carriage proprietors licence in which case the appeal is directly to the Crown Court). The authority has no further role in that decision and is functus officio in relation to that decision.
- c) Suspension or revocation of the licence of a driver takes effect at the end of the period of 21 days beginning with the day on which notice is given to the driver. If it appears that the interests of public safety require the suspension or revocation of the licence to have immediate effect, and the notice given to the driver includes this statement that is so and an explanation why, the suspension or revocation takes effect when the notice is given to the driver Local Government (Miscellaneous Provisions) Act 1976, s 61 (2A) & (2B)).
- d) Suspension or revocation of the licence of an operator takes effect at the end of the period of 21 days beginning with the day on which the notice is given to the operator.

6.10 Updating and Repeat Checks

- a) South Cambridgeshire District Council licence holders must notify the Licensing Authority in writing within 72 hours of any cautions, convictions, warnings or other matters that might affect their continued fitness and propriety, and therefore suitability to retain their licence, including but not limited to driving endorsements, driving convictions, police warnings and reprimands, cautions, community service orders, restraining orders, fixed penalties immigration offences, or other relevant matters, including road traffic offences such as speeding and attendance at any speed awareness course.
- b) Persons wishing to renew their Licence must obtain and provide updated Disclosure Documents with their renewal application.
- c) It is important that the licensing authority receives relevant information as quickly as possible in order to take appropriate and proportionate action to protect public safety. Therefore, as per guidelines set out by the Local Government Association (LGA), all drivers and new applicants must register for the DBS update service and to nominate the licensing authority to receive updates.

- d) If a licence holder's conduct is such that, were they to be applying for a new licence their application would normally be refused, they should expect consideration to be given as to the suspension or revocation of their licence.

6.11 Breaches of Policy

- a) Applicants are prohibited from driving a Private Hire or Hackney Carriage vehicle or performing the duties of an Operator without first having obtained a relevant Licence for this purpose.
- b) Persons who have previously been granted a Driver's or Operator's Licence which has been suspended or revoked are prohibited from continuing to drive or perform the duties of an operator unless they have submitted an appeal to the magistrates court or subsequently to the Crown Court in accordance with the legislation.

6.12 Cautions and Convictions Definitions

- a) The previous convictions policy in Appendix B offers a general guide to the decision which might be taken where cautions or convictions are disclosed.

Appendix A – Code of Conduct

1. Conduct of Driver

The driver must:-

- i. take all reasonable steps to ensure the safety of passengers conveyed in, entering or alighting from the vehicle
- ii. at no time cause or permit noise emitted by any equipment in the vehicle that may be considered a source of nuisance or annoyance to any person, whether inside or outside of the vehicle
- iii. drive with care and due consideration for all other road users and pedestrians
- iv. obey all Traffic Regulation Orders and directions at all time
- v. not consume alcohol or misuse drugs (legal or illegal) immediately before or at any time whilst driving or being in charge of a Hackney Carriage or Private Hire vehicle
- vi. shall not drive for hire or reward any unlicensed vehicle
- vii. should be aware that we will not allow any member of staff to be subjected to rude, threatening, abusive, intimidating or violent behaviour either directly, by telephone or other methods of communication
- viii. at all times be clean and respectable in dress and person and behave in a polite and orderly manner
- ix. afford all reasonable assistance with passengers' luggage
- x. not without the express consent of the passengers play any radio or sound reproducing instruments or equipment in the vehicle other than for the purpose of sending or receiving messages in connection with the operation of the vehicle
- xi. not drink or eat in the vehicle during the course of a hiring without the express consent of the passengers

2. Drivers' Dress Code

- i. In order to raise the profile of the licensed trade, drivers should operate at all times in a professional manner and conform to good standard of dress and personal hygiene.

3. Passengers

- i. The driver shall not convey or permit to be conveyed in the vehicle a greater number of persons than that prescribed in the license for the vehicle.
- ii. The driver shall not allow any lone person, to be conveyed in the front of any licensed vehicle unless agreed with the operator at the time of booking.
- iii. No child under 12 may be carried in the front seat beside the driver.
- iv. At all times the driver shall ensure compliance with regulations regarding seat belt and restraints.
- v. The driver shall not, without the consent of the booked passengers, convey or permit to be conveyed any other person in that vehicle.
- vi. Third party insurance cover must be in place during the licence period in the event of all passengers' personal injury.
- vii. The driver shall ensure when dropping off vulnerable passengers at night that they wait until they can confirm that the person is safe before driving off.
- viii. Drivers will ensure the passenger has pre booked before setting out.

4. Driving and Vehicle Standards

- i. Drivers are expected to understand and follow the Official Highway Code.
- ii. Drivers must not perform manoeuvres that endanger the safety of other road users or passengers.
- iii. Drivers must have respect for, and demonstrate courtesy to, all other road users.
- iv. Drivers must not obstruct the highway or park in a dangerous position, including over ranking or parking contrary to all traffic regulations such as double yellow lines or no stopping signs. Drivers must, where possible, give as much room to cyclists and other vulnerable roads users as you would give a car.
- v. Drivers are required to notify the Council immediately of any damage to their vehicle that could give rise to any concerns about the safety or road worthiness of that vehicle, for example as a result of a collision.

- vi. Drivers must make their vehicles available for inspection at any time, if asked by an identified officer of the Council at the rank, at the Council or in the reasonable course of their duties.
- vii. Drivers must make themselves available for interview by a recognised officer of the Council if invited to do so at an appointed time by letter, email or telephone and attend that appointment unless they have reasonable grounds for not doing so.
- viii. Drivers have a duty to report any other issues that may be of concern to us.

5. Driving Responsibilities – Highway Code

- i. Driving when you are tired greatly increases your risk of collision. To minimise this risk you must take the necessary precautions.
- ii. You must not leave a parked vehicle unattended with the engine running or leave a vehicle engine running unnecessarily while that vehicle is stationary on a public road. Generally, if the vehicle is stationary and is likely to remain so for more than a couple of minutes, you should apply the parking brake and switch off the engine to reduce emissions and noise pollution.
- iii. You must not drive dangerously, without due care and attention or without reasonable consideration for other road users.
- iv. You must not drive on or over a pavement, footpath or bridleway except to gain lawful access to property or in the case of an emergency.
- v. Be considerate to all types of road users.
- vi. Avoid distractions when driving.
- vii. You must always exercise proper control of your vehicle, it is illegal to use a hand-held mobile phone, or similar device, when driving.
- viii. You should drive slowly and carefully on streets where there are likely to be pedestrians, cyclists and parked cars.
- ix. When passing a cyclist or pedestrian (or another vulnerable road user) drivers should give at least as much space as would be required for a car.
- x. Give way to people walking who have already started to cross the road.
- xi. Assess your vehicle's length and do not obstruct traffic.
- xii. Do not cut in on people cycling or encroach on the cycle waiting area.
- xiii. On a roundabout, watch out for and give plenty of room to, people walking or cycling.

- xiv. Keep pedestrian and cycle crossings clear.
- xv. Give way to anyone still crossing after the signal for vehicles has changed to green.
- xvi. The most vulnerable road users are pedestrians, cyclists, motorcyclists and horse riders. It is particularly important to be aware of children, older and disabled people, and learner and inexperienced drivers and riders.
- xvii. Check before opening your door.
- xviii. You should not park on the pavement.

6. Responsibility to Residents

- i. To avoid nuisance to residents when picking up or waiting for a fare, a driver shall:
- ii. Not sound the vehicle's horn between 2330 hours and 0700 hours
- iii. Keep the volume of any sound reproducing equipment (e.g. radio) to a minimum
- iv. Switch off the engine if required to wait

7. Insurance

- i. It is the responsibility of drivers to ensure that they are always properly insured
- ii. If drivers work for multiple operators, all parties must ensure that appropriate and valid insurance is in place to avoid an inadvertent criminal offence.

8. Taxi Ranks

- i. Private Hire drivers must not stop/wait on ranks for any reason. If a private hire driver accepts a fare which has not been pre-booked through a licensed operator, they are committing an offence and enforcement action will be taken.

9. Touting or Soliciting

- i. The driver shall not while driving or in charge of a Private Hire Vehicle:-
- ii. tout or solicit on a road or other public place any person to hire or be carried for hire in any private hire vehicle.

- iii. cause or procure any other person to tout or solicit on a road or other public place any person to hire or be carried for hire in any private hire vehicle; or accept an offer for the immediate hire of that vehicle while the driver of that vehicle is on a road or other public place.

10. Lost Property

- i. The driver shall immediately after the end of any journey, or as soon as practicable thereafter, carefully search the vehicle for any property which may have been accidentally left there.
- ii. If the driver finds any items left within vehicle, or if an item is handed in to them, the driver must do their best to identify customer and return item to original owner.
- iii. The driver should contact the operator with information of found item within 24 hours. The operator must then follow their lost and found procedure.

11. Receipts

- (i) The driver shall if requested by the hirer or passenger of a licensed vehicle, provide a receipt for the fare paid.

12. Competency Test

- i. Existing drivers may be required to undertake the Competency Test as determined by this Local Authority.

13. Fare to be Demanded

- i. The driver of a Private Hire vehicle shall not demand from any hirer of a licensed vehicle a fare in excess of any previously agreed for that hiring between the hirer and the operator or, if the vehicle is fitted with a meter and there has been no previous agreement as to the fare, any fare greater than that shown on the face of the taximeter for journeys that begin and end within the district.

14. Mobile Phones

- i. Drivers must not use/ hold a phone or sat nav. whilst the vehicle engine is running.

1.5 Non-payment

- i. The driver shall not attempt to detain passengers in the vehicle following a non-payment, to prevent possible allegations of kidnap, assault etc.

1.6 Safeguarding

- i. All existing licensed drivers will be required to participate and undertake a safeguarding course and test, as required by this Local Authority, in order to obtain a pass certificate which must be produced within 1 calendar year of adoption of this policy or on renewal whichever is earlier. Failure to do so may result in suspension of the licence until successful completion of the test
- ii. As part of the Hackney Carriage and Private Hire driver application process all renewal applicants will be required to submit a current safeguarding certificate, no older than 3 months
- iii. It is the duty of the applicant to ensure that they have completed the course and passed the test in sufficient time before applying for a renewal licence. There is no limit for the number of attempts to complete the test, to be borne at the applicants' own expense, however no licence will be issued until a certificate is produced

1.7 Smoking

- i. Drivers must not smoke or allow someone to smoke in a licensed vehicle at any time.
- ii. For the avoidance of doubt, the Council also forbids the smoking of electronic cigarettes and vaping, whether by the driver or passengers.

1.8 Animals

- i. All drivers are obliged to carry passengers with guide, hearing and other assistance dogs unless they have been granted a medical exemption from the Council.
- ii. Drivers without an exemption who refuse or fail to take assistance dogs may be prosecuted by the passenger and may also be subject to enforcement action by the Council including suspension or revocation of the licence
- iii. No additional charge will be made for doing so.
- iv. When carrying such passengers, drivers must allow the assistance dog to remain under the physical control of the owner.

- v. A driver may not carry an animal owned by him, or in his custody, or that of the proprietor of the vehicle or its operator.

1.9 Prompt attendance

- i. The driver of a Private Hire Vehicle shall, if he or she is aware that the vehicle has been hired to be in attendance at an appointed time and place or he or she has otherwise been instructed by the operator or proprietor of the vehicle to be in attendance at an appointed time and place, punctually attend at that appointed time and place, unless unavoidably delayed or prevented.

1.10 Deposit of Licence

- i. If the driver is permitted or employed to drive a Private Hire Vehicle of which the proprietor is someone other than the driver, he or she shall before commencing to drive that vehicle deposit his or her license (or clear copy) with that proprietor for retention until such time as the driver ceases to be permitted or employed to drive the vehicle or any other vehicle of his or hers.

1.11 Change of Address

- i. The holder of a Private Hire driver's licence shall, within seven days, notify the Council in writing of any change of address.

1.12 Convictions

- i. Drivers must notify the Licensing Authority in writing within 72 hours of any cautions, convictions or warnings including but not limited to driving endorsements, driving convictions, police warnings and reprimands, cautions, community service orders, restraining orders, fixed penalties immigration offences, or other relevant matters, including road traffic offences such as speeding imposed on him or her during the period of the licence.

1.13 Renewal Applications

- i. If a licensed driver fails to renew before the expiry of the licence, they will be required to apply as a new driver and meet all the requirements as set out in this Hackney Carriage and Private Hire Policy
- ii. It is the responsibility of the driver to ensure they apply for their renewal with all relevant supporting original documentation in good time, with a recommendation that the submission is not less than eight weeks before expiry to ensure continuity of the licence.

1.14 Multiple Licenses

- i. In the circumstance that a driver licence holder has multiple licences with other authorities it is their duty to inform South Cambridgeshire District Council and to additionally advise each authority of any changes in this respect.

1.15 DBS Update Service

- i. All licensed drivers will be required to subscribe to the DBS Update Service and renew on an annual basis to continue to hold a South Cambridgeshire District Council driver's licence
- ii. This authority will undertake an annual online check of the DBS Update Service for the applicant's current status
- iii. Where an individual fail to maintain their subscription before expiry they will be required to reapply for a new enhanced DBS check and register for the Update Service. Failure to do so will result in suspension of the licence until they have complied.

1.16 Driver badge

- i. The driver shall display any badge provided by the Council in such a manner as to be plainly visible to customers using the vehicle
- ii. The driver shall upon the expiry (without immediate renewal), revocation or suspension of his or her licence forthwith return to the Council the driver's badge issued to him or her by the Council when granting the licence
- iii. The badge shall remain the property of the Council

1.17 Vehicle Licence Plate Exemption

- i. The vehicle exemption certificate must be kept with the vehicle at all times.
- ii. The exemption certificate must be produced on request by any person travelling in the vehicle.
- iii. The driver, unless he or she is a holder of a Private Hire Vehicle Operator's Licence, shall upon the expiry (without immediate renewal), revocation or suspension of his or her licence forthwith return to the Council all vehicle licence exemption certificates issued to him or her by the Council.
- iv. The licence exemption certificate shall remain the property of the Council.

1.18 Conveyance of a Dead Body

- i. If the driver shall knowingly convey in the vehicle any dead body he or she shall, immediately thereafter, notify the fact to the Environmental Health Officer of the Council.

1.19 Health and Medical Conditions

- i. The driver hereby licensed shall within 7 days or as soon as practicable thereafter disclose to the Council in writing any medical condition which be would likely to adversely affect his/her ability to drive as a Private Hire and Hackney Carriage Driver during the period of the licence.
- ii. A group 2 medical report must be submitted with all new applications and every three years upon renewal, then annually when the applicant reaches 65 years

Important: Failure to comply with the code of conduct may prompt enforcement actions and may incur penalties

Appendix B - Previous Convictions Policy

1. General

- a) Once a licence has been granted, there is a continuing requirement on the part of the licensee to maintain their safety and suitability. This Licensing Authority has powers to take action against the holder of all types of licence (driver's, vehicle and operator's) and it must be understood that any convictions or other actions on the part of the licensee which would have prevented them being granted a licence on initial application will lead to that licence being revoked.
- b) Any dishonesty by any applicant or other person on the applicant's behalf which is discovered to have occurred in any part of any application process (e.g. failure to declare convictions, false names or addresses, falsified references) will result in a licence being refused, or if already granted, revoked and may result in prosecution.
- c) As the direct impact on the public varies depending upon the type of licence applied for or held, it is necessary to consider the impact of particular offences

on those licences separately. However, there are some overriding considerations which will apply in all circumstances.

- d) Generally, where a person has more than one conviction, this will raise serious questions about their safety and suitability. The licensing authority is looking for safe and suitable individuals, and once a pattern or trend of repeated offending is apparent, a licence will not be granted or renewed.
- e) Where an applicant/licensee is convicted of an offence which is not detailed in this guidance, the licensing authority will take that conviction into account and use these guidelines as an indication of the approach that should be taken.
- f) These guidelines do not replace the duty of the licensing authority to refuse to grant a licence where they are not satisfied that the applicant or licensee is a fit and proper person. Where a situation is not covered by these guidelines, the authority must consider the matter from first principles and determine the fitness and propriety of the individual.

2. Drivers

- a) As the criteria for determining whether an individual should be granted or retain a hackney carriage driver's licence are identical to the criteria for a private hire driver's licence, the two are considered together.
- b) A driver has direct responsibility for the safety of their passengers, direct responsibility for the safety of other road users and significant control over passengers who are in the vehicle. As those passengers may be alone, and may also be vulnerable, any previous convictions or unacceptable behaviour will weigh heavily against a licence being granted or retained.
- c) As stated above, where an applicant has more than one conviction showing a pattern or tendency irrespective of time since the convictions, serious consideration will need to be given as to whether they are a safe and suitable person.
- d) In relation to single convictions, the following time periods should elapse following completion of the sentence (or the date of conviction if a fine was imposed) before a licence will be granted.

3. Crimes resulting in death

- a) Where an applicant or licensee has been convicted of a crime which resulted in the death of another person or was intended to cause the death or serious injury of another person they will not be licensed.

4. Exploitation

- a) Where an applicant or licensee has been convicted of a crime involving, related to, or has any connection with abuse, exploitation, use or treatment of another individual irrespective of whether the victim or victims were adults or children, they will not be licensed. This includes slavery, child sexual exploitation, grooming, psychological, emotional or financial abuse, but this is not an exhaustive list.

5. Offences involving violence

- a) Where an applicant has a conviction for an offence of violence, or connected with any offence of violence, a licence will not be granted until at least 10 years have elapsed since the completion of any sentence imposed.

6. Possession of a weapon

- a) Where an applicant has a conviction for possession of a weapon or any other weapon related offence, a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

7. Sex and indecency offences

- a) Where an applicant has a conviction for any offence involving or connected with illegal sexual activity or any form of indecency, a licence will not be granted.
- b) In addition to the above, the licensing authority will not grant a licence to any applicant who is currently on the Sex Offenders Register or on any 'barred' list.

8. Dishonesty

- a) Where an applicant has a conviction for any offence of dishonesty, or any offence where dishonesty is an element of the offence, a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

9. Drugs

- a) Where an applicant has any conviction for, or related to, the supply of drugs, or possession with intent to supply or connected with possession with intent to supply, a licence will not be granted until at least 10 years have elapsed since the completion of any sentence imposed.

- b) Where an applicant has a conviction for possession of drugs, or related to the possession of drugs, a licence will not be granted until at least 5 years have elapsed since the completion of any sentence imposed. In these circumstances, any applicant will also have to undergo drugs testing at their own expense to demonstrate that they are not using controlled drugs.

10. Discrimination

- a) Where an applicant has a conviction involving or connected with discrimination in any form, a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

11. Motoring convictions

- a) Hackney carriage and private hire drivers are professional drivers charged with the responsibility of carrying the public. Any motoring conviction demonstrates a lack of professionalism and will be considered seriously. It is accepted that offences can be committed unintentionally, and a single occurrence of a minor traffic offence would not prohibit the grant of a licence or may not result in action against an existing licence. Subsequent convictions reinforce the fact that the licensee does not take their professional responsibilities seriously and is therefore not a safe and suitable person to be granted or retain a licence.

12. Drink driving/driving under the influence of drugs/using a hand-held telephone or handheld device whilst driving

- a) Where an applicant has a conviction for drink driving or driving under the influence of drugs, a licence will not be granted until at least 7 years have elapsed since the completion of any sentence or driving ban imposed. In these circumstances, any applicant will also have to undergo drugs testing at their own expense to demonstrate that they are not using controlled drugs.
- b) Where an applicant has a conviction for using a held-hand mobile telephone or a hand-held device whilst driving, a licence will not be granted until at least 5 years have elapsed since the conviction or completion of any sentence or driving ban imposed, whichever is the later.

13. Other motoring offences

- a) A minor traffic or vehicle related offence is one which does not involve loss of life, driving under the influence of drink or drugs, driving whilst using a mobile phone, and has not resulted in injury to any person or damage to any property (including vehicles). Where an applicant has 7 or more points on their DVLA licence for minor traffic or similar offences, a licence will not be granted until at least 5 years have elapsed since the completion of any sentence imposed.
- b) A major traffic or vehicle related offence is one which is not covered above and also any offence which resulted in injury to any person or damage to any property (including vehicles). It also includes driving without insurance or any offence connected with motor insurance. Where an applicant has a conviction for a major traffic offence or similar offence, a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

14. Hackney carriage and private hire offences

- a) Where an applicant has a conviction for an offence concerned with or connected to hackney carriage or private hire activity (excluding vehicle use), a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

15. Vehicle use offences

- a) Where an applicant has a conviction for any offence which involved the use of a vehicle (including hackney carriages and private hire vehicles), a licence will not be granted until at least 7 years have elapsed since the completion of any sentence imposed.

16. Private Hire Operators

- a) A private hire operator (“an operator”) does not have direct responsibility for the safety of passengers, other road users or direct contact with passengers who are in the private hire vehicle (except where they are also licensed as a private hire driver). However, in performing their duties they obtain and hold considerable amounts of personal and private information about their passengers which must be treated in confidence and not revealed to others or used by the operator or their staff for criminal or other unacceptable purposes.
- b) As stated above, where an applicant has more than one conviction, serious consideration will need to be given as to whether they are a safe and suitable person.

- c) Operators must ensure that any staff that are used within the business (whether employees or independent contractors) and are able to access any information as described above are subject to the same standards as the operator themselves. This can be effected by means of the individual staff member being required by the operator to obtain a basic DBS certificate. If an operator is found not to be applying the required standards and using staff that do not meet the licensing authority's overall criteria, that will lead to the operator's licence being revoked.
17. As public trust and confidence in the overall safety and integrity of the private hire system is vital, the same standards will be applied to operators as those applied to drivers, which are outlined above.

18. Vehicle proprietors

- a) Vehicle proprietors (both hackney carriage and private hire) have two principal responsibilities.
- b) Firstly, they must ensure that the vehicle is maintained to an acceptable standard at all times.
- c) Secondly, they must ensure that the vehicle is not used for illegal or illicit purposes.
- d) As stated above, where an applicant has more than one conviction, serious consideration will need to be given as to whether they are a safe and suitable person to be granted or retain a vehicle licence.
- e) As public trust and confidence in the overall safety and integrity of the private hire system is vital, the same standards will be applied to proprietors as those applied to drivers, which are outlined above.

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APPENDIX B

https://www.change.org/p/south-cambs-taxi-driver-taxi-drivers-reject-company-door-sign-mandatory-by-south-cambridge-district-council-e4acf3a8-5a1b-4a49-af31-8dfed16bf43e?response=8a84771bb9bf&utm_source=target&utm_medium=email&utm_campaign=one_hundred

Taxi Drivers Reject Company Door Sign mandatory by South Cambridge District Council

**Started April 2019
149 signatures at present**

Dear South Cambs Taxi Licensing team

We drivers like to point out that we are very happy with having yellow taxi crest on the car but we can't see why the council have to make compulsory company signs as it surely don't make any sense and the only purpose having a company sing is to advertise for the company.

Taxi Plate fitted back proves its a taxi

Yellow crest sign proofs it has to be pre-booked

A company sign it is an advertisement for the company

Now we drivers want taxis to be more secure and safe for public when they use us and putting burden on us displaying company sign does not mean that the passenger is safe, at many occasions at busy times passenger just jump in the taxi because it is displaying the company sign he or she booked with just they want to get to their destination and lie to drivers, now this driver has not picked legally his passenger and breaking the law without knowing he did it .

Did the South Cambridge council team have considered their driver's safety? Drivers in Cambridge work with more than one company and we think changing door signs between jobs on the Cambridge busy roads it's not safe for the drivers to come out on busy road and change company door sign for the next job he got from a different company.

We live in the technology era and all the booking system that is used by companies using clearly sends message to the customer when they book a taxi the information of the driver and his car by text, call or displayed on booking app.

So to establish it is a legal and safe taxi we strongly believe that the taxi plate and yellow sign are there to establish that.

Now putting us drivers safety in the risk for some greedy company has been pushing to make company door signs mandatory because they don't want their cars to work with other companies.

I think the council should make it Mandatory for companies to provide full information of the car and the driver to the customer which is very easy nowadays with new technology if the taxi company can't do that then they shouldn't be allowed to operate for passengers safety.

So we South Cambridge district taxi Drivers reject the mandatory of the company door sign

Agenda Item 9



**CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY**

Agenda Item: 9

Cambridgeshire & Peterborough Combined Authority

Reports from Constituent Council Representatives on the Combined Authority Member representatives

Meeting	Dates of Meeting	Representative
Overview and Scrutiny	29th July 2019 23rd September 2019	Councillors Grenville Chamberlain and Pippa Heylings
Combined Authority Board	31st July 2019 25th September 2019	Councillor Bridget Smith
Audit and Governance	19th July 2019 27th September 2019	Councillor Tony Mason

The above meetings have taken place in July and September 2019

Overview and Scrutiny Committee – Monday 29th July and 23rd September

The Overview and Scrutiny Committee met on 29th July and 23rd September 2019, the decision summaries are attached as **Appendix 1 and 2**.

Combined Authority Board – Wednesday 31st July and 25th September

The Combined Authority Board met on 31st July and 25th September 2019, the decision summaries are attached as **Appendix 3 and 4**.

Audit and Governance Committee – Friday 19th July and 27th September

The Audit and Governance Committee met on 19th July and 27th September, the decision summaries are attached as **Appendix 5 and 6**.

The agendas and minutes of the meetings are on the Combined Authority's website – Links in the appendices



Appendix 1

CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

OVERVIEW AND SCRUTINY COMMITTEE - Decision Summary

Meeting: 29 July 2019

Agenda/Minutes: [Overview & Scrutiny Committee - 29th July 2019](#)

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Chair: Cllr Lorna Dupre

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies	Apologies received from: Cllr Conboy, substituted by Cllr Humphrey Cllr Murphy
2.	Declaration of Interests	There were no declarations of interest.
3.	Minutes	The minutes of the meeting held on the 24 th June 2019 were agreed and signed by the Chair.

4.	Public Questions	There were no public questions received.
5.	Review of Combined Authority Agenda	<p>The Committee reviewed the agenda due to come to Board on Wednesday 31st July 2019.</p> <p>The Committee agreed to raise the following questions to the Board:</p> <p>1.7) <u>Business Board Allowances</u></p> <ul style="list-style-type: none"> a) Was there any reason for using the East Cambs IRP over any other panel from the other Constituent Councils. b) By providing the Business Board members with an allowance, will there be a domino effect or an expectation that other bodies and appointed commissioners will receive an allowance? c) How does the workload of the LEP members differ from that of the Business Board to warrant the post being remunerated? d) What responsibilities will the Vice-Chair have and what will be the frequency of their deputising responsibility? e) Why are the allowances being backdated? f) The role of 'Business Board member' has been advertised already which states, Board Members will be remunerated. Does this not pre-determine the decision of the Board as they had yet to agree to the recommendation. g) What steps are being taken to exceed the government recommendations with regards to equality and representation on the Board – to include a greater percentage of women? h) Could the Business Board consider 'rolling' appointments to support

	<p>continuity of the knowledge and expertise.</p> <p>2.1) <u>Budget Monitoring</u></p> <p>a) Appendix 2 of the Budget Monitoring report refers to 'Passporting'. Can clarification be given on the meaning of this?</p> <p>3.1) <u>Affordable Housing Programme Scheme</u></p> <p>a) Can the Board explain the varying levels of grant between projects in the Affordable Housing Programme and the significant difference between cost per affordable unit under the revolving loan scheme?</p> <p>3.1.1) <u>£100m Affordable Housing Programme Scheme Approvals July 2019 – Werrington, Peterborough</u></p> <p>a) Can a definition or some clarity be given with regards to the term 'affordable rent'</p> <p>a) <u>Housing Development Company - Approval of Shareholder Agreement</u></p> <p>a) The Committee have some concerns that the power of Mayor over Housing Company will lack scrutiny and consider there to be a need for increased transparency.</p> <p>b) Will Scrutiny be able to have access to the exempt information (both reports and minutes) in order to properly scrutinise (eg of pay of CEO) especially in light of the number of Boards that are being set up at the Combined Authority.</p> <p>3.3) <u>Cambridge Autonomous Metro - July 2019</u></p>
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		<ul style="list-style-type: none">a) What lessons have been learned from previous boards in terms of recruitment and diversity and are these going to be applied to the Partnership Board and all other future Boards that are established?b) Will the CAM Partnership Board consult with stakeholders including residents and environmental groups?c) What is the level of confidence with regards to the financial viability of the Outline Business Case given the budget changes outlined in the report. <p>3.4) <u>A428 Black Cat to Caxton Gibbet Consultation response</u></p> <ul style="list-style-type: none">a) How will the CPCA work with Highways England to address the issues raised in the draft response to the consultation with regards to biodiversity? <p>3.6) <u>A Vision for Nature</u></p> <ul style="list-style-type: none">a) How will the vision for nature be delivered in the decision-making process?b) Do the Board consider that there is a need for more conservation bodies to be involved and consulted with?c) What consideration has been given to Climate change and the effects of this if they are to increase rich wildlife areas and promote better access to natural areasd) What are the risks of GMO considering they do not compliment and counteract bio-diversity?e) What capacity does the CPCA have to deal properly with climate change?
6.	Combined Authority Forward Plan	The Committee confirmed that it was pleased that the publication of the Board

		Forward Plan had been amended to allow the Overview and Scrutiny Committee the opportunity to examine the document in a more manageable timeframe.
7.	Overview and Scrutiny Work Programme Report	<p>The Committee received the report which outlined the work programme for the committee for the municipal year 2019/20.</p> <p>The Committee noted that there would be a presentation from one of the joint Chief Executives at the next meeting on the Constitutional Review and an opportunity for a question and answer session</p>
8.	Date of Next Meeting	The Committee agreed that the next meeting would be held on the 23 rd September 2019 at 11:00am, Kreis Viersen Room, Shire Hall, Cambridgeshire County Council.



Appendix 2

CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

OVERVIEW AND SCRUTINY COMMITTEE - Decision Summary

Meeting: 23 September 2019

Agenda/Minutes: [Overview & Scrutiny Committee - 23rd September 2019](#)

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Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies	Apologies received from: Cllr Heylings, substituted by Cllr Fane Cllr Gehring, substituted by Cllr Summerbell Cllrs Chamberlain, Scutt and Morris.
2.	Declaration of Interests	There were none.
3.	Minutes	The minutes of the meeting held on the 29 th July 2019 were agreed and signed by the Chair.
4.	Public Questions	There were no public questions received.

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
5.	Mayor of the Combined Authority	<p>The Chair informed the Committee that the Mayor had sent his apologies and was unable to attend due to a meeting convened with the Minister for Housing, Communities and Local Government (MHCLG).</p> <p>The Committee requested that the Mayor attend the next scheduled meeting of the Overview and Scrutiny Committee on the 28th October 2019.</p>
6.	Medium Term Financial Plan and Business Plan	<p>The Head of Finance submitted a report which provided an update to the 2019/20 Budget and 2019-2023 Medium Term Financial Plan (MTFP) to be considered by Board on 25th September 2019. It was noted that the report provided an update to the January 2019 Budget and MTFP report and members of the Committee were informed that the Authority continued to have a balanced budget. New sources of revenue had been identified, equivalent to £4.1million in 2019/20 and the staffing structure had been concluded and a 24% reduction reported in January 2019 compared to June 2018 position was highlighted.</p> <p>AGREED:</p> <ul style="list-style-type: none"> a) That the proposed mid-year update to the 2019/20 Budget and the 2019-2023 Medium Term Financial Plan be noted. b) That the mid-year update on the 2019-20 Business Plan be noted.
7.	Project Register	<p>The Programme Manager submitted a report and explained that the Overview and Scrutiny Committee had requested to receive the list of projects on the Combined Authority's Single Project Register on a quarterly basis. It was noted that the 2019-20 Business Plan identified 12 key projects and as a result of the half year business plan mid-year update, the Board will be invited to add 6</p>

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
		<p>projects to the key project list and to merge to key projects at the meeting to be held on the 25th September 2019.</p> <p>Members raised concerns about the affordable homes trajectory and questioned what the implications to Peterborough and the jobs growth following the collapse of Thomas Cook, which would significantly impact the job market.</p>
8.	Governance Review Report	<p>The Chief Executive submitted her report and elaborated thereon. It was explained that the Combined Authority had undertaken a fundamental review of the organisation and the new governance arrangements reflected the final re-design of the Authority. The proposed changes to the Constitution would see the Board delegate many of their decision-making powers to the three Executive Committees: Transport and Infrastructure Committee, Skills Committee and the Housing and Communities Committee. The proposal would allow the Board to retain strategic control of the Authority and would continue to decide the budget and strategies and set out the key priorities of the organisation.</p> <p>It was further noted that a significant part of the proposed Governance (decision-making) Review would be the introduction of new rules on public questions. These would include;</p> <ul style="list-style-type: none"> a) Members of the public [residents or people who work in the area] may ask questions of a Member of the Combined Authority at CA Board or at an Executive Committee. b) Members of constituent Councils who wish to ask questions about matters on the CA Board agenda should submit their questions to the Overview & Scrutiny Committee. c) Members of constituent Councils may ask questions of a Member of the Combined Authority at a meeting of the Combined Authority Board

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>provided the question is not substantially the same as a question put by the Chair of Overview & Scrutiny.</p> <p>d) Members of constituent Councils may ask questions of Members of the Combined Authority at meetings of Executive Committees.</p> <p>AGREED:</p> <p>That the focus of the next Overview and Scrutiny Committee on the 28th October 2019 be on the impact of the Governance (decision-making) Review and the approach the Committee wish to take to enhance and develop their future role.</p>
9.	Review of the Combined Authority Board Agenda	<p>The Committee reviewed the agenda due to come to Board on Wednesday 25th September 2019.</p> <p>The Committee agreed to raise the following questions to the Board:</p> <p><u>1.8 Quarterly Performance Monitoring Report</u></p> <p>Following the collapse of Thomas Cook, what impact will this have, specifically in Peterborough, on the job growth trajectory?</p> <p><u>2.2 Business Plan 2019-20 Mid-Year update</u></p> <p>The 2019-20 business plan identified 12 key projects. As a result of the half year Business Plan mid-year update, the September Board will be invited to add 6 projects to the key project list</p> <p>Does the authority have the capacity to take on 6 more projects and where are the resources coming from for the new projects?</p>

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
		<p><u>3.1 £100m Affordable Housing Programme Scheme Approvals - Whaddon Road, Meldreth, South Cambridgeshire (Settle)</u></p> <p>Peterborough City Council is working on a new Housing Strategy and may reconstitute its Housing Revenue Account with a view to building affordable new homes.</p> <p>What are the implications for the delivery of affordable homes and the Combined Authority's programme to deliver 2,000 affordable homes by March 2022?</p> <p><u>3.3 Public Transport to Serve Alconbury</u></p> <p>What assurances can be given to ensure that an interim public transport solution will be in place when Cambridgeshire County Council relocate their headquarters to Alconbury?</p> <p><u>3.4 Bus Reform Taskforce - Budget Drawdown</u></p> <p>Can we be given an update on bus franchising and what else can be done to drive the bus system forward?</p>
10.	Combined Authority Forward Plan	The Committee considered the Combined Authority Forward Plan; no questions or comments were raised.
11.	Overview and Scrutiny Work Programme	<p>The Committee received the report which outlined the Work Programme for the Committee for the municipal year 2019/20.</p> <p>The Committee noted that there would be further consideration given to the</p>

Item	Topic	Decision [<i>None of the decisions below are key decisions</i>]
		Governance (decision-making) Review and the Mayor to be invited to attend the next meeting of the Overview and Scrutiny Committee. Consideration would also need to be given to MTFP Governance Cycle and changes to the Board dates.
12.	Date and Location of the next Committee meeting	The Committee agreed that the next meeting would be held on the 28 th October 2019 at 11:00am, Council Chamber, Town Hall, Peterborough City Council. The pre-meeting on the 28 th October 2019 at 10:00am, Forli Room, Town Hall, Peterborough.



Appendix 3

**CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY**

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD - Decision Summary

Meeting: 31 July 2019

Agenda/Minutes: [Cambridgeshire and Peterborough Combined Authority Board - 31st July 2019](#)

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Item	Topic	Decision
	Part 1 – Governance Items	
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor C Boden (substituted by Councillor J French), Councillor L Herbert (substituted by Councillor M Sargeant) and Mr A Adams. No declarations of interest were made.
1.2	Minutes – 26th June 2019	The minutes of the meeting on 26th June 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.
1.4	Public Questions	None received.

1.5	Forward Plan	<p>It was resolved to note and comment on the Forward Plan.</p>
1.6	Executive Committees – Change in Membership	<p>The Board reviewed the changes in membership on the Transport and Infrastructure, Housing and Communities, and Skills Committees.</p> <p>It was resolved to:</p> <ul style="list-style-type: none">a) Approve the change of lead member on the Transport and Infrastructure Committee for Fenland District Council from Councillor Chris Boden to Councillor Chris Seaton and the substitute member to Councillor Chris Boden.b) Approve the substitute member on the Housing and Communities Committee for Fenland District Council from Councillor David Oliver to Councillor Sam Hoy.c) Approve the change of lead member on the Skills Committee for Huntingdonshire District Council from Councillor Graham Bull to Councillor Jon Neish.d) Note the substitute member on the Skills Committee for East Cambridgeshire District Council was Councillor Anna Bailey.
1.7	Business Board Allowances	<p>The Board was asked to decide if the Business Board should adopt a Member Allowance Scheme based on the recommendations made by the Independent Remuneration Panel.</p> <p>It was resolved to:</p> <ul style="list-style-type: none">a) Consider recommendations relating to the Business Board Scheme of Allowances from the Independent Remuneration Panel;

		<ul style="list-style-type: none"> b) Approve the adoption of a Member Allowance Scheme for the Business Board as proposed, including members of the Business Board being eligible to claim mileage for travel to and from meetings of the Business Board; c) Approve the alternative levels of remuneration as set out under the proposed scheme within the Financial Implications section of this report; and e) Approve the backdating of the Member Allowance Scheme to 24 September 2018.
	Part 2 – Finance	
2.1	Budget Monitor Update	<p>The Board received a report providing an update of the 2019/20 forecast outturn position against the Boards approved budget for the year.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the updated financial position of the Combined Authority for the year. b) Note the status of the audit of the 2018/19 statement of accounts

	Part 3- Combined Authority Matters	
3.1.1	£100m Affordable Housing Programme - Scheme Approvals: July 2019 – Werrington, Peterborough	<p>The Board considered a report detailing one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Commit grant funding of £3,845,600 from the £100m Affordable Housing Programme to deliver 88 new affordable homes at a site in Werrington, Peterborough.</p>
3.1.2	£100m Affordable Housing Programme - Scheme Approvals Crowland Road, Eye Green, Peterborough.	<p>The Board considered a report detailing one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Commit grant funding of £875,000 from the £100m Affordable Housing Programme to deliver 25 new affordable homes at a site in Crowland Road, Eye Green, Peterborough.</p>
3.1.3	£100m Affordable Housing Programme - Scheme Approvals Drake Avenue, Peterborough	<p>The Board considered a report detailing one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Commit grant funding of £1,430,154 from the £100m Affordable Housing Programme to deliver 33 new affordable homes at a site in Drake Avenue, Peterborough.</p>

3.2	Housing Development Company – Approval of Shareholder Agreement	<p>The Board received a report requesting approval of the Shareholder agreement, Articles of Association and the composition of the Board of Directors for Angle Holdings Limited and Angle Developments Limited.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Shareholder Agreement as detailed in Appendix 1; b) Approve Angle Holding Limited Articles of Association as detailed in Appendix 2; c) Approve Angle Developments Limited Articles of Association as detailed in Appendix 3; d) Approve the composition of Angle Holdings Limited Board of Directors as set out in paragraph 2.6; e) Approve the composition of Angle Development Limited Board of Directors as set out in paragraph 2.8. <p>Furthermore, in order to implement a)-c), authorise and approve:</p> <ul style="list-style-type: none"> f) The Chief Executive and the senior legal officer to complete the necessary legal documentation to implement the above; and g) The Monitoring Officer to amend the Constitution.
3.3	Cambridge Autonomous Metro – July 2019	The Board considered a report outlining the proposed approach to the governance, funding and client side delivery arrangement for overseeing the production of the Outline Business Case (OBC) for the CAM Metro.

		<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the increased allocation of £780,000 in 19/20 and £965,000 in 20/21 for the CAM OBC to be funded from the Feasibility studies non-capital budgets including re-profiling from 20/21 to 19/20 b) Note the establishment of a Partnership Board with the terms of reference set out at Appendix A c) Note the proposed client-side project management structure
3.4	A428 Black Cat to Caxton Gibbet Consultation Response	<p>The Board was provided with a report requesting approval on the proposed response to the A428 Black Cat to Caxton Gibbet consultation.</p> <p>It was resolved to approve the proposed consultation response attached at Appendix A, subject to the revisions requested by Board members.</p>
3.5	St Neots Masterplan – Phase 1 Delivery	<p>The Board was provided with a report seeking approval to allocate £403k of revenue from Non-Transport Feasibility Programme line to deliver the Combined Authority funding commitments.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the allocation of £403k from the non-transport feasibility budget within the Medium-Term Financial Plan to meet programme commitments as part of the £4.1m package of Combined Authority funding approved by the Board in June 2018 to deliver the first phase of the St Neots Masterplan for Growth. b) Approve the re-profiling of the capital expenditure in the Medium Term Financial Plan (MTFP) to match the updated forecast from the delivery partner.

3.6	A Vision for Nature	The Board received a report providing information on the 'Vision for Nature'. It was resolved to endorse the Vision for Nature.
	By Recommendation to the Combined Authority	
	Part 4 – Business Board Recommendations to the Combined Authority	
4.1	Growth Deal Project Proposals July 2019 – Local Growth Fund Programme Update.	The Board received a report requesting that it consider and approve the following Business Board recommendations. It was resolved to: a) Approve the submission of the Growth Deal monitoring report to Government to end Q1 2019/20. b) Approve the proposed creation of a Capital Growth Grant scheme for small businesses using Local Growth Fund (LGF) and approve a £3m pilot programme and for Officers to run a procurement for a provider to deliver the pilot programme.
4.2	Review of Business Board Constitution	The Board received a report requesting that it approve the following amendments to the Business Board Constitution. It was resolved by a two thirds majority to: a) Approve the amendments to the Constitution set out in Appendix 1 and the additional revisions requested during the meeting.

		<p>b) Authorise the Monitoring Officer to make any consequential changes to the Combined Authority Constitution.</p>
4.3	Alconbury Enterprise Zone Memorandum of Understanding and Enterprise Zone Programme Governance	<p>The Board received a report requesting that it approve the following recommendations.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the Alconbury Enterprise Zone Memorandum of Understanding between CPCA and Huntingdonshire District Council, subject to the removal of the following words at the end of paragraph 6.1.2 "including towards meeting the community and infrastructure demands of the Alconbury Weald development" and to instruct the Director of Business and Skills to negotiate with Huntingdonshire District Council and the Interim Chair of the Business Board to remove the wording; and b) Approval to adopt the proposed Enterprise Zone Programme Terms of Reference and associated governance.
	Part 5 – Skills Committee recommendations to the Combined Authority Board	
5.1	University of Peterborough – Transitional Funding	<p>The Board considered a report requesting approval for transitional funding of University Centre Peterborough (UCP) to continue working on the project until the bidding process begins on 1st August 2019.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the findings of the request from University Centre Peterborough to continue to fund the activity for the University of Peterborough up until the 1st August 2019.

		b) Approve the release of £148,304 from the Skills Strategy Implementation budget for 2019/20 to support University Centre Peterborough through the transitional phase.
	Part 6 - Date of next meeting	
6.1		Wednesday 25th September 2019: Kreis Viersen Room, Shire Hall, Cambridge, CB3 0AP.



Appendix 4

**CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY**

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY BOARD - Decision Summary

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Meeting: 25 September 2019

Agenda/Minutes: [Cambridgeshire & Peterborough Combined Authority Board: 25th September 2019](#)

Item	Topic	Decision
Part 1 – Governance Items		
1.1	Announcements, Apologies and Declarations of Interest	Apologies were received from Councillor J Ablewhite, Police and Crime Commissioner, substituted by Councillor Ray Bisby, Deputy Police and Crime Commissioner. No declarations of interest were made.
1.2	Minutes – 31 st July 2019	The minutes of the meeting on 31 st July 2019 were confirmed as an accurate record and signed by the Mayor.
1.3	Petitions	None received.

1.4	Public Questions	None received.
1.5	Forward Plan – September 2019	It was resolved to note the Forward Plan.
1.6	Annual Report of the Chair of Audit and Governance 2018-19	<p>The Board reviewed the Audit and Governance Committee Annual Report for 2018/19</p> <p>It was resolved to:</p> <p style="padding-left: 40px;">Note the Annual Report of the Chair of Audit and Governance Committee for 2018/19 (Appendix 1) and provide feedback to the Committee.</p>
1.7	Governance (Decision Making) Review	<p>The Board reviewed the Cambridgeshire and Peterborough Combined Authority Governance (Decision Making) Review.</p> <p>It was resolved to:</p> <p class="list-item-l1">a) Agree the amendments to the Constitution set out at Appendix 2, subject to the following wording being substituted for paragraph 6.3 in Chapters 8 (Transport & Infrastructure Committee), 9 (Skills Committee) and 10 (Housing & Communities Committee):</p> <p class="list-item-l2">6.3 The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 11, paragraph 2 of the procedure rules of executive committees and Chapter 4 paragraph 4.4.</p>

		<ul style="list-style-type: none"> b) Agree that the amendments should take effect from 1 November 2019 c) Agree the size, membership and terms of reference of the Executive Committees set out in Appendix 2 d) Agree the revised calendar of meetings for 2019/20 at Appendix 3
1.8	Quarterly Performance Monitoring Report	<p>The Board reviewed the September Delivery Dashboard.</p> <p>It was resolved to:</p> <p style="text-align: center;">Note the September Delivery Dashboard</p>
Part 2 – Finance		
2.1	2019-20 Budget & Medium Term Financial Plan 2019-2023	<p>The Board received an update report on the 2019/20 Budget and 2019 to 2023 Medium Term Financial Plan.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the revised revenue budget for 2019/20 and Medium-Term Financial Plan 2019 to 2023 b) Approve the revised capital programme 2019 to 2022
2.2	Business Plan 2019-20 Mid-Year Update	<p>The Board received a mid-year update report on the 2019-20 Business Plan.</p> <p>It was resolved to:</p> <p style="text-align: center;">Approve the 2019-20 Business Plan mid-year update</p>

Part 3 - Combined Authority Matters		
3.1	£100m Affordable Housing Programme - Scheme Approvals – Whaddon Road, Meldreth, South Cambridgeshire (Settle).	<p>The Board received a report presenting a scheme seeking approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Delegate approval of a grant of £215,000 from the £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire to the Housing and Communities Committee.
3.2	Soham Rail Station – Detailed Design & Construction	<p>The Board received a report that sought its approval to commence detailed design and construction of the Soham Rail Station Phase 1 project by authorising Network Rail (NR) to proceed into the GRIP (Governance for Railway Investment Projects) 4 to 8.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approval to commence detailed design and construction of the Soham Rail Station Phase 1 project by authorising Network Rail (NR) to proceed into GRIP (Governance for Railway Investment Projects) 4 to 8. b) Agree in principle the Implementation Agreement for the development and delivery of the single platform for Soham station (Phase 1), and delegate authority to the Monitoring Officer and Chief Finance Officer, in consultation with the Chair of the Transport Committee to approve this document once finalised. c) Approve additional budget of £18,636,899 with a potential termination clause liability of up to a maximum of 10%.

		<p>d) Mandate continued discussions with Network Rail, Department for Transport, and the Freight Operating Companies for provision of a second track (Ely to Soham) and the development of the second platform at Soham station.</p>
3.3	Public Transport to Serve Alconbury	<p>The Board received a report that sought its approval to take forward work on public transport provision at Alconbury within the project on the Cambridge Autonomous Metro (CAM), pursuing low-carbon rapid transit provision between Alconbury, Huntingdon and Cambridge as a key objective.</p> <p>It was resolved to:</p> <p>Approve the removal of the project titled Alconbury Station from the Key Projects list and to include public transport to serve Alconbury within the scope of the CAM Key Project.</p>
3.4	Bus Reform Taskforce – Budget Drawdown	<p>In March 2019, the Board approved the governance arrangements of the Bus Reform Group/Task Force and a drawdown of £400,000 against an approved budget of £1 million in 2019/20. The Board received a report seeking approval for a further drawdown of £400,000 against the 2019/20 budget.</p> <p>It was resolved to:</p> <p>Approve the next drawdown of £400,000 from the 2019/20 budget for the Bus Reform Task force.</p>
3.5	European Union Exit Capability Programme Report	<p>The Board received a report providing information regarding the European Union Exit Capability Funding provided to the Combined Authority by HM Government, for the purpose of supporting business resilience in the CPCA region in the light of a deal or no deal Brexit. The report sought approval for the proposed application of the funding and procurement of the work.</p>

		<p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the schemes to provide support to businesses for the Brexit Basics import and export documentation and associated challenges workshops; and the retention and recruitment of EU workers programmes of support; b) Delegate authority to Chief Executive and Chief Finance Officer, in consultation with the Lead Member for Economic Growth, to confirm the approved tender(s) and award contracts.
By Recommendation to the Combined Authority		
Part 4 – Business Board Recommendations to the Combined Authority		
4.1	For approval as Accountable Body – Local Growth Fund Project Proposals September 2019	The report was withdrawn.
4.2	For Approval as Accountable Body – Local Growth Fund Update	<p>The Board received a report requesting that it note the programme updates outlined in the report to the Business Board dated 23 September 2019.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Note the programme updates outlined in the report to the Business Board dated 23 September 2019.
4.3	Greater South East Energy Hub	<p>The Board received a report requesting that it consider and approve the following Business Board recommendations.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Agree that the Energy Hub is transferred to a new Accountable Body which will be decided by the Hub Board;

		<ul style="list-style-type: none"> b) Agree to the establishment of the Greater South East Energy Hub Board in line with the Terms of Reference included in this report, and authorise the Director of Business & Skills, in consultation with the Lead Member for Economic Growth, Chief Finance Officer and Monitoring Officer, to make minor amendments to terms of reference as required in their finalisation; c) Agree to delegate authority to the Energy Hub Board for the use of the Local Energy Capacity Support Grant and Rural Community Energy Fund where the decisions do not impact Cambridgeshire and Peterborough Combined Authority staffing arrangements; and d) Note the draft Accountable Body Agreement and authorise the Section 73 Officer to make minor amendments and finalise the agreement.
4.4	Strategic Partnership Agreements	<p>The Board received a report seeking approval of the first five Strategic Partnerships Agreements.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> a) Approve the first five Strategic Partnership Agreements for Rutland County Council, West Suffolk Council, Kings Lynn and West Norfolk Council, New Anglia LEP and South East LEP; and b) Approve the development of a LEP partnering strategy (to cover other contiguous and strategically important LEPs) once the remaining Strategic Partnership Agreements have been completed.
Part 5 - Date of next meeting		
5.1		Wednesday 30 October 2019: Council Chamber, Town Hall, Peterborough.



Appendix 5

CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

AUDIT & GOVERNANCE COMMITTEE - Decision Summary

Meeting: 19 July 2019

Agenda/Minutes: [Audit & Governance Committee: 19th July 2019](#)

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Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies for Absence	Apologies were received from Councillor Lillis - substituted by Councillor Sandford.
2	Declarations of Interest	Councillor Davey declared a personal, non-pecuniary interest as his wife was an Assistant Director at Peterborough City Council and Cambridgeshire County Council in Housing matters.
3.	Minutes of the meeting held on the 31 st May 2019	The minutes of the meeting held on the 31 st May 2019 were agreed and signed by the Chair with an adjustment to the spelling of the word East, which in the minutes read 'Eats'

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
	Chair's Announcements	<p>The Chair asked the Committee if it was content with the start time of 10am for the current cycle of Committees and if it was happy to hold the meetings on a rotational basis around the Constituent Councils.</p> <p>Members agreed that they wished to continue as it currently operates. The Chair asked John Hill to clarify the positions of the joint Chief Executive Officers.</p> <p>John Hill explained that he was the joint CEO for the Combined Authority, together with Kim Sawyer, and for East Cambs District Council and noted that whilst it was unusual for there to be a joint CEO position, it was not unique and noted that it enabled the CEOs flexibility should they have a conflict of interest. He further noted that there was emphasis on continuity and permanency for both staff and Councillors and stated that he would circulate information to members to provide them with clarity on each area that their respective roles covered.</p>
4.	CPCA A&GC – Value for Money 19 July 2019	<p>The S73 officer elaborated on a report informing the Committee on the Authority's approach to delivering value for money (vfm). It was explained that in the 2018/19 audit plan, the external auditors stated their requirement to consider whether the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness on its use of resources, which was known as the auditor's 'value for money'. This report was intended to show how the Combined Authority delivers value for money in practice. The S73 officer referred to 2 key documents used to ensure vfm - the Assurance Framework and the Monitoring and Evaluation Framework.</p> <p>It was explained that for new projects/programmes, the detailed consideration of whether vfm was represented through the development of a Project Initiation Document (PID).</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>In response to questions asked, the Chief Finance Officer explained that the monitoring and evaluation process was clearly set out in the monitoring and evaluation framework. He further informed the Committee that every project embarked on by the Combined Authority, was subject to senior officer scrutiny. Subsequently, officers would provide the Board with updates and forecasts and that any potential overspend would be highlighted and any additional spend having to be agreed by the Board.</p> <p>The Committee discussed the following:</p> <ul style="list-style-type: none"> a) Has the VfM criteria changed and how do the Combined Authority define Vfm to the public? b) What stakeholder involvement is there and what information is the available on the Return of Investments (RoI)? c) What methodology is being followed with regards to Project Initiation Documents (PIDs) and are RoIs and vfm statements produced? d) Have there been any gateway reviews carried out to provide opportunities to explore lessons learned? e) Could a completed project be scrutinised to examine the vfm and retrospective monitoring of the project be subject to a case study? f) If a scheme is approved but costs significantly increase, how will this be dealt with, specifically if it becomes necessary to abandon it? <p>The Chief Executive suggested that he produce a timeline of the implementation of</p>

Item	Topic	Decision [None of the decisions below are key decisions]
		<p>a significant project carried out by the Combined Authority to include key priorities and report back to a future Audit and Governance Committee with a proposed case study and time line.</p> <p>RESOLVED:</p> <p>That the Committee noted the Combined Authority's approach to delivering value for money.</p>
5.	Annual Audit Internal Opinion	<p>The Internal Auditor elaborated on a report which provided details of the performance of internal Audit during 2018-19 and the areas of work undertaken which included an opinion of the soundness of the control environment in place to minimise risk to the Combined Authority.</p> <p>It was explained that the areas covered as part of the internal audit included Corporate Governance, Local Enterprise Partnership Governance and a significant piece of work undertaken was the auditing of the Adult Education Budget (AEB), following further devolution of central government services to the Combined Authority.</p> <p>The Internal Auditor stated that they had looked at how the loan of £6.5m to East Cambridgeshire Trading Company had been made and an update report would be provided at the next Audit and Governance meeting.</p> <p>The Internal Auditor explained that the Public Sector Internal Audit Standards (PSIAS) stated that the Chief Audit Executive should report any issues considered particularly relevant to the preparation of the Annual Governance Statement which included consideration of any significant risk of governance issues and control failures which arise. The internal auditors were unable to provide any assurance on Human Resources (Recruitment and Selection).</p> <p>It was reported that despite changes to the senior structure of the Combined</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>Authority, delays in responding to questions asked by the Internal Auditors had been experienced but that this had now been resolved.</p> <p>RESOLVED:</p> <p>That the Audit and Governance Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.</p>
6 & 8	Statement of Accounts & EY Audit of Accounts 2019	<p>The Head of Finance elaborated on his report and explained that the draft Statement of Accounts had been presented to the Audit and Governance Committee on the 31st May 2019 and published on the Combined Authority's website. It was noted that the accounts had since been subject to external audit and it had been anticipated that the accounts would have been audited by Ernst and Young but this had not been completed due to resource issues experienced by Ernst and Young, which remained in progress.</p> <p>Members' attention was drawn to additional recommendations that had been tabled before them.</p> <p>The External Auditor apologised to the Committee and to the Combined Authority for having failed to complete their audit. It was explained that the failure was largely due to resource issues and previously it was anticipated to be completed but they had been unable to deliver the audit.</p> <p>Members of the Committee voiced their concerns and raised the following issues:</p> <ul style="list-style-type: none"> • That as a result of the delay by Ernst and Young, the Combined Authority may be perceived poorly, despite them being absolved of any responsibility for the delay. • There may be political implications of the delay to the accounts being fully

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>audited and the failure to deliver by EY also posed governance issues and concerns.</p> <ul style="list-style-type: none"> • Should consideration be given to exploring alternative external auditors for future audits as several constituent councils were in a similar position due to the failure to deliver by Ernst and Young and what were the financial implications to the Combined Authority. • It was explained that the external auditors were very close to finishing their audit and that they would provide a robust and sound audit. The External Auditor continued to report that there were other Public Sector Audit Appointments auditors who were experiencing similar issues to Ernst and Young and that they wanted to continue to work with the Combined Authority in order to produce a good quality audit. <p>RESOLVED:</p> <p>That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication.</p> <p>That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council.</p> <ol style="list-style-type: none"> 1) That the Chair of the Audit and Governance Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment. 2) That the Committee receive and approve, in principle, the final Statement of Accounts.

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>3) That the Committee agree to the additional recommendations tabled as below:</p> <ul style="list-style-type: none"> a) Note that the Combined Authority's external auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors. b) Note that if it was not possible to publish the statement of accounts on time the law required the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it had not been able to publish the statement of accounts and its reasons for this. c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion was provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors. d) In the event that amendments arising from the final Audit Opinion would constitute a "material adjustment" to the final accounts as defined in the external auditors final audit plan a further report is to be brought to Committee. <p>4) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
7.	Draft Annual Report of the Chair of Audit and Governance Committee 2018/19 & Self-Assessment	<p>The Chair submitted his report and elaborated thereon noting that the report demonstrated the work carried out by the Committee over the municipal year 2018/19 for the Committee to approve to the Combined Authority Board. Members agreed that any information included in the report relating to the 31st May 2019 Audit and Governance Committee be expunged from the report.</p> <p>RESOLVED:</p> <p>That the draft Annual Report of the Chair or Audit and Governance Committee be submitted to the Combined Authority Board with the above amendment</p>
9.	HR Update	<p>The Chair of the Committee stated that at a previous meeting of the Audit and Governance Committee meeting, the Combined Authority's Internal Auditors had given Human Resources a 'no assurance' status. Having identified this risk, the HR Manager had been invited to update members of the Committee on progress made.</p> <p>The HR Manager reported that an HR advisor had recently been recruited and it was noted that the HR Manager reported directly to the Chief Executive which demonstrated the level of commitment of the Combined Authority to address the issues experienced in relation to HR functions.</p> <p>It was noted that policies and procedures that had previously not been visible had been placed in a central area and that there had been an amalgamation of information from the LEP and Peterborough City Council. The HR Manager explained that there had been a significant recruitment drive which had seen 17 of the 30 vacant posts recruited to.</p> <p>The Chair commented that he was encouraged to see the progress that had been</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>made and the Committee welcomed a key objective being the introduction of a forum that would focus on employee engagement and satisfaction. The Chief Executive explained that whilst there were a number of Interims in post, the senior management structure was now in place and a permanent Head of Transport had been recruited.</p> <p>RESOLVED:</p> <p>That the Committee noted the updated information provided by the HR Manager.</p>
10.	CPCA & A&GC Treasury Management Report	<p>The Head of Finance elaborated on a report and noted that the Treasury Management in the Public Services: Code of Practice 2011 recommended that Members receive regular reports on the Authority's Treasury Manager. It was reported that the Combined Authority had been through a procurement exercise to employ its own specialist Treasury Management advisors; a preferred supplier having been identified, soon to engage into contract with the Authority.</p> <p>RESOLVED:</p> <p>That the Committee reviewed the actual performance for the year to 31st March 2019, against the adopted prudential and treasury indicators.</p>
11.	Work Programme Cover Report	<p>The Committee received a report and the draft Work Programme and calendar of working programme items for the year.</p> <p>The Committee agreed to the following actions:</p> <p>a) The Chief Executive to produce a timeline of the implementation of a significant project carried out by the Combined Authority to include key priorities with a proposed case study and time line.</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>b) The Chief Executive to draft a statement, outlining the position of the Combined Authority's 2018/19 external audit including details of the delays incurred through the failures of Ernst & Young.</p> <p>c) The Chief Executive to liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the external auditors</p> <p>d) The Chair to write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committees extreme disappointment</p> <p>e) The Chief Officer of the Business Board to provide an update on the priorities and objectives of the Business Board.</p> <p>An Annual Report on Performance, FOIs, Fraud, Whistleblowing and Complaints to be produced for review.</p>
12.	Date of Next Meeting	<p>The Committee agreed that the next meeting be held on the 27th September 2019 at Cambridgeshire County Council.</p> <p>.</p>



AUDIT & GOVERNANCE COMMITTEE - Decision Summary

Meeting: 27 September 2019

Agenda/Minutes: [Audit & Governance Committee: 27th September 2019](#)

Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies and Declarations of Interests	Apologies were received from Councillor McGuire and Councillor Mason. Councillor Davey declared a non-pecuniary interest as his wife is an Assistant Director at Peterborough City Council and Cambridgeshire County Council in Housing matters.
2.	Chairs Announcement's	The Chair noted that there had been a change to the membership of the Audit and Governance Committee and welcomed Councillor Sandford as the Committee

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>Member and Councillor Barkham as the substitute Member for Peterborough City Council.</p> <p>The Chair reported that he had recently met with the Chair of the Overview and Scrutiny Committee and they discussed their respective roles and the Committee responsibilities.</p>
3.	Minutes of the Meeting held on 19 th July 2019	The minutes of the meeting held on the 19 th July 2019 were agreed and signed by the Chair.
4.	Audit Results Reports & Statement of Accounts 2018/19	<p>The Head of Finance elaborated on a report that recommended the Committee receive the audit results report for the year ended 31st March 2019. It was noted that at the previous Committee held on the 31st July 2019, it had been explained that Ernst & Young had not been able to complete their audit work. Consequentially, the Combined Authority had been unable to publish final audited accounts by the 31st July deadline. The law requires that the authority publish, as soon as is practicable, on or after the deadline, a notice that would state that they had not been able to publish the statement of accounts and the reasons for this.</p> <p>The External Auditor explained that the audit of the Authority's financial statements for the year ended 31 March 2019 had been completed and performed the procedures outlined in their Audit Plan.</p> <p>The Head of Finance explained that a letter had been written to the PSAA (Public Sector Audit Appointments Limited) and the response had explained that the number of delayed audit opinions in local government had risen from 13% in 2017/28 to over 40% in 2018/19.</p> <p>RESOLVED:</p> <p>That the Committee received the audit results report for the year ended 31st March</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		2019.
5.	Governance Review Report	<p>The Chief Executive explained that the Combined Authority had set its key priorities, used its budgets to create recyclable funds, created a new staffing structure and put in place performance measures; the proposals set out in the governance review reflected the final part of the re-design of the Authority which would include the delegation of powers to the proposed Executive Committees.</p> <p>It was noted that one of the key advantages of transitioning to the new governance arrangements would be the additional involvement of Members of constituent Councils bringing together their areas of expertise and knowledge. The Chief executive explained that the Board would retain oversight of the Forward Plan and would have the power to call-in decisions of Executive Committees in exceptional circumstances.</p> <p>In response to a question raised by the Chair about the potential impact of the changes on the work of the Audit and Governance Committee, Members agreed that it would be 'business as usual' and there was no need for the Committee to make any adjustments.</p> <p>RESOLVED:</p> <p>That the proposed new governance arrangements for the Combined Authority had been considered</p> <p>That the Committee's Work Programme be amended to include a report to the meeting of the Committee on 27 March 2020 reviewing the effectiveness of the proposed new governance arrangements.</p>
6.	Combined Authority Board Summary Report	The Interim Monitoring Officer elaborated on his report and explained that it provided Members with an update on the activities of the Combined Authority Board and provided the Committee with an opportunity to identify matters for

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>further consideration.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>
7.	Transport Acceleration & Risk Report	<p>The Head of Transport elaborated on the report and noted that Members of the Committee had requested an assessment of the impact on the Combined Authority's risk management of the accelerated delivery approach set out in the July 2018 Board paper.</p> <p>Members were informed that the governance arrangements had been significantly improved and additional steps introduced to improve the way risk was being managed.</p> <p>In response to questions asked, the Transport Manager explained that risk assessments could include environmental challenges and there was a need for consideration about reducing congestion and air pollution in the initial stages of any transport project.</p> <p>RESOLVED:</p> <p>That the Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.</p>
8.	Business Board Update	<p>The Director of Business and Skills elaborated on his report which provided an update on the priorities and objectives of the Business Board. It was reported that the Business Board supported the Combined Authority's vision to double the size of the local economy with specific goals. This would create inclusive growth across</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>the economy and deliver a shared growth ambition across the OxCam Arc.</p> <p>In response to questions asked, it was explained that the proposed growth had considered environmental sustainability and included joined up working with housing colleagues to recommend environmental designs to assist with sustainability.</p> <p>RESOLVED:</p> <p>That the Audit & Governance Committee noted the priorities and objectives of the Business Board.</p>
9.	Risk register & Performance Update	<p>The Interim Monitoring Officer elaborated on the report which provided the Committee with an update on the performance reporting processes that were in place for the Combined Authority. It was noted that Members could request additional information on the performance or risk relating to a specific project. It was reported that a number of risks with a risk rating of 'very high' had reduced from four to two since May 2019.</p> <p>RESOLVED:</p> <p>That the Performance Reporting processes that are in place for the Combined Authority be noted.</p> <p>That the Performance Reporting Dashboard that is presented to the Board on a quarterly basis and recommend any proposed changes be noted.</p> <p>That the Combined Authority's Corporate Risk register be reviewed.</p> <p>That the proposed changes to the Corporate Risk Register to be reported to the</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		next Board meeting for approval be approved.
10.	Internal Audit: Progress Report 2019/2020	<p>The Internal Auditor submitted his report and noted that since the last report, additional advice and support had been provided to the CPCA in relation to payment processes. The Audit Plan would need to be flexed to accommodate this or additional days considered. Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.</p> <p>It was reported that the Audit Plan included a review of the loan of £6.5m to East Cambridge Trading Company, approved at the March 2018 board meeting. This was later extended to include the loan of £24.4m, which was approved in November 2018, at the request of the Audit and Governance Committee. It was explained that the audit rating provided was reasonable assurance and noted that five recommendations have been established and agreed as a result. Members of the Committee discussed the increase in the number of days of work required of the internal auditors and noted that officers would work with the auditors to address priorities and any changes to those would be done in consultation with the Chair of the Audit and Governance Committee.</p> <p>RESOLVED:</p> <p>That the progress report from Internal Audit had been considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.</p>
11.	Update on Freedom of Information Requests, Fraud, Whistleblowing & Complaints	The interim Monitoring Officer presented and elaborated on the report and commented that the Committee had responsibility for monitoring the Combined Authority's anti-fraud, whistleblowing policy and the complaints process and for reviewing the Authority's corporate Governance arrangements.

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		<p>RESOLVED:</p> <p>That the Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.</p>
12	Medium Term Financial Plan & Business Plan Mid-Year Update	<p>The Committee was presented with the report and the Chief Finance Officer explained that the proposed mid-year update to the 2019/20 Budget and the 2019-2023 Medium Term Financial Plan had been approved by Board on the 25th September 2019</p> <p>Members were informed that there had been a staffing restructure and there had been a 24% reduction in costs from the structure report of June 2018, and that the total staffing costs were planned to be reduced further.</p> <p>RESOLVED:</p> <p>The proposed mid-year update to the 2019/20 Budget and the 2019-2023 Medium Term Financial Plan (MTFP)</p> <p>The mid-year update on the 2019-20 Business Plan</p>
13.	National Audit Office Consultation on Changes to the Code of Audit Practice	<p>The Deputy S73 Officer and Chief Accountant elaborated on his report which reported that the Code of Practice was a key document setting out the principles governing how local auditors in England meet their responsibilities when auditing local authorities.</p> <p>RESOLVED:</p> <p>That the proposed changes to the Code of Audit practice and the potential impact</p>

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
		on reporting to the Committee for local audit work be noted.
14.	Work Programme	<p>The Committee received the report which provided the draft work programme and calendar of working programme items for the year.</p> <p>The Committee agreed to add the following to the work programme:</p> <p>The Committee to receive a report on 27 March 2020 reviewing the effectiveness of the proposed new governance arrangements.</p>
15.	Date of Next Meeting	The Committee agreed that the next meeting be held on 13 th December.

Agenda Item 10



South
Cambridgeshire
District Council

REPORT TO: Council

28 November 2019

LEAD OFFICER: Interim Director of Corporate Services

Appointment to the Independent Remuneration Panel

Executive Summary

1. To appoint an interim member of the Independent Remuneration Panel and to instruct the Interim Director of Corporate Services and Chairman of the Independent Remuneration Panel to recruit a permanent replacement member; the permanent appointment will have to be agreed by Council.

Key Decision

2. No.

Recommendations

3. That Council appoints Jane Phillips as an interim Member of the Independent Remuneration Panel until a permanent member can be appointed.
4. That the Interim Member be paid an allowance, pro rata of the annual rate of £200, for the months served on the Panel.
5. That the Council authorises the Interim Director of Corporate Services, in consultation with the Chairman of the IRP, to undertake a recruitment and selection process to identify a permanent member of the panel and to recommend a candidate for appointment.

Reasons for Recommendations

6. Simon Harris, one of the Council's current Independent Remuneration Panel members, has decided to stand down with immediate effect.
7. Jane Phillips has served on Cambridge City Council's Independent Remuneration Panel for over four years and is willing to serve on this authority's Panel, on an interim basis.

Details

8. Local authorities are required to establish and maintain an Independent Remuneration Panel (IRP). The purpose of this Panel is to make recommendations to the Authority about the allowances to be paid to Members. IRPs make recommendations about the

level of basic allowance for Members; the level of Special Responsibility Allowances and to whom they should be paid and on whether dependants' carers' allowance, travel and subsistence allowances and co-optees' allowances should be paid and the level of those allowances. The IRP must comprise at least three members.

9. Council on 26 September 2019 instructed the Independent Remuneration Panel to review the Special Responsibility Allowances for the Chairman and Vice-Chairman of the Scrutiny and Overview Committee and to review whether to pay members of the Cambridge Fringes Joint Development Control Committee an allowance. The Panel needs three members to be quorate and to complete this review.

Options

10. To either confirm or refuse the appointment of an interim member of the Independent Remuneration Panel. The Council is required to have an Independent Remuneration Panel of at least 3 members in order to be quorate.

Implications

11. There are no significant implications, although Members of the Independent Remuneration Panel may receive a sum of up to £200 per annum to cover their expenses.

Background Papers

None

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Agenda Item 16

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