

A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 22 JUNE 2017** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact  
(01480)**

## **APOLOGIES**

**1. MINUTES (Pages 5 - 8)**

To approve as a correct record the Minutes of the meeting held on 17th May 2017.

**B Buddle  
388169**

**2. MEMBERS' INTERESTS**

To receive from Members declarations as to disclosable pecuniary and other interests in relation to any Agenda item.

**3. HUNTINGDONSHIRE LOCAL PLAN TO 2036 QUARTERLY UPDATE / APPROVAL FOR CONSULTATION AND INFRASTRUCTURE PLANNING UPDATE (Pages 9 - 20)**

To consider a report by the Planning Service Manager seeking endorsement of the proposed approach to the development of the Local Plan to 2036 and its approval for consultation.

**A Moffat  
388400**

*(A copy of the Consultation Draft 2017 – Appendix 1, has been circulated separately to the Agenda and is available on the Council's website.)*

**4. HUNTINGDONSHIRE HOUSING STRATEGY 2017 - 2020 (Pages 21 - 66)**

To consider a report by the Housing Strategy Manager seeking adoption of the Housing Strategy 2017-20 and Housing Strategy Action Plan 2017-18.

**C Hannon  
388203**

**5. COUNCIL TRADING COMPANY - SHAREHOLDER AGREEMENT, ARTICLES OF ASSOCIATION AND COMMERCIALISATION UPDATE (Pages 67 - 100)**

To consider a report by the Managing Director seeking approval of Articles of Association and Shareholder Agreement for HDC Ventures Ltd, the Council's Trading Company.

**J Lancaster  
388300**

**6. DEBT MANAGEMENT POLICY (Pages 101 - 104)**

To consider a report by the Finance Manager seeking approval of a new Debt Management Policy for the Council.

**A Forth  
388605**

**7. ADOPTION OF THE PUBLIC HEALTH FUNERALS POLICY**  
(Pages 105 - 112)

To consider a report by the Head of Community seeking approval for the adoption of a new Public Health Funeral Policy for the Council.

**C Stopford**  
**388280**

**8. TREASURY MANAGEMENT ANNUAL REPORT 2016/17** (Pages 113 - 132)

To report on the performance of the Treasury Management activity over the past financial year.

**O Colbert**  
**388067**

**9. PROPOSAL FOR USE OF EXTERNAL GRANT UNDERSPEND**  
(Pages 133 - 144)

To consider a proposal by the Economic Development Manager for the use of the retained element of a capital grant received from the Department for Communities and Local Government (DCLG) in 2014 as a loan facility and consider the proposed use of the income stream thus generated.

**S Bedlow**  
**387096**

**10. TRANSFORMATION PROGRAMME** (Pages 145 - 150)

To consider a report by the Managing Director on the progress of the Council's Transformation Programme.

**J Lancaster**  
**388300**

**11. INTEGRATED PERFORMANCE REPORT 2016/17 QUARTER 4**  
(Pages 151 - 192)

To receive performance management information on the Council's Corporate Plan for 2016/18 and updates on current projects.

**A Dobbyne/ A Forth**  
**388100/388605**

**12. REPRESENTATION ON ORGANISATIONS** (Pages 193 - 202)

To consider a report in relation to the appointment/ nomination of representatives to serve on a variety of organisations.

**B Buddle**  
**388169**

**13. EXCLUSION OF PRESS AND PUBLIC**

To resolve:

that the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

**14. AGREEMENT FOR TRANSFER OF LOAN** (Pages 203 - 214)

To consider a report by the Head of Resources.

**C Mason**  
**388157**

**15. ASSET DISPOSALS** (Pages 215 - 264)

To consider a report by the Head of Resources.

**C Mason**  
**388157**

Dated this 14 day of June 2017



Head of Paid Service

## **Notes**

### **1. Disclosable Pecuniary Interests**

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
  - (a) relates to you, or*
  - (b) is an interest of -*
    - (i) your spouse or civil partner; or*
    - (ii) a person with whom you are living as husband and wife; or*
    - (iii) a person with whom you are living as if you were civil partners*

*and you are aware that the other person has the interest.*
- (3) *Disclosable pecuniary interests includes -*
  - (a) any employment or profession carried out for profit or gain;*
  - (b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
  - (c) any current contracts with the Council;*
  - (d) any beneficial interest in land/property within the Council's area;*
  - (e) any licence for a month or longer to occupy land in the Council's area;*
  - (f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
  - (g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

### **Non-Statutory Disclosable Interests**

- (4) *If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.*
- (5) *A Member has a non-statutory disclosable interest where -*
  - (a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
  - (b) it relates to or is likely to affect a disclosable pecuniary interest, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association, or*
  - (c) it relates to or is likely to affect any body –*
    - (i) exercising functions of a public nature; or*
    - (ii) directed to charitable purposes; or*

- (iii) *one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.*

*and that interest is not a disclosable pecuniary interest.*

## **2. Filming, Photography and Recording at Council Meetings**

*The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link [filming, photography and recording at council meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.*

**Please contact Mrs Beccy Buddle, Democratic Services Team, Tel No. 01480 388169/e-mail [Beccy.Buddle@huntingdonshire.gov.uk](mailto:Beccy.Buddle@huntingdonshire.gov.uk) if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.**

**Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.**

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

*Agenda and enclosures can be viewed on the District Council's website – [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk) (under Councils and Democracy).*

**If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Elections & Democratic Services Manager and we will try to accommodate your needs.**

### ***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.*

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 17 May 2017.

PRESENT: Councillor R B Howe – Chairman.

Councillors J A Gray, G J Bull, S Cawley, R Harrison, Mrs A Dickinson, R Fuller and J E White.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillors D Brown.

### 1. MINUTES

The Minutes of the meeting held on 20 April 2017 were approved as a correct record and signed by the Chairman.

### 2. MEMBERS' INTERESTS

There were no declarations of disclosable pecuniary or other interests received at the meeting.

### 3. APPOINTMENT OF EXECUTIVE COUNCILLORS

RESOLVED

- a) That the executive responsibilities for the Municipal Year 2017/18 be allocated as follows:

|                                                               |                            |
|---------------------------------------------------------------|----------------------------|
| Commercial and Shared Services                                | Councillor D Brown         |
| Deputy Leader and Development Management/Planning Enforcement | Councillor G J Bull        |
| Transformation and Customers                                  | Councillor S Cawley        |
| Community Resilience and Wellbeing                            | Councillor Mrs A Dickinson |
| Housing and Regulatory Services                               | Councillor R Fuller        |
| Strategic Resources                                           | Councillor J A Gray        |
| Growth                                                        | Councillor R Harrison      |

|            |                      |
|------------|----------------------|
| Operations | Councillor J E White |
|------------|----------------------|

- b) that the Executive Leader of the Council be appointed to serve as an ex-officio Member of the Employment Committee; and
- c) that Executive Councillors be appointed to serve as ex-officio Members of the following:

|                                                          |                                                     |
|----------------------------------------------------------|-----------------------------------------------------|
| Deputy Executive Leader                                  | Development Management Committee                    |
| Executive Councillor for Housing and Regulatory Services | Licensing and Protection Panel/Licensing Committee. |

#### **4. HINCHINGBROOKE COUNTRY PARK JOINT GROUP**

RESOLVED

that Councillors Mrs A Dickinson, T D Sanderson, R J West and J E White be appointed to serve on the Hinchingsbrooke Country Park Joint Group for the ensuing Municipal Year.

#### **5. DEVELOPMENT PLAN POLICY ADVISORY GROUP**

RESOLVED

that Councillors C E Bober, P L E Bucknell, R E Butler, Mrs S J Conboy, I D Gardener, R Harrison and P D Reeve be appointed to serve on the Development Plan Policy Advisory Group for the ensuing Municipal Year.

#### **6. MEMBER DEVELOPMENT WORKING GROUP**

RESOLVED

that Councillors G J Bull, S Cawley, Mrs S J Conboy, Mrs R E Mathews, T D Sanderson and R J West be appointed to serve on the Member Development Working Group for the ensuing Municipal Year.

#### **7. SHARED SERVICES JOINT GROUP**

RESOLVED

that Councillor D Brown be appointed to serve of the Shared Services Joint Group for the ensuing Municipal Year, as per the Terms of Reference agreed by the Cabinet at the meeting on 21 April 2016.

**8. HUNTINGDONSHIRE DISTRICT COUNCIL GROWTH AND INFRASTRUCTURE THEMATIC GROUP**

RESOLVED

- i. that Councillors E R Butler, D B Dew and D Giles be appointed to serve on the Huntingdonshire District Council Growth and Infrastructure Thematic Group for the ensuing Municipal Year; and
- ii. that the Executive Councillor for Growth be appointed to serve as an ex-officio Member as Chairman of the Group.

Chairman

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**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |                                                                                                                       |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Title/Subject Matter:</b> | Huntingdonshire Local Plan 2036 Quarterly Update/<br>Approval for Consultation and Infrastructure Planning<br>Update. |
| <b>Meeting/Date:</b>         | Overview and Scrutiny (Economy and Growth) – 20 <sup>th</sup> June<br>2017<br>Cabinet – 22 <sup>nd</sup> June 2017.   |
| <b>Executive Portfolio:</b>  | Executive Councillor for Growth                                                                                       |
| <b>Report by:</b>            | Planning Service Manager                                                                                              |
| <b>Ward(s) affected:</b>     | All                                                                                                                   |

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### **Executive Summary:**

This quarterly report provides updates on progress on Local Plan preparation and provides a further update in relation to the highways and transport infrastructure projects necessary for its delivery. It sets out a timetable to ensure that we are still able to meet the expected Government deadline to have submitted a new Local Plan by the end of March 2018 but also provide for an additional round of consultation to ensure that the Proposed Submission Draft is not only based on up-to-date evidence, but is also informed by up-to-date comments from interested parties.

### **Recommendations:**

The Overview and Scrutiny Panel is invited to comment on the proposed approach and

The Cabinet endorses the proposed approach and approves for consultation the Huntingdonshire Local Plan to 2036: Consultation Draft 2017 and accompanying Sustainability Appraisal, and a Housing and Economic Land Availability Assessment (HELAA) June 2017, and issues a call for sites.

## **1. PURPOSE OF THE REPORT**

- 1.1 This report provides an update on the progress on the preparation of the proposed submission Huntingdonshire Local Plan to 2036 (HLP2036), its supporting evidence base and the highways and transport infrastructure projects necessary for its delivery.
- 1.2 The main purpose of the report is to:
- Set out delivery programme options for the evidence base necessary to deliver the HLP2036
  - Confirm expected highways and transport infrastructure improvements along with anticipated delivery timescales

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 At the Cabinet meeting on 19 November 2015 it was resolved that quarterly reports on progress with preparation of the HLP2036 should be provided. To provide a comprehensive picture updates on infrastructure planning are integrated with this as the Local Plan cannot be successfully delivered without the necessary supporting infrastructure.
- 2.2 Previous reports worked on the basis that the Statutory consultation on the proposed submission Local Plan to 2036 would be the next stage. Further consideration of the timeline indicates that a further round of consultation could take place before this stage and still enable the Council to meet the expected Government deadline to have submitted a new Local Plan by the end of March 2018. This is considered in this report.

## **3. PROGRESS WITH PREPARATION OF THE HLP2036 AND ITS SUPPORTING EVIDENCE BASE**

### **Strategic Transport Study**

- 3.1 A final Strategic Transport Study (STS) has now been received and is in the public domain. The link can be found via the following links:

<http://www.huntingdonshire.gov.uk/media/2641/huntingdonshire-strategic-transport-study-baseline-report.pdf>

<http://www.huntingdonshire.gov.uk/media/2642/huntingdonshire-strategic-transport-study-development-scenario-comparative-assessment.pdf>

### **Strategic Flood Risk Assessment (SFRA)**

- 3.2 The SFRA is now complete, and is in the public domain via the following link

<https://www.huntingdonshire.gov.uk/environmental-issues/flooding/strategic-flood-risk-assessment/>

### **Retail and Commercial Leisure Needs Assessment**

- 3.3 The Retail and Commercial Leisure Needs Assessment is complete, and is now in the public domain via the following link:

<http://www.huntingdonshire.gov.uk/media/2604/retail-and-commercial-leisure-needs-assessment.pdf>

### **Objectively Assessed Need**

- 3.4 As reported in the April 2017 update, an update of the Objectively Assessed Need figure for Huntingdonshire was commissioned from Cambridgeshire County Council's Research Group – link below. This identified an objectively assessed need for a total of 20,100 homes, of which some 7,900 would need to be affordable. The Plan makes provision for more than 20,100 new homes to help deliver the required number of affordable homes. Full details can be found via the following link.

<http://www.huntingdonshire.gov.uk/media/2643/huntingdonshire-objectively-assessed-housing-need.pdf>

### **Wind Energy Development**

- 3.5 Consideration of the responses to the consultation document issued in November 2016 has informed the policy contained in the Plan.

### **Habitats Regulation Assessment**

- 3.5 The Habitats Regulations Assessment is complete and can be found via this link

<http://www.huntingdonshire.gov.uk/media/2684/habitats-regulations-assessment-2017.pdf>

### **Sustainability Appraisal (SA)**

- 3.6 A comprehensive sustainability appraisal including SEA has been undertaken to assess the implications of the development strategy, all policies and proposed site allocations including consideration of reasonable alternatives where appropriate. The link to the SA can be found via the following:

<http://www.huntingdonshire.gov.uk/planning/new-local-plan-to-2036/monitoring-research-and-evidence-base/sustainability-appraisal/>

## **4. GROWTH AND INFRASTRUCTURE INVESTMENT AND DELIVERY PLAN**

- 4.1 The document has now been fully reviewed and the published version is being finalised to support the HLP2036, and will be available alongside the public consultation.

- 4.2 A piece of work has also been undertaken covering Infrastructure Prioritisation, Funding and Programme Management. The purpose of this document is to provide a programme management tool to assist the Council and its partners in delivering the necessary infrastructure to support growth in the district. Infrastructure delivery has been prioritised, and advice is provided with regard to potential opportunities to rectify funding gaps where they are shown to exist. Work on this is now being finalised.

### **Local Plan Viability Testing**

- 4.3 Cushman & Wakefield are undertaking a Growth Viability Assessment of the HLP2036 ensuring that local plan policies are deliverable and identifying the appropriate percentage of affordable housing to be sought to help meet local need.
- 4.4 An Assumptions Paper has been compiled outlining the assumptions to be used in the viability modelling. This has taken into consideration research of local and national market information and intelligence, the policies of the draft HLP2036, the CIL Charging Schedule and the Developer Contributions Supplementary Planning Document (SPD) and analysis of recent Section 106 agreements. This was published alongside a consultation questionnaire in April.
- 4.5 In line with the approach outlined in the Harman report Viability Testing Local Plans, a consultation event was also held in April with the development industry to discuss the Assumptions Paper and provide a further opportunity for commentary on the assumptions and any suggested and evidenced amendments for consideration. This was a successful exercise resulting in 7 changes within the modelling undertaken.
- 4.6 All viability assessments have now been undertaken and the report is being finalised to support the evidence base of the HLP2036.

## **5 HIGHWAYS AND TRANSPORT INFRASTRUCTURE PROJECTS UPDATE**

### **A14 Cambridge to Huntingdon Improvement**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Condition discharge continues in consultation with A14 Integrated Development Team (IDT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Sub-groups relating to such matters as design, delivery, legacy and environment are on-going. HDC officers service these. Agreement has been reached on setting up an additional group to specifically consider the intricacies of the viaduct removal and Huntingdon local road network alongside the heritage and conservation issues within the locality.                                                                                                                                                                                                                       |
| Physical works continue on schedule and the programme remains as follows: <ul style="list-style-type: none"> <li>• Phase 1 – Section 1 A1 widening between Alconbury and Brampton Hut – from December 2016 to summer 2018</li> <li>• Phase 1 – Section 2 Brampton Hut to ECML – from December 2016 to autumn 2019</li> <li>• Phase 2 – Section 3 ECML to Swavesey – from early 2017 to summer 2019</li> <li>• Phase 3 – Section 4 Swavesey to Girton – from early 2017 to summer 2019</li> <li>• Phase 4 – Section 5 Girton to Milton – from Summer 2018 to autumn 2019</li> </ul> |

- **Phase 5 – Section 6 Huntingdon Viaduct removal and new local road network– from January 2020 to mid 2021**

#### **A428: Black Cat to Caxton Gibbet Improvement:**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| Highways England/Jacobs are progressing scheme to Preferred Route announcement stage.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Scheme underwent Public Consultation between 6<sup>th</sup> March 2017 and 23<sup>rd</sup> April 2017. In April, the Overview and Scrutiny Panel (Economy &amp; Growth) followed by Cabinet considered the options and resolved to:</p> <ul style="list-style-type: none"> <li>a) support the Orange route, subject to any final alignment of the route east of St Neots and confirmation that the existing A428 will be retained as a local road along its whole length between A1 and Caxton Gibbet;</li> <li>b) support proposals for Black Cat roundabout in accordance with Option C that provides a free-flow route for the A421/A428 and the A1 through this junction, as well as providing all movements arrangements within the junction;</li> <li>c) to advise Highways England that any support is condition on 'future-proofing' any A1 improvement scheme and that the current scheme should not prejudice or prevent that future route improvement; and</li> <li>d) this route will eventually form part of the wider Oxford to Cambridge Expressway scheme and that nothing emerging in terms of the design of this must prejudice the wider Expressway proposals.</li> </ul> |
| The scheme is part of the government's Road Investment Strategy April 2015 to March 2020. It remains subject to funding approval and a Development Consent Order (DCO) consent and, if granted, works on-site would commence around Spring 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Scheme design will be to the government's 'Expressway' standard to tie into the current Oxford to Cambridge Expressway strategic study.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Proposed timeline is as follows:</p> <ul style="list-style-type: none"> <li>• March/April 2017 – Public consultation on scheme options</li> <li>• Spring/Summer 2017 – Ministerial announcement of preferred route</li> <li>• Summer/Autumn 2017 – Development of Preferred Scheme</li> <li>• Autumn 2017 – Formal consultation on Preferred Scheme</li> <li>• Summer 2018 – Submission of DCO application</li> <li>• Winter 2019 – Secretary of State for Transport decision</li> <li>• Spring 2020 – Commencement of works</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

#### **Oxford to Cambridge Expressway:**

|                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Route currently exists between M1 and M11 via Caxton Gibbet. Black Cat to Caxton Gibbet emerges as a separate scheme (see above). The scheme will consider integration of the route with M11/A14 at Girton and with the A1/M25 to Peterborough Study, East-West Rail and emerging ECML proposals. |
| Key 'missing' link between M40 and M1 and route around Oxford.                                                                                                                                                                                                                                    |
| Whole scheme includes road-based options, plus rail, technology, local access, behaviour change and high-quality public transport elements.                                                                                                                                                       |
| Development funding of £27m was allocated in the Govt. Autumn Statement 2016 to further develop options for the scheme. Estimated overall costs are between £3bn to £3.5bn.                                                                                                                       |

## East West Rail Central Section (Bedford to Cambridge)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| East West Rail (EWR) developed 20 original options and reduced to a final 2, focussed on a Bedford/Sandy/Cambridge corridor or a Bedford/Sandy/Hitchin/Cambridge corridor. Final route option is via Sandy in order to achieve a 125mph line speed                                                                                                                                                                                                                                                                                                                                 |
| Work to date has shown that it is not possible to reinstate the old Oxford to Cambridge 'Varsity Line'. Alignment is either too slow for a modern-day railway or the previous alignment has been lost at various locations.                                                                                                                                                                                                                                                                                                                                                        |
| Bedford to Cambridge will be a 'Nationally Significant Infrastructure Project' and will be subject to a Development Consent Order (DCO). Final route option is emerging. Govt. committed a further £10m of development funding towards the scheme as part of the Autumn Statement 2016.                                                                                                                                                                                                                                                                                            |
| A route within a broad Sandy corridor is likely to result in growth options being explored in that area, which would be of direct relevance and impact on Huntingdonshire.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>The (very indicative) timeline is as follows, subject to funding and consents:</p> <ul style="list-style-type: none"> <li>• Initial National Infrastructure Commission report – Late 2016</li> <li>• Preferred Route confirmed – Late 2018</li> <li>• Preferred Alignment confirmed – circa 2021</li> <li>• DCO application – circa 2022</li> <li>• Start on site – circa 2026</li> <li>• New train services running – circa 2031</li> <li>• Depending on the outcomes of the further development work, it is possible that the above timelines could be accelerated</li> </ul> |

## A1/ M25 to Peterborough:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme aims to bring consistency to the southern section of the route and to improve the non-motorway northern section (Baldock to Brampton) to motorway standard.                                                                                                                                                                                                                                                                                                                                                         |
| <p>Short-list of three packages:</p> <ul style="list-style-type: none"> <li>• Package A – section of new motorway (mostly offline) in the middle (northern) section i.e. 'Middle bypass'</li> <li>• Package B – local improvements (grade separating junctions or creating new grade separated junctions in the middle (northern) section i.e. 'Improve existing junctions'</li> <li>• Package C – upgrade the east-west connectivity of the A1 to avoid 'hop on/hop off' behaviour i.e. 'Modest improvements'.</li> </ul> |
| Subject to DfT approval, preferred options will be developed and the scheme will feed into the government's Road Investment Strategy, together with another 5 strategic studies across England and, if approved, would be delivered as part of Roads Period 2 via the National Roads Fund after 2020.                                                                                                                                                                                                                      |
| As part of the Govt. Autumn Statement 2016, Govt. announced that the A1 proposals will take a slightly longer timeframe to the Oxford to Cambridge Expressway proposals but that options will continue to be developed to inform Road Investment Period 2 from 2020 onwards. As part of the A428 improvement/Oxford to Cambridge Expressway proposals, investigation is on-going to ensure that these schemes do not prejudice a future A1 improvement                                                                     |

## **East Coast Main Line Study (London Kings Cross to Edinburgh):**

### **The strategic approach is:**

- to increase line capacity by reducing speed difference between services, removing junction conflicts and to improve performance, safety and resilience
- greater dedicated fast and slow lines
- build additional routes to separate routes where necessary
- use technology to reduce headway and manage passenger experience
- develop safer resilient infrastructure giving better performance
- ability to accommodate new InterCity Express Programme

**Initial work is indicating that interventions are required throughout the whole route, that the mix of traffic with different speeds is an overriding issue and there may be conflicting movements at junctions and stations i.e. Peterborough. However, there is also potential for use of loop lines i.e. Hitchin/Cambridge/ Ely/Peterborough.**

### **Key constraints between Kings Cross to Peterborough:**

- Kings Cross – turnaround times
- Outer Suburban (services to St. Neots, Huntingdon and Peterborough) – Stevenage turnback, standing time in Kings Cross
- Welwyn Viaduct – two-track section, speed mix, conflict with stopping and freight services
- Welwyn to Peterborough – speed mix on slow lines, including freight, 2-track section at Stilton Fen, station operations/overlaps
- Emerging demands of Thameslink services
- Lack of electrification Ely to Peterborough

Possible options may include the ‘spreading’ of stopping patterns for long-distance services to other stations i.e. possible future Lincoln and Grimsby services to Kings Cross potentially stopping at Huntingdon and St. Neots, rather than all at Peterborough. Need also to consider interchange at Sandy via East West rail and its importance as a possible major interchange/hub.

An early intervention is Huntingdon to Woodwalton four tracking project. This scheme continues consultation to reinstate the 4<sup>th</sup> track between Huntingdon and Wood Walton Fen.

### **The current timeline for the East Coast Study is:**

- Spring/Summer 2017 – Public Consultation
- Summer/Autumn 2017 – Scheme design finalisation and application submission
- 2018 – Abbots Ripton level crossing closure
- Summer 2018 to Autumn 2020 – Main Works
- Winter 2020 – Opening to services

Thameslink services are still planned to arrive through Huntingdon and St. Neots circa 2019 via Kings Cross St. Pancras/Farringdon/London Bridge to south of London and the south coast

## 6. KEY IMPACTS / RISKS / OPTIONS

- 6.1 Over the last 18 months the major impact/risk on progressing the HLP2036 to proposed submission has come from the Strategic Transport Study, but this has now been finalised.
- 2.2 The key risk to a Local Plan is that it is found 'unsound' – see details under Legal Implications heading below. There is also a risk that if the Local Plan is not submitted by the end of March 2018 the Government will intervene to arrange for the Plan to be written. This latter risk is low, particularly if a Plan is very close to being submitted. Moreover, the driver for having a Plan in place is the certainty for all that it provides.
- 6.3 The Council could continue with its previous plan for Statutory consultation on the proposed submission Local Plan in June to August 2017 and Submission in December 2017. However, further consideration of the timeline indicates that a further round of consultation could take place before this stage and still enable the Council to meet the expected Government deadline to have submitted a new Local Plan by the end of March 2018. The timeline below would ensure that the Proposed Submission Draft is not only based on up-to-date evidence, but is also informed by up-to-date comments from interested parties. Although such a consultation would normally be for a 6 week period, it is proposed to be for 8 weeks in this instance given the time of year and to give the best opportunity for all interested parties to have their say. If another round of public consultation, including a 'Call for Sites', is built into the process as now proposed, we will be in a position to have a more robust, and resilient plan that will be submitted with more confidence in compliance with government guidelines as set out below. If the Government's response to the Housing White Paper is published in the autumn, this timeline would also enable the proposed submission Local Plan to take account of it. Details of the 'Call for Sites' can be found at Appendix 2

| Timetable: Key stages- completed                                                                                                                                                                                                                                     |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Sustainability appraisal scoping report                                                                                                                                                                                                                              | February – March 2012    |
| Issues and options consultation                                                                                                                                                                                                                                      | May – June 2012          |
| Strategy and Policy consultation                                                                                                                                                                                                                                     | August – November 2012   |
| Full draft Local Plan (stage 3) consultation                                                                                                                                                                                                                         | May – July 2013          |
| Additional sites consultation                                                                                                                                                                                                                                        | November – December 2013 |
| (Long Term Transport Strategy preparation led by Cambridgeshire County Council)                                                                                                                                                                                      | May – November 2014      |
| Huntingdonshire Local Plan to 2026: Targeted Consultation 2015                                                                                                                                                                                                       | January – March 2015     |
| Finalisation of evidence base – including Housing and Employment Land Availability Assessment, Strategic Flood Risk Assessment, Growth & Investment Infrastructure Delivery Plan, Growth Viability Assessment and Gypsy and Traveller Accommodation Needs Assessment | August 2015 - June 2017  |
| Strategic Transport Study in collaboration with Cambridgeshire County Council                                                                                                                                                                                        | January 2016 - June 2017 |

| Timetable: key stage – to be completed/undertaken                                                                                  |                    |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Full draft Local Plan (July 2017) consultation, Housing and Economic Land Availability Assessment June 2017, and a call for sites. | June – August 2017 |
| Statutory consultation on proposed submission Local Plan to 2036 (Reg. 19)                                                         | December 2017      |
| Submission to Secretary of State                                                                                                   | March 2018         |
| Estimated examination                                                                                                              | March - May 2019   |
| Receipt of Inspector's report                                                                                                      | June 2019          |
| Estimated date for adoption                                                                                                        | July 2019          |

- The full Local Plan is attached as Appendix 1
- Details of the 'Call for Sites' guidance can be found at Appendix 2
- Consultation on the HELAA will run in conjunction with the Huntingdonshire Local Plan to 2036: Consultation Draft 2017

## 7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

7.1 The production of the HLP2036 and associated evidence relates to the 2017/18 strategic priority of Delivering Sustainable Growth and specifically two associated strategic objectives.

7.2 The first objective under the strategic priority is as follows:  
*"To improve the supply of new and affordable housing, jobs and community facilities to meet future need."*  
 Our work programme includes:

- *"ensuring an adequate supply of housing to meet objectively assessed needs;*
- *planning and delivering the provision of decent market and affordable housing for current and future needs;*
- *ensuring that there are the right community facilities to accommodate the housing growth."*

7.3 The relevant key actions for 2017/18 are:

- prepare the submission draft of the Local Plan;
- facilitate delivery of new housing on the large strategic sites at:
  - St Neots
  - Alconbury Weald
- maintain a 5 year housing supply position

6.1 The second related objective under the strategic priority is as follows:  
*"Support development of infrastructure to enable growth"*  
 Our work programme includes:

- *influencing the development of the Highways and Transport Infrastructure Strategy; and*
- *facilitating the delivery of infrastructure to support housing growth.*

## 8. LEGAL IMPLICATIONS

8.1 Paragraph 004 Reference ID: 12-004-20160519 of the Planning Practice Guidance (PPG) highlights that during the examination a planning Inspector will assess whether the Local Plan has been prepared in line with the relevant legal requirements

(including the duty to cooperate) and whether it meets the tests of 'soundness' contained in the National Planning Policy Framework.

8.2 Paragraph 182 of the NPPF sets out the test of 'soundness', namely , the plan is:

- Positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development
- Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence
- Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities
- Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework

## **9. RESOURCE IMPLICATIONS**

9.1 A single Planning Policy earmarked reserve was agreed at the Cabinet meeting of 17 March 2016 enabling money to be drawn down to support production of the evidence base.

9.2 The recommendation to carry out an additional round of consultation does have regard to existing staff resources, but this will need to be kept under review.

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

10.1 To ensure that the Proposed Submission Draft is not only based on up-to-date evidence, but is also informed by up-to-date comments from interested parties.

### **BACKGROUND PAPERS**

[Cabinet Report April 2017 Item](#)

[HM Treasury July 2015 Fixing the Foundations](#)

[Written Ministerial Statement July 2015 Local Plans](#)

[Written Ministerial Statement 18 June 2015 on Wind Turbine Development](#)

### **APPENDICES:**

Appendix 1 – The Huntingdonshire Local Plan to 2036: Consultation Draft 2017

Appendix 2 – Call for Sites Guidance

### **CONTACT OFFICER**

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## Appendix 2

### Call for Sites to accompany Huntingdonshire Local Plan to 2036: Consultation Draft 2017

A call for potential development sites accompanies the Huntingdonshire Local Plan to 2036: Consultation Draft 2017 for two purposes:

1. To identify previously developed land potentially suitable for residential development for inclusion in a Brownfield Land Register expected to be compiled by 31 December 2017; and
2. To ensure sufficient land is identified which is available for development should it be required in response to changes arising out of the White Paper 'Fixing our broken housing market'

The Council has a long established strategy of seeking growth within the district's most sustainable locations and avoiding development on land subject to significant environmental constraints. The amount of any additional land required is not yet known. A proportionate assessment of any sites put forward will be completed taking into account considerations reflecting issues raised in 'Fixing our broken housing market'. These may include:

- Re-use of previously developed land
- Releasing more small and medium sized sites, particularly those under 0.5ha
- Allowing rural communities to grow in a sustainable manner
- Promoting opportunities for self and custom-build homes

The Council is asking landowners, developers and agents to submit details of:

1. Previously developed land which is available and potentially suitable for residential development throughout Huntingdonshire; and
2. Greenfield land which meets the criteria set out below:
  - A. Is located in or adjacent to one of the:
    - spatial planning areas identified in the Huntingdonshire Local Plan to 2036: Consultation Draft 2017 which are Huntingdon, St Neots, St Ives and Ramsey; or
    - Key Service Centres identified in the Huntingdonshire Local Plan to 2036: Consultation Draft 2017 which are Buckden, Fenstanton, Kimbolton, Sawtry, Somersham, Warboys and Yaxley; or
    - small settlements which has a range of services including at least four of the following: primary school, doctors surgery, public hall, food shop or public house; and
  - B. Does not comprise:
    - Grade 1 agricultural land, which is the highest quality agricultural land
    - Land designated as functional floodplain (flood zone 3b) determined by consideration of the Council's Strategic Flood Risk Assessment (SFRA)
    - Land designated as being a Site of Special Scientific Interest (SSSI) or other important nature designation such as a Special Area of Conservation (SAC), a Special Protection Area (SPA) or Ramsar Site
    - Land within the 400m safeguarding area of a waste water treatment works in accordance with Policy CS31 of the [Cambridgeshire and Peterborough Minerals & Waste Core Strategy 2011](#).

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**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |                                                                                                                                             |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Title/Subject Matter:</b> | Huntingdonshire Housing Strategy 2017-2020                                                                                                  |
| <b>Meeting/Date:</b>         | Overview and Scrutiny Panel Economy and Growth (E&G) -<br>Tuesday 20 <sup>th</sup> June 2017<br>Cabinet Thursday 22 <sup>nd</sup> June 2017 |
| <b>Executive Portfolio:</b>  | Cllr Ryan Fuller, Executive Councillor for Housing and<br>Regulatory Services                                                               |
| <b>Report by:</b>            | Caroline Hannon, Housing Strategy Manager                                                                                                   |
| <b>Ward(s) affected:</b>     | All                                                                                                                                         |

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### **Executive Summary:**

The Huntingdonshire Housing Strategy is a key document setting out the housing issues in the district including the need for housing growth, the high level of need for new affordable housing, the increase in homelessness and the ageing population.

The Strategy provides a summary of the legislative changes relevant to the housing sector and the significant impact those policies could have on the provision of housing in Huntingdonshire.

There is a summary of the local context describing the demography, identifying the ageing population; the housing stock, identifying the high level of owner occupation and relatively low level of social housing; and house price information which highlights the rising prices (£17,157 rise in average house prices in the last year) and how this is affecting affordability.

The document highlights the need to address the housing requirements of all groups in particular those with particular needs such as older people or people with disabilities. There is a focus on enabling people to remain safe within their own homes for as long as possible through the provision of housing grants and initiatives such as the handyman service. The document also identifies the need to provide new supported and specialist accommodation for those who need it.

The document describes how Huntingdonshire District Council (HDC) through its Corporate Plan is aiming to improve the quality of life for people in Huntingdonshire and deliver economic growth and how housing solutions can contribute to achieving the aims of the Corporate Plan.

The Strategy sets out the good work which has already been done by Members on two working groups to identify the relevant local housing issues and identify solutions.

The Housing Strategy 2017-2020 identifies four overall housing priorities:

1. To increase the supply of new affordable housing and encourage sustainable growth.
2. To identify housing need and improve health and wellbeing.
3. To improve housing conditions in existing housing.
4. To work in partnership to improve outcomes.

Alongside the Housing Strategy 2017-20 a Housing Strategy Action Plan 2017-18 has been prepared. The Action Plan sets out the key actions the Council will undertake in the first year of the Housing Strategy and includes actions to accelerate the delivery of housing, especially affordable homes and to increase the provision of temporary accommodation to address the significant issue of homelessness in the district. It identifies areas where we continue to be effective such as delivering affordable housing through planning policies and identifies initiatives to explore further such as using Council money and land resources to deliver housing, exploring opportunities to access funding for affordable housing from the Cambridgeshire and Peterborough Combined Authority and exploring setting up a housing company or joint venture. The Action Plan will be refreshed annually to ensure the Council is able to respond to emerging priorities.

This strategy is complementary to other strategies including the Local Plan to 2036.

**Recommendation(s):**

The Overview and Scrutiny Panel is invited to endorse the Housing Strategy 2017-18 and Housing Strategy Action Plan 2017-18 and recommend to Cabinet that it be adopted.

The Cabinet adopts this Housing Strategy 2017-20 and Housing Strategy Action Plan 2017-18.

## **1. PURPOSE OF THE REPORT**

- 1.1 The Huntingdonshire Housing Strategy is a major policy item for the Council. The Strategy sets out the key role that housing plays in improving the economic and social aspirations of the Council, and the Housing Strategy Action Plan provides solutions to address the housing needs of current and future households.

## **2. COMMENTS OF OVERVIEW & SCRUTINY**

- 2.1 The comments of the relevant Overview and Scrutiny Panel will follow after the Panel meeting on 20<sup>th</sup> June 2017.

## **3. KEY IMPACTS**

- 3.1 The Strategy sets out the key housing issues and the impact of legislative changes on housing growth. The Housing Strategy sets out the priorities and commitments for the period 2017-2020 on a range of housing matters including affordable housing supply and homelessness. The Housing Strategy Action Plan 2017-18 will commit the Council to undertaking various activities within the first year of the Housing Strategy. The Action Plan will be refreshed annually to ensure the Council is able to respond to emerging priorities.

## **4. TIMETABLE FOR IMPLEMENTATION**

- 4.1 Should the Housing Strategy be adopted by Cabinet, it will be effective immediately.

## **5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 5.1 The Housing Strategy 2017-2020 contributes to all of the Strategic Priorities in the Corporate Plan:
- Enabling Communities
  - Delivering Sustainable Growth
  - Becoming a More Efficient and Effective Council

## **6. CONSULTATION**

- 6.1 The Housing Strategy 2017-2020 and Housing Strategy Action Plan 2017-18 has been informed by an Affordable Housing Working Group and a Registered Social Providers Working Group.

## **7. LEGAL IMPLICATIONS**

- 7.1 Local Authorities in England are no longer required to have a Housing Strategy (Deregulation Act 2015 amendments apply). However it is an important strategy to deal with the housing needs of the growing population and an important part of the major policy framework.

## **8. RESOURCE IMPLICATION**

- 8.1 Preparation of the Housing Strategy involves staffing resource that is met within existing budgets. However the Housing Strategy Action Plan commits the Council to exploring various activities such as using Council money, disposing of Council land or setting up a Housing Company to increase the supply of affordable housing. There may be resource implications should the Council decide to pursue any of these options.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

- 9.1 The Huntingdonshire Housing Strategy is a key document setting out the housing issues in the district including the need for housing growth, the high level of need for new affordable housing, the increase in homelessness and an ageing population. The Housing Strategy Action Plan includes current activity and identifies further initiatives for HDC to explore to make a difference to the rate and extent of housing delivery.

It is recommended that the Overview and Scrutiny Panel endorse this Housing Strategy 2017-2020 and Housing Strategy Action Plan 2017-18 and recommend to Cabinet that it be adopted.

It is recommended that the Cabinet adopts this Housing Strategy 2017-2020 and Housing Strategy Action Plan 2017-2018.

## **10. LIST OF APPENDICES INCLUDED**

Appendix 1 – Draft Housing Strategy 2017-2020

Appendix 2 – Draft Housing Strategy Action Plan 2017-2018

## **BACKGROUND PAPERS**

- Report from the [Affordable Housing Working Group](#)
- Report from the Registered Social Providers Working Group (Exempt)

## **CONTACT OFFICER**

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# **Draft Housing Strategy**

## **2017-2020**

## Foreword

Huntingdonshire has a resilient housing market. We have recovered from the market downturn, demand for housing remains high, house prices continue to rise, and developer interest in building new homes and communities in the district is strong.

The Council is committed to encouraging housing growth to meet the needs of our current and future population, and to support the economic prosperity of the district. We will continue to develop our Local Plan to 2036, which allocates land for at least 21,000 new dwellings over the period and we will continue to work positively and proactively with house builders and developers to bring forward the development of new homes. We are pleased to see new homes being delivered on the large strategic site at Alconbury Weald. This is a new community where at least 5,000 new households will eventually live. Our partnership work with the developers, house builders and housing associations is especially important to ensure that these new communities thrive as desirable and successful places to live into the future. The Council is committed to playing a significant role in ensuring that we are building communities; not just houses.

Government has outlined a new approach for affordable housing in the Housing and Planning Act 2016. Policies such as extending the Right to Buy to housing association tenants and the development of 'starter homes', reflect the Government's ambition to boost home ownership. Whilst we support initiatives that extend people's housing choice and welcome the encouragement of home ownership, we remain concerned that the development of homes that are truly affordable to those sectors of our local population who are unable to afford market level homes, are also a priority. Overview & Scrutiny colleagues have appraised the potential impact of these changes by considering the likely effect on us and our housing association partners. I commend their work in this important area.

Devolution will play a significant role in supporting the growth and economic prosperity of Cambridgeshire and Peterborough. The availability of £100 million for affordable housing from the newly formed Combined Authority presents new opportunities for increasing the supply of affordable housing and accelerating the rate of housing growth in Huntingdonshire.

As ever, affordable housing remains in high demand and in May 2017, we had around 3,800 households on the housing register. We have seen an increase in homelessness caused by the loss of assured shorthold tenancies in the private rented sector. People in receipt of Housing Benefit at Local Housing Allowance rates or with low incomes are struggling to find affordable alternatives, and this is a national trend which is reflected locally. We were pleased to work in partnership with Luminus to open a new temporary housing project for 13 homeless households but we remain under pressure to build as many affordable homes as possible. We therefore actively encourage our housing association partners in their development efforts.

In the four years between 2008/09 and 2011/12 an average of 301 affordable homes were being completed each year. In the following four years this had dropped to 78 per year. However there was an increase again in 2016/17; although not to previous rates. Indications from the Huntingdonshire Annual Monitoring Report trajectory are that large strategic sites will soon start to move forward apace and this will lead to an increase in affordable housing delivery rates.

Looking to the future, the delivery of new affordable homes is likely to be one of our biggest challenges and I am pleased that a number of rural exception sites are being developed and that more work is planned to further promote this method of delivery.

We need to work proactively with housing, health and social care partners to meet the needs of vulnerable people and our ageing population. I am particularly pleased that a new extra care scheme for 55 frail older people was developed by Luminus and I am proud that the Council was able to help fund this important scheme via a £5.5m loan. However I remain concerned about the impact of the proposed cap on supported housing rents which has already caused a delay to the development of new supported housing schemes in our district.

We are in an era where public funding is under pressure and the Council is looking at ways to reduce costs, increase efficiencies and generate income. No service is immune from this scrutiny and we will need to reconsider ways to work innovatively to continue to deliver our Housing Strategy with the funds available. This updated Strategy is therefore realistic, and sets out our direction for the next three years. Given the current pace of change in housing and in local government in Cambridgeshire, the Housing Strategy Action Plan sets out the priorities for the first year of the Strategy to ensure that we remain at the forefront of providing local housing solutions. Huntingdonshire District Council is committed to enabling housing that truly meets local needs. I am proud of what we have achieved so far and I look forward to further successes over coming years.



Councillor Ryan Fuller  
Executive Councillor for Housing and Regulatory Services

## **Introduction and Key Messages**

This document is written at a time of enormous change in the housing sector. The Housing and Planning Act 2016 has been enacted and whilst not legislation, on 7<sup>th</sup> February 2017 the Government published a new Housing White Paper 'Fixing our broken housing market'. We continue to see the impact of Welfare Reform, the Localism Act 2011, and the National Planning Policy Framework as well as significant reforms to the homelessness legislation under the Homelessness Reduction Act 2017. These national influences impact on the way we run services locally. This document provides a short analysis of key changes and sets out our plans for working in partnership with others to help meet identified needs.

Analysis of our evidence base leads us to conclude that the high level strategic issues facing Huntingdonshire remain broadly the same as those in the 2012-2015 Strategy. In summary the key issues are:

### **1. Huntingdonshire needs housing growth**

The need to plan for significant housing, population and employment growth in order to meet the needs of the growing population, rebalance the population structure to achieve a greater proportion of households of working age, and help to drive economic prosperity. Growth needs to be actively managed through delivery partnerships and the Council has the key role in providing the strategic vision for the delivery of growth and the creation of large new settlements.

### **2. There is a high level of need for new affordable housing**

At the extreme end, the Council's ability to manage front line demand presented by homelessness is reliant on a steady and adequate flow of opportunities to re-house people into. These stem from affordable opportunities in the private rented sector together with re-lets of existing social rented stock, and newly built affordable homes. Changes in Government policy coupled with the reduced viability of developments have impacted on our ability to enable affordable housing in recent years.

As mentioned in the Foreword, over an eight year period the number of affordable homes enabled has varied with 301 homes completed each year in the first half of this period reducing to 78 homes in the second half. However, during 2016/17 the number increased to 188 completions, due in part to the completion of a 55 dwelling extra care scheme and the first phase of handovers on the strategic site at Bearscroft, Godmanchester. This is a good rate of delivery when compared to neighbouring districts, but the Council remains under pressure to enable affordable housing to help meet priority needs.

In addition to shortages in traditional forms of affordable housing, there is a disparity in local incomes to house prices and general affordability problems amongst much of our population. Increases in house prices in recent years indicates some imbalance between demand for and supply of dwellings.

Government announced their intention to tackle this via the provision of Starter Homes and there was a risk that this housing would be delivered at the expense of traditional 'affordable housing'. Therefore we were pleased to note the change to the Starter Homes policy in the

Housing White Paper limiting the speed at which the discount could be retained and removing the requirement to provide a minimum 20% starter homes on all sites.

The proposed introduction of the Right to Buy for Registered Provider tenants may reduce the affordable housing stock and in some areas, such as rural areas, it may be very difficult to replace those homes with new affordable stock.

### **3. We need to tackle Local Housing Needs and Homelessness**

The number of households applying to the housing register that see social rented housing as their preferred housing tenure plateaued at 2100 – 2300 households following the last major review of policy in April 2013. Further reviews of the housing register have taken place and the policy amended in light of changes to national policy direction. The last of these reviews was in late 2015. In May 2017, the register had increased to just over 3200 households of which 12% are assessed as being in the highest housing need (priority band A).

The trend in homelessness in the district over the last three years has been similar to national trends, showing an increase in the number of statutory acceptances by the council. As with the national picture, homelessness as a result of households being evicted from the private rented sector through no fault of their own is now the single biggest cause of homelessness.

The welfare reform programme and continued increase in the cost of privately renting in the district has meant that more households see social/affordable rented housing as their only realistic option. This has undoubtedly contributed to the number of households applying to the housing register and approaching the Council for assistance when faced with homelessness. The lack of properties available within Local Housing Allowance rates in the private rented sector has meant that the opportunities to help households into this sector has reduced, affecting households on low incomes as well as those not currently in employment.

The wider impact of the welfare reform programme will potentially continue with the roll out of Universal Credit likely to be the next major event that may impact on housing implications for households in receipt of the benefit.

### **4. We will work in partnership to help meet the needs of our ageing population**

Huntingdonshire has an ageing population. There is a need to boost the percentage of people of working age in order to achieve a more balanced population base. This is one of the drivers for enhanced rates of house building. The ageing population presents challenges for health and social care but 'housing' can also form part of the solution by ensuring that there are adequate amounts and types of accommodation on offer to support people as they age. Initiatives to help keep people fit and well in their own homes, as well as the remodelling of existing accommodation, and development of new housing forms part of our strategic response in partnership with housing, health and social care colleagues.

The provision of Disabled Facilities Grants (DFG) can contribute towards reducing admissions to and speeding up discharge from hospitals. They can also prevent/delay move to care homes as people are able to continue to live safely in their own homes.

The proposed cap on Housing Benefit to Local Housing Allowance (LHA) rates in supported housing from April 2019 is a cause of major concern nationally and locally. Many supported

housing schemes charge rents above LHA rates to take account of the requirement to provide communal areas and more intensive management. This policy creates a risk that new supported housing schemes will not be built and that existing schemes will no longer be viable.

## **Current and Emerging National Influences**

Below is a summary of the key legislative changes relevant to the housing sector and the significant impact the policies could have on the provision of housing in Huntingdonshire.

### **Housing and Planning Act 2016**

The Housing and Planning Act 2016 makes the most radical changes to housing policy for many years. The main aspects are as follows:

#### **Extension of Right to Buy to housing association tenants**

The Right to Buy is due to be extended to housing association tenants. At the time of writing Government policy is yet to be finalised but there is a national pilot underway. The Voluntary Right to Buy is an option offered to Government by the National Housing Federation as an alternative to statutory imposition of the policy. It will allow the Boards of housing associations to decide which units they are prepared to sell and will require one-for-one replacement of any units sold.

There is considerable uncertainty about whether one for one replacement will be possible. The Housing White Paper reinforced the commitment to enabling housing association tenants to buy their homes however it did not provide any further details about how the scheme will be implemented.

In order to reimburse housing associations for the sale of their stock, it was intended that stock owning Councils would be required to sell off their higher valued housing stock. This aspect of the policy would not have an impact in Huntingdonshire as we transferred the housing stock in 2000 to Luminus.

The potential impact of this national policy on the provision of affordable housing in Huntingdonshire will need to be kept under review. Where stock is sold, we will be encouraging providers to replace the home in our district, as close as possible to the area where the disposal took place. This is particularly important in rural areas where there is less affordable housing.

#### **Starter homes**

Starter homes will be for sale to first time buyers aged under 40 years. They will be for sale at 80% of market levels, capped at £250k outside of London. The Act proposed that if sold within the first five years the owner has to pass on the discount to the next occupant. However, the Housing White Paper (February 2017) indicated that if a property is sold on to a new owner within 15 years some or all of the discount must be repaid. Starter homes will come within the definition of affordable housing. We will consider any requests to include starter homes on new development sites but we will be looking to ensure that new housing schemes deliver a range of housing products at different price points to ensure that provision is being made for all sectors of our residents in housing need.

#### **End of Lifetime Tenancies**

Flexible tenancies were introduced in the Localism Act and this new legislation proposes to end secure and assured tenancies. The national policy aims to make best use of the housing stock by offering short term tenancies to people in need with periodic reviews to ensure the household still requires the size of accommodation they are occupying. The detail is yet to be released by Government.

### **Self-build and custom built housing**

Political aspirations are to increase the proportion of self-build and custom built housing. Local authorities are required to hold a register of applicants who are interested in self and custom build housing and to allocate appropriate sites through the planning system.

### **Measures to tackle rogue landlords in the private rented sector**

Local authorities will be able to apply for a banning order to prevent a landlord or letting agent operating for a minimum 12 month period if they have committed certain housing offences. The Act also introduces a statutory requirement for a national database of rogue landlords/letting agents to be maintained by local authorities – further guidance/legislation is awaited.

### **Housing White Paper ‘Fixing our broken housing market’**

Although it is not policy, the Housing White Paper proposes a range of initiatives and policies. Further detail is expected through introduction of new legislation. However some of the key housing matters are:

- A variety of planning reforms intended to speed up housing delivery.
- National policies will be strengthened to ensure that local authorities have clear policies for addressing housing requirements of groups with particular needs such as older people or people with disabilities and making it clear that local authorities should set policies using optional Building Regulation standards to address these needs.
- The paper announces a new Community Housing Fund to support community housing projects such as Community Land Trusts in rural areas.
- Seeking to diversify the market by encouraging more institutional investors into housing including for building more homes for private rent and encouraging family friendly tenancies. (Government also separately consulted on a new Build to Rent proposal).
- A proposal to set out and consult upon a rent policy for social landlords beyond 2020 (when the current 1% annual rent decrease ceases) to help them to borrow against future income.
- Encouraging local authorities to build homes and providing the tools to deliver, such as through Local Development Corporations and joint ventures, and tailored support packages will be made available through the Accelerated Construction Programme.
- Encouraging modern methods of construction in housebuilding and ensuring that homes built offsite can access finance on the same basis as traditionally built homes.
- Introducing a clear policy expectation that housing sites will deliver a minimum of 10% affordable home ownership units. Continuing to support people to buy their own home through initiatives such as Help to Buy and Starter Homes and confirming that starter homes will be acceptable on rural exception sites, subject to a local connection test.
- Confirming that the HCA Affordable Homes Programme 2016-21 has the flexibility to support a wider range of products including Affordable Rent as well as shared ownership.
- A proposal to improve standards for people in the private rented sector, particularly in relation to affordability and security and will consult on banning letting agents fees to

tenants. This extends upon the proposal in the Housing and Planning Act 2016 which seeks to ban the worst landlords from operating and enabling Councils to issue fines.

- An intention to consult on potential measures to make leasehold ground rents fairer and to tackle leasehold abuses. New leasehold houses can be marketed at a reduced price compared to freehold. But some purchasers are not aware at the point of sale that the associated costs of buying a new leasehold house can make it more expensive in the long run.
- Introducing a new extended definition of Affordable Housing in National Planning Policy Framework which introduces a new household income cap of £80,000 (£90,000 in London) on Starter Homes and introducing a definition of Affordable Private Rented Housing.

### **Changes to national rent-setting policy for affordable homes**

In 2013, housing associations and Councils were given a ten-year rent guarantee by Government that they could increase rents by CPI plus 1% per year. However, in the Summer Budget 2015, this was changed and Councils and housing associations have been instructed to reduce their rents by 1% per year for four years. Not only does this result in rent losses of about 4% per year against previous projections, but it will also take a number of years for providers to recover their previous position.

This policy has an impact on our housing association partners' business plans, and their ability to fund new development in Huntingdonshire. From an initial appraisal, we are confident that there remains sufficient financial capacity within the local housing association sector to deliver the growth aspirations within Huntingdonshire. This issue was considered by a Scrutiny Group of Councillors in 2016.

*One thing is clear – social landlords will have rarely faced such a tough environment in which to build new homes that are truly affordable for people on lower incomes'*

*Terrie Alafat, Chief Executive, Chartered Institute of Housing, Inside Housing*

*18.12.15*

### **Homelessness Reduction Act**

The Homelessness Reduction Act 2017 has now received Royal Assent. It is intended to reform homelessness legislation and ensure that people get the help they need before they become homeless by placing a duty on local authorities to take steps to prevent homelessness of anyone 'eligible' and threatened with homelessness. The new duties are expected to be in place from 2018 following publication by the Government of the relevant regulations and guidance. This is likely to increase the number of homelessness cases which we will be required to support. The impact of this will be closely monitored.

### **Welfare Reform**

There is a further raft of welfare reforms to be implemented including the full roll out of Universal Credit. As part of the overall benefit cap, the amount of money available for people on low incomes to spend on their housing costs will be squeezed. Responsibility for the payment of rent will go to tenants and can no longer be paid directly from the housing benefit department to the landlord. This presents a potential risk to housing provider's debt recovery.

The Government has announced that housing association and Council rents will be capped to the Local Housing Allowance (LHA) rate. For the majority of general needs housing stock this is manageable. However if this policy is applied to supported housing, it will result in many schemes being unviable because supported housing rents usually exceed LHA rates as a result of the cost of providing communal spaces and enhanced management and support services. The Government has delayed the introduction of the cap on supported housing for one year, until April 2019. They have also undertaken a consultation on the funding of supported housing and indicated that a top up fund will be provided to local authorities to bridge the gap between the LHA and the cost to provide the service. This policy presents a significant risk to vulnerable tenants, and also to the providers of supported housing in our district if it goes ahead.

### **Reclassification of housing associations**

As of November 2015 housing associations have been reclassified as 'public sector bodies' by ONS. However, both the Housing & Planning Act 2016 and the Housing White Paper subsequently proposed a range of deregulatory measures to classify housing associations as private sector bodies, encouraging housing associations to explore every avenue for house building and to improve their efficiency. The impact will be kept under review.

### **Potential Impact of Government Policies**

Overview & Scrutiny established two Working Groups that considered housing issues. The first was concerned primarily with the provision of housing in rural areas. Recommendations from this study have fed into the action plan for this Strategy.

The second study considered the potential impact of new Government policies listed above on the housing associations who work in our district; the implications for new housing development; and the potential impact on current and future tenants. Members concluded that the new Government policies could have a significant impact on the provision of affordable housing in Huntingdonshire. We can potentially expect:

- Loss of housing association homes to rent through Right to Buy (which may, or may not be replaced in our area, depending upon the regulations);
- Less housing association capacity to develop new affordable homes because of the negative impact on their business plans arising from the rent reductions.
- More low cost home ownership models as housing associations will need to review the tenures on new developments in order to generate more income to make schemes viable.
- Introduction of 'starter homes' for sale on new development sites which may be developed instead of traditional forms of affordable housing. These will not be 'affordable' to our households in need and redirect affordable housing products away from the poor and vulnerable households towards higher income groups.

- Less social/affordable rented homes will be developed as a result compromising our ability to meet the need for priority homeless families.
- Additional risk to meeting objectively assessed need in the Local Plan (a challenge arising from the National Planning Policy Framework).

## **Huntingdonshire's Local Context**

### **Geography**

Huntingdonshire lies within the London/ Stansted/ Cambridge/ Peterborough Growth Area. Huntingdonshire is still predominantly rural in character with an area of approximately 350 square miles.

### **Population Growth**

The Census figures<sup>1</sup> state that the population grew from 156,954 in 2001 to 169,500 in 2011 representing growth of 8%. The Household Projection figures published on 27<sup>th</sup> February 2015 by Office of National Statistics (ONS) estimated that the population of Huntingdonshire in 2015 was 175,080 and the projected population in 2036 will be more than 200,000<sup>2</sup>.

The Census figures<sup>1</sup> show that the number of households has increased from 63,062 in 2001 to 69,600 in 2011 representing an increase of 10.4%.

The Council must ensure that its services are geared up to respond to increased demand as a result of the increased population.

### **Population Structure<sup>3</sup>**

The structure of the district's population is changing. In the near future there are expected to be fewer younger people and more older people. In 2011, 56% of the population was younger than 45, but this is expected to drop to 49% by 2036. Similarly, the proportion of under-25s is expected to decline from 30% of the population in 2011 to 26% in 2036. However, recent experience has demonstrated that new housing developments attract younger residents and as a result, over time, we expect an increase in children on new housing developments with the associated requirement for educational, nursery and other family facilities.

### **Ageing population<sup>3</sup>**

It is anticipated that there will be significant increases in the 65+ age group, from 16% of the population in 2011 to 27% in 2036. People are living for longer and are getting frailer. Rates of dementia are on the increase. Just over a quarter of people aged over 65 live alone and this increases in later age groups.

The ratio of people aged 65+ to those aged 0-64 is due to increase. This presents challenges for future workforce planning and for housing related services to help people remain independent in their own homes, and to facilitate provision of other forms of housing with care and support where needed.

### **Ethnicity**

5.2% of the district's residents described themselves as non-white in the 2011 Census compared to 2.85% in the 2001 Census<sup>1</sup>. This is low when compared to 14.5% nationally. The Joint Strategic Needs Assessment – Cambridgeshire Travellers 2010<sup>4</sup> report estimated that in Cambridgeshire there were 5702 Gypsy/Travellers, making them one of the largest

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<sup>1</sup> <http://www.ons.gov.uk/ons/guide-method/census/2011/index.html>

<sup>2</sup> <http://huntingdonshire.gov.uk/planning/new-local-plan-to-2036/monitoring-research-and-evidence-base/>

<sup>3</sup> <http://cambridgeshireinsight.org.uk/population-and-demographics/population-forecasts>

<sup>4</sup> <http://cambridgeshireinsight.org.uk/currentreports/travellers>

minority ethnic groups in the area. A Gypsy and Traveller Accommodation Assessment<sup>5</sup> was published in October 2016. The findings will be used to inform the Local Plan and are summarised later in this document.

### **Housing Stock<sup>6</sup>**

There are an estimated 72,800 dwellings in Huntingdonshire (Mid 2013). The dominant tenure type is owner occupation (71%), followed by social renting (13%), then renting privately (15%) in the 2011 Census. The stock is generally in good condition, more modern than the position for England as a whole. To help the Council understand the condition of stock in the private sector and inform its investment plans, a comprehensive stock condition survey was completed in 2010. This survey found that although there are properties which are unfit or in substantial disrepair, these are few in number and the survey has confirmed the Council's belief that an area renewal strategy for the private sector is not necessary as there is no spatial concentration of properties in poor repair. A total of 13.8% (7,910 dwellings) failed due to the presence of a category 1 hazard and 10.8% (6,210 dwellings) due to thermal comfort failure. The Council's interventions in these areas remain important.

### **House prices and Affordability<sup>7</sup>**

The average price (December 2016, based on sales and valuations) was £274,783. Prices rose by £17,157 in the last year alone. Affordability remains a serious problem in Huntingdonshire with average house prices 6.8 times average incomes. When looking at the poorest households, affordability is even more of a problem as lower quartile house prices were 9.6 times lower quartile incomes in December 2016. The development of new homes and new affordable housing in particular to meet a range of income groups therefore remains a priority.

### **Objectively Assessed Housing Need**

In April 2017, Cambridge Research Group and Cambridgeshire County Council produced a technical report<sup>2</sup> to support HDC in objectively assessing and evidencing development needs for housing, both market and affordable. The primary objective of identifying need is to identify the future quantity of housing needed, including a breakdown by type, tenure and size.

The report which was based on evidence of population forecasts, economic forecasts and market signals, identified an overall need for 20,100 new homes up to 2036 and an affordable housing need for 7,897 new homes.

### **Huntingdonshire District Council Corporate Context**

The Council's Vision is: *'We want to continue to improve the quality of life, deliver economic growth and provide value for money services for the people of Huntingdonshire'*

This Housing Strategy supports the delivery of a number of corporate priorities and objectives which will be monitored through our performance management framework. The

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<sup>5</sup> <http://cambridgeshireinsight.org.uk/housing/gypsy-and-traveller-accommodation-needs-assessment>

<sup>6</sup> <https://www.huntingdonshire.gov.uk/media/1340/housing-condition-survey.pdf>

<sup>7</sup> <http://cambridgeshireinsight.org.uk/Housingmarketbulletin>

corporate priorities are used to drive the service plans and individual key performance areas (KPA's) which are monitored quarterly.

The Corporate Plan 2017/18<sup>8</sup> Performance Indicators and Key Actions which will be delivered through this Housing Strategy are set out below and further actions are also included in the Housing Strategy Action Plan. The Housing Strategy Action Plan will be constantly monitored and an annual update report will be presented to Members to ensure that we meet our key objectives.

| <b>Enabling Communities</b>                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Support people to improve their health and well-being</b>                                                           | <p>KA10 Prevent homelessness where possible by helping households to remain in their current home or find alternative housing.</p> <p>KA11 Work with partners to deliver the homelessness prevention 'Trailblazer Project' across Cambridgeshire.</p> <p>KA12 Update the Huntingdonshire District Council Homelessness Strategy.</p> <p>PI6 Average length of stay of all households placed in B&amp;B accommodation</p> <p>PI7 Participation at targeted services including for: older people; long term health conditions; disability and young people (healthy weight)</p> <p>PI8 Average time between date of referral of DFGs to practical completion for minor jobs up to £10,000.</p> <p>Working to reduce the number of residents in fuel poverty by facilitating residents' access to available energy funding.</p> |
| <b>Delivering Sustainable Growth</b>                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Support development of infrastructure to enable growth</b>                                                          | <p>KA26 Continue to work with partners and influence the Local Enterprise Partnership and Combined Authority to secure resources to facilitate delivery of new housing and drive economic growth and to mitigate any negative impacts of this.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need</b> | <p>KA30 Prepare the submission of the Local Plan.</p> <p>KA31 Facilitate delivery of new housing and appropriate infrastructure on the large strategic sites at St Neots and Alconbury Weald.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

<sup>8</sup> <http://www.huntingdonshire.gov.uk/media/1390/corporate-plan.pdf>

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | <p>KA32 Maintain a five year land supply position.</p> <p>KA33 Adopt a new Housing Strategy and delivery the associated Affordable Housing Action Plan.</p> <p>KA34 Prepare 'Masterplans' for the Market Towns.</p> <p>PI18 Percentage of planning applications processed on time.</p> <p>PI19 Number of new affordable homes delivered.</p> <p>PI20 Net additional homes delivered.</p> |
| <b>Becoming a more Efficient and Effective Council</b>      |                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Become more efficient in the way we deliver services</b> | <p>KA38 Introduce more online self-service delivery on the council's website ensuring we focus on customer need</p> <p>PI26 Average number of days to process new claims for Housing Benefit and Council Tax support</p> <p>PI27 Average number of days to process changes of circumstances for Housing Benefit and Council Tax support</p>                                              |

### **Members influence on the formation of the Housing Strategy**

During 2015-2016 in response to the huge raft of legislative changes proposed by Government and the reduction in the supply of new affordable homes, HDC Members established two Working Groups.

#### **Affordable Housing Working Group<sup>9</sup>**

In November 2015, an Affordable Housing Working Group reviewed an extensive amount of information to consider how to deliver affordable housing and explore ways to encourage more affordable housing in rural areas. The Group examined opportunities to deliver affordable housing and reduce the number of families waiting for affordable housing. Viability issues which were impacting the number of affordable units that developers were able to provide were considered.

Analysis of the Housing Register by band and dwelling size was presented to the Group and formed the background to discussions on steps that could be taken to manage demand for affordable housing and reduce the size of the Register. The Group also reviewed the

<sup>9</sup><http://applications.huntingdonshire.gov.uk/moderngov/documents/s74491/Affordable%20Housing%20Working%20Group%20Report.pdf>

Elphicke-House<sup>10</sup> report (which was a review into the local authority role in housing supply) giving particular consideration to examples of actions that others were taking to provide more affordable housing. Investment in Community Land Trusts (CLTs) was discounted although the Group recognised that CLTs are a model for delivery where local communities so choose.

## **Conclusion**

The Group concluded that options for addressing demand for affordable housing through management of the Housing Register were limited. Initiatives to prevent homelessness were working but were likely to be affected by increasing difficulty in securing private tenancies.

## **Actions**

The Group therefore recommended the following actions to increase the supply of affordable housing:

1. The Council should actively promote the provision of affordable housing on exceptions sites to town and parish councils.
2. Where a parish council does not support an exceptions site, the Council should continue to fulfil its duty to meet identified affordable housing need.
3. A systematic assessment should be carried out of all land to identify potential sites for affordable housing to then be matched to needs (strategic housing land availability assessment).
4. The threshold for developments on which affordable housing can be sought should be lowered from 15 to 10.

These recommendations were considered and are reflected in the action plan attached to this Housing Strategy.

## **Registered Social Providers Working Group**

In April 2016, Overview & Scrutiny Panel formed a Working Group which had the following aims:

- to understand current legislative and regulatory changes affecting housing associations' Business Plans
- to consider the likely impact on development of new affordable housing in the district
- to evaluate the likely impact of the changes on tenants and other residents

## **Conclusions**

The Working Group conducted a special meeting where seven housing associations were invited to attend to explain how the changes could potentially impact on their organisations. The Group made the following conclusions:

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<sup>10</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/398829/150126\\_LA\\_Housing\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398829/150126_LA_Housing_Review_Report_FINAL.pdf)

- The Housing and Planning Bill, together with changes in the Summer Budget 2015, Welfare Reforms, and changes to the HCA's investment policy have a significant, cumulative, and negative effect on the housing sector.
- Those on lowest incomes together with people in need of supported housing are likely to be hardest hit.
- Housing associations are independent businesses. Some have more resilience than others to adapt to the Government's changes. Housing association's financial position is influenced by their gearing, their legacy of debt, investment and growth and their future ambitions. All of our partners have had to respond to the rapidly changing policy environment.
- There are a good range of strong housing association partners active in Huntingdonshire all of whom have strong Board commitment, and resources to invest in our district. We have a range of partners who can deliver our housing aspirations. The providers have different specialisms including:
  - rural housing,
  - supported housing,
  - people-focussed non-housing services,
  - large scale development and growth.

The Working Group thought that the information received and the conclusions drawn from the study would be useful for Members when considering the emerging Housing Strategy.

#### **Actions:**

The Group recommended the following actions:

1. as part of the discussion the housing waiting list needs revisiting as there are residents on the list who are in band D and do not fall within one of the statutory 'reasonable preference' categories and, in reality, many may never receive a housing association property;
2. the Housing Strategy Manager, on behalf of the Council, will draft a letter to the Housing Minister about the effect the LHA rent cap would have on supported housing, and
3. the Panel use the knowledge and understanding of the Working Group on the issues in a wider debate about the Council's forthcoming Housing Strategy for 2016-19.

The actions of this Working Group were considered and implemented where appropriate.

## **Our housing priorities**

Huntingdonshire District Council sets out its overall priorities for action in the Corporate Plan. We work in partnership with other local authorities through the Cambridgeshire Regional Housing Board<sup>11</sup> to identify the key housing issues affecting the sub-region. This Housing Strategy draws together our local priorities and the housing priorities set out in the CRHB action plan\* and identifies four housing priorities for Huntingdonshire:

1. To increase the supply of new affordable housing and encourage sustainable growth
2. To identify housing need and improve health and well being
3. To improve housing conditions in existing housing
4. To work in partnership to improve outcomes

### **Priority 1: Increase the supply of new affordable housing and encourage sustainable growth**

#### **Local Plan**

The Local Plan is a key strategic document produced by the council which sets out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for safeguarding the environment, adapting to climate change and securing good design. They are also a critical tool in guiding decisions about individual development proposals, as Local Plans (together with any neighbourhood plans that have been made) are the starting-point for considering whether planning applications can be approved.

The Council's current Core Strategy<sup>12</sup> has a policy seeking a target of 40% of all dwellings on sites of 15 or more dwellings in towns and key service centres with a lower threshold in smaller settlements, to be provided as affordable homes to enable housing needs across the district to be met. The Core Strategy also enables the development of sites adjacent to smaller settlements to permit affordable housing in these settlements where a local need for such housing is proven. These two policies create the basis for the predominant supply of new affordable homes each year. In the last 3 years, 66% of new affordable homes have been provided as a result of these policies.

We have now started preparing a new Local Plan to 2036<sup>13</sup>. The new plan will replace the existing development plan documents, including the Core Strategy (2009), the Huntingdon West Area Action Plan (2011), the Local Plan (1995) and the Local Plan Alteration (2002). The purpose of the new plan is to set out:

- the strategy for development in the whole of Huntingdonshire
- policies for managing development
- details of sites for development to meet the needs of Huntingdonshire.

The development strategy in the draft Local Plan to 2036 seeks to promote approximately 70% of the overall new housing growth within the strategic expansion locations of Alconbury

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<sup>11</sup> <http://cambridgeshireinsight.org.uk/housing/crhb>

<sup>12</sup> <http://www.huntingdonshire.gov.uk/planning/adopted-development-plans/core-strategy/>

<sup>13</sup> <http://www.huntingdonshire.gov.uk/planning/new-local-plan-to-2036/>

Weald and St Neots Eastern Expansion along with the four spatial planning areas focused on Huntingdon, St Neots, St Ives and Ramsey. The remaining 30% of new housing growth is expected to take place in the district's key service centres and small settlements to help promote their sustainability and support local services.

It is anticipated that the new plan will be adopted in 2019 and will include refreshed housing policies to support the provision of new affordable housing and custom and self-build housing. Evidence suggests that there is a need to provide some 21,000 new homes by 2036 including 7,897 new affordable homes. In view of the acute need to deliver more affordable housing, this Housing Strategy is intended to be a tool to accelerate the delivery of affordable housing and to identify actions to tackle increased homelessness in the District.

### **Accelerate the delivery of affordable homes and increase provision of temporary accommodation**

To accelerate the delivery of new affordable housing will involve seeking to work with a broader range of Registered Providers. The following six priority areas have been identified as a starting point for accelerating affordable housing delivery:

#### **1. Delivery as part of planning permissions**

HDC currently seeks 40% affordable housing on sites providing 15 or more dwellings in towns and key service centres and 11 or more in smaller settlements. The provision of affordable housing on these qualifying sites has accounted for 66% of the total provision of affordable housing in the district in the three year period 2014/15-2016/17 and is a significant tool in increasing affordable housing supply. We will ensure the emerging Local Plan accords with Government policy and includes the maximum level of affordable housing requirement which is viable within the district.

#### **2. Exceptions sites**

Rural exception sites (RES) are sites which are not allocated for housing provision but are able to be brought forward specifically to meet evidenced local need. RES typically provide affordable housing although some market housing has been allowed where the scheme is otherwise unviable. We will continue to support the provision of RES and will ensure that the emerging Local Plan includes an appropriate policy to fully incentivise this supply. RES generally rely on willing land owners to release their land at less than market value so there are limited opportunities to deliver sites. In the three year period 2014/15-2016/17 homes on RES accounted for 9% of the overall supply of affordable housing so whilst they are not currently a significant proportion of new supply, they do provide homes which would not otherwise be developed for the purpose of affordable housing.

#### **3. Devolution Housing Fund**

The Cambridgeshire and Peterborough Combined Authority which has been established following devolution, has a budget of £100million for the provision of affordable housing. This fund will provide new affordable homes across the combined authority area and as such could provide a significant boost to the delivery of new homes in Huntingdonshire in addition to those homes which will already be delivered through planning gain and on RES.

**4. Use Council money, or borrow, to increase provision of affordable housing and Temporary Accommodation (TA) in particular**

The council will explore whether it can access money or borrowing to accelerate the delivery of affordable or temporary housing. This may include direct investment, purchasing land or joint ventures.

**5. HDC offers some/all non-operational land to Registered Providers for TA/affordable housing**

The council is currently reviewing its land assets to explore whether it has any land which can be developed for affordable or temporary accommodation. Surplus assets will be disposed of subject to appropriate due diligence and disposal options to achieve the “best value” consideration to support Council priorities. In respect of Market Housing, all consideration received (capital receipt) will be used to finance either the Commercial Investment Strategy or other capital asset activity. However sites made available for affordable or temporary housing might be disposed of for nil consideration to make such developments viable.

**6. Explore HDC setting up as a Housing Company or Joint Venture with a.n.other(s)**

The council will explore whether there is any merit in establishing a housing company or a joint venture for the purpose of accelerating and increasing the supply of additional homes, including affordable homes, in the district.

A further six additional priorities will also be explored where resources are available, they include:

**7. Creative use of Community Infrastructure Levy (CIL) and Low interest loans.**

The council will explore whether there are opportunities to prioritise the use of receipts from CIL to facilitate the delivery of schemes which will provide affordable or temporary accommodation. Additionally the council could consider making low interest loans in instances where up-front costs and cash-flow are barriers to providing affordable housing.

**8. We ‘overprovide’/allocate more land than is necessary to meet our objectively assessed need (OAN) as part of the new Local Plan to increase the number of smaller sites**

The council could consider allocating more housing sites in the emerging Local Plan than evidence suggests are needed. The effect would be that more sites would come forward for housing development and because of the council’s policy to require an element of affordable housing on qualifying sites this would increase the number of affordable homes which can be provided through the planning process.

**9. Bid for any available funding to help accelerate and/or deliver more affordable housing.**

The council could explore more potential avenues to attract funding which supports or accelerates the delivery of affordable homes. This could include infrastructure funding to enable housing development.

**10. Encourage empty homes to be occupied**

The council is committed to reducing the number of empty homes in the district. We will increase Council Tax charges on any homes which have been empty for more than 2 years to discourage them remaining empty. We can explore other

opportunities to work with owners to get more homes back into use and where appropriate use our enforcement powers and obtain management orders.

### 11. Modular Homes

The council will explore whether using off site manufacturing will accelerate the speed of delivery and increase the number of affordable homes which can be built.

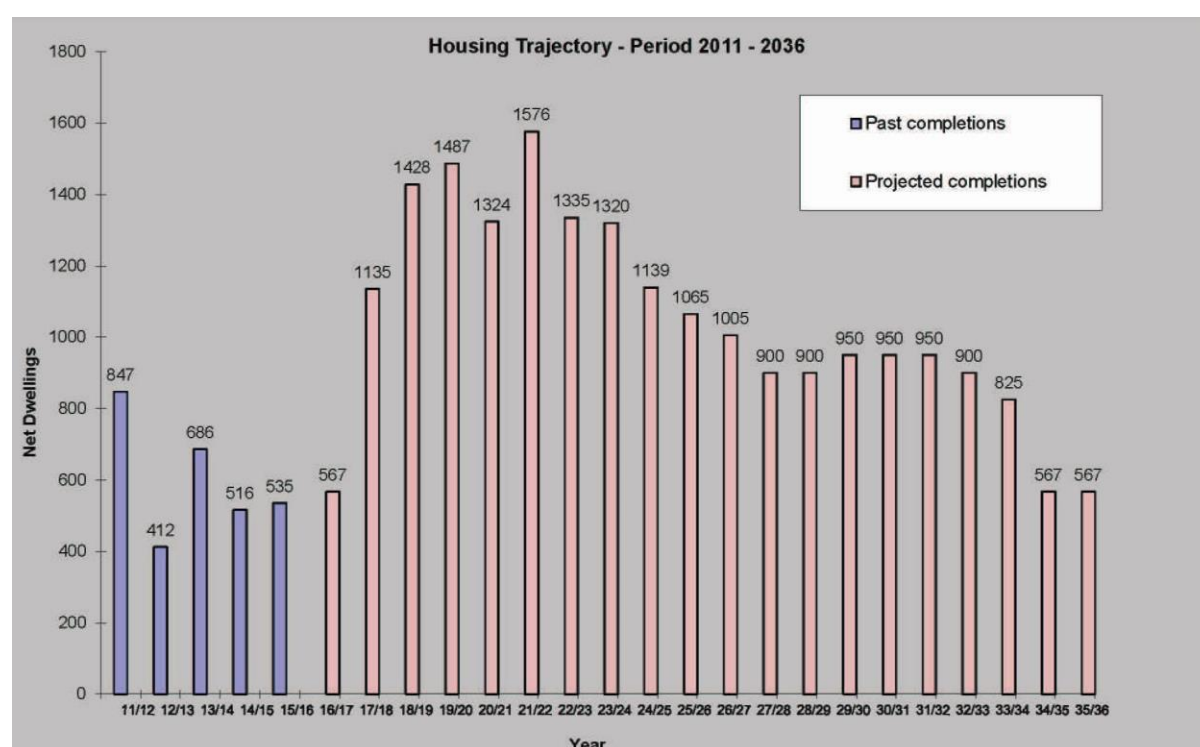
### 12. Support for other models e.g. Community Land Trust

The council will explore the appetite for community led development and support communities where possible to set up CLTs where it could deliver additional affordable housing.

Progress towards action on the top six priority areas to address the current shortage of affordable and temporary accommodation will be reported to Overview and Scrutiny Panel after adoption of this strategy.

## Housing Delivery and Large Strategic Sites

The housing market in Huntingdonshire is strong with new housing completions being delivered in line with the expected trajectory. The Annual Monitoring Report (December 2016) provides a housing trajectory for 2011-2036, shown below.



Two main strategic expansion locations are being brought forward in Huntingdonshire which are expected to provide substantial new communities with employment, schools, local shops and services and green infrastructure being developed alongside the new homes. The largest is Alconbury Weald which is expected to provide at least 5,000 new homes by 2036; the first homes and primary school were completed in 2016. The second is St Neots Eastern Expansion which is expected to provide around 3,820 new homes by 2036 consolidating the growth area east of the railway started with Loves Farm.

Other strategic sites include Roman's Edge at Godmanchester where the first residents moved in at the end of 2016; this is expected to deliver around 750 new homes by 2024. The former RAF Brampton is expected to accommodate around 600 new homes in a similar timescale. In the slightly longer term other strategic sites are expected to include redevelopment of RAF Upwood for around 450 homes and land either side of Ermine Street to the northwest of Huntingdon for approximately 1,400 homes.

### **Housing to support economic growth**

The Huntingdonshire Economic Growth Plan 2013-2023<sup>14</sup> identifies that the proportion of the population of working age in Huntingdonshire is contracting and seeks to address the contraction in the workforce by implementing a set of projects that will attract new people to live in Huntingdonshire, as well as connecting people who live in Huntingdonshire who are not economically active with the benefits of economic growth and new job opportunities.

The Plan includes the following actions:

- To prioritise the delivery of new homes with a priority placed on quality family homes, in order to attract new working families to live in Huntingdonshire.
- To encourage in-migration and provide services to a growing population by delivering proposed development in Huntingdon West, St Neots and St Ives and to support the regeneration of these key service centres, in order to improve the quality of life offer of Huntingdonshire.
- To launch a marketing programme, in order to attract high-skilled, working families to relocate to Huntingdonshire.

This Housing Strategy encourages wide ranging housing growth to support housing need and economic growth.

### **Viability**

Whilst house sales values have risen in recent years, build and other costs have also been rising. It remains the case that the viability of developments means that many cannot provide policy compliant affordable housing and the Council will take a flexible approach where appropriate to facilitate delivery.

### **Vacant Buildings Credit**

In November 2014, the Government introduced a policy which excluded developments of ten homes or fewer, or 1,000 square metres or less, from the requirement to provide or contribute to affordable housing provision. A second element of the Ministerial Statement related to 'Vacant Building Credit' and introduced a policy which meant that affordable housing contributions need only be made on any net increase in floor area resulting from a development. Whilst these policies were quashed by the High Court in July 2015, the Government was granted permission to appeal against the decision which was subsequently successful. The vacant building credit has been reinstated. The impact of this policy in Huntingdonshire will be kept under review.

### **Supporting Owner Occupation**

In pursuit of a balanced housing market with a range of products to meet the needs of a range of incomes, the Council enables owner occupation through the development of shared ownership on new Section 106 sites and supporting the Government's Help to Buy product

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<sup>14</sup> <http://www.investhuntingdonshire.co.uk/images/news/GrowthPlan.pdf>

range on new sites. Additionally, Starter Homes may be provided on appropriate sites, especially where they deliver affordable homes that would not otherwise have been provided (additionality). The Council is keen that new development sites continue to meet a range of needs on mixed tenure development.

### **Community Development**

The Council is keen to encourage community development activity on all large sites. This is being implemented in partnership at Loves Farm where the Council has recently provided community buildings. At Alconbury Weald the Council is working in partnership to establish a Community Trust to take over the management of the community buildings where a dedicated worker is now based. Cross Keys have employed a community development officer to work on Bearscroft Farm and similar activity will be encouraged on other large sites.

### **Localism**

We have put together a Neighbourhood and Community Planning Guide, aimed at town and parish councils, which sets out:

- the range of community planning tools available
- the council's support for town or parish councils wishing to prepare a neighbourhood plan and
- signposts to the wide range of advice and guidance currently available.

This has been publicised to Parish and Town Councils and we will support their housing and related initiatives where appropriate.

### **Rural Housing**

The provision of rural housing is essential to support the vitality and sustainability of our rural communities. We have a rural housing programme and we support ACRE's Rural Housing Enabler. The NPPF enables a small percentage of homes to be delivered as private housing if this helps deliver the affordable homes and provides a sufficient incentive for the landowner to release the land. We have reviewed our Local Plan policy to incorporate and build upon the NPPF policy. During 2016/17 schemes at Warboys (19 homes), Alconbury (1 home) and Earith (11 homes) completed and we have built up a pipeline of future housing sites including Brington (12 homes) and Colne (10 homes).

Other sites are being progressed in the following locations:

- Ramsey St Mary
- Needingworth
- Offord Darcy
- Little Stukeley
- Great Staughton (potential community land trust)

### **Using Council assets to facilitate affordable housing**

HDC sold the site at Earith to BPHA for the development of 11 homes for local people which completed in 2016/17

HDC has a further site in Little Stukeley, details of which have been sent out to housing associations for competitive bids in 2017, seeking to generate a capital receipt for the Council as well as enabling five much-needed homes for local people.

The scope of other land holdings within the Council's portfolio is being considered.

## **Priority 2: Address housing need and support health and well being**

### **Preventing Homelessness**

The number of households applying to the Council's housing register plateaued at between 2100-2300 following on from a major review of the Lettings Policy in April 2013. However, there has been a steady increase in the number of applicants on the housing register in the last few years and currently there are around 3,200 applicants. The promotion of other housing options remains a priority for the Council given the high levels of demand for social rented housing via the register and the limited number of properties available. However, many households on low incomes have limited options particularly due to their inability to access the private rented sector as a result of affordability issues. This is likely to be an increasing problem with the next raft of welfare reforms meaning that households that are reliant on help from Housing Benefit system to pay their rent will find it more difficult to afford rent payments in the private rented sector. Many of these households may see the affordable rented sector as their only realistic housing option.

The impact of a buoyant housing market with increasing rent levels on low income households is apparent when analysing the causes of homelessness within the district. Since 2010/11 the number of households losing tenancies in the private sector and approaching the Council for assistance with homelessness has been on the increase with it becoming the largest single cause of homelessness in each subsequent year. This has added to the overall levels of homelessness within the district: 253 homeless applications were accepted during 2016/17 (73% of all presentations) and of those acceptances 26% were due to the end of a private sector tenancy. These local trends follow the national trends with the last published figures from the Department of Communities and Local Government showing this as the largest cause of homelessness nationally<sup>15</sup>

The Council continues to work with households in the private rented sector in an attempt to try and prevent them from losing their tenancies wherever possible, or helping find alternative private rented housing as a means of homelessness prevention. Affordability remains the key issue to achieving positive outcomes. Anecdotal evidence locally suggests that many landlords and agents have reservations about renting to households that may be reliant on the Housing Benefit system as a result of the welfare reform programme. This is supported by the Residential Landlords Association's report to the House of Commons Communities and Local Government Select Committee's inquiry into homelessness<sup>16</sup>.

In December 2016, HDC alongside other Councils and organisations in Cambridgeshire and Peterborough were awarded more than £736,000 to help us develop more effective ways of tackling homelessness. We have been given the task of helping to devise a new, multi-agency approach that has prevention and early intervention at its heart. The funding comes

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<sup>15</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/486671/2015\\_Q3\\_Statutory\\_Homelessness.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486671/2015_Q3_Statutory_Homelessness.pdf)

<sup>16</sup> <http://news.rla.org.uk/>

from a new £20 million "Trailblazer" fund set up by the Government to establish "a network of ambitious areas across England" aimed at tackling the root of the problem.

The areas which were selected to pilot the new approach will look to engage with a wider group of people, not just those who are owed a statutory duty. We will work with the Government to identify what works best and to share best practice. The primary focus will be on spotting any early warning signs and improving coordination between all the various agencies to enable them to intervene earlier and provide the appropriate support. Emphasis will also be placed on working closely with landlords to help them maintain tenancies, resolve any problems with tenants and avoid evictions wherever possible. More attention will be given to making people at risk of becoming homeless aware of the various means of support that are available.

The increase in the number of people being accepted as homeless coupled with the reduction in the supply of new affordable homes has meant that some people are staying in temporary accommodation for longer. New measures introduced in the Homelessness Reduction Act are likely to increase the number of people we will support. Therefore we are looking at options to increase the availability of temporary accommodation within the district. However there is a risk to the sustainability of existing temporary accommodation and to the delivery of new temporary accommodation as a result of the proposed changes to funding for supported housing which will cap Housing Benefit at LHA rate which threatens the viability of some temporary housing schemes. To sit alongside this Strategy, the Council will be adopting a new Homelessness Strategy during 2017/18, incorporating the work of the Homelessness Trailblazer project to provide a co-ordinated approach across a wide range of partner organisations to identify and prevent homelessness at the earliest opportunity.

### **Demand for affordable housing**

Demand for affordable housing remains high. There were around 3,200 households on the housing register in May 2017. Homelessness levels have increased and the Objectively Assessed Housing Need report<sup>2</sup> evidences the need for 7,897 additional affordable homes during 2011-2036 which represents 39% of the overall housing figure.

As the table below demonstrates, the programme has declined since 2012 when the completions on the large strategic site at Loves Farm came to an end. However during 2016/17 there was an increase in delivery. Efforts to deliver new affordable housing are also influenced by national changes to housing policy which until recently have favoured models of home ownership as opposed to traditional models of affordable housing. Given the high levels of need for new affordable homes, it is important that the Council maximises all opportunities.

Affordable Housing delivery rates:

|                                      |            |             |             |             |             |             |             |             |             | Predicted   |             |
|--------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                      | 2008/<br>9 | 2009<br>/10 | 2010<br>/11 | 2011<br>/12 | 2012<br>/13 | 2013<br>/14 | 2014<br>/15 | 2015<br>/16 | 2016<br>/17 | 2017<br>/18 | 2018<br>/19 |
| No. of new affordable homes per year | 226        | 326         | 367         | 287         | 60          | 41          | 161         | 53          | 188         | 167*        | 90*         |

\*Please note these predictions become less reliable in future years

It has been identified that there is a need for 316 additional affordable homes to be provided each year up to 2036 to meet need. We expect that a large proportion of these homes will be delivered as a result of the policies in our Local Plan. However, as we have mentioned earlier scheme viability can affect the level of affordable housing provision on some sites. The council will ensure that it maximises the opportunity to deliver new affordable homes on these sites and also by working in partnership with a wide range of Registered Providers and through the sale of HDC land where appropriate we will explore a range of other measures to achieve this target.

### **Health and well-being Board Cambridgeshire<sup>17</sup>**

The purpose of the Health and Wellbeing board (HWB) is to promote the health and wellbeing of Cambridgeshire's communities, focusing on securing the best possible outcomes for all residents. The Board is responsible for the Joint Strategic Needs Assessments (JSNAs); the Health and Well Being Strategy; and the Clinical Commissioning Plans for health services in the County. Housing has a key role to play in providing and supporting preventative services and contributing to good health outcomes. The strategy<sup>18</sup> for 2012-17 focuses on the following six priorities to improve the physical and mental health and wellbeing of Cambridgeshire residents:

1. Ensure a positive start to life for children, young people and their families.
2. Support older people to be independent, safe and well.
3. Encourage healthy lifestyles and behaviours in all actions and activities while respecting people's personal choices.
4. Create a safe environment and help to build strong communities, wellbeing and mental health.
5. Create a sustainable environment in which communities can flourish.
6. Work together effectively.

This Housing Strategy has a role to play in supporting each of these priorities.

### **Implementation of the Care Act**

The Care Act 2014 is making big changes to social care; modernising the system so it is built around people's needs and what they want to achieve in their lives. It places a statutory duty on local authorities to promote wellbeing and introduces universal eligibility criteria for accessing social care support services which includes considering the suitability of a person's living accommodation. The Act:

- gives individuals and carers more control over their care and support
- clarifies what individuals and carers can expect from the care system
- sets a cap on the amount anyone will have to pay towards the cost of their care.

Cambridgeshire County Council is taking a new strategic approach to social work and social care, called Transforming Lives<sup>19</sup>. The vision for the new way of working is to:

- enable people to live independently

<sup>17</sup> <https://www.cambridgeshire.gov.uk/residents/be-well/cambridgeshire-health-and-wellbeing-board/>

<sup>18</sup> <http://www.cambridgeshireinsight.org.uk/health/hwb>

<sup>19</sup> [http://www.cambridgeshire.gov.uk/info/20166/working\\_together/579/delivering\\_the\\_care\\_act/3](http://www.cambridgeshire.gov.uk/info/20166/working_together/579/delivering_the_care_act/3)

- support people in a way that works for them
- support the development of strong, connected communities
- recognise the strengths of individuals, families and communities and build upon these
- work in partnership to achieve this.

There is a growing pressure on the NHS and Social Care to move towards prevention and away from crisis interventions eg when older people are admitted to hospital. This Housing Strategy complements the Care Act 2014 by providing a range of options to increase the supply of new housing and options for people to remain safe in their existing homes. We will support the work of Cambs County Council to ensure there are integrated housing and advice services to prevent crises, manage them better when they do occur and therefore achieve the outcomes of the NHS, Public Health and Adult Social Care.

### **Meeting the needs of Older People**

Our population is ageing. It is anticipated that there will be significant increases in the 65+ age group, from 16% of the population in 2011 to 27% in 2036. This brings challenges for housing and related services. In 2015 this Council signed up to the Cambridgeshire Older People's Strategy<sup>20</sup>. The vision for this joint approach is that *Older people are more independent, more active and more engaged in their communities for as long as possible; knowing that if they need them, they can rely on services which are flexible, creative, coordinated and focused on keeping them well.*

By working together, the partners want to make sure that across Cambridgeshire:

- Older people remain independent, living in homes that are appropriate to their needs and actively engaged in their communities for as long as possible
- People retain or regain the skills and confidence to look after themselves and their families into older age
- Carers of older people are able to cope with and sustain their caring role and choose the support which is right for them
- Older people live with dignity, are safe and protected from harm and isolation.

Meeting the needs of the ageing population is a key theme for this document, given the ageing population within Huntingdonshire. We needed an additional extra care scheme in St Ives and we worked in partnership with Cambs County Council and Luminus to redevelop an outdated sheltered scheme in Langley Close St Ives. The new extra care scheme completed in 2016 and provides 55 self-contained flats for frail older people. The scheme was funded by Luminus, a £2.3m grant from DoH / HCA and an innovative £5.5m loan from this Council.

Through this Housing Strategy we will explore the options available to provide a range of new housing to meet the needs of older people and we will respond to the strengthened national policies referred to in the Housing White Paper to ensure we address the housing

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<sup>20</sup> <https://www.cambridgeshire.gov.uk/residents/working-together-children-families-and-adults/strategies-policies-and-plans/strategies-for-adults-and-older-people/>

requirements of older people. However the proposed cap on rents in supported housing schemes to LHA rates could make future schemes unviable.

### **Supported Housing for Vulnerable People**

We are committed to working in partnership with housing health and social care colleagues to develop appropriate supported housing. We are aware of a need for additional supported housing for adults with learning disabilities and have developed proposals for new schemes in St Ives and Godmanchester. However the changes to the funding for supported housing may impact upon the viability of schemes and the delivery of these projects is at risk.

### **Gypsies and Travellers**

A revised accommodation assessment for Gypsies and Travellers<sup>5</sup> was commissioned jointly with seven other district Council areas during 2016. The findings were published in October 2016 and will be used to draft the appropriate policy which will aim to meet identified needs in the forthcoming Local Plan to 2036. The findings from the accommodation assessment in 2016 have been updated with the latest information as at May 2017 to provide the current position as follows:

In Huntingdonshire there is currently 1 public site with 20 pitches; 13 private sites with permanent planning permission with 37 pitches; no sites with temporary planning permission; 2 sites that are tolerated for planning purposes with 13 pitches; and 8 unauthorised sites with 10 pitches. There is no transit provision in Huntingdonshire.

There is a need in Huntingdonshire for 7 additional pitches between now and 2036 for Gypsy and Traveller households that meet the new planning definition; a need for up to 19 additional pitches for Gypsy and Traveller households that may meet the new planning definition – although if the national average of 10% were to be applied this could be as few as 2 additional pitches; and a need for 38 additional pitches for Gypsy and Traveller households who do not meet the new definition. There are no occupied Travelling Showpeople yards in Huntingdonshire so no current or future need.

Through the emerging Local Plan, we will adopt policy to address identified needs.

## **Priority 3: Improve housing conditions in existing housing**

### **Private sector housing**

A well maintained and regulated private rented sector makes a valuable contribution to community cohesion and the housing profile of the district. However, national and local housing surveys have consistently reported a significantly higher presence of housing health and safety hazards in the private rented sector than either the social rented and owner occupied sectors. In Huntingdonshire, we recognise the impact poor quality and inadequately managed housing can have on the health of tenants and the local community.

We are committed to working with landlords to improve the quality of the private rented sector and will continue to offer advice and guidance to the sector on matters such as the application of legislation, good management practice and other pertinent issues affecting the sector. The Private Landlords Forum and associated newsletter are an established and important aspect of our engagement with the sector and will continue to be supported.

Whilst we acknowledge that the overwhelming majority of landlords hold a desire to provide well managed quality housing, it is evident that not all property owners and agents are equally committed. Local housing authorities are empowered and in many cases, are duty bound, to take action to resolve issues of poor quality housing and inadequate management. Our approach to improving and resolving inadequate housing standards will continue to involve the use of regulatory tools where necessary including any mandatory requirements arising from the Housing and Planning Act 2016.

### **Empty Homes**

Despite the need for new homes to be built in the district, there are also a number of empty homes in the district which are a potentially wasted resource. Refurbishing and repairing empty homes can help improve the look and feel of a neighbourhood. Derelict property can attract problems, such as fly tipping, vandalism and arson.

Councils in England can charge owners 50% extra in council tax if owners leave properties empty for two or more years which can be a key deterrent for some, but not all, owners.

Another power available to councils is a compulsory purchase order (CPO), which is only applicable if we can show we have tried to encourage the owner to bring a building back to acceptable use. But compulsory purchase is generally seen as an intervention of last resort given the difficulty and time associated with achieving a CPO.

Councils can apply for Empty Dwelling Management Orders (EMDOs), allowing us to take over the management of some residential properties that have been empty for at least two years and where there is no reasonable expectation of them being occupied in the near future. They also have to be proven magnets for vandalism, squatters and other forms of anti-social behaviour to qualify.

In Huntingdonshire there are currently around 120 dwellings which have been unfurnished and unoccupied for more than 2 years. The council applies 50% additional Council Tax on relevant properties. Given the relatively small number of empty homes in the district whilst we do encourage empty homes to be brought back into use we generally do not take further enforcement action or seek CPOs or EMDOs.

### **Adaptations, accessible housing, and support**

The Council has demonstrated a strong commitment to enabling vulnerable people to live independently.

We worked in partnership with Cambridge City and South Cambridgeshire District Council to form a shared service for Home Improvement Agencies (HIAs) in April 2012. It generates some cost savings arising from a reduction in management and associated costs and generates some economies of scale with increased purchasing power of adaptations and equipment like stair-lifts.

The importance of housing adaptations in supporting people to live more independently in their own homes and communities has increasingly been recognised nationally as a way of reducing the cost of other more expensive institutional forms of care.

There has been a significant uplift in funding from Better Care fund in recent years and this is expected to continue to rise. The Better Care Fund aims to integrate health, social care and other public services and to create more joined up and sustainable services.

The provision of aids and adaptations form part of the strategic response to helping to keep vulnerable people in their own accommodation for as long as possible. There is high demand for DFGs in Huntingdonshire with approximately 200 DFGs completed per year. The budget for DFG is under pressure and we are committed to working with other agencies, including the County Council who administer the Better Care Fund, to review future demand and budgets for this work.

A Cambridgeshire DFG Review was completed during 2016 and made 3 key findings:

- New services are needed that consider people's needs in context, including early conversations and planning for the longer term: services need to engage with people before they need an adaptation, and should encourage people to think about whether the accommodation they are living in is suitable for the longer term.
- Existing services need to adapt to support a growing population: performance in many parts of the county is too slow in the implementation of adaptations funded through DFGs. It is recommended that the ability to 'fast track' commonly requested small adaptations (e.g. level access showers) be introduced and that a full review of existing processes and procedures is needed to speed up the DFG process.
- Funding arrangements across the system will need to change to support a shift in focus: the significant increase in capital funding offers new opportunities for the Home Improvement Agencies (HIAs) to generate more fees and become financially self-sustainable.

County and District Councils in Cambridgeshire are working together to establish new ways of working to respond to and implement the findings of the review and to provide early intervention to enable the best solutions to meet customers' needs in line with the objectives of the Better Care Fund<sup>21</sup>.

### **Handyperson Service**

Since April 2016, HDC has commissioned a Handyperson / Safer Homes service provided by Age UK which provides small repairs to people's homes to make them safer to live in, tackling issues that may cause slips trips and falls. The scheme has been funded by six partners and in its first year of operation has supported 255 households in Huntingdonshire by undertaking small works on their behalf and an additional 22 health and wellbeing assessments have been undertaken.

The majority of work (70%) undertaken was for owner occupiers and 27% for social housing tenants. The service is predominantly reaching the most elderly people in the population with more than 50% of the work being done for people aged over 80.

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<sup>21</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/607754/Integration\\_and\\_BCF\\_policy\\_framework\\_2017-19.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf)

The most requested work is the installation of grab rails, banister rails, galvanised rails and key safes. During 2016/17, 19 people were urgently supported by the Handyperson Service to enable their timely discharge from hospital.

### **Mobile Homes**

The Council continues to own a mobile homes site at St Neots which is managed by Luminus. The scheme provides 50 plots of land for mobile home owners to rent. The scheme is popular and well run and provides a form of lower cost home ownership, helping to meet the needs of this segment of the market.

### **Fuel poverty**

Fuel poverty in England is measured using the Low Income High Costs (LIHC) indicator. Under the LIHC indicator, a household is considered to be fuel poor if:

- they have required fuel costs that are above average (the national median level)
- were they to spend that amount, they would be left with a residual income below the official poverty line.

Fuel poverty data provided by BEIS (Department for Business, Energy and Industry Strategy) indicated that in 2014, there were approximately 4790 households (6.7% of the housing stock, across all tenures) in the district in fuel poverty. This is a small reduction from the figure published for 2013 which was estimated at 7%.

Fuel poverty is caused by several factors including high fuel costs, low income levels, poor thermal efficiency and under-occupancy of homes. A sustainable way of reducing fuel poverty is to improve the thermal performance of homes, which will enable affordable warmth, improve the condition of the housing stock, increase the well-being of residents and help to reduce the number of excess winter deaths. HDC is committed to reducing fuel poverty across the district as set out in the Corporate Plan 2017-18.

### **Affordable Warmth initiatives**

Improving the energy efficiency of properties reduces carbon emissions, enables affordable warmth, alleviates fuel poverty and improves the condition of housing stock. Huntingdonshire is committed to continuing to encourage energy efficiency in residential accommodation.

The Home Energy Conservation Act 1995 obliges Councils to report current and planned activities by which it will comply with the Act. The latest HDC report<sup>22</sup> prepared in March 2017 provides full details of HDC's activity. In summary; from 2013 to 2016 the Council worked in partnership with the other district councils in the County and Cambridgeshire County Council to provide our own Green Deal known as Action on Energy. By working in partnership, the councils were successful in bidding for a significant grant from the Government's Green Deal Communities fund. More than £860,000 was spent within Huntingdonshire delivering 210 measures in 199 homes, including owner occupied and private rented properties. The majority (80%) of the measures were solid wall insulation, a measure which traditionally has had very low uptake due to the high costs involved. Another particularly successful outcome was the insulation of 27 park homes, where householders are at significant risk of being in fuel poverty as they are often retired and on a fixed income

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<sup>22</sup> <https://www.huntingdonshire.gov.uk/media/1265/home-energy-conservation-act-further-report.pdf>

and their properties are poorly insulated and heating significantly more expensive due to using propane gas heaters or electric storage radiators.

The Action on Energy consortium are aiming to deliver further energy conservation measures through the new Energy Company Obligation (ECO) schemes. The consortium is currently seeking commercial energy partners to deliver a quality energy saving scheme for residents.

HDC continues to work with the Stay Well partnership, a countywide initiative with partners from NHS, Fire Service, County Council, voluntary organisations (particularly children and golden age groups) and district councils. The aim is to provide advice on reducing fuel and food poverty, living well and to provide small grants for energy efficiency improvements and advice on fuel debt.

### **Energy Efficiency Standards in rented accommodation**

From April 2018, subject to a suitable funding stream being available, every new tenancy agreement entered into for private rented properties must meet Band E energy efficiency standard, as a minimum. From April 2020 these requirements will apply to all occupied properties in the domestic sector and from April 2023 in the non-domestic sector. Enforcement of these standards is the responsibility of Trading Standards within Cambridgeshire County Council. As private landlords are able to advertise their available properties to let on the HDC website, information and links are provided on the site so that prospective tenants are aware of the landlord's obligation to provide an energy performance certificate and Gas Safety certificate. This will also be highlighted to landlords through the HDC Landlords Forum.

### **Improving communities**

Huntingdonshire District Council, like other local authorities, has a duty to respond to issues of crime, disorder and anti-social behaviour within the district. Anti-social behaviour can take many forms from neighbour disputes to loud parties or misuse of alcohol and will effect communities differently.

HDC has strong systems in place for reporting, monitoring and acting on anti-social behaviour (ASB). Within HDC, the ASB team is now closely aligned with other services such as Community Development and Environmental Health to ensure that we utilise a wide range of legislative powers to tackle nuisance and disturbances.

The Huntingdonshire Community Safety Partnership enables a full range of partners, including the Police and registered providers to work in partnership with Community Enforcement Officers to discuss and put in place a response to individuals or families who are having the most impact within our communities. Housing is a theme in much of the work linked to community safety, whether this is through protecting the needs of victims of crime, including domestic violence, or through specific projects such as work on preventing child sexual exploitation, modern slavery and work with migrant communities.

The legislation that we utilise can require an individual to stop doing something as well as require them to do something that would result in a positive outcome. We believe that prevention is better than cure and a lot of our work focuses on early intervention and

diverting children and young people away from offending behaviour and ensuring that they are aware of the consequences should they choose to commit an offence.

The Huntingdonshire Community Safety Partnership is in the process of confirming its priorities for the coming three years and these will include protecting vulnerable people and locations. The ASB service looks at individual cases and also considers area-wide issues.

#### **Priority 4: Work in partnership to improve outcomes**

**Cambridge sub-region** – The Council works in partnership with other Councils in the Cambridge sub-region to co-ordinate work and share learning. The outcomes of this are set out in the sub-regional Housing Statement and action plans<sup>23</sup>, with the two most significant achievements being the Strategic Housing Market Assessment (SHMA) and the Homelink choice based lettings system for the allocation of social housing across the sub-region.

Housing is key to everyone's health, well-being and employment opportunities. It is vital to a thriving, healthy local economy.

Across Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, Peterborough, South Cambridgeshire, Forest Heath and St Edmundsbury, the Cambridge sub-Regional Housing Board (CRHB) works with its partners to share learning and experience to:

- Deliver new homes and communities to support economic success.
- Ensure homes and services support better health and wellbeing.
- Improve standards in existing homes and encourage best use of all homes.
- Identify and meet housing need, extend housing choice and tackle homelessness.

Outcomes of joint work are available at :

<http://www.cambridgeshireinsight.org.uk/housing/background>

#### **Shared Services**

Together with Cambridge City Council and South Cambs District Council, we have formed a three-way strategic partnership for the development of shared services. The Home Improvement Agency was the first service to be shared in this way and IMD, Legal, and Building Control have followed. The shared service agenda seeks efficiencies and enhanced resilience in services and more services integral to the delivery of this Strategy may follow in the future.

#### **Devolution**

Devolution is the statutory delegation of powers from central government to regions. During 2016, the Cambridgeshire and Peterborough devolution area was consulted upon and Huntingdonshire District Council, alongside Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Peterborough City Council and South Cambridgeshire District Council supported a devolution deal for the combined area. During 2017 a Combined Authority was created and in May 2017 a new Mayor was elected. The first devolution deal includes decisions on things like housing, transport and major infrastructure projects. However, further devolution deals are expected to be negotiated in due course. The first devolution deal includes the provision of £100

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<sup>23</sup> <http://www.cambridgeshireinsight.org.uk/housing-resources>

million for affordable housing. Given the increasing number of people on our housing register and the difficulty of providing options for rehousing we are keen to maximise the opportunities which this funding will provide to deliver new affordable homes in Huntingdonshire. This joint approach to delivering services across the County will improve efficiencies and outcomes.

### **Registered Providers**

The council works in partnership with Registered Providers who own and manage affordable housing stock in the district and those seeking to develop in the area. The largest provider of affordable housing in Huntingdonshire is Luminus Group who own around 7,000 homes in Huntingdonshire. Whilst the governance of Registered Providers is within the remit of the Homes and Communities Agency, we work in partnership with providers to support our shared aims to ensure the provision of high quality affordable homes which are well managed and contribute to improving communities. We have a long established system for allocating new and vacant affordable homes, which is administered by us, and ensures that homes are allocated as quickly as possible and contribute to meeting the greatest local need.

**Annex 1: The sources of information on which the Housing Strategy is based includes:**

- Strategic Housing Market Assessment (SHMA) which contains analysis of demographic trends, income, affordability, and objectively assessed housing needs;
- Housing Register information;
- Local Plan evidence including viability assessments, and Annual Monitoring Reports;
- Housing, Employment and Population Trends Technical Report;
- Intelligence on housing stock condition;
- Trends in service provision including demand for homelessness services and affordable housing;
- Needs for supported housing obtained from Joint Strategic Needs Assessments (JSNAs), Health and Well Being Board (HWBB), and partnership work with the County Council and health colleagues;
- Delivery information obtained by building and maintaining relationships with delivery partners e.g developers, housing associations, third sector etc.

**Annex 2: Feedback on achievements of the previous Housing Strategy 2012-15 (up to 31<sup>st</sup> March 2017) are set out below:**

- Commencement on draft of Local Plan to 2036
- Implementation of Community Infrastructure Levy to increase the amount of funding from developers towards infrastructure
- Supported housing association bids seeking inward investment from the HCA
- Increased the provision of affordable housing with 500 new affordable homes being provided (2012/13-2016/17)
- Updated the Strategic Housing Market Assessment (SHMA) as a key evidence base for the Local Plan
- Agreed package of infrastructure including affordable housing, enabling the first phase of Alconbury Weald to commence
- Approved additional pitches to meet assessed needs for Gypsies and Travellers
- Drafted an 'enabled exceptions' policy. This makes use of new powers in National Planning Policy Framework (NPPF) enabling a proportion of private homes to be included on rural exception sites where cross-subsidy is required. The first of these sites (Brington) has been developed in phases and most of the homes are now occupied.
- Built a pipeline of rural exception sites including Brington and Warboys (completed), Colne On-site) and Earith (completed), Needingworth (planning application imminent), Ramsey St Mary (planning application submitted), Bluntisham, and a potential Community Land Trust at Great Staughton.
- Supported 1033 people to live independently through the provision of Disabled Facilities Grants (2012/13-2016/17)
- Updated the Housing Renewal Assistance policy to ensure it aligns with the objectives of the Better Care Fund.
- Introduced a joint Cambridgeshire Housing Adaptations Agreement to implement the findings of a DFG Review.
- Reduced the impact of housing on the environment via publicity and promotion of energy efficiency measures in the Council's Green Houses; publicity of energy efficiency schemes including Warmfront and CO2Y Homes.
- Utilised the Government's Green Deal Communities Fund to access more than £860,000 to deliver 210 measures in 199 homes, including owner occupied and private rented properties.
- Brought a redundant office block back into residential use, and converted it into four flats with grant funding from the Homes and Communities Agency.
- Prevented 1349 households from becoming homeless by a range of interventions including rent deposit, advice and assistance, landlord liaison, and court advocacy.
- Developed a sub-regional under-occupation partnership as a co-ordinated response to welfare reform. This partnership spanned seven district council areas and included housing association and Council partners. It aimed to facilitate movement between landlords, making the best use of the existing housing stock.
- Grant funded a project with Luminus to extend a number of two and three bedroom houses into four bedroom properties to extend provision for large families.
- Produced a Tenancy Strategy to comply with the Localism Act 2011, setting out the Council's expectations of providers in respect of flexible tenancies.

- Completed two reviews of the Lettings Policy and completed a re-tender exercise for the sub-regional choice-based lettings housing register, resulting in a new provider and contract achieving savings on the current contract.
- Assisted 29 households to repair their homes via Repairs Assistance loans.
- Extended the provision of temporary accommodation by working in partnership with Luminus to purchase a 13 bedroomed property for use by homeless households.
- Improved housing conditions in the private rented sector by tackling category 1 and 2 hazards, investigating illegal eviction, and promoting good management standards through the private landlords forum.
- Adopted a new Design Guide as Supplementary Planning Document
- Following preparation of a Guide we launched a Neighbourhood and Community Planning offer and support localities who are interested in pursuing housing related initiatives.
- Successfully bid for £2.3m of HCA and DoH funding to redevelop an outdated sheltered housing scheme at St Ives with a new extra care scheme which opened in 2016.
- Hosted 10 private landlord forums and produced 10 landlord focused newsletters.

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## **Housing Strategy Action Plan April 2017 to March 2018**

### **Barriers to Success**

The most critical housing issue for the Council stems from the pressure to deliver new housing growth. This is important to meet the needs of the current and future population, and also to help meet front line needs for affordable housing, enabling households in need of affordable homes to be allocated these promptly thereby reducing the use of temporary accommodation and bed & breakfast establishments.

The barriers to achieving a stable level of housing growth include the availability of land and the funding required to deliver growth and infrastructure. As set out in the Housing Strategy 2017-20, Government policies which have previously steered provision towards forms of home ownership rather than conventional models of affordable housing have impacted on the rate of delivery of new affordable housing.

The action plan below sets out clearly how this Council will work in partnership to tackle key issues.

| <b>Priority 1 – To increase the supply of new and affordable housing we will:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |                                                                                                        |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                                                                                   | <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Lead Team</b>                                                    | <b>Timescale for completion</b>                                                                        |
| 1.                                                                                | <ul style="list-style-type: none"><li>○ Prepare and adopt an ambitious Local Plan to guide the future growth of Huntingdonshire which enables the delivery of new homes to exceed Objectively Assessed Need including a significant number of affordable homes, and maintain a 5-year land supply position.</li><li>○ Enable the provision of new affordable housing to help meet local needs including specialist and supported housing needs through section 106 and other sources.</li></ul> | Planning Policy<br><br>Development Management/<br>Strategic Housing | In accordance with Local Development Scheme, or alternative timescale agreed by Cabinet<br><br>Ongoing |
| 2                                                                                 | Host a myth-buster tour and a half-day workshop to encourage the development of rural exception housing in partnership with the rural housing enabler and parish councils.                                                                                                                                                                                                                                                                                                                      | Strategic Housing                                                   | Myth-buster tour in July 2017.<br>Half-day workshop by December 2017                                   |
| 3                                                                                 | Maintain a list of sites which may be suitable for affordable housing funding from the Combined Authority and work with local housing providers and developers to ensure schemes in Huntingdonshire are best placed to attract the funding.                                                                                                                                                                                                                                                     | Strategic Housing                                                   | Ongoing                                                                                                |
| 4                                                                                 | Prepare a report to identify gaps in the skills, capacity and resources currently available which are necessary to enable the council to pursue opportunities to use its own money, or borrow, to increase the provision of affordable housing.                                                                                                                                                                                                                                                 | Strategic Housing                                                   | End of October 2017                                                                                    |

|    |                                                                                                                                                                                                                                                                                                                                 |                                                               |                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| 5  | <ul style="list-style-type: none"> <li>○ Implement the resolution of Cabinet relating to the disposal of the first parcels of land which have been identified to facilitate affordable housing.</li> <li>○ Ensure the appropriate structures for approving asset disposals are in place and sell assets accordingly.</li> </ul> | Strategic Housing                                             | Within 1 month of resolution                                  |
| 6  | Prepare an options paper on different models of housing companies and joint ventures to enable the council to explore the value of creating a Housing Company or entering into a joint venture to facilitate the delivery of affordable housing.                                                                                | Transformation Project                                        | End of December 2017                                          |
| 7  | Ensure our approach to Community Infrastructure Levy is used creatively to enable housing growth.                                                                                                                                                                                                                               | Planning Implementation                                       | Ongoing                                                       |
| 8  | Support bids and explore potential sources of external funding for housing and infrastructure where opportunities exist, especially from the HCA.                                                                                                                                                                               | Planning Implementation                                       | Ongoing                                                       |
| 9  | Use statutory enforcement powers, where appropriate, to reduce the number of empty homes in the district.                                                                                                                                                                                                                       | Planning Enforcement                                          | Ongoing                                                       |
| 10 | Monitor the findings of the feasibility study commissioned by the Combined Authority into modular housing and explore whether there are opportunities to accelerate housing growth in Huntingdonshire.                                                                                                                          | Strategic Housing                                             | Initial exploration within 2 months of publication of report. |
| 11 | Support communities exploring the potential for increasing the provision of affordable housing in their communities through the creation of initiatives such as Neighbourhood/Community Plans, Community Land Trusts and Community Right to Build.                                                                              | Planning/ Strategic Housing                                   | Ongoing                                                       |
| 12 | Maintain a register for custom and self build housing.                                                                                                                                                                                                                                                                          | Planning Policy                                               | Ongoing                                                       |
| 13 | Work in partnership with the developers and housing associations to positively influence the development of the large strategic sites at Alconbury Weald and St Neots.                                                                                                                                                          | Planning Policy, Strategic Developments and Strategic Housing | Ongoing                                                       |

| <b>Priority 2: To identify housing need and improve health and wellbeing</b> |                                                                                 |                  |                                |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------|--------------------------------|
|                                                                              | <b>Action</b>                                                                   | <b>Lead Team</b> | <b>Timescale</b>               |
| 14                                                                           | Review the Homelessness Strategy by the end of 2017/18.                         | Housing Needs    | March 2018                     |
| 15                                                                           | Implement the new regulations arising from the Homelessness Reduction Act 2017. | Housing Needs    | As required by the legislation |
| 16                                                                           | Prevent homelessness through a range of interventions including advice and      | Housing Needs    | ongoing                        |

|                                                                      |                                                                                                                                                                                                                                                               |                                     |                                                                                        |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------|
|                                                                      | assistance / landlord liaison / court advocacy / rent deposit schemes.                                                                                                                                                                                        |                                     |                                                                                        |
| 17                                                                   | Increase the provision of temporary accommodation by providing an additional 10 units per year to help meet the needs of homeless households                                                                                                                  | Strategic Housing and Housing Needs | March 2018                                                                             |
| 18                                                                   | Review, with registered providers, the long term viability of temporary housing schemes within the district and prepare an options report for Scrutiny Panel examining the implications of rent caps on social tenancies and Housing Benefit subsidy changes. | Strategic Housing and Housing Needs | Options report prepared by March 2018                                                  |
| 19                                                                   | Prepare a twice yearly report for Executive Councillor analysing the need identified on the housing register and monitor the provision of new and proposed temporary accommodation or affordable housing to ensure it meets evidenced need.                   | Strategic Housing                   | First report in October 2017                                                           |
|                                                                      |                                                                                                                                                                                                                                                               |                                     |                                                                                        |
| 20                                                                   | Prepare a report to evidence the demand for new extra care housing in the district following the adoption of the Cambridgeshire Extra Care Strategy and Market Position Statement and enable new extra care schemes subject to scheme viability.              | Strategic Housing                   | Within two months of the Extra Care Strategy/Market Position Statement being prepared. |
| 21                                                                   | Prepare an options paper/briefing note regarding the changes to legislation relating to supported housing funding and work with supported housing providers to ensure the long term viability of supported housing schemes.                                   | Strategic Housing                   | Report prepared within 2 months of new legislation.                                    |
| 22                                                                   | Ensure we have a 5 year supply of Gypsy and Traveller sites.                                                                                                                                                                                                  | Planning                            | Ongoing                                                                                |
| <b>Priority 3: To improve housing conditions in existing housing</b> |                                                                                                                                                                                                                                                               |                                     |                                                                                        |
|                                                                      | <b>Action</b>                                                                                                                                                                                                                                                 | <b>Lead Team</b>                    | <b>Timescale</b>                                                                       |
| 23                                                                   | Improve private sector housing conditions through inspection and enforcement / tackling category 1 and 2 hazards / licensing HMOs where applicable / tackling illegal eviction.                                                                               | Environmental Health                | Ongoing                                                                                |
| 24                                                                   | Promote good housing management standards through the organisation of twice yearly Private Landlord Forums.                                                                                                                                                   | Strategic Housing                   | Next forum in September 2017                                                           |
| 25                                                                   | Contribute to the nationwide database of rogue landlords and utilise the enforcement powers, such as banning orders and civil penalties, introduced by the Housing and Planning Act 2016, where appropriate.                                                  | Environmental Health                | To be implemented if required by legislation following Housing & Planning Act 2016.    |
| 26                                                                   | Make provision for Disabled Facilities                                                                                                                                                                                                                        | Strategic                           | Report to July 2017                                                                    |

|                                                                 |                                                                                                                                                                                                                                 |                                        |                                     |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|
|                                                                 | Grants and implement the findings of the multi-agency review of the programme.                                                                                                                                                  | Housing                                | O&S Panel and Cabinet               |
| 27                                                              | Maintain the Safer Homes Handyperson Scheme to help meet the needs of the ageing population and monitor its progress by attending quarterly meetings with the service providers and reporting annually to Executive Councillor. | Strategic Housing                      | First annual report by August 2017. |
| 28                                                              | Licence and maintain standards within mobile home sites.                                                                                                                                                                        | Environmental Health                   | Ongoing                             |
| 29                                                              | Ensure good management of the Council's own mobile home site in St Neots.                                                                                                                                                       | Strategic Housing                      | Ongoing                             |
| 30                                                              | Reduce the number of residents in fuel poverty by facilitating access to energy efficiency funding and by working with other Cambridgeshire councils and the Stay Well County Partnership.                                      | Business Development                   | Ongoing                             |
| 31                                                              | Investigate and tackle anti-social behaviour in association with the Police and other appropriate partners, including Housing Associations and other landlords.                                                                 | Community                              | Ongoing                             |
| <b>Priority 4: To work in partnership to improve conditions</b> |                                                                                                                                                                                                                                 |                                        |                                     |
|                                                                 | <b>Action</b>                                                                                                                                                                                                                   | <b>Lead Team</b>                       | <b>Timescale</b>                    |
| 32                                                              | Continue to work in partnership with neighbouring Councils and housing associations through the Sub-Regional Housing Board, and implement the sub-regional Action Plan.                                                         | Strategic Housing                      | Ongoing                             |
| 33                                                              | Collaborate with neighbouring Councils in the Cambridge sub-region to develop the Strategic Housing Market Assessment (SHMA) and ensure it is a sound evidence base for the emerging Local Plan.                                | Strategic Housing & Strategic Planning | Local plan date                     |
| 34                                                              | Manage the Home Improvement Agency shared service through representation on the Management Board.                                                                                                                               | Strategic Housing                      | Ongoing                             |
| 35                                                              | Work with the Combined Authority to prepare an overarching Housing Strategy for Cambridgeshire and Peterborough.                                                                                                                | Strategic Housing                      | March 2018                          |

**Public - Yes**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Council Trading Company – Shareholder Agreement, Articles of Association and commercialisation update.

**Meeting/Date:** O&S – 14 June  
Cabinet - 22 June

**Executive Portfolio:** Commercialisation and Shared Services: Councillor D Brown

**Report by:** Managing Director

**Ward(s) affected:** All

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### Executive Summary:

Cabinet approved the creation of a Local Authority Trading Company (LATC) at its meeting on 17<sup>th</sup> November 2016. This was determined as an essential stage in enabling the Council to develop a range of commercial, income generating, activities in line with its strategic objectives. It will also make an essential contribution to the Council achieving its aim of achieving financial self-sufficiency by 2020.

This report presents draft versions of the following documents for HDC Ventures Limited:

- Shareholder Agreement – Appendix 1.
- Articles of Association: amendments and modifications to the Model Articles – Appendix 2.

The Articles of Association should be reviewed alongside the Model Articles for Private Companies Limited by Shares. These are published by Companies House and constitute the Articles for all such companies unless amendments and modifications are appended :as is the case with HDC Ventures Ltd.

These documents have been produced with assistance from external legal advisors Trowers & Hamlin LLP. Both the Shareholder Agreement and the Articles require formal approval by Cabinet.

Such approval will enable delegated Officers to complete the incorporation of the LATC, establish the management Board and hold an initial Board meeting. This will provide a stable governance framework within which individual business cases can be brought forward and subsidiary trading entities formed.

In addition, to providing an update on progress in relation to the formation and establishment of HDC Ventures Ltd, this paper also provides a brief note on progress in relation to the preparation of business cases and procurement planning for the Council's Document Centre and CCTV services.

The formation of HDC Ventures Ltd is close to completion and external resources (in the form of an EELGA Associate) have been secured to provide momentum and ensure delivery of the required outcomes for this workstream.

The table presented as Appendix 4 sets out the outstanding tasks and the timeline for completion of each.

**Recommendation(s):**

The Overview and Scrutiny Panel is invited to comment on:

- The suitability and acceptability of the Shareholder Agreement for HDC Ventures Ltd.
- The suitability and acceptability of the Articles of Association for HDC Ventures Ltd.
- Any omissions, amendments or additions that it is felt would improve either document.
- The proposed timetable for the development of business cases for the Document Centre and CCTV services.

The Cabinet is asked to approve the following:

**RECOMMENDED:**

- **That the Shareholder Agreement for HDC Ventures Limited is approved as set out in Appendix 1.**
- **That the Articles of Association for HDC Ventures Limited are approved as set out in Appendix 2.**

## **1. PURPOSE OF THE REPORT**

- 1.1 This report is provided to enable Members to approve the legal basis for the incorporation and establishment of a Local Authority trading company (LATC) – HDC Ventures Limited.

It also provides Members with an update on the progress that has been made in relation to the creation of robust business cases and procurement plans for the Council's Document Centre and CCTV services.

## **2. WHY IS THIS REPORT NECESSARY**

- 2.1 This report will ensure that Members have a clear understanding of the roles and responsibilities that they will be expected to fulfil, both collectively and (where applicable) as individual Company Directors. It will also provide Cabinet with confidence that this workstream is being progressed with momentum and an appropriate degree of urgency.

## **3. COMMENTS OF OVERVIEW & SCRUTINY**

- 3.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

## **4. KEY IMPACTS**

- 4.1 Approval of the Shareholder Agreement (including the Deed of Adherence) and the Articles of Association enables the formation of HDC Ventures Limited to be completed.
- 4.2 The Deed of Adherence futureproofs the Shareholder Agreement, should the Council wish to introduce additional shareholders into the company at a later date.

## **5. WHAT ACTIONS WILL BE TAKEN**

- 5.1 Appendix 3 presents a list of actions, with associated timelines, that are required to complete the formation of HDV Ventures Limited.

## **6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- Implementing our Transformation Programme.  
Commercialisation will be an important part of the way HDC functions in the future. The creation of de facto trading entities is one of the key elements of the transformation plan.
- Ensuring our Medium Term Financial Strategy is focused on strategic priorities.  
The anticipated revenue income from commercial activities will play an important role in ensuring the Council's future financial stability.
- Maximising income opportunities, where appropriate.  
Commercial activity will require the Council to take a measured approach to market opportunities. Robust business planning will ensure that each Council-owned business is able to generate revenue within an acceptable and sustainable cost base.
- Identifying new opportunities for income generation, where appropriate.  
This will be achieved via the development of a 'commercial culture' across the Council, alongside a systematic approach to evaluating and developing commercial projects.

- Having a more engaged and motivated workforce. Commercial activities will introduce new ways of thinking and working into the Council, which will provide opportunities for professional and personal development across the organisation.

## 7. LEGAL IMPLICATIONS

- 7.1 Trowers & Hamlin have assessed HDC's planned actions in regards to incorporating a LATC and have confirmed that this is within the Council's legal powers as defined in:
- Local Authorities such as Huntingdonshire District Council are able to create Local Authority Trading Companies (LATC) under:
  - Local Government Act 2003 allows local authorities to trade in any of their ordinary functions.
  - The Localism Act 2011 enables local authorities to undertake activities for a "commercial purpose" in order to make a profit but only if delivered within a company
  - Local Government Best Value Authorities Power to Trade England Order 2009.
- 7.2 The Shareholder Agreement and Articles of Association have been drafted in collaboration with external legal advisors – Trowers & Hamlin LLP. T&H have also provided advice on potential changes to the Council's constitution which may be required to support the effective formation and operation of a set of trading companies. T&H are also providing practical support in the incorporation of HDC Ventures Limited.

## 8. RESOURCE IMPLICATIONS

- 8.1 Support for the delivery of this workstream has required the engagement of an external associate from the East of England LGA. The value of this support is in the region of £10,500 and will be cost coded to XXXXXX.
- 8.2 HDC Ventures Ltd will also require a range of support services in areas such as HR, Finance and IT. It is anticipated that these services will be competitively sourced and that HDC will be provided with an opportunity to submit a bid for each contract.

## 9. OTHER IMPLICATIONS

- 9.1 Key risks
- Acting outside law:** external legal advice has been taken to establish legal basis for local authority trading.
- Business return may not be there:** robust business cases will be prepared for each commercial proposition.
- Higher risk profile:** procurement of joint ventures will help to spread risk.
- Loss of control over services:** HDC shareholding in each company will ensure that influence is maintained, but the Council will not retain sole control of services.
- 9.2 As noted above, input from the Monitoring Officer will be required to support any required changes to the Council's constitution.

Should operational support for HDC Ventures Ltd provided by HDC, this will be a market rates and under the terms of a Resourcing Agreement which will be negotiated between the company and the Council.

Any rental agreement for office accommodation in Pathfinder House will be at market rate and configured as a contractual arrangement between the two parties.

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

- 10.1 In order that HDC can proactively pursue its intention to be financially self-sufficient by 2020, it is essential that the Council establishes a robust infrastructure within to operate a number of commercial activities. Approval of the appended Shareholder Agreement and Articles of Association will enable the formation of HDC Ventures Limited as the holding company in the Council's 'commercial arm'. This will provide the basis for the subsequent formation of the corporate entities the Council requires to effectively deliver commercial services.

## **11. LIST OF APPENDICES INCLUDED**

- Appendix 1 – Shareholder Agreement (draft)
- Appendix 2 – Articles of Association (draft)
- Appendix 3 – Project Plan
- Appendix 4 – Business Case/Procurement Update

## **CONTACT OFFICER**

Name/Job Title: Jo Lancaster, Managing Director  
Tel No: 01480 388001  
Email: [Joanne.Lancaster@huntingdonshire.gov.uk](mailto:Joanne.Lancaster@huntingdonshire.gov.uk)

**APPENDIX 1**  
**DRAFT SHAREHOLDER AGREEMENT**

**dated                      2017**

**Huntingdonshire District Council**  
**and**  
**HDC Ventures Limited**

**Shareholders' Agreement**

in relation to HDC Ventures Limited

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# Shareholders' agreement

dated 2017

## Parties

- (1) **Huntingdonshire District Council** having its principal place of business at Pathfinder House, St. Mary's Street, Huntingdon, PE29 3TN (**the Council**);
- (2) HDC Ventures Limited incorporated and registered in England and Wales with registered number [ ] whose registered office is at Pathfinder House, St. Mary's Street, Huntingdon, PE29 3TN (**the Company**).

## Introduction

- (A) The Company was incorporated under the Companies Act 2006 on [ ] 2017 as a private company limited by shares. At the date of this Agreement the Company has issued 100,000 Shares which are registered in the name of and are beneficially owned by the Council.
- (B) This Agreement sets out the terms and conditions on which the Council will participate in the Company as its shareholder [and is made pursuant to the Council's powers under Sections 1 and 4 of the Localism Act 2011 and the Local Government (Contracts) Act 1997, section 1].

## Agreed terms

### 1 Interpretation and definitions

#### 1.1 In this Agreement

**Articles** means the articles of association of the Company, as may be amended or replaced from time to time;

**Annual Accounts Date** means the accounting reference date of the Company from time to time;

**Associate** means, in relation to any party to this Agreement, any person, firm or company which is a connected person (within the meaning of section 1122 of the Corporation Tax Act 2010) of such party or which is an associated company of such party within the meaning of section 449 of the Corporation Tax Act 2010;

**Board of Directors** means the Board of Directors of the Company;

**Board Meeting** means a meeting of the Board of Directors;

**Business** means the business of the Company described in clause 3 or anything which is contemplated by the Business Plan and such other business as the Shareholders may agree from time to time in writing should be carried on by the Company;

**business day** means a day other than a Saturday or Sunday or public holiday in England and Wales;

**Business Plan** means the business plan for the Company in the agreed form and any subsequent business plan agreed by the Board of Directors in accordance with clause 3 and applicable from time to time;

**Completion** means completion of the allotment and issue of A Shares and B Shares in accordance with clause 2;

**Deed of Adherence** means a deed of adherence in substantially the same form as set out in schedule 1;

**Director** means any director for the time being of the Company, including where applicable any alternate director;

**Environmental Information Regulations** means the Environmental Information Regulations 2004;

**FOIA** means the Freedom of Information Act 2000;

**Group** means in relation to a company that company and any company which is a Parent Undertaking of that company or a Subsidiary Undertaking of that company or of such Parent Undertaking; and the expression Group Member shall be construed accordingly;

**Parent Undertaking** means a parent undertaking as defined in section 1162 of the Companies Act 2006;

**Shareholder** means the Council and/or any person to whom they may properly transfer any Shares in accordance with this Agreement and who enters into a Deed of Adherence agreeing to be bound by the terms of this Agreement;

**Shares** means the ordinary shares of £1 each in the Capital of the Company; and

**Subsidiary Undertaking** means a subsidiary undertaking as defined in section 1162 of the Companies Act 2006.

- 1.2 Any reference to a statute or statutory provision is a reference to it as it is in force from time to time, taking account of any change, extension, consolidation or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.3 Clause headings in this Agreement are for convenience only and do not affect the construction of any provision.
- 1.4 References to any gender shall include the other genders and references to the singular shall include the plural and vice versa.
- 1.5 Any reference to a person (which for the purposes of this Agreement shall include a firm, unincorporated association, body corporate, government, state or agency of state, any association or partnership or joint venture (whether or not having a separate legal personality)) shall include its successors in title.

- 1.6 Any reference to a document **in the agreed form** shall be a reference to that document in the form agreed and initialled by or on behalf of each of the Shareholders for the purpose of identification and attached to this Agreement.

## **2 Completion**

- 2.1 Completion shall take place immediately following execution of this Agreement, when the parties shall procure that meetings of the Company and the Board of Directors are held as may be necessary to:
- 2.1.1 appoint [NatWest] as bankers to the Company; and
- 2.1.2 resolve that the Company's financial year shall end on 31 March in each year.

## **3 The business of the Company**

- 3.1 The Shareholder acknowledges and agrees that unless and until they agree otherwise, the business of the Company shall be initially to act as a holding company in relation to its Subsidiary Undertakings from time to time, and subsequently, in accordance with a Business Plan on sound commercial profit-making principles so as to generate the maximum achievable maintainable profits available for distribution.
- 3.2 The Business Plan shall be resolved upon by the Board of and replaced on a rolling basis annually in respect of the coming financial year and the next three financial years and superseded or modified from time to time.
- 3.3 The Company will make decisions relating to the overall strategy for its Subsidiary Undertakings and their respective businesses and will communicate such decisions to those Subsidiary Undertakings.
- 3.4 Subject to the provisions of this Agreement, the Shareholders understand and agree that the Company shall use all reasonable and proper means to maintain and improve the Business.

## **4 Conduct of the Company's affairs**

- 4.1 With the exception of those matters requiring the Shareholders consent pursuant to clause 7, the day-to-day management of the Company shall be vested in the Directors. Without prejudice to the generality of the foregoing, the Directors will determine the general policies of the Company and the manner in which the Business is to be carried out to those matters requiring the Shareholders consent pursuant to clause 7 and to any other express provisions of this Agreement. In particular, but without limitation to the generality of the foregoing, the Directors will shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (in so far as they are able in the exercise of such rights and power) that, at all times during the term of this Agreement, the Company shall:
- 4.1.1 carry on and conduct its business and affairs in a proper and efficient manner, for its own benefit and in accordance with good business practices, and

- 4.1.2 transact all its business on arm's length terms.
- 4.2 The Company shall not carry out any activity which would render the holding of Shares by any Shareholder unlawful provided that where a proposed change of law would render such shareholding unlawful such Shareholder will use all reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to hold its Shares.
- 4.3 The Company will if it requires any approval, consent or licence for the carrying on of its Business in the manner in which it is from time to time carried on or proposed to be carried on, use all reasonable endeavours to obtain and maintain the same in full force and effect.
- 4.4 The Company shall permit any Director to discuss the affairs, finances and accounts of the Company and its subsidiaries with any Shareholder's designated officers and executives at any time. All books, records, accounts and documents relating to the business and the affairs of the Company and its subsidiaries shall be open to the inspection of any such person, who shall be entitled to make any copies thereof as he or she deems appropriate to keep the relevant Shareholder properly informed about the business and affairs of the Company or to protect its interests as a Shareholder. Any confidential information secured as a consequence of such discussions and examinations shall be kept confidential by the requesting Shareholder and its designated officers and executives in accordance with the terms of clause 14.
- 4.5 The Company agrees with the Shareholder(s) that it will maintain effective and appropriate control systems in relation to the financial, accounting and record-keeping functions of the Group and will generally keep the Shareholder(s) informed of the progress of each Group Member's business and affairs and in particular will procure that each Shareholder is given such information and such access to the officers, employees and premises of the Group as it may reasonably require for the purposes of enabling it to monitor its investment in the Group and to comply with its obligations under the Prudential Code for Local Authorities.
- 4.6 The Company shall itself comply with and assist the Shareholder comply with its statutory obligations relating to propriety, governance, public procurement or state aid in force from time to time and any other legal obligations insofar as such obligations arise from the Company's legal or contractual relationship with the Council.
- 4.7 Any reference to a statute or statutory provision is a reference to it as it is in force from time to time, taking account of any change, extension, consolidation or re-enactment and includes any subordinate legislation for the time being in force made under it
- 4.8 Each Shareholder shall take all such steps and do all such acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it, in relation to the Company so as to procure (insofar as it is able to do so by the exercise of those rights and powers) that at all times during the term of this Agreement:

- 4.8.1 the Company is managed in accordance with the objectives and provisions of this Agreement; and
- 4.8.2 the Company performs and complies with all obligations on its part under this Agreement and the Articles.

## 5 The Board of Directors

- 5.1 A Board Meeting shall be held no less than once in every three calendar months. All Board Meetings shall be held at the registered office of the Company.
- 5.2 Unless otherwise agreed by all the Directors, at least 5 business days' notice shall be given to each of the Directors of all Board Meetings. The notice convening a Board Meeting shall include an agenda specifying in reasonable detail the matters to be discussed, together with any relevant papers for discussion at such meeting.

## 6 Finance for the Company

- 6.1 If the Company requires capital, the Company may request such capital from the Shareholder **provided that** the Shareholder shall not be obliged to provide any guarantee or security in respect of any indebtedness of the Company or to put up the finance concerned.
- 6.2 If the Company requires further capital, the Company shall endeavour to obtain such finance from a third party lender on the best terms which could reasonably be expected to be obtained in the open market **provided that** the Shareholder shall not be obliged to provide any guarantee or security in respect of any indebtedness of the Company or to put up the finance concerned.

## 7 Matters requiring the consent of the Shareholder

- 7.1 Each Shareholder shall take all such steps and do all such acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it in relation to the Company or any Subsidiary Undertaking, so as to procure (insofar as it is able to do so by the exercise of those rights and powers) that at all times during the term of this Agreement no action shall be taken or resolution passed by the Company or any Subsidiary Undertaking in respect of any of the following matters except with the prior written consent of the Shareholder(s)<sup>1</sup>:
  - 7.1.1 the making of any material change in the nature of the Business or the jurisdiction in which it is managed and controlled;
  - 7.1.2 the issue or allotment of any shares in the capital of the Company or any Subsidiary Undertaking of the Company or the creation of any security or the grant of any option or rights to subscribe in respect thereof or to convert any instrument into such shares;
  - 7.1.3 the reduction of the share capital or variation of the rights attaching to any class of shares in the capital of the Company or any Subsidiary Undertaking of the Company or any redemption, purchase or other

- acquisition by the Company of any shares or other securities of the Company or any Subsidiary Undertaking of the Company;
- 7.1.4 the sale, transfer or disposal of the whole or a substantial part of the Business, or any dilution of the Company's interest in any Subsidiary Undertaking;
- 7.1.5 the formation of any Subsidiary Undertaking or the acquisition of or investment in any other company or business;
- 7.1.6 the merger or amalgamation of the Company or any Subsidiary Undertaking of the Company with any other company or the participation in any partnership or joint venture;
- 7.1.7 the incurring of any borrowings or other indebtedness (other than normal trade credit) or the giving of any guarantees;
- 7.1.8 the approval and/or adoption of any Business Plan or annual budget or any variation of the Business Plan; or annual budget from time to time;
- 7.1.9 the entering into any purchase, sale, lease or licence of any freehold or leasehold property (other than in accordance with the Business Plan);
- 7.1.10 disposing of any assets of the Company or any Subsidiary Undertaking;
- 7.1.11 any changes to the Articles of the Company or any Subsidiary Undertaking of the Company;
- 7.1.12 entering into any arrangement, contract or transaction between the Company or any Subsidiary Undertaking of the Company and any third party which has an annual contract value in excess of £150,000 (or the equivalent amount in any other currency);
- 7.1.13 any change of the Company's name, auditors, bankers, accounting reference date;
- 7.1.14 entering into an agreement to do any of the foregoing.

## **8 Production of accounts**

- 8.1 The Company shall instruct its auditors or accountants(as applicable) to prepare and audit a balance sheet of the Company, as at the Annual Accounts Date each year and a consolidated profit and loss account of the Company, for the 12 month financial period ending on the Annual Accounts Date each year to be presented to the Shareholders within 3 calendar months after the end of the period to which such accounts relate. The balance sheet and profit and loss account will be accompanied by an annual report.
- 8.2 All accounts referred to in this clause shall be prepared in pounds sterling and in accordance with applicable law and generally accepted accounting standards, principles and practices in the United Kingdom.

## 9 **Anti-corruption**

### 9.1 In this clause:

**Adequate Procedures** means adequate procedures, as referred to in section 7(2) of the Bribery Act 2010 and any guidance issued by the Secretary of State under section 9 of the Bribery Act 2010;

**Associated Person** means in relation to a party to this Agreement, any person (including an officer, employee, agent or subsidiary) who performs services for or on behalf of that party;

**Corrupt Activity** means extortion, fraud, deception, collusion, cartels, abuse of power, embezzlement, trading in influence, money-laundering or any similar activity including without limitation any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 Bribery Act;

### 9.2 Each party declares and undertakes to the other parties that:

9.2.1 it has not and will not in relation to the Company or the operation of the Business, engage in any Corrupt Activity;

9.2.2 it will not authorise or acquiesce in or turn a blind eye to, any Corrupt Activity;

9.2.3 it has and will maintain in place, or in the case of the Company it will put and maintain in place, Adequate Procedures designed to prevent any Associated Person from undertaking any conduct that would give rise to an offence under section 7 of the Bribery Act 2010;

9.2.4 it has not and will not engage in any activity, practice or conduct which could place the Company or any other party in breach of section 7(1) Bribery Act;

9.2.5 from time to time, at the reasonable request of the other party, it will confirm in writing that it has complied with its undertakings under this clause 9.2 and will provide any information reasonably requested by the other party in support of such compliance; and

9.2.6 it will ensure that its Associated Persons will comply with its commitments under this clause 9.

### 9.3 Breach of any of the undertakings in this clause shall be deemed to be a material breach of this Agreement.

## 10 **Transfer of Shares**

### 10.1 The Directors and the Company shall procure that no person who acquires Shares in the Company (whether by transfer or allotment or otherwise) (a **New Shareholder**) shall be registered as their holder unless or until he has entered into a Deed of Adherence.

- 10.2 A New Shareholder who has entered into a Deed of Adherence in accordance with clause 10.1 shall have all the rights and obligations as if he were an original party to this Agreement in the capacity of a Shareholder.

## 11 Conflict with the Articles

In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles, then it is the intention of the Shareholder that the provisions of this Agreement shall prevail. Accordingly, each Shareholder (so far as each is able) shall take all such steps and do all such acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it in relation to the Company, so as to give effect to the provisions of this Agreement and shall further if necessary procure (insofar as it is able to do so by the exercise of those rights and powers) any required amendment to the Articles.

## 12 No fetter

Nothing in this Agreement shall operate to bind the Company to the extent that it constitutes an unlawful fetter on any statutory power of the Company (but this shall not affect the validity of the relevant provision as between the other parties to this Agreement or the respective obligations of such other parties as between themselves under clause 11).

## 13 Duration and termination

- 13.1 This Agreement shall continue in full force and effect, unless otherwise agreed in writing by the Shareholders until the earlier of the following events:

13.1.1 each of the Shareholders agrees in writing to terminate this Agreement;

13.1.2 an effective resolution is passed or a binding order is made for the winding up of the Company;

13.1.3 all of the Shares become beneficially owned by one person;

**provided that** this Agreement shall cease to have effect as regards any Shareholder who ceases to hold any Shares in the Company, except for any provisions which are expressed to continue in force thereafter.

- 13.2 Termination of this Agreement pursuant to this clause shall not release any party from any liability which at the time of termination has already accrued to another party or which may accrue after termination of this Agreement in respect of any act or omission prior to such termination.

- 13.3 Upon termination of this Agreement pursuant to clause 13.1 the Shareholders shall do all such acts and things as are necessary to procure (so far as they are able) (including, without limitation, the holding of an general meeting of the Company and the passing of appropriate shareholder resolutions) that the Company be wound up.

## 14 Confidentiality

14.1 This clause applies to:

14.1.1 all information of a confidential nature disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by one party to one of the other parties whether before or after the date of this Agreement;

14.1.2 any information concerning the business affairs of one party or any member of its Group or other information confidential to that party or its Group which one of the other parties learns as a result of the relationship between the parties pursuant to this Agreement;

including any information relating to any party's products, operations, processes, plans or intentions, product information, know-how, design rights, trade secrets, market opportunities and business affairs (together, **Confidential Information**).

14.2 In this clause, in relation to a particular item of Confidential Information:

14.2.1 the **Disclosing Party** means the party by whom (or on whose behalf) that Confidential Information is disclosed or (where there is no such disclosure) the party to whom the Confidential Information relates, or to whom the Confidential Information is proprietary or who otherwise desires that the confidentiality of the Confidential Information is respected; and

14.2.2 the **Receiving Party** means the other party.

14.3 During the term of this Agreement and after termination of this Agreement for any reason whatsoever, the Receiving Party shall:

14.3.1 keep the Confidential Information confidential;

14.3.2 not disclose the Confidential Information to any other person other than with the prior written consent of the Disclosing Party or in accordance with this clause 14; and

14.3.3 not use the Confidential Information for any purpose other than the performance of its obligations and the exercise of its rights under this Agreement.

14.4 Notwithstanding clause 14.3, the Receiving Party may disclose Confidential Information as follows:

14.4.1 to its professional advisers (each, a **Recipient**) providing the Receiving Party ensures that each Recipient is made aware of and complies with all the Receiving Party's obligations of confidentiality under this Agreement as if the Recipient was a party to this Agreement; and

- 14.4.2 to other parties to this Agreement, and where disclosure is required by law, by any court of competent jurisdiction or by any appropriate regulatory body.
- 14.5 This clause 14 shall not apply to any Confidential Information which:
- 14.5.1 is at the date of this Agreement in, or at a later date comes into, the public domain other than through breach of this Agreement by the Receiving Party or any Recipient;
- 14.5.2 was known by the Receiving Party before receipt from (or on behalf of) the Disclosing Party (or, as appropriate, before the Receiving Party learnt of the same pursuant to this Agreement) and which had not previously been obtained under an obligation of confidence; or
- 14.5.3 subsequently comes lawfully into the Receiving Party's possession from a third party, free of any obligation of confidence.
- 14.6 The Company acknowledges that the Shareholder is subject to the requirements of the FOIA, the Environmental Information Regulations and other access to information and propriety controls as provided in legislation, and shall facilitate the Shareholder's compliance with its Information disclosure requirements pursuant to and in the manner provided for in clauses 14.7 and 14.10.
- 14.7 If the Shareholder receives a Request for Information in relation to Information that the Company is holding and which the Shareholder does not hold itself, the Shareholder shall refer to the Company such Request for Information as soon as practicable and in any event within five (5) Business Days of receiving a Request for Information, and the Company shall:
- 14.7.1 provide the Shareholder with a copy of all such Information in the form that the Shareholder requires as soon as practicable and in any event within 10 Business Days (or such other period as the Shareholder acting reasonably may specify) of the Shareholder's request; and
- 14.7.2 provide all necessary assistance as reasonably requested by the Shareholder to enable the Shareholder to respond to a Request for Information within the time for compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations.
- 14.8 Following notification under clause 14.7, and up until such time as the Company has provided the Shareholder with all the Information specified in clause 14.7, the Company may make representations to the Shareholder as to whether or not or on what basis Information requested should be disclosed, and whether further information should reasonably be provided in order to identify and locate the information requested, provided always that the Shareholder shall be responsible for determining, at its absolute discretion:
- 14.8.1 whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations; and

- 14.8.2 whether Information is to be disclosed in response to a Request for Information, and in no event shall the Company respond directly to a Request for Information.
- 14.9 The Company acknowledges that (notwithstanding the provisions of clause 14.1) the Shareholder may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under part I of the Freedom of Information Act 2000, be obliged under the FOIA or the Environmental Information Regulations to disclose Information concerning the Managers or the Company:
- 14.9.1 in certain circumstances without consulting with the Company; or
- 14.9.2 following consultation with the Company and having taken its views into account.
- 14.10 The Company shall transfer to the Shareholder any Request for Information received by it as soon as practicable and in any event within 3 Business Days of receiving it.
- 14.11 The Company acknowledges that any lists provided which list or outline Confidential Information are of indicative value only and that the Shareholder may nevertheless be obliged to disclose Confidential Information in accordance with clause 14.9.

## 15 General

- 15.1 Except where this Agreement provides otherwise, each party shall pay its own costs relating to or in connection with the negotiation, preparation, execution and performance by it of this Agreement and of each agreement or document entered into pursuant to this Agreement and the transactions contemplated by this Agreement.
- 15.2 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties.
- 15.3 No delay, indulgence or omission in exercising any right, power or remedy provided by this Agreement or by law shall operate to impair or be construed as a waiver of such right, power or remedy or of any other right, power or remedy.
- 15.4 No single or partial exercise or non-exercise of any right, power or remedy provided by this Agreement or by law shall preclude or restrict any other or further exercise of such rights, power or remedy or of any other right, power or remedy.
- 15.5 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement.
- 15.6 A waiver of a breach of any of the terms of this agreement or of a default under this Agreement will not prevent a party from subsequently requiring compliance with the waived obligation.

- 15.7 The rights and remedies provided by this Agreement are cumulative and are not exclusive of any rights, powers or remedies provided by law.
- 15.8 The provisions of this Agreement insofar as they have not been performed at Completion shall remain in full force and effect notwithstanding Completion.
- 15.9 If any provision of this Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, that shall not affect or impair:
- 15.9.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- 15.9.2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.
- 15.10 This Agreement, and the documents referred to in it, constitute the entire agreement and understanding between the parties and supersede any previous agreement, understanding or arrangement between the parties relating to the subject matter of this Agreement.
- 15.11 Each of the parties acknowledges and agrees that:
- 15.11.1 in entering into this Agreement, and the documents[referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, assurance, warranty or understanding of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement or those documents;
- 15.11.2 the only remedy available to it arising out of or in connection with this Agreement or its subject matter shall be for damages for breach of contract under the terms of this Agreement;
- 15.11.3 nothing in this clause shall operate to limit or exclude any liability for fraud.
- 15.12 Save for a person who enters into a Deed of Adherence pursuant to clause 10.2, no person who is not a party to this Agreement shall have any right to enforce this Agreement or any agreement or document entered into pursuant to this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

## **16 Assignment**

- 16.1 This Agreement is personal to the parties and neither party shall assign, transfer, charge, make the subject of a trust or deal in any other manner with this Agreement or any of its rights or obligations under it, or purport to do any of the same, nor sub-contract any or all of its obligations under this Agreement without the prior written consent of the other party. Each party is entering into this Agreement for its benefit and not for the benefit of another person.

## **17 No partnership or agency**

Nothing in this Agreement is intended to or shall operate to create a partnership between the parties, or to authorise any party to act as agent for any other or to establish any other fiduciary relationship between the parties. No party shall

have authority to act in the name or on behalf of or otherwise to bind the other party in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

**18 Notices**

**18.1** Any notice or other communication given under this Agreement:

18.1.1 shall be in writing;

18.1.2 shall be signed by or on behalf of the party giving it;

18.1.3 shall be served by delivering it by hand or sending it by pre-paid recorded delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom) or by fax at the address or fax number set out in clause 18.2 of the party due to receive it and marked for the attention of the person named in clause 18.2 (or at such other address or fax number or marked for the attention of such other person as last notified in writing to the other parties;

18.1.4 shall be deemed to have been received:

- (a) if delivered by hand, at the time of actual delivery;
- (b) in the case of pre-paid recorded delivery or registered post, two Business Days after the date of posting;
- (c) in the case of registered airmail, five Business Days after the date of posting; and
- (d) in the case of fax, at the time of completion of transmission.

**18.2** The addresses and fax numbers of the parties for the purposes of clause 18.1 are:

**Huntingdonshire District Council**

Address: Pathfinder House, St. Mary's Street, Huntingdon, PE29 3TN

For the attention of:

HDC Ventures Limited

Address: Pathfinder House, St. Mary's Street, Huntingdon, PE29 3TN

For the attention of:

- 18.3 To prove delivery it shall be sufficient to prove that the envelope containing the notice was addressed to the address of the relevant party set out in clause 18.2 (or as otherwise notified in writing by that party under clause 18.2) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery, registered post or airmail letter, or that the notice was transmitted by fax to the fax number of the relevant party set out in clause 18.2 (or as otherwise notified in writing by that party under clause 18.2).
- 18.4 In this clause if deemed receipt occurs before 9am on a Business Day the notice shall be deemed to have been received at 9am on that day, and if deemed receipt occurs after 5pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9am on the next Business Day.
- 18.5 For the avoidance of doubt, a notice or other communication given under this Agreement shall not be validly served if sent by e-mail.

## **19 Counterparts**

- 19.1 This Agreement may be executed in any number of counterparts and by different parties on separate counterparts (which may be facsimile copies), but shall not take effect until each party has executed at least one counterpart. Each counterpart shall constitute an original, and all the counterparts together shall constitute a single agreement.

## **20 Applicable law**

- 20.1 The parties agree that this Agreement and any dispute or claim arising out of or in connection with this Agreement, its negotiation or its subject matter, or any non-contractual obligation arising in connection with the foregoing, shall be governed by and construed in accordance with English law.
- 20.2 Each of the parties irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales in relation to any claim or matter arising out of or in connection with this Agreement, its negotiation or its subject matter, or any non-contractual obligation arising in connection with the foregoing.

This Agreement has been executed on the date stated at the beginning of this Agreement.

## Schedule 1

### Deed of adherence

#### Deed of adherence

dated [ ] 20[ ]

By [ **Limited**] a company incorporated in England and Wales (registered number [ ]) whose registered office is at [ ] (the **New Shareholder**) in favour of the persons whose names and addresses are set out in the Schedule to this Deed (the **Continuing Parties**).

#### Introduction

- (A) This Deed is supplemental to a Shareholders' Agreement dated 2017 between [A], [B] and the Company (the **Shareholders' Agreement**) and to *[insert details of any subsequent Deeds of Adherence or Amendment]*.
- (B) The New Shareholder wishes to [subscribe for] [acquire] [ ] [A]/[B] Shares in the capital of the Company [from *Transferor*].
- (C) Clause [ ] of the Shareholders' Agreement provides that no person other than a Shareholder shall acquire shares in the Company (whether by way of transfer or allotment or otherwise) unless he enters into a Deed of Adherence in substantially the form of this Deed.

#### Agreed terms

- 1 The New Shareholder confirms that [he/it] has been given a copy of the Shareholders' Agreement and covenants with the Continuing Parties to observe, perform and be bound by every provision of the Shareholders' Agreement (other than the Excluded Clauses) as if the New Shareholder had been an original party to it.
- 2 In this Deed the Excluded Clauses shall mean clauses [insert numbers of clauses to be excluded ie ones containing a personal obligation] of the Shareholders' Agreement.
- 3 Unless the context requires otherwise, words and expressions defined in the Shareholders' Agreement shall have the same meanings when used in this Deed.
- 4 This Deed shall be governed by and construed in accordance with English law.

This Deed of Adherence has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

#### Schedule

*[Insert names and addresses of Continuing Parties]*



**Appendix 2**  
**DRAFT ARTICLES OF ASSOCIATION**

**dated 2017**

**HDC Ventures Limited**

**Articles of Association**

**Company number:**

**Private company limited by shares**

# Articles of Association

of

## HDC Ventures Limited

[as adopted by a special resolution passed on [                      ]]

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### Model Articles

- 5        The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

### Objects clause

- 6        The Company's objects are unrestricted.

### Unanimous decisions

- 7        A decision of the directors which takes the form of a resolution in writing may consist of several copies each signed by one or more eligible directors. Article 8 of the Model Articles shall be modified accordingly.

### Calling a directors' meeting

- 8        A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice to the Company after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it. Article 9(4) of the Model Articles shall be modified accordingly.
- 9        If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Article 10(3) of the Model Articles shall not apply to the Company.

### Quorum for directors' meetings

- 10       The quorum for the transaction of business of the directors shall be two, including at least one director who is an elected member and one director who is an officer. Article 11(2) of the Model Articles shall be modified accordingly.

- 11 If the directors for the time being are unable to form a quorum, the directors must not take any decision other than a decision:
- 11.1 to appoint such number of further directors as are required to make up the quorum required; or
- 11.2 to call a general meeting so as to enable the shareholders to appoint further directors. Article 11(3) of the Model Articles shall not apply to the Company.

### **Conflicts of interest**

- 12 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Authorisation of directors' conflicts of interest**

- 13 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 14 Authorisation of a matter under article 13 shall be effective only if:
- 14.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;
- 14.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**); and
- 14.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 15 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under article 13 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 16 Any authorisation of a matter under article 13 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.

- 17 A director, notwithstanding his office, may be a director or other officer of, employed by, a member of or otherwise interested (including by the holding of shares) in, the Council or in a shareholder who has appointed him as a director of the Company, or any other member of such shareholder's group, or an employee of another local authority placed at the disposal of the Council pursuant to section 113 of the Local Government Act 1972, and no authorisation under article 9 shall be necessary in respect of any such interest
- 18 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 18.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 18.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the directors under article 13.
- 19 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under article 13 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

#### **Appointment and removal of directors**

- 20 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is two.
- 21 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the Company may at any time and from time to time:
- 21.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); or
- 21.2 remove any director from office.
- Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.
- 22 The board of directors and/or the chairman has the authority to appoint non-executive directors of the Company.

- 23 In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

#### **Termination of a director's appointment**

- 24 Notwithstanding any other provision of these articles, a person ceases to be a director, in the following circumstances;
- 24.1 as soon as he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
- 24.2 being an officer of the Council at the time of his appointment as a director, his employment by the Council is terminated for any reason.

#### **Company secretary**

- 25 The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

#### **Nil- or partly-paid shares permitted**

- 26 Article 21 of the Model Articles shall not apply to the Company. If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.

#### **Share certificates**

- 27 Every share certificate must specify the amount paid up on the shares to which it relates. Article 24(2)(c) of the Model Articles shall not apply to the Company.

#### **Share transfers**

- 28 The instrument of transfer of any share taken on formation of the Company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.

#### **Calculation of dividends**

- 29 Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:
- 29.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

- 29.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount. Article 30 of the Model Articles shall be modified accordingly.

#### **Proceedings at general meetings**

- 30 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given to all the members of the Company. Article 41(5) of the Model Articles shall be modified accordingly.

#### **Poll votes**

- 31 A poll may be demanded by any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation. Article 44(2)(c) of the Model Articles shall be modified accordingly.
- 32 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made. Article 44(3) of the Model Articles shall not apply to the Company.

#### **Proxies and corporate representatives**

- 33 The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

#### **Written resolutions**

- 34 A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the 2006 Act).

#### **Means of communication to be used**

- 35 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 35.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended

recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 35.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 35.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 35.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 36 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act.

#### **Indemnity**

- 37 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)) **provided that** this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.
- 38 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.
- 39 Without prejudice to the provisions of article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.

- 40 In these articles:
- 40.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- 40.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

#### **Right to inspect accounts and other records**

- 41 The Council and its authorised representatives shall have the right, on giving to the Company reasonable advance notice, during normal business hours to inspect the books and records of the Company and any subsidiary of the Company. Article 50 of the Model Articles shall not apply to the Company.

#### **Definitions**

- 42 In these articles;
- “Council” means Huntingdonshire District Council
- “elected member” means an elected member of the Council; and
- “officer” means an officer of the Council and shall include an employee of another local authority placed at the disposal of the Council pursuant to section 113 of the Local Government Act 1972.

## APPENDIX 3 – PROJECT PLAN

| completion during week beginning                     | People      | Action                              | May | June |    |    |    | July |    |    |    |    | August |
|------------------------------------------------------|-------------|-------------------------------------|-----|------|----|----|----|------|----|----|----|----|--------|
|                                                      |             |                                     | 29  | 5    | 12 | 19 | 26 | 3    | 10 | 17 | 24 | 31 | 7      |
| Finalise Incorporation Questionnaire                 | CGT         | Provide to T&H                      |     |      |    |    |    |      |    |    |    |    |        |
| Send out Director's Questionnaires                   | CGT         | Distribute templates                |     |      |    |    |    |      |    |    |    |    |        |
| Deadline for completed Director's Questionnaires     | CGT         | Colate/forward to T&H               |     |      |    |    |    |      |    |    |    |    |        |
| Draft Cabinet report to JL/DB                        | CGT         | Supply to JL/DB                     |     |      |    |    |    |      |    |    |    |    |        |
| Cabinet report to SMT Review                         | JL          | Supply to SMT                       |     |      |    |    |    |      |    |    |    |    |        |
| Cabinet report to O&S Panel                          | JL          | Supply O&S                          |     |      |    |    |    |      |    |    |    |    |        |
| Cabinet report - Approval                            | Cabinet     | Approve recommendations             |     |      |    |    |    |      |    |    |    |    |        |
| Shareholder Agreement                                | CGT         | Provide to T&H                      |     |      |    |    |    |      |    |    |    |    |        |
| Articles of Association                              | CGT         | Provide to T&H                      |     |      |    |    |    |      |    |    |    |    |        |
| Draft Resourcing Agreement                           | CGT         | Scope schedules for HR, Finance, IT |     |      |    |    |    |      |    |    |    |    |        |
| Resourcing Agreement:HDC review                      | CGT         | Colate HDC inputs                   |     |      |    |    |    |      |    |    |    |    |        |
| Funding/Working Capital Loan Agreement               |             |                                     |     |      |    |    |    |      |    |    |    |    |        |
| Employment contracts                                 |             |                                     |     |      |    |    |    |      |    |    |    |    |        |
| Domain name registration                             | CGT         | Instruct T&H to complete            |     |      |    |    |    |      |    |    |    |    |        |
| Bank Account Mandate                                 | HDC         | Finance team to progress            |     |      |    |    |    |      |    |    |    |    |        |
| Professional Indemnity insurance                     | HDC Finance | Finance team to progress            |     |      |    |    |    |      |    |    |    |    |        |
| Employers Liability Insurance                        | HDC Finance | Finance team to progress            |     |      |    |    |    |      |    |    |    |    |        |
| Public Liability Insurance                           | HDC Finance | Finance team to progress            |     |      |    |    |    |      |    |    |    |    |        |
| Appointment of Shareholder representative            | JL          | Propose nomination                  |     |      |    |    |    |      |    |    |    |    |        |
| Appointment of Shareholder representative            | CGT         | Progress with T&H                   |     |      |    |    |    |      |    |    |    |    |        |
| First Board meeting                                  | CGT         | Agenda, resolutions, arrangements   |     |      |    |    |    |      |    |    |    |    |        |
| Appointment of Company Secretary                     | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Board meeting format and timings                     | Company Sec | Distributed after meeting           |     |      |    |    |    |      |    |    |    |    |        |
| Appointment of Chair                                 | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Resolution – Director/NED Appointments               | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Resolution – Director/NED Voting rights              | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Resolution – Approval of Articles                    | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Letter of Appointment to Directors                   | Company Sec | Sent to Directors                   |     |      |    |    |    |      |    |    |    |    |        |
| Review and Approval of Reserved Matters (Articles)   | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Approval of delegations for financial transactions   | Board       | Minuted decision                    |     |      |    |    |    |      |    |    |    |    |        |
| Approve business plan                                |             |                                     |     |      |    |    |    |      |    |    |    |    |        |
| Form AD01: Change of registered address              |             |                                     |     |      |    |    |    |      |    |    |    |    |        |
| Form AA01: Change of accounting period               |             |                                     |     |      |    |    |    |      |    |    |    |    |        |
| Form AP01: appointment of director                   | Company Sec | Snt to T&H                          |     |      |    |    |    |      |    |    |    |    |        |
| Board docs – production/review/distribution/ storage | Company Sec | Distributed after meeting           |     |      |    |    |    |      |    |    |    |    |        |
| Minutes of Board meeting                             | Company Sec | Distributed after meeting           |     |      |    |    |    |      |    |    |    |    |        |
| Second Board meeting                                 | Company Sec | Agenda, resolutions, arrangements   |     |      |    |    |    |      |    |    |    |    |        |

## **APPENDIX 4 – BUSINESS CASE /PROCUREMENT UPDATE**

### **Document Centre**

- Options review and business case for preferred option (joint venture) completed.
- Submission to O&S and Cabinet scheduled for July.
- Soft market testing – market validation via supplier discussions – ongoing.
- Procurement timetable drafted.
- Intention is to initiate a Restricted Procedure with Competitive Dialogue: commencing in June.
- Contract Award anticipated in November/December.
- Mobilisation plan to be prepared during procurement process.

### **CCTV**

- Briefing paper in preparation for submission to O&S/Cabinet in July.
- Procurement timetable drafted.
- Intention is to initiate a Restricted Procedure with Competitive Dialogue: commencing in July.
- Contract Award anticipated in November/December.
- Mobilisation plan to be prepared during procurement process.

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**Public**  
**Key Decision – No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Debt Management Policy  
**Meeting/Date:** Cabinet 22 June 2017  
**Executive Portfolio:** Strategic Resources: Councillor J A Gray  
**Report by:** Finance Manager  
**Ward(s) affected:** All Wards

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### **Executive Summary:**

This is a new Debt Management Policy as there is currently not one in place. It will provide clear purpose to the Council's procedure in collection of miscellaneous debts. Research was carried out to look at best practice policies and these have been incorporated in to this new Policy.

The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone. The introduction of the Debt Management Policy will ensure that debt is minimised and rates of collection are maximised with a consistent approach.

The key aims of this policy is to maximise the level of income collected by the Council by accurate and timely billing, reducing the level of debt arising, effective and timely recovery processes and utilising the appropriate recovery method by debt type.

### **Recommendation(s):**

It is recommended Cabinet reviews and approves the Debt Management Policy.

## **1. WHAT IS THIS REPORT ABOUT?**

- 1.1 This is a new Debt Management Policy as there is currently not one in place. It will provide clear purpose to the Council's procedure in collection of miscellaneous debts. Research was carried out to look at best practice policies and these have been incorporated in to this new Policy.

## **2. BACKGROUND**

- 2.1 The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone. The introduction of the Debt Management Policy will ensure that debt is minimised and rates of collection are maximised with a consistent approach.
- 2.2 The key aims of this policy is to maximise the level of income collected by the Council by accurate and timely billing, reducing the level of debt arising, effective and timely recovery processes and utilising the appropriate recovery method by debt type.
- 2.3 The Council is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.
- 2.4 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.
- 2.5 The term 'miscellaneous debt' is used to represent any debt other than Council Tax or Business Rates. It covers the following services:
- One Leisure
  - Operations
  - Commercial Rents
  - Licensing
  - Housing
  - Environmental Health
  - Building Control
  - Other invoicing

## **3. ANALYSIS**

- 3.1 This Policy documents the process of raising invoices and the collection of miscellaneous debts and details the standard payment terms and the days of first and final reminders. These timings are much shorter than are currently being used, but these should improve collection rates and will make Miscellaneous Debt recovery more commercialised.
- 3.2 The new Policy will expect debts to be paid in shortest time possible, improve customer contact, legal obligations to pursue outstanding debt and to collect debts in a fair and consistent manner

## **4. COMMENTS OF OVERVIEW AND SCRUTINY PANEL**

- 4.1 The comments of the Overview and Scrutiny Panel are to follow.

## **5. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?**

- 5.1 The Debt Management Policy, upon approval by Cabinet, will be implemented by communicating to all Managers.

## **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 6.1 Upon approval, this Policy will be implemented.

**7. LINK TO THE CORPORATE PLAN**

- 7.1 The Debt Management Policy will come under the “Ensuring we are a customer focused and service led Council delivering value for money services” aspect of the Corporate Plan, and enabling the Council to “*Become more business-like and efficient in the way we deliver services*”.

**8. LEGAL IMPLICATIONS**

- 8.1 No legal implications are known at this time.

**9. RESOURCE IMPLICATIONS**

- 9.1 Resource implication are noted within the report.

**10. OTHER IMPLICATIONS**

- 10.1 No other implications are known at this time.

**11. REASONS FOR THE RECOMMENDED DECISIONS**

- 11.1 It is recommended Cabinet reviews and approves the Debt Management Policy.

**APPENDICES**

APPENDIX 1 – Debt Management Policy

**CONTACT OFFICER**

Adrian Forth, Finance Manager

 01480 388605



**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |                                                                                                     |
|------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Title/Subject Matter:</b> | Adoption of the Public Health Funerals Policy                                                       |
| <b>Meeting/Date:</b>         | Overview and Scrutiny (Communities and Environment) –<br>13th June 2017<br>Cabinet – 22nd June 2017 |
| <b>Executive Portfolio:</b>  | Executive Councillor for Housing and Regulatory Services,<br>Cllr Ryan Fuller                       |
| <b>Report by:</b>            | Head of Community, Chris Stopford                                                                   |
| <b>Wards affected:</b>       | All                                                                                                 |

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### **Executive Summary:**

The purpose of this report is to obtain approval for the adoption of a new Public Health Funeral Policy.

The Council has a duty to arrange a public health funeral, under Section 46(1) of the Public Health (Control of Diseases) Act 1984, where the deceased has died within the Council's administrative boundary and it is apparent that there is no-one able or willing to arrange a funeral.

The new policy (attached as Appendix 1 to this report) outlines the Council's response to the statutory duty imposed by the Act, covering issues including registering the death, searching for a will, locating next of kin, organising the funeral, and the management of the residual estate, including disposing of personal possessions and recovering the Council's costs in dealing with the death.

### **Recommendation(s):**

The Overview and Scrutiny Panel is invited to comment on the policy and endorse its submission for approval by the Cabinet.

The Cabinet is recommended to

- i) Approve the scheme Public Health Funeral Policy
- ii) Approve that the Head of Community be authorised to make minor editorial changes which by definition make no change to the policy,
- iii) that the Head of Community, in consultation with the Executive Councillor for Housing and Regulatory Services, be authorised to make changes as a result of revocations, amendments, or enactment of relevant statutory provisions

## **1. PURPOSE OF THE REPORT**

- 1.1 This report proposes the adoption of a new policy in allowing the Council to meet its statutory responsibilities in dealing with funerals of individuals who die or are found dead in the district and do not have anyone able or willing to organise their funeral.

## **2. BACKGROUND**

- 2.1 Under the Public Health (Control of Diseases) Act 1984, the Council has a duty to arrange a funeral for individuals who die within the Council's administrative boundary and it is apparent that there is nobody able or willing to arrange a funeral.
- 2.2 This duty does not include individuals who die in hospital as these are the responsibility of the local hospital trust.

## **3. POLICY**

- 3.1 The new policy, attached as Appendix 1 to this report, outlines the issues to be considered and the process which the Council will follow in organising funerals under this legislation.
- 3.2 The policy covers the situations under which the Council will organise a funeral and procedures for:- locating next of kin or others willing to fund the funeral; locating the last will and testament; identifying an executor; locating relatives and heirs; registering the death; organising the funeral; dealing with the estate; disposing of personal possessions and retaining appropriate documentation.
- 3.3 Under the policy, the Council's costs will be recovered wherever practicable. These costs will be recovered prior to any remaining balance being passed to the estate.
- 3.4 The principles of this policy and associated guidance will be put in place immediately upon approval by the Cabinet.

## **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be provided following their meeting on 7<sup>th</sup> June 2017.

## **5. RISK MANAGEMENT**

- 5.1 The most significant risk in this area is that, without an appropriate policy and procedure, officers dealing with this type of death inadvertently act in a manner which is inconsistent with the legislation. The development of this policy mitigates that risk.

## **6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 6.1 The approval of this policy will contribute to the Council's objective of "becoming a more efficient and effective Council" by providing an appropriate framework for providing the relevant services.

## **7. LEGAL IMPLICATIONS**

- 7.1 Section 46(1) of the Public Health (Control of Diseases) Act 1984 states: - “It shall be the duty of a local authority to cause to be buried or cremated the body of any person who has died or been found dead in their area, in any case where it appears to the authority that no suitable arrangements for the disposal of the body have been or are being made otherwise than by the authority.”
- 7.2 The adoption of this policy will ensure that the Council continues to meet this statutory duty in the most appropriate manner.

## **8. RESOURCE IMPLICATIONS**

- 8.1 The resource implications of this function are, by their nature, unpredictable. In the past 18 months (1<sup>st</sup> October 2015 – 31<sup>st</sup> March 2017), officers were called upon to deal with a total of 8 deaths, 5 of which required the provision of funerals under this legislation. These funerals cost a total of £5,274, including the Council's costs. A total of £2113 was recovered, leaving a net cost of £3,161 to the Council. The other 3 funerals involved some initial investigatory work by officers but were subsequently found to be outside the scope of the legislation.
- 8.2 Budgetary provision of £3,000 has been made for the 2017-18 financial year. As noted previously, the Council is committed to recovering its costs wherever practicable.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

- 9.1 The approval of this new policy is recommended as it helps ensure that the Council meets its statutory responsibilities in a consistent manner, balancing sensitivity of service delivery with the need to deliver efficient and effective services.

## **10. LIST OF APPENDICES INCLUDED**

Appendix 1 – Public Health Funerals Policy.

## **BACKGROUND PAPERS**

Not applicable

## **CONTACT OFFICER**

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## Public Health Funerals Policy

### 1. Introduction

When someone dies it is often a very painful and difficult time, especially if there are concerns about how a funeral is to be paid for. If someone is concerned about how to pay for the funeral of a spouse, partner or member of the family because of insufficient funds or low income they may be entitled to a funeral payment from the Department of Works and Pensions.

More details and advice on Department of Works and Pensions Funeral Payments is available on the following web page: [www.gov.uk/funeral-payments/overview](http://www.gov.uk/funeral-payments/overview).

If someone does not have access to a computer they can go to their nearest Jobcentre Plus or call in to the Council Offices.

When there is no surviving spouse/partner, next-of-kin cannot be located, or there is a refusal to pay, officers from the Community Section of the Council may be able to arrange a public health funeral.

Section 46(1) of the Public Health (Control of Diseases) Act 1984 states:

“It shall be the duty of a local authority to cause to be buried or cremated the body of any person who has died or been found dead in their area, in any case where it appears to the authority that no suitable arrangements for the disposal of the body have been or are being made otherwise than by the authority.”

The Council will arrange a public health funeral where the deceased died within the Council's administrative boundary and it is apparent that there is no-one able or willing to arrange a funeral. Huntingdonshire District Council will not be responsible for funeral arrangements if they lived the Council's administrative boundary but died within another District Council boundary; it is the responsibility of the council in which the death occurred.

Once the Council has accepted responsibility for a funeral they will deal with all aspects of the administration.

### 2. Property Search

A visit to the property will be carried out as soon as possible following the request for a public health funeral. The purpose of the visit is to search for; details of next-of-kin, a Will, passport, driving licence, any documentation, details of bank accounts, to remove valuables, etc.

As a safeguard against accusations of theft or misconduct, two officers will conduct the property search. The officers will always consist of one Council Officer; the second may, for example, be a housing association Officer or Police Officer.

A written inventory of assets will be recorded and property retained, under secure conditions and in accordance with Council's Public Health Funeral Guidance. These may be disposed with the proceeds used towards recovery of costs, to be passed on to next-of-kin or to be passed to the Government Legal Department.

A risk assessment will be conducted prior to the property search and will be conducted as per the Council's Public Health Funeral Guidance.

Landlords should not enter or explore the property and must not remove any items from the deceased's accommodation until given clearance by the officer responsible for public health funerals.

Where the next-of-kin wishes to be present at the search or wishes to look through the property they will be accompanied at all times.

### **3. Last Will and Testament**

Where a Will is established the funeral arrangements must be passed to the Executor and no further action is taken by the Council.

If the Executor revokes their duty and refuses to take on the responsibility of the funeral they must make a formal renunciation of the will. If property or valuables have been removed from the property by the Executor they may be required to be handed to the Council, where insufficient funds are available to cover the funeral expenses.

### **4. Locating estate heirs**

Where next-of-kin cannot be expeditiously discovered and a will cannot be established the Council may use the services of companies who specialise in locating heirs and beneficiaries. These will be chosen in accordance with the Council's Public Health Funeral Guidance.

### **5. Registration of the death**

Where the Council has taken on the responsibility of the funeral an officer will register the death. Death certificates will be purchased, for administration use, in accordance with the Council's Public Health Funeral Guidance.

The Government 'Tell Us Once' service will be used when possible and where a next-of-kin cannot be traced.

### **6. The funeral**

If the next-of-kin, partner or family of the deceased is unable or unwilling to take responsibility for the funeral they will be asked to sign a document stating they acknowledge that HDC are to make the funeral arrangements and that they understand that all costs will be recovered from the estate before any funds are released to them. The following will all be in accordance with the Council's Public Health Funeral Guidance:

- If there is a refusal to pay the funeral there will be; no obligation to inform the family the time/place of the funeral; and there will be no invitation for the family to attend.
- The funeral will be arranged at the discretion of Council and in conjunction with the undertakers.
- Where there is a refusal to pay, a visit to the Chapel of Rest will not be permitted.
- Where the Council is responsible, the most economical funeral available will be arranged.
- The Council will not part-fund a funeral.
- The Council will not pay for flowers or memorials and will not accept contributions for such items.
- The crematorium used will be at the discretion of Council,
- HDC will not have the body cremated if they have reason to believe that the deceased did not wish it.
- If a cremation; the ashes will be scattered 3 months after the funeral in the crematorium grounds.
- If a burial; no memorial or headstone is permitted.

- If it is clear that there was an expressed wish by the deceased for any other type of funeral the Council will endeavour to carry out those wishes. If the cost is deemed to be unreasonable, officers will produce a report, to be validated by a Head of Service, as to the reasons why the wishes of the deceased cannot be agreed to.
- The Council will not routinely arrange for a minister of religion or a representative of faith at the funeral unless there is a certainty that it was the wish of the deceased or it is requested.

## **7. Appointment of Funeral Directors**

In line with Government Guidance (GOV.UK, 2016), a funeral director will be appointed who is a member of:

- National Association of Funeral Directors, or
- National Federation of Funeral Directors, or
- Society of Allied and Independent Funeral Directors (see Notes below - ii).

The Council will, from time to time, request funeral directors to supply tenders for the provision of a service in respect of public health funerals.

## **8. Protection of the Public Purse**

The Act allows the local authority to recover all costs incurred from the estate of the deceased; that is, from any effects, eg: cash found within the property, banks and/or the sale of property and possessions. Where there is no next-of-kin or partner to inherit and, after costs to the Council have been recovered, the estate is worth:

- over £500; where there are no known family the balance will be passed to the Government Legal Department (formerly the Treasury Solicitor's Department).
- under £500; the Act allows the Council to retain the money. This will be paid into the Chairman's Charity Fund as agreed by Cabinet.

Where family is located following a public health funeral the Council will hold the deceased's property and effects until someone comes forward with Letters of Administration from a Court or a Statutory Declaration. All Council costs for storage/property insurance/administration/etc will be recorded and passed to the estate.

Where the deceased has part-ownership of a property, the Council will put a Charge against the property so that costs can be recovered when the property is sold.

## **9. Disposal of personal possessions**

Personal possessions will be dealt with in accordance with the Council's Public Health Funeral Guidance.

Photographs or non-monetary documentation and any small items (for example jewellery or watches) are subject to a different retention procedure than furniture, bedding or clothing.

If next-of-kin are established; they will be provided with a detailed account regarding the recovery of costs from the estate, details of disposal of any personal possessions and inventory and any effects before closure of the request. This will be signed by the next-of-kin and a Council Officer or their representative.

## **10. Retention of documents**

The Council will retain documents in accordance with the Council's Document Retention Policy; 12-years at time of publication.

## **11. Freedom of Information**

Data will be published quarterly on the website at the end of June, September, December and March.

## **12. Notes**

i. This Policy is consistent with:

- Public Health (Control of Disease) Act 1984.([www.legislation.gov.uk/ukpga/1984/22/part/III/crossheading/disposal-of-dead-bodies](http://www.legislation.gov.uk/ukpga/1984/22/part/III/crossheading/disposal-of-dead-bodies)).
- The Institute of Cemetery and Crematorium Management Guidance.
- House of Commons Library (Standard Note: SN/HA/6242) document “Arranging and paying for a funeral”.

ii. To choose a funeral director:

- <http://www.nafd.org.uk/funeral-advice/funeral-arrangements/choose-a-funeral-director.aspx>.
- <http://www.nffd.co.uk/>.
- <http://www.saif.org.uk/members-search/>.

Dated May 2017

**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Treasury Management Annual Report 2016/17

**Meeting/Date:** Cabinet – 22nd June 2017

**Executive Portfolio:** Executive Member for Strategic Resources  
Councillor Jonathan Gray

**Report by:** Head of Resources

**Ward(s) affected:** All Wards

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### **Executive Summary:**

The Council's 2016/17 Treasury Management Strategy, was approved by Council on the 24th February 2016.

CIPFA's Treasury Management code requires Councils to report on performance of the treasury management function twice a year; the first report being the mid-year review (reported to cabinet on the 17<sup>th</sup> November 2016) and the annual report after the financial year end.

### **The main purpose of the Treasury Management Strategy is to;**

- Ensure the Council has sufficient cash to meet its day to day obligations.
- Borrow when necessary to fund capital expenditure, including borrowing in anticipation of need when rates are considered to be low.
- Invest surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest.

### **The key market Treasury Management issues though 2016/17 influencing the Council's decision-making were;**

- A moderate improvement in the credit rating of financial institutions.
- Bail-in legislation (replaces bail-out) placing the burden of rescuing failing EU banks disproportionately onto unsecured institutional investors including local authorities.
- A continuation of the Bank of England's policy of very low interest rates, with the result that market rates also remain very low. The Council's average investing rate was 0.32%.

**The Council's response to the key issues in 2016/17 was;**

- Where the Council has surplus funds to primarily make short term investments (the majority on call on a daily basis) in liquidity accounts and money market funds.
- Where possible to take a higher return without sacrificing liquidity.
- When borrowing the Council has used the Public Works Loan Board (PWLb), which offers low fixed rate borrowing over a long period. The interest rate ranges from 2.18% to 3.91%.

**Recommendation(s):**

The Cabinet is recommended to

- Comment on the 2016/17 Treasury Management performance

## **1. PURPOSE OF THE REPORT**

- 1.1 To report to members on the performance of the Treasury Management activity over the past financial year.

## **2. BACKGROUND**

- 2.1 This report covers treasury activity and the associated monitoring and control of risk. The key areas to be addressed includes

- Economic Review
- Performance of Funds
- Risk Environment
- Risk Management
- Compliance with Regulations and Codes

- 2.2 The key points in the 2016/17 Strategy were:

- Ensuring the Council has sufficient cash to meet its day to day obligations.
- Borrowing when necessary to fund capital expenditure.
- Investing surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest.

## **3. ANALYSIS**

### **Economic Review**

- 3.1 An economic review of the year has been provided by our Treasury Management advisors, Arlingclose and is attached with an analysis of the local context implications in **Appendix A**. The main reliance to the Council is

- Interest rates are likely to remain low in the short-term, allowing the Council to borrow at low interest rates both for short-term cash flow purposes and for longer term borrowing, such as the borrowing used to fund the loans to Luminus
- However low rates mean few opportunities to make significant returns from investments. This requires the Council to use other investing opportunities which the Commercial Investment Strategy provides.
- Low inflationary increases are likely in the short-term, reducing pressure on Council budgets of price increases.
- Whilst wages growth has been low or negative in recent years, there is now evidence of increasing wage inflation, as a result of low unemployment rates and high employment rates.

### **Performance of Council Funds**

- 3.2 The following table summarises the treasury management transactions undertaken during the 2016/17 financial year and the details of the investments and loans held as at 31st March 2017 are shown in detail in **Appendix B**.

|                                                                                                                              | Principal<br>Amount<br>£m | Interest<br>Rate<br>% |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|
| <b>Investments</b>                                                                                                           |                           |                       |
| at 31 <sup>st</sup> March 2016                                                                                               | 7.5                       | 1.42                  |
| <b>less</b> matured in year                                                                                                  | -225.8                    |                       |
| <b>plus</b> arranged in year                                                                                                 | +227.1                    |                       |
| at 31 <sup>st</sup> March 2017                                                                                               | 8.8                       | 2.24                  |
| <b>Average Investments (Annual)</b>                                                                                          | <b>19.7</b>               | <b>1.30</b>           |
| <b>Borrowing</b>                                                                                                             |                           |                       |
| at 31 <sup>st</sup> March 2016                                                                                               | 13.4                      | 3.63                  |
| <b>less</b> repaid in year                                                                                                   | -6.2                      |                       |
| <b>plus</b> arranged in year                                                                                                 | +8.7                      |                       |
| at 31 <sup>st</sup> March 2017                                                                                               | 15.9                      | 3.46                  |
| <b>Average Borrowing (Annual)</b>                                                                                            | <b>15.0</b>               | <b>3.40</b>           |
| <b>Note;</b><br>Interest rates above are as at dated apart from averages,<br>where these are the average for the whole year. |                           |                       |

### Investments

- 3.3 The Council's strategy for 2016/17 was based on all investments being managed in-house. The investments were of three types:
- Time deposits, these are deposits with financial institutions that are of fixed term and mature on an agreed date. In the Council's case usually in 1 to 2 weeks.
  - Liquidity (call) accounts, these are accounts held with banks where there is no fixed term and the money can be deposited or withdrawn on the day.
  - Money Market Funds, these are funds where investor's deposits are aggregated together and invested across a large range of financial products, giving a high degree of diversification.
- 3.4 The average rate of interest on all investments was 1.30%, 1.12% above the 7 day LIBID (London Interbank Bid Rate) benchmark rate of 0.18%, this represents a return of over three times the bench-mark rate. This good performance was due to £1.080m of the investments being locked into higher rates before the year started together with the use of liquidity accounts with major banks and Money Market Funds which gave the added safety of instant access together with interest rates in excess of the benchmark.
- 3.5 When only short-term cash flow investment activity is considered, the rate of interest on investments was 0.32%, which is around 78% higher than the 7-day benchmark rate of 0.18%.

## Borrowing

- 3.6 The Council's exposure to interest rate risk at the end of the year was:
- £15.9m long term borrowing from the PWLB, at a weighted average rate of 3.46%.
  - Short term borrowing at 31 March 2017 was nil.
- 3.7 The actual net investment interest payable (after deduction of interest receivable on loans) was £265,000 against a budget of £384,000. This is a saving of £119,000 against the original budget. This is due to delays in capital, CIS and revenue expenditure resulting in higher than estimated average cash balances which have been invested.
- 3.8 In September 2015 Cabinet agreed to make a loan of £5m to Luminus in order to finance part of the cost of constructing care facility at Langley Court St Ives. During the year the Council has advanced £2.750m (£2.250 was advanced in 2015/16) of funding to Luminus and the Council has in turn borrowed the same amount from the PWLB over a period of 31 years.
- 3.9 Short-term borrowing at 31 March 2017 was nil as the Council held sufficient cash balances to meet its obligations.

## Risk Environment

- 3.10 The changes to the environment in which investing takes place are detailed in **Appendix C** the main points to note are;
- Bail in legislation requiring investors to contribute to bank losses has replaced government bail outs.
  - Slight improvements in the credit ratings of financial institutions.
  - Improvements in the financial strength of financial institutions as evidenced by the Bank of England stress tests.

## Risk Management

- 3.11 The Council's primary objectives for the management of its investments are to give priority to the **security** and **liquidity** (how quickly cash can be accessed) of its funds before seeking the best rate of **return**.
- 3.12 The Council manages security by investing short-term with highly-rated banks and building societies, as well as investing with local authorities in the UK which are deemed to be intrinsically safe.
- 3.13 In addition to this the Council makes significant use of a number of Money Market Funds, where a large numbers of investors' funds, including the Council's, are aggregated and spread across a wide range of investments. The Council is therefore able to access a spread of investments across a number of funds not available if it were to invest on its own.
- 3.14 In order to manage liquidity the Council invests funds in call accounts or Money Market Funds, which provide instant access to funds.

- 3.15 The Council's priority has been security and liquidity, over the return on investments, which resulted in investments during 2016/17 generally being of short duration (the majority on call). The result of low interest rates across the market is that the margin gained from the benefit of investing for longer period does not out-weigh the potential costs of failure of the investment.

### Compliance with Regulations and Codes

- 3.16 All the treasury management activity undertaken during the financial year complied with the approved strategy, the CIPFA Code of Practice, and relevant legislation.
- 3.17 The Code requires the Council to approve both Treasury Management and Prudential Indicators. Those for 2016/17 were approved at the Council meeting on 24<sup>th</sup> February 2016. **Appendix D** shows the relevant prudential indicators and the actual results, the table below is a summary of key indicators.

| Prudential Management Indicators                            |                     |                   |                                                                                                                                                                 |
|-------------------------------------------------------------|---------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | 2016/17<br>Estimate | 2016/17<br>Actual | Impact on the Council                                                                                                                                           |
| Net capital expenditure                                     | £32.2m              | £16.9m            | Expenditure less than estimated as a result of rephasing asset schemes (£4.8m) and underspends (£1.2m). In addition the CIS did not spend the estimate of £20m. |
| Expenditure on interest and MRP (Minimum Revenue Provision) | 14.9%               | 8.0%              | As a result of underspends in 2015/16 the MRP is lower for 2016/17.                                                                                             |
| Capital Financing Requirement (CFR)                         | £65.5m              | £38.8m            | The CFR is lower due to reduced expenditure detailed above and increased capital receipts.                                                                      |
|                                                             | <b>31/03/16</b>     | <b>31/03/17</b>   |                                                                                                                                                                 |
| Long-term borrowing total                                   | £13.4m              | £15.9m            | Borrowing has increased to fund the series of loans to Luminus                                                                                                  |
| Treasury Management Indicators                              |                     |                   |                                                                                                                                                                 |
|                                                             | 2016/17<br>Limit    | 2016/17<br>Actual |                                                                                                                                                                 |
| Authorised Limit for debt                                   | £108.0m             | £22.3m            | The Council's debt has increased as a result of loans to finance the Luminus loan, but is still within the approved limits                                      |
| Operational boundary for debt                               | £103.0m             | £22.3m            |                                                                                                                                                                 |
| Borrowing fixed and variable interest                       | 75%-100%            | 100%              | All borrowing has been undertaken at a fixed rate to avoid the risk of interest rate increases in the future.                                                   |
| Borrowing repayment profile (10 years)                      | 9%-100%             | 86%               | The loan repayment profile has shortened from last year as the Luminus loans are repaid annually.                                                               |
| Investments longer than 364 days                            | £34.5m              | £0m               | Only short-term or instant access investments.                                                                                                                  |

#### **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The comments of the relevant Overview and Scrutiny Panel will follow the panel meeting on the 14 June 2017.

#### **5. RISKS**

- 5.1 The risks arising from treasury management activities are highlighted in the report and are measured by reference to the prudential indicators in **Appendix D**.

#### **6. WHAT ACTIONS WILL BE TAKEN**

- 6.1 Treasury management activities will continue to be monitored, in order to mitigate security and liquidity risks.

#### **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 7.1 Treasury management activity is a corporate function of the Council and supports the achievement of the Councils three corporate priorities; consequently it is a key element in the budget setting and management process.

- 7.2 In addition, over the last year the Councils Treasury function directly contributed to the "Working with our communities" strategic theme (Corporate Plan 2014-2016) in that it provided loan finance to support an external partner (Luminus) to fund the construction of the Langley Court Extra Care Facility in St. Ives.

#### **8. LEGAL IMPLICATIONS**

- 8.1 No direct, legal implications arise out of this report

#### **9. RESOURCE IMPLICATIONS**

- 9.1 The resource implications relating to the net interested due to the council is explained in paragraph 3.7.

#### **10. REASONS FOR THE RECOMMENDED DECISIONS**

- 10.1 Text

## **11. LIST OF APPENDICES INCLUDED**

Appendix A – Economic review (Source: Arlingclose)  
Appendix B – Borrowing and Investments as at 31<sup>st</sup> March 2017  
Appendix C – Risk Environment 2016-17  
Appendix D – CIPFA Prudential Indicators  
Appendix E – Commercial Investment Strategy Indicators (Preliminary)

## **BACKGROUND PAPERS**

CIPFA Treasury Management Code of Practice

## **CONTACT OFFICERS**

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☎ 01480 388157

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**APPENDIX A**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic Review of 2016/17</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Economic Growth</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Following the sharp decline in household, business and investor sentiment that was prompted by the unexpected outcome of the referendum on EU membership in Q2, the preliminary estimate of Q3 2016 GDP defied expectations as the economy grew 0.5% quarter-on-quarter, down only slightly from 0.7% in Q2 and year/year growth running at a healthy pace of 2.3%.                                                                                                                                         | The rate of growth suggests that Council services that are based on consumer demand, such as Leisure and CIS are likely to experience a steady rate of growth over the short-term.                                                                                                                                                                                                                                                                                                                           |
| <b>Inflation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Economic data continued to challenge the current market expectations throughout the quarter. Consumer Price Inflation (CPI) fell to 0.9% in October but rose to 1.2% in November, both predominantly driven by clothing, fuel and hotel prices. The Office for National Statistics (ONS) pointed out that there was little evidence to link this rise to the decline in the value of sterling. With sterling having now fallen by around 20% with its impact on prices still to come, according to the ONS. | The low rate of inflation will reduce the pressure for inflationary increases in the short-term. However CPI has risen above the Bank of England's target of 2%, as the fall in the value of sterling (making imports more expensive), and whilst there seems to be no intent to raise interest rates, inflation could rise further. For the Councils' budget holders this could mean that in the medium term budgets start to be eroded by inflation, and increasing pressure to increase fees and charges. |
| <b>Labour Market</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Labour market data also proved resilient, showing a small rise in the level of unemployment by 10,000, and average earnings dipping slightly, but at 2.3% still delivering real earnings growth although clearly under pressure from higher prices. The unemployment rate remained at 4.9%, its lowest level in 11 years.                                                                                                                                                                                   | With employment at a record high then recruiting is likely to become more difficult for the Council, as the number of candidates are likely to reduce.<br><br>In addition wage growth is starting to pick up, and so whilst general inflation remains low but increasing, there is a potential for increased pressure to increase the Council's pay by greater percentage than in recent years.                                                                                                              |
| <b>Consumer Expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| After a weak August, British consumers picked up the pace of their spending in Q3. UK retail sales growth surged to a 14-year high in October as consumers kept spending and colder weather boosted clothing sales. According to the British Retail Consortium (BRC), fears over Brexit are likely to weigh on sales in the period ahead.                                                                                                                                                                   | Overall economic growth in the UK is strong and this has been largely driven by consumer spending. This augurs well for the services the Council provides, suggesting there is likely to be strong demand for services into the medium term.                                                                                                                                                                                                                                                                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Global Influences</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>Uncertainty surrounds whether or not President Trump, will make good the fiscal, regulatory and policy initiatives and changes which were central to his campaign and, if so, their timing and size and their effect on growth, employment and inflation both domestic and globally.</p> <p>Following a strengthening labour market, in a move that was largely anticipated, at its meeting in December, the Federal Reserve's Open Market Committee (FOMC) increased the target range for official interest rates for just the second time in the last decade. The range was increased to between 0.5% and 0.75%, from 0.25% and 0.5%. In the accompanying statement, FOMC Chair Janet Yellen also highlighted the expectation of three further rate hikes in 2017, followed by three hikes in each of 2018 and 2019.</p> | <p>Whilst the Council is insulated to some extent from global fluctuations, the depreciating pound will make imported goods more expensive, so could have an impact on items such as IT equipment that are purchased from abroad or equipment which contain components purchased from abroad.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>UK Monetary Policy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>At its August meeting, the Bank of England's Monetary Policy Committee (MPC) had stated that the majority of members expected to support a further cut in Bank Rate at one of the MPC's forthcoming meetings during the course of the year. However, in the final calendar quarter of 2016/17 the MPC kept Bank Rate unchanged at 0.25% and asset purchases at £435bn.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>The economy's low growth rates and low inflation have resulted in the Bank of England's reluctance to increase interest rates. The main ramification of this for the Council is that the investments that it makes in financial instruments, for example money market funds and call accounts will continue to offer very low rates of return.</p> <p>The continuing expansion Commercial Investment Strategy offers an opportunity to achieve higher returns (yields) but still with a high degree of security. The security is as a result of the ownership of an asset (property) or and investment in assets (Property Funds). An attempt to achieve higher returns using financial investments would result in the taking on of more risky investments.</p> |
| <b>Market Reaction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Following the referendum result, gilt yields had fallen sharply across various maturities on the view that Bank Rate would remain extremely low for the foreseeable future. Since September there has been a reversal in longer dated gilt yields which have moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, which is almost back at pre-Brexit levels of 1.37% on 23rd June. 20- and 50-year gilt yields have also risen considerably in the third quarter to 1.76% and 1.7% respectively, and are nearly back up to pre-Brexit levels.</p> <p>After recovering from an initial sharp drop in Quarter 2, equity markets appear to have continued their rally, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7142.83 and 3873.22 respectively on 30th December, up 3.5% and 3.1% over the quarter.</p> <p>Money market rates for very short-dated periods (overnight to 1 month) have largely started recovering from a noticeable fall in the previous quarter.</p> <p><i>Source of Data: Arlingclose Ltd</i></p> | <p>PWLB borrowing rates are based on gilt yields. As a result when the Council needs to borrow the rates on offer are low by historic standards but the direction of travel is for increases but at a moderate rate.</p> <p>The majority of the Council's cash balances are kept in Money Market Funds or instant access accounts. Whilst rates on instant access accounts have fallen, the recovery of overnight rates may push up rates offered by Money Market Accounts. The rates on Money Market Accounts fluctuate and are therefore more likely to increase than bank accounts, which tend to change rate less often.</p> |
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## APPENDIX B

### BORROWING AND INVESTMENTS AT 31 MARCH 2017

|                             | Short-term Rating |         | Date Invested/<br>Borrowed | Amount |               | Interest Rate | Year of Maturity |
|-----------------------------|-------------------|---------|----------------------------|--------|---------------|---------------|------------------|
|                             | Fitch             | Moody's |                            | £m     | £m            |               |                  |
| <b>Borrowing</b>            |                   |         |                            |        |               |               |                  |
| <b>Short-term</b>           |                   |         |                            |        |               |               |                  |
| NIL                         |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| <b>Long-term</b>            |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| PWLB                        |                   |         | 19/12/08                   | 5.000  |               | 3.91%         | 2057/58          |
| PWLB                        |                   |         | 19/12/08                   | 5.000  |               | 3.90%         | 2058/59          |
| PWLB                        |                   |         | 07/08/13                   | 1.013  |               | 2.24%         | 2023/24          |
| PWLB                        |                   |         | 25/11/15                   | 0.736  |               | 3.28%         | 2046/47          |
| PWLB                        |                   |         | 19/01/16                   | 0.980  |               | 3.10%         | 2046/47          |
| PWLB                        |                   |         | 21/03/16                   | 0.490  |               | 2.91%         | 2046/47          |
| PWLB                        |                   |         | 29/04/16                   | 0.396  |               | 3.10%         | 2047/48          |
| PWLB                        |                   |         | 02/06/16                   | 0.322  |               | 2.92%         | 2047/48          |
| PWLB                        |                   |         | 29/07/16                   | 0.643  |               | 2.31%         | 2047/48          |
| PWLB                        |                   |         | 23/09/16                   | 0.494  |               | 2.18%         | 2047/48          |
| PWLB                        |                   |         | 06/01/17                   | 0.875  |               | 2.67%         | 2047/48          |
|                             |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        | <b>15.949</b> |               |                  |
|                             |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| <b>Total Borrowing</b>      |                   |         |                            |        | <b>15.949</b> |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| <b>Investments In-House</b> |                   |         |                            |        |               |               |                  |
| <b>Investments</b>          |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| NatWest Current             | F2                | P2      |                            | 0.028  |               | 0.00%         | On-call          |
| NatWest Liquidity           | F2                | P2      |                            | 0.647  |               | 0.05%         | On-call          |
| Cambridge Building Society  | Not rated         |         |                            | 0.100  |               | 0.15%         | On-call          |
| Santander                   | F1                | P1      |                            | 0.650  |               | 0.25%         | On-call          |
| Blackrock                   | AAAmf             |         |                            | 0.400  |               | 0.25%         | On-call          |
| Federated                   | AAAmf             |         |                            | 0.300  |               | 0.22%         | On-call          |
| Legal and General           | AAAmf             |         |                            | 0.400  |               | 0.25%         | On-call          |
| PSDF                        | AAAmf             |         |                            | 0.200  |               | 0.25%         | On-call          |
|                             |                   |         |                            |        |               |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| <b>Total Investments</b>    |                   |         |                            |        | <b>2.725</b>  |               |                  |
|                             |                   |         |                            |        |               |               |                  |
| <b>Loans</b>                |                   |         |                            |        |               |               |                  |
| Huntingdon Regional College | Not rated         |         |                            | 1.030  |               | 3.34%         | 2023/24          |
| Huntingdon Gym              | Not rated         |         |                            | 0.049  |               | 5.13%         | 2023/24          |
| Luminus                     | Not rated         |         |                            | 0.750  |               | 4.78%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 1.000  |               | 4.60%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.500  |               | 4.41%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.400  |               | 4.60%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.325  |               | 4.42%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.650  |               | 3.81%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.500  |               | 3.68%         | 2047/48          |
| Luminus                     | Not rated         |         |                            | 0.875  |               | 4.17%         | 2047/48          |
|                             |                   |         |                            |        |               |               |                  |

|                          |  |  |  |  |              |  |
|--------------------------|--|--|--|--|--------------|--|
|                          |  |  |  |  |              |  |
| <b>Total Loans</b>       |  |  |  |  | <b>6.079</b> |  |
|                          |  |  |  |  |              |  |
| <b>Total Investments</b> |  |  |  |  | <b>8.804</b> |  |
| <b>Net Borrowing</b>     |  |  |  |  | <b>7.145</b> |  |
|                          |  |  |  |  |              |  |

## Definition of Credit Ratings

| Fitch                                                                                                                          | Rating     | Definition                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Short term</b>                                                                                                              | <b>F1</b>  | Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added “+” to denote any exceptionally strong credit feature.                                                                                                                              |
|                                                                                                                                | <b>F2</b>  | Good rated intrinsic capacity for timely payment of financial commitments.                                                                                                                                                                                                                    |
|                                                                                                                                | <b>F3</b>  | Fair rated intrinsic capacity for timely payment of financial commitments.                                                                                                                                                                                                                    |
| <b>Long-term</b>                                                                                                               | <b>AAA</b> | Highest credit quality organisations, reliable and stable. 'AAA' ratings denote the <b>lowest expectation of default risk</b> . They are assigned only in cases of exceptionally strong capacity for payment of financial commitments.                                                        |
|                                                                                                                                | <b>AA</b>  | Very high credit quality. 'AA' ratings denote <b>expectations of very low default risk</b> . They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.                                                    |
|                                                                                                                                | <b>AA-</b> |                                                                                                                                                                                                                                                                                               |
|                                                                                                                                | <b>A</b>   | High credit quality. 'A' ratings denote <b>expectations of low default risk</b> . The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. |
|                                                                                                                                | <b>A-</b>  |                                                                                                                                                                                                                                                                                               |
|                                                                                                                                | <b>BBB</b> | Good credit quality. BBB ratings indicate <b>expectations of low default risk</b> . The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.                                            |
| <b>Notes</b><br>The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. |            |                                                                                                                                                                                                                                                                                               |

## APPENDIX C

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Environment 2016/17</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Bail In</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                          |
| During the banking crisis the government, invested large sums of public money into banks in order that they remained solvent, and these are still being paid back by the banks. Legislation over the last year has moved the risk to investors in banks, and due to various exemptions for, for instance retail deposits, risks for public bodies have increased.                                                                                                                                              | Whilst some public bodies will carry higher levels of long-term cash and as a result have a need to invest long term, the Council generally has cash that will be needed in the short-term and as a result places funds where they are accessible in the short-term and generally on the day.                                                                                                 |
| <b>Credit Ratings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                          |
| Changes to long-term credit ratings over the quarter included Moody's upgrades to rating of both Barclays Bank and Credit Suisse to A1 and to Santander UK plc's rating to Aa3 from A1. S&P upgraded the long-term rating of Goldman Sachs International Bank to A+ from A.                                                                                                                                                                                                                                    | The Council receives monthly updates from its advisors on changes to credit ratings. Whilst the Council maintains deposits on a short-term or available instant basis the risk is reduced from failures, as the Council will be able to withdraw funds as soon as there is an indication of a credit problem. Whereas other investors with longer term fixed investments will not be able to. |
| <b>Stress Tests</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Local Context</b>                                                                                                                                                                                                                                                                                                                                                                          |
| At the end of November, the Bank of England released the results of its latest stress tests on the seven largest UK banks and building societies (Barclays, HSBC, Lloyds/Bank of Scotland, Santander UK, HSBC, RBS/Natwest and Nationwide BS). The 2016 stress tests were more challenging and designed under a new Bank of England framework, which tested the resilience of banks to tail risk events. Royal Bank of Scotland, Barclays and Standard Chartered Bank were found to be the weakest performers. | The RBS group includes Natwest the Council's transactional banker. Advice from Arlingclose on the way in which the Council uses Natwest for holding funds is being followed. The Council only maintains balances with of less than £1m, which is instantly accessible.                                                                                                                        |

**CIPFA Prudential Indicators for Capital Finance in Local Authorities**  
**Prudential Indications and Treasury Management Indications for 2016/17**  
**Comparison of actual results with limits**

**PRUDENTIAL MANAGEMENT INDICATORS**

**1. Actual and Estimated Capital Expenditure.**

|                                             | <b>2016/17<br/>Estimate<br/>£m</b> | <b>2016/17<br/>Actual<br/>£m</b> |
|---------------------------------------------|------------------------------------|----------------------------------|
| <b>Asset and Loans</b>                      |                                    |                                  |
| <b>Gross</b>                                | <b>15.6</b>                        | <b>9.0</b>                       |
| <b>Net</b>                                  | <b>12.2</b>                        | <b>7.7</b>                       |
|                                             |                                    |                                  |
| <b>Commercial Investment Strategy (CIS)</b> |                                    |                                  |
| <b>Gross</b>                                | <b>20.0</b>                        | <b>9.2</b>                       |
| <b>Net</b>                                  | <b>20.0</b>                        | <b>9.2</b>                       |
|                                             |                                    |                                  |
| <b>Net Total</b>                            | <b>32.2</b>                        | <b>16.9</b>                      |

**2. The proportion of the budget financed from government grants and council tax that is spent on interest and the provision for debt repayment.**

| <b>2016/17<br/>Estimate</b> | <b>2016/17<br/>Actual</b> |
|-----------------------------|---------------------------|
| <b>14.9%</b>                | <b>8.0%</b>               |

**3. The impact of schemes with capital expenditure on the level of council tax.**

This item is only provided to demonstrate affordability at budget setting and has already been superseded by the equivalent figure in the 2016/17 Treasury Management Strategy indicators.

**4. The capital financing requirement.**

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP).

|                         | <b>2016/17<br/>Estimate<br/>£m</b> | <b>2016/17<br/>Actual<br/>£m</b> |
|-------------------------|------------------------------------|----------------------------------|
| <b>Assets and Loans</b> | <b>46.4</b>                        | <b>38.8</b>                      |
| <b>CIS</b>              | <b>19.1</b>                        | <b>0</b>                         |
| <b>Total</b>            | <b>65.5</b>                        | <b>38.8</b>                      |

**5. Net borrowing and the capital financing requirement.**

Net external borrowing as at the 31<sup>st</sup> March 2017, was £15.9m; this is £22.9m less than the capital financing requirement. Thereby confirming that the council has not borrowed for revenue purposes other than in the short-term for cash flow purposes.

**6. The actual external long-term borrowing at 31 March 2017**

£15.9m

**7. Adoption of the CIPFA Code**

The Council has adopted the 2011 edition of the CIPFA Treasury Management Code of Practice.

## TREASURY MANAGEMENT INDICATORS

### 8. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario.

|                                             | <b>2016/17<br/>Limit<br/>£m</b> | <b>2016/17<br/>Actual<br/>£m</b> |
|---------------------------------------------|---------------------------------|----------------------------------|
| Short-Term                                  | 20.0                            | 0.0                              |
| Long Term                                   | 47.0                            | 15.9                             |
| Other long-term liabilities (leases)        | 6.0                             | 0.5                              |
| <b>Total</b>                                | <b>73.0</b>                     | <b>16.4</b>                      |
|                                             |                                 |                                  |
| <b>Long-term for loans to organisations</b> | <b>15.0</b>                     | <b>5.9</b>                       |
| <b>Total</b>                                | <b>88.0</b>                     | <b>22.3</b>                      |

### 9. The operational boundary for external debt.

This reflects a less extreme position. Although the figure can be exceeded without further approval, it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded.

|                                             | <b>2016/17<br/>Limit<br/>£m</b> | <b>2016/17<br/>Actual<br/>£m</b> |
|---------------------------------------------|---------------------------------|----------------------------------|
| Short-Term                                  | 15.0                            | 0.0                              |
| Long Term                                   | 47.0                            | 15.9                             |
| Other long-term liabilities (leases)        | 6.0                             | 0.5                              |
| <b>Total</b>                                | <b>68.0</b>                     | <b>16.4</b>                      |
|                                             |                                 |                                  |
| <b>Long-term for loans to organisations</b> | <b>15.0</b>                     | <b>5.9</b>                       |
| <b>Total</b>                                | <b>83.0</b>                     | <b>22.3</b>                      |

Both of these actual results reflect the fact that long term rates were not considered low enough to borrow in anticipation of need

### 10. Exposure to investments with fixed interest and variable interest.

These limits are given as a percentage of total investments. Investments of less than 12 months count as variable rate.

|                                           |          | <b>Limits</b> |             | <b>Actual</b>            |
|-------------------------------------------|----------|---------------|-------------|--------------------------|
|                                           |          | <b>Max.</b>   | <b>Min.</b> | <b>As at<br/>31.3.17</b> |
| <b>Borrowing:</b><br>longer than 1 year   | Fixed    | 100%          | 75%         | 100%                     |
|                                           | Variable | 25%           | 0%          | 0%                       |
| <b>Investments:</b><br>longer than 1 year | Fixed    | 100%          | 100%        | 100%                     |
|                                           | Variable | 0%            | 0%          | 0%                       |

## 11. Borrowing Repayment Profile

The proportion of 2016/17 borrowing that matured in successive periods.

| <b>Borrowing</b>                  | <b>Upper<br/>limit</b> | <b>Lower<br/>limit</b> | <b>Actual<br/>As at<br/>31.3.17</b> |
|-----------------------------------|------------------------|------------------------|-------------------------------------|
| Under 12 months                   | 91%                    | 0%                     | 2%                                  |
| 12 months and within<br>24 months | 91%                    | 0%                     | 2%                                  |
| 24 months and within<br>5 years   | 91%                    | 0%                     | 5%                                  |
| 5 years and within 10 years       | 92%                    | 1%                     | 5%                                  |
| 10 years and above                | 100%                   | 8%                     | 86%                                 |

## 12. Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days.

|                                                                | <b>Limit<br/>£m</b> | <b>Actual<br/>£m</b> |
|----------------------------------------------------------------|---------------------|----------------------|
| Limit on principal invested beyond<br>year end (31 March 2017) | 34.5                | 0                    |

## Commercial Investment Strategy Indicators

The Treasury Management Strategy for 2016/17 includes three indicators specific to the Commercial Investment Strategy (CIS);

- Investment cover ratio
- Loan to value ratio
- Target income returns

It is at this stage too early to in the lifecycle of the CIS to report on these indicators; however the basis metrics are;

|                                                                                                                                                                                                                                   | <b>Purchase<br/>Cost<br/>£000</b> | <b>Income<br/>£000</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------|
| <b>2015-16 Purchases</b>                                                                                                                                                                                                          |                                   |                        |
| CCLA Property Shares                                                                                                                                                                                                              | 2,500                             | (112)                  |
| Unit 3 Stonehill, Huntingdon                                                                                                                                                                                                      | 1,358                             | (125)                  |
|                                                                                                                                                                                                                                   |                                   |                        |
|                                                                                                                                                                                                                                   |                                   |                        |
| <b>2016-17 Purchases</b>                                                                                                                                                                                                          |                                   |                        |
| CCLA Property Shares                                                                                                                                                                                                              | 1,500                             | (68)                   |
| Wilbury Way, Hitchin                                                                                                                                                                                                              | 2,313                             | (170)                  |
| Shawlands Retail Park, Sudbury                                                                                                                                                                                                    | 6,890                             | (483)                  |
|                                                                                                                                                                                                                                   |                                   |                        |
|                                                                                                                                                                                                                                   |                                   |                        |
| <b>Note:</b> The income shown is full year this may not be the actual rent received in the first year of purchase, where the Council has only held the asset for a part year. CCLA Property Share income is assumed at 4.5% yield |                                   |                        |

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**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |                                                                                                      |
|------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Title/Subject Matter:</b> | Proposal for Use of External Grant Underspend                                                        |
| <b>Meeting/Date:</b>         | Overview and Scrutiny Panel (Performance and Customers) – 14th June 2017<br>Cabinet – 22nd June 2017 |
| <b>Executive Portfolio:</b>  | Cllr Roger Harrison, Executive Member for Growth                                                     |
| <b>Report by:</b>            | Sue Bedlow, Economic Development Manager                                                             |
| <b>Ward affected:</b>        | Alconbury & The Stukeleys                                                                            |

---

### **Executive Summary:**

The purpose of this report is to seek Cabinet approval for the use of the retained element of a capital grant received from the Department for Communities and Local Government (DCLG) in 2014 as a loan facility and consider the proposed use of the income stream thus generated.

The Building Foundations for Growth (BFG) grant totalling £5m was awarded by DCLG in 2014 for the funding of demolition and remediation works at Alconbury Enterprise Zone (EZ) and HDC is the Accountable Body.

Retained underspend elements total £1,984,868. This amount must be used for a capital project and on the EZ as per the grant determination letter and it must also be used in compliance with State Aid regulation.

Having sought legal advice, the best of a limited number of options for the use of the funds is deemed to be as a loan facility in the first instance with the future use of returned capital to be considered as a small grants scheme.

### **Recommendation(s):**

The Overview and Scrutiny Panel is invited to comment on the Cabinet recommendation below.

The Cabinet is

### **RECOMMENDED**

To approve:

- the use of the £1,984,868 BFG underspend as a loan facility which complies with State Aid regulations; and
- recommends that Option 2 in paragraph 4.2 for the use of the revenue generated is followed as a budget proposal in the next budget round.

## 1. PURPOSE OF THE REPORT

- 1.1 To seek Cabinet approval for the proposed use of the retained element of a capital grant received from the Department for Communities and Local Government (DCLG) in 2014.

## 2. BACKGROUND

- 2.1 The Building Foundations for Growth (BFG) grant totalling £5m was awarded by DCLG in 2014 for the funding of demolition and remediation works at Alconbury Enterprise Zone (EZ) and HDC was appointed and still is the Accountable Body.
- 2.2 As the deadline for completing the grant agreement approached it became apparent that we would have to withhold some of the grant (equal to the uplift in land value) in order to ensure State Aid compliance. So we had a clause included in the grant determination letter to give HDC the discretion to use any claw back.
- 2.3 Significant savings were then also achieved on delivery of the works (completed in 2015) and the withheld amount totals £1,984,868. This amount must be used for a capital project and on the EZ as per the grant determination letter and it must also be used in compliance with State Aid regulation.

## 3. OPTIONS CONSIDERED FOR USE OF CAPITAL

- 3.1 We took legal advice on our options for State Aid compliant uses of the remaining funds and these are summarised below.

| Option                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------|
| 1. Loans made available at predetermined European Union (EU) commercial rates for capital projects on the EZ                     |
| 2. Investment aid for local infrastructures (business accommodation) under General Block Exemption Regulations (GBER) Article 56 |
| 3. German Incubator model                                                                                                        |
| 4. Grants to small and medium sized enterprises (SMEs) that meet certain State Aid compliant conditions                          |

- 3.2 Discussions with Urban & Civic (U&C - owners and developers of the EZ) have determined that they would be unlikely to support either options 2 or 3 as they would view these as competition for their own commercial buildings. These options must therefore be ruled out as they are not deliverable without U&C consent.
- 3.3 Option 4, small grants would benefit smaller companies and would be of greater benefit as an incentive at a later phase of the EZ development. Currently it is the larger tenants that are being courted and small grants would be of little significance in terms of incentive. In addition, the administration of such a grant programme would be resource intensive and we could not recover this from the grant (as it is for capital expenditure).
- 3.4 Hence we propose to pursue Option 1. The benefit of this option is that it would generate an income stream which we could then use to fund resource and

activities to support the EZ development. It would still leave option 4 open to us 10 years hence at what is likely to be a more beneficial time to be offering smaller grants. Additionally, some of the revenue stream from the initial loan could be used to fund the administration of a small grant programme (see section 4 below).

- 3.5 We were first in discussions with the Welding Institute (TWI) during 2015/16 working up a proposal for a loan linked to a European Funding bid for a facility on the EZ but this EU bid did not proceed.
- 3.6 We have since had discussions with U&C themselves around the extension of this funding to them as a 10 year loan facility in order to accelerate the construction of Incubator 2. The U&C proposal is currently for a 10 year facility with drawdown starting in July, interest paid quarterly from Nov 2018, at 2.5% above EU reference rate for UK (currently 0.78%) giving a total of 3.28%.
- 3.7 The draft Loan Terms sheet is attached at Appendix 1. It is intended that legal costs be recovered from U&C and they have agreed.
- 3.8 The capital returned in 10 years' time would still be subject to the conditions of the grant determination letter. At this point in time we anticipate that the funds would be best distributed in the form of small grants as incentives for companies to locate on the EZ but this should be reviewed at an appropriate time closer to the date of the return of capital

#### **4. OPTIONS CONSIDERED FOR USE OF THE INTEREST REPAYMENTS**

- 4.1 We are currently seeking legal advice on any restrictions that would apply to the use of the interest income stream but at this point in time we believe there to be more flexibility on how this is used.
- 4.2 Assuming there are no legal restrictions on its use, the Options for use of the revenue stream generated, which is estimated to be c.£625K over the 10 year loan period, are:
  - 1. All of the revenue stream should be used towards the objective for which the grant was originally allocated, namely to support of delivery of 'growth priorities for the EZ'.
  - 2. Some of the income stream should be retained to cover the cost of administering any future grants programme (c. £40K). That £30k/year (£300K in total) is used to fund the business start-up programme, currently delivered for us by YTKO and for which insufficient budget is currently available to continue beyond 2017/18. This could be delivered with an EZ focus going forward. The remainder (c.£285K) is used to offset a large part of the cost of the extra marketing resource that has been approved for the ED team. As this extra resource is already included in the budget for this year this would in effect be a general receipt to the Council's funds.
  - 3. None of the income is used to support either the EZ or economic growth priorities but instead considered as a general receipt into Council funds.
- 4.3 It is considered right that at least part of the use of the interest payments should continue to observe the principle of support for economic development, and the EZ in particular, and Option 2 strikes this balance.

## **5. COMMENTS OF OVERVIEW & SCRUTINY**

- 5.1 The comments of the relevant Overview and Scrutiny Panel will follow after the Panel's meeting on 14<sup>th</sup> June 2017.

## **6. RISKS**

- 6.1 We could consider extending the funding as a loan to one of the larger companies looking to locate on the EZ but this would be much higher risk and benefit just one company whereas accelerating the construction of Incubator 2 would benefit several companies by providing accommodation for their growth.

## **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 7.1 Accelerate business growth and investment by:
- promoting inward investment;
  - supporting new and growing businesses and promoting business success; and,
  - supporting the delivery of the Alconbury Enterprise Zone.

## **8. LEGAL IMPLICATIONS**

- 8.1 Legal advice is being sought through the 3C legal service framework agreement to advice on the loan negotiations and State Aid compliance.

## **9. RESOURCE IMPLICATIONS**

- 9.1 The resource implications are included in the main body of this report

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

- 10.1 Given the restrictions on the use of the capital grant underspend its use as a loan facility is considered to be the best option in the first instance given that it provides a means of generating a revenue stream that would then be able to provide the resource to administer a small grant scheme at a later date without being an additional drain on HDC resource.
- 10.2 Whilst there may be no legal restrictions on how the income generated is used, it is considered right that the use of the money should continue to observe the principle of support for economic development, and the EZ in particular.
- 10.3 It is therefore recommended that Cabinet:
- approves the use of the £1,984,868 BFG underspend as a loan facility which complies with State Aid regulations
  - recommends that Option 2 in paragraph 4.2 for the use of the revenue generated is followed as a budget proposal in the next budget round.

## **11. LIST OF APPENDICES INCLUDED**

Appendix 1 – Urban & Civic Draft loan terms sheet

### **CONTACT OFFICER**

Sue Bedlow, Economic Development Manager

Tel No: 01480 387096

Email: [sue.bedlow@huntingdonshire.gov.uk](mailto:sue.bedlow@huntingdonshire.gov.uk)

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## Term sheet for a term loan facility

In relation to a £1,984,868 term loan facility to be provided to Urban&Civic Alconbury Limited by Huntingdonshire District Council.

Date: June 2017

This term sheet is indicative only and is intended as a guide to what will be included in final documentation. It is not an offer to provide the facility. Provision of the facility is subject to satisfactory due diligence, committee approval and satisfactory final documentation.

### 1. PARTIES

|                    |                                                                 |
|--------------------|-----------------------------------------------------------------|
| <b>Borrower</b>    | Urban&Civic Alconbury Limited (registered number: 08983360)     |
| <b>Lender</b>      | Huntingdonshire District Council                                |
| <b>[Guarantor]</b> | <b>[TO BE DISCUSSED]</b>                                        |
| <b>Property</b>    | <b>[Urban&amp;Civic to confirm registered property details]</b> |

### 2. FACILITY

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Facility</b>            | Term loan facility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Currency</b>            | Sterling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Principal Amount</b>    | £1,984,868                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Purpose</b>             | To fund the construction of a business incubator unit comprising 15,263 sq ft NIA of Class B1 – Business Use.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Commitment Period</b>   | From the date of the facility agreement until the date falling one month before the Final Repayment Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Drawing of the Loan</b> | <p>Subject to:</p> <ul style="list-style-type: none"><li>■ the satisfaction of the condition precedent;</li><li>■ there being no Event of Default which has occurred or would, following the proposed drawing of the loan (or part of it), occur;</li><li>■ all representations and warranties be true and accurate as at the time of the proposed drawing; and</li><li>■ receipt by the Lender of a certificate from the project monitor/quantity surveyor approving the purpose and amount of the proposed Loan and confirming that the amount to be drawn down by the Borrower for this</li></ul> |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | <p>purpose does not exceed the amounts stipulated in the schedule of costs and/or the building contract,</p> <p>the Borrower may request that the Loan or part of it is advanced to the Borrower, provided that:</p> <ul style="list-style-type: none"> <li>■ the Borrower shall provide the Lender not less than [10] business days notice of its intention to draw all or part of the loan;</li> <li>■ drawings must be in a minimum amount of £250,000 or, if less, the balance of the Principal Amount that has not yet been drawn; and</li> <li>■ the Borrower may not make more than 1 drawing in any one calendar month.</li> </ul>                                                                                                                                                                        |
| <b>Final Repayment Date</b> | <p>The earlier of:</p> <ul style="list-style-type: none"> <li>■ 10 years from the date of drawdown; and</li> <li>■ The date of disposal of the Property by the Borrower.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Repayment</b>            | <p>Subject to any earlier mandatory or voluntary prepayments (see below) the Borrower must repay the loan in full in instalments as set out below:</p> <ul style="list-style-type: none"> <li>■ Interest only repayments, made quarterly in arrears from the first rental receipt (anticipated November 2018);</li> <li>■ Quarterly repayments to be capped at 50% of rental receipts for the same period, with any shortfall carried forward into the next quarterly payment and provided that any interest not paid when due shall be compounded and added to the Principal Amount and shall thereafter accrue interest at the Interest Rate;</li> <li>■ The Principal Amount plus any outstanding interest and other charges that have accrued shall be repaid in full on the Final Repayment Date.</li> </ul> |

### 3. PRICING

|                         |                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Interest Rate</b>    | 2.5% above the EC reference rate.                                                                   |
| <b>Default Interest</b> | 5% above the EC reference rate.                                                                     |
| <b>Interest Periods</b> | Each one month period, with interest to be calculated monthly in arrears on the outstanding amount. |

#### 4. PREPAYMENT AND CANCELLATION

|                               |                                                                                                                                                                                                                                                                                                            |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Voluntary prepayment</b>   | The Borrower may prepay the Loan without penalty in whole or in part by giving at least [10] business days' written notice to the Lender. Prepayments must be in a minimum amount of £250,000 or, if lower, the outstanding amounts under the loan. [Prepayments must be made on an Interest Payment Date. |
| <b>Voluntary cancellation</b> | The Borrower may cancel the undrawn commitments without penalty in whole or in part by giving at least [10] business days' written notice to the Lender. Cancellations must be in a minimum amount of £250,000 or, if lower, the total undrawn amounts under the facility.                                 |
| <b>Mandatory prepayment</b>   | If it is or becomes illegal for the Lender to lend to the Borrower, any outstanding commitments will be cancelled and any outstanding loans must be repaid.                                                                                                                                                |

#### 5. UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Representations and warranties</b> | Standard representations and warranties for a facility of this nature, to be made by the Borrower on the date of the facility agreement, the date of each drawdown request and on each Interest Payment Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Undertakings</b>                   | Standard undertakings for a facility of this nature, to be provided by the Borrower to the Lender throughout the life of the facility.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Information Undertakings</b>       | <ul style="list-style-type: none"> <li>■ as soon as they become available but in any event within 180 (one hundred and eighty) days of its financial year end, financial statements for that financial year;</li> <li>■ notification of any event of default or potential event of default along with the steps being taken to remedy it</li> <li>■ notification of any default under any other agreement or instrument which is binding on it which would have a material adverse effect;</li> <li>■ notification of any other event or circumstance outstanding under any other agreement or instrument which is binding on it which, with the giving of notice, lapse of time or other applicable condition would have a material adverse effect;</li> <li>■ notification on becoming aware of any actual pending or threatened litigation, arbitration or other court or arbitral</li> </ul> |

|  |                                                                                                                                                                                                                      |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>proceedings against it; and</p> <ul style="list-style-type: none"> <li>any information relating to its financial condition, business, assets or affairs as the Lender may require (acting reasonably).</li> </ul> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 6. FINANCIAL COVENANTS

|                            |                                                                                                                                                                                                                  |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial covenants</b> | <b>[TO BE DISCUSSED – TO INCLUDE A LOAN TO VALUE COVENANT]</b>                                                                                                                                                   |
| <b>Testing</b>             | <p>Financial covenants to be tested against the latest valuation.</p> <p>Lender may require a valuation at the cost of the Borrower not more than once every 6 months and at any other time at its own cost.</p> |

## 7. SECURITY

|                    |                                                                                                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>[Guarantee]</b> | <b>[TO BE DISCUSSED]</b>                                                                                                                              |
| <b>Security</b>    | <p>The Borrower will execute a first ranking legal charge over the Property.</p> <p><b>[Intercreditor Arrangements with HCA to be discussed.]</b></p> |

## 8. EVENTS OF DEFAULT

Each of the following shall be an Event of Default.

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Events of Default</b> | <ul style="list-style-type: none"> <li>non-payment unless the failure to pay is caused by an administrative or technical error and payment is subsequently made within 5 business days of the due date</li> <li>breach of financial covenants, provided that the Borrower shall have a right to cure such breach within <b>[30]</b> days by making a repayment of the loan to the Lender</li> <li>breach of other obligations, subject to a 30 day remedy period where such breach is capable of remedy</li> <li>misrepresentation</li> <li>cross-default</li> <li>change of control</li> <li>unlawfulness, invalidity</li> <li>change or suspension of business</li> <li>material adverse effect</li> </ul> |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                                                                                                                   |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>■ enforcement of security</li> <li>■ composition, winding up, attachment or distress, insolvency and analogous process or proceedings</li> <li>■ other standard events of default for a facility of this nature</li> </ul> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 9. TRANSFERS

|                           |                                                                                                                                                                            |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lender transfers</b>   | The Lender may not assign or transfer its rights and obligations or any part of them with the prior consent of the Borrower, such consent not to be unreasonably withheld. |
| <b>Borrower transfers</b> | The Borrower may not assign or transfer its rights and obligations or any part of them.                                                                                    |

## 10. AMENDMENTS

|                   |                                                                                                                    |
|-------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Amendments</b> | Amendments, waivers or variations may be made in writing only and must be executed by the Lender and the Borrower. |
|-------------------|--------------------------------------------------------------------------------------------------------------------|

## 11. CONDITIONS PRECEDENT

The following documents (amongst others) will be required to be delivered before the first drawdown can be made, in each case in form and substance satisfactory to the Lender.

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Authorisations</b> | <ul style="list-style-type: none"> <li>■ constitutional documents</li> <li>■ board resolutions of the Borrower</li> <li>■ specimen signatures</li> <li>■ directors' certificate</li> <li>■ shareholders' resolution</li> <li>■ audited consolidated financial statements of the Borrower</li> <li>■ evidence of payment of fees, costs and expenses due from the Borrower</li> <li>■ evidence that 'know your client' requirements have been satisfied</li> <li>■ independent valuation addressed to the Lender</li> <li>■ appointment of project monitor/quantity surveyor to oversee the development works</li> <li>■ building contract and associated construction documents</li> <li>■ other standard conditions precedent for a facility of this nature</li> <li>■ any other document or evidence which the Lender</li> </ul> |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                          |                                                                                                                                                                                                                                                                                                                                                |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | considers necessary in relation to the full documents or the transactions contemplated by them                                                                                                                                                                                                                                                 |
| <b>Finance documents</b> | <ul style="list-style-type: none"> <li>■ executed facility agreement</li> <li>■ executed security documents</li> <li>■ copy of notices required under the security documents</li> <li>■ any other finance documents which the Lender considers necessary in relation to the full documents or the transactions contemplated by them</li> </ul> |

## 12. BOILERPLATE

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Miscellaneous provisions</b>       | The full form documentation will contain standard provisions including in relation to break costs, tax gross up and indemnities, set-off, notices, change of law, illegality, payments and disclosure                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Costs, expenses and indemnity</b>  | <p>The Borrower will pay the Lender within 5 days of demand all costs and expenses (including legal fees) including VAT incurred by the Lender in relation to the negotiation, preparation, execution or perfection of the full documentation or in relation to any consent requests (provided that such costs have been agreed in advance with the Borrower).</p> <p>An indemnity will also be included in relation to all costs, losses and liabilities (including legal fees) in relation to any event of default, the preservation or enforcement of any of the Lender's rights under the full documentation and certain other specific circumstances.</p> |
| <b>Governing law and jurisdiction</b> | England and Wales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Transformation Programme

**Meeting/Date:** Cabinet – 22<sup>nd</sup> June 2017

**Executive Portfolio:** Cllr Stephen Cawley, Executive Councillor for Transformation and Customers

**Report by:** Jo Lancaster, Managing Director

**Wards affected:** All

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### **Executive Summary:**

Huntingdonshire District Council (HDC) has embarked on a transformation programme focussed on improving customer service, generating efficiencies and lowering costs. The programme is being developed as part of the efficient and effective council strand of the Corporate Plan and is intended to run over the next three years. The details of the overall ambitions and detailed measures are under development and will be finalised over the coming weeks.

The current report provides the overarching context for these more detailed developments.

## 1. BACKGROUND

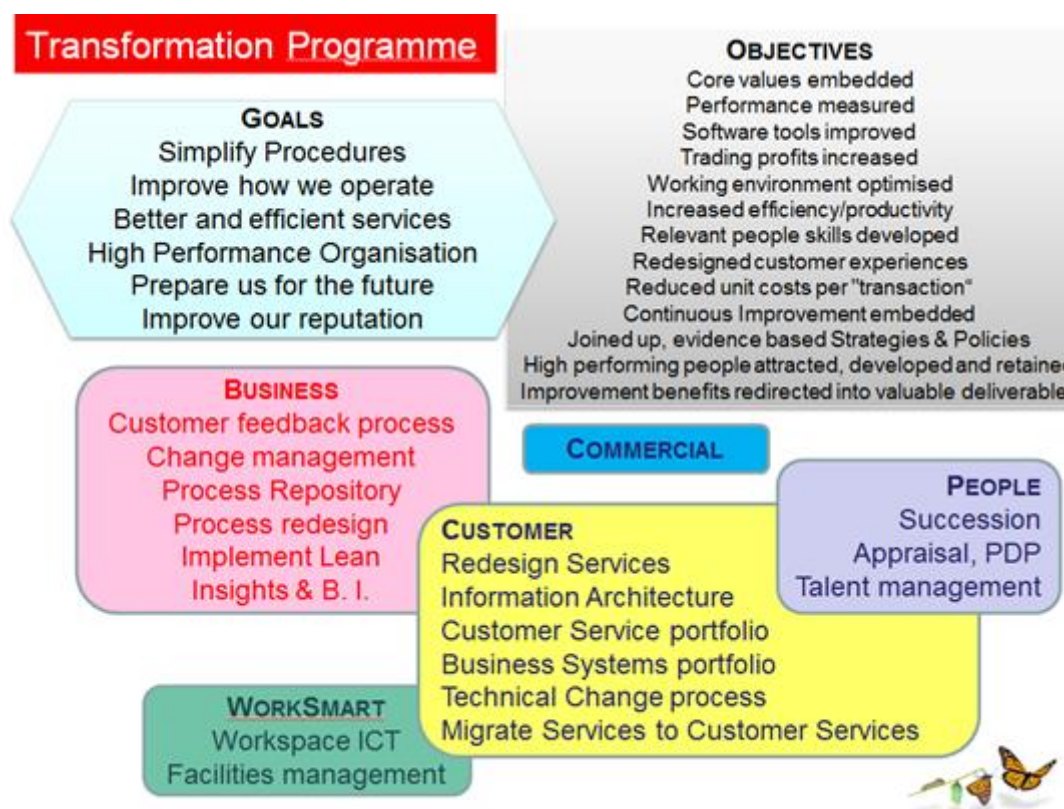
- 1.1 The Council has committed to a bold new vision to create a new model of service delivery based around an absolute focus on the customer and service user.
- 1.2 The programme has a two-three year old timeline and is expected to increase the efficiency and productivity of all services.

## 2. PROGRAMME STRUCTURE

- 2.1 The programme comprises five projects:

- Business
- Commercial
- Customer
- People
- Worksmart

These are set within broader parameters as shown in the following programme diagram:



- 2.2 The programme has in place a sponsor for each work stream and a project manager and the coordination is provided by a programme office. The council is currently replacing the original programme manager who will be the single point of contact.
- 2.3 In terms of governance, appendix 1 sets out the framework within which decisions are made. The majority of the day to day decisions are operational in nature and managed within the teams.

### **3. PRIMARY FOCUS**

- 3.1 The main principles behind the programme are to
- Improve the customer experience
  - Increase productivity
  - Get it right first time
  - Develop joint problem solving
  - Create a more agile workforce
  - Have fit for purpose processes
- 3.2 To deliver this the plans are being developed to simplify procedures and create an organisational culture which allows us to react to the ever changing environment of public service .
- 3.3 The business work stream is looking at redesigning council processes to be designed principally around the customer/ service user, and developing the skills to allow this to continue to happen. It will develop better ways to manage change across all services and also explore how better to use customer feedback.
- 3.4 Worksmart will look at how the council's staff work and how best to optimise the council's buildings and ICT capacity to provide a more responsive environment within which to deliver services.
- 3.5 The Customer work stream will transform the Council into an organisation that consistently 'starts with the customer and ends with the customer', so the council will:
- See things from the customers perspective and do our best to help
  - Create customer led services, not what we think customers want
  - Challenge and change the division between the 'back office' and 'experts'
  - Change our role from regulators to facilitators and enablers
- 3.6 The People work stream will ensure that the organisation's people will deliver its activities and services effectively and efficiently, identifying areas where there is no value added to either the customer or staff. This will be supported by embedding a change in culture using the organisation's values and visions across to deliver continuous improvement on an ongoing basis.
- 3.7 The Commercial work stream will aim to exploit the full potential of the commercialisation agenda to deliver transformed services for residents.

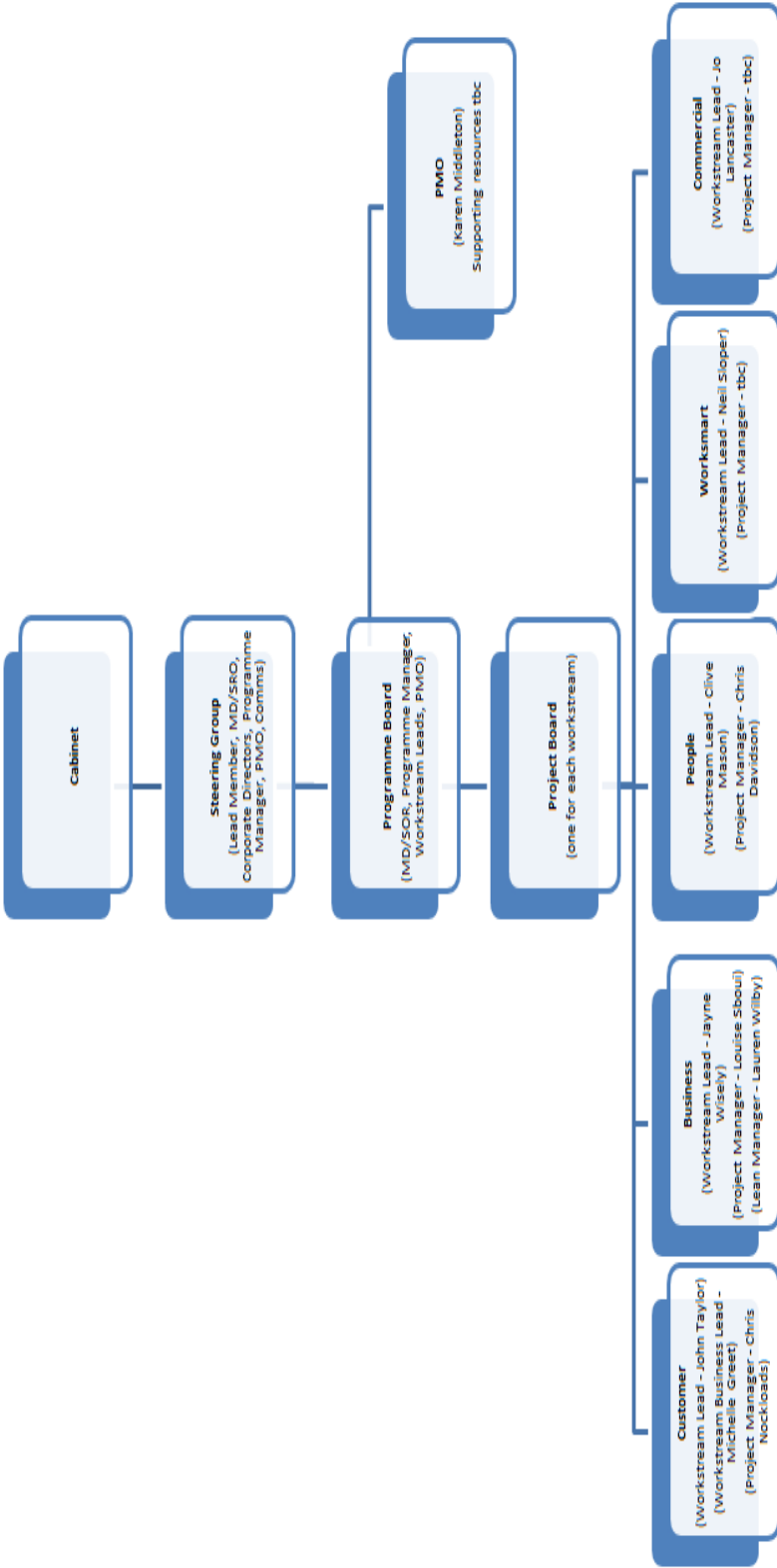
### **4. MEASURES OF SUCCESS**

- 4.1 In order to create a baseline, a comprehensive database is being developed by the Corporate Team of information which paints a picture of what impact the services have and how the council measures itself. This will complement the existing performance indicators reported quarterly. This dataset will be used as the reference point for the programme.
- 4.2 Alongside this, the programme and the individual projects are developing a core set of performance measures against which monthly and quarterly reports are taken with the governance structures.
- 4.3 Each project has a business case and is being managed within the council's normal project environment.

## **5. RESOURCES**

- 5.1 Wherever possible existing staff resources are being redeployed to support the development of new ways of working. Where the skills or capacity does not exist, external specialists are being used.
- 5.2 There is a budget created as an earmarked reserve which will be used to fund transformation activity, reporting against which will take place in the normal manner.

Appendix 1



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**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Integrated Performance Report, 2016/17 Quarter 4

**Meeting/Date:** Overview and Scrutiny (Performance and Customers)  
Panel, 14 June 2017  
Cabinet, 22 June 2017

**Executive Portfolio:** Councillor Jonathan Gray, Executive Councillor for Strategic Resources  
Councillor Stephen Cawley, Executive Councillor for Transformation and Customers

**Report by:** Corporate Team Manager and Head of Resources

**Ward(s) affected:** All

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### **Executive Summary:**

The purpose of this report is to brief Members on progress against the Key Actions and Corporate Indicators listed in the Council's Corporate Plan for 2016-18 for the period 1 January 2017 to 31 March 2017. The report also incorporates progress reporting for current projects being undertaken and Financial Performance Monitoring Suite information at the end of the financial year. The Financial Monitoring Suite includes the Capital Programme outturn and proposals of rephrasing in to 2017/18.

An update on the Commercial Investment Strategy includes details of the investments to date and the level of returns these are expected to generate.

A progress report on achievement of the Peer Challenge action plan is now included following Cabinet approval of the action plan in November 2016.

### **Recommendations:**

Cabinet is invited to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.

Cabinet is also invited to consider and comment on the Council's financial performance at the end of December, as detailed in Appendices D and E, and achievement of the Peer Challenge Action Plan, attached at Appendix G.

Cabinet is invited to consider and comment on the Capital Programme rephrasing of some schemes into 2017/18 as detailed in Appendix D.

## 1. PURPOSE

- 1.1 The purpose of this report is to present performance management information on the Council's Corporate Plan for 2016/17 and progress updates for current projects.

## 2. BACKGROUND

- 2.1 The Council's Corporate Plan 2016-18 was adopted as a two-year plan in 2016, setting out what the Council aims to achieve in addition to its core statutory services. The information in the summary at Appendix A and the performance report at Appendix B relates to the Key Actions and Corporate Indicators listed for 2016/17.
- 2.2 As recommended by the Project Management Select Committee, project updates are included in this performance report at Appendix C. There are currently 35 open, pending approval or pending closure projects and 3 closed projects logged on the SharePoint site across all programmes. This report covers all of these projects, including all Capital Projects.
- 2.3 This report also incorporates financial performance at the end of the financial year. Performance is summarised in sections 4-5 below and details are listed in the Financial Performance Monitoring Suite at Appendix D. A review of the position of Zero Based Budgeting (ZBB) savings to date has been carried out and a RAG (Red, Amber or Green) rating for each item is listed in the table at Appendix E.

## 3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny (Performance and Customers) Panel have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview. Their comments on performance in Quarter 4 will be included in the Cabinet report following their meeting.
- 3.2 Progress against Corporate Plan objectives is reported quarterly. The report at Appendix B includes performance data in the form of a narrative of achievement and a RAG (Red/Amber/Green) status against each Key Action in the Corporate Plan and results for each Corporate Indicator. Appendix C gives a breakdown of projects including the purpose of the project and comments from the Programme Office as to the current status of each project's SharePoint site as part of the new governance arrangements.
- 3.3 Performance Indicator data has been collected in accordance with standardised procedures. Targets for Corporate Indicators and target dates for Key Actions have been set by the relevant Head of Service after discussion with the appropriate Portfolio Holder.
- 3.4 The table below summarises Quarter 4 progress in delivering Key Actions for 2016/17:

| Status of Key Actions              | Number | %   |
|------------------------------------|--------|-----|
| Green (on track)                   | 29     | 78% |
| Amber (within acceptable variance) | 7      | 19% |
| Red (behind schedule)              | 1      | 3%  |
| Awaiting progress update           | 0      | 0%  |
| Not applicable                     | 1      | n/a |

There is one 'Red' key action which is KA 30 'Maximise the income generating potential of One Leisure and all traded activities'. The total income for One Leisure in 2016/17 was £6.8m, which was down on both the previous year (£6.9m) and below the target (£7.1m). The main contributing factor was a downturn in Impressions linked activities (gym membership / fitness classes). Despite the downturn in income, One Leisure still had a trading surplus of £213k.

3.5 Quarter 4 results for 2016/17 Corporate Indicators are shown in the following table:

| Corporate Indicator results              | Number | %   |
|------------------------------------------|--------|-----|
| Green (achieved)                         | 28     | 67% |
| Amber (within acceptable variance)       | 6      | 14% |
| Red (below acceptable variance)          | 8      | 19% |
| Awaiting progress update                 | 0      | 0%  |
| Not applicable (annual/data unavailable) | 4      | n/a |

Excluding the indicators where no results are available, the Council achieved two-thirds of its targets for the year. Targets were missed by more than acceptable levels of variance for eight indicators and explanations are listed below.

Our target to resolve 80% of grounds maintenance service requests within five working days (PI 3) was missed. While this is affected by back office systems which require improvement, extreme seasonal variations in quarter 1 that affected the team's ability to deliver services within target also impacted 2016/17 performance.

Although there are 'friends of' groups and volunteers at several of our Countryside sites, there are still no sites which are completely self-managed and there is no indication that any groups are willing to take over the running of any site (PI 5).

The outturn average time between the date of referral for a Disabled Facilities Grant (DFG) to practical completion for minor jobs up to £10,000 (PI 10) was longer than for the previous year – 35.8 weeks compared to 33.4 weeks for 2015/16. A total of 167 DFGs for minor works were completed during 2016/17. Of these, 58 (34.7%) were completed within the 28 week target. The shared Home Improvement Agency (HIA) service, provided by Cambridge City, has indicated that delays were caused by staff shortages, delays obtaining necessary approval from Luminus and time taken to approve grants. Some grant approvals were delayed due to the budget being overcommitted and staff trying to prevent the budget from being significantly overspent. The HIA has appointed a new interim manager and is undergoing a review of its procedures. A report on the Home Improvement Agency and the Disabled Facilities Grant budget will be presented to Overview & Scrutiny (Communities and Environment and/or Performance and Customers) in July 2017.

Following the implementation of new waste collection rounds on 27 February, crews have new routes to learn which resulted in the number of bins missed going up. Due to resources, the time taken to recollect these missed bins (PI 28) also increased. Figures for March 2017 show the number of missed bins recovered in 48 hours increasing and we are confident that this improvement will now be sustained.

These issues have also affected other indicators, with Customer Services conducting their call centre satisfaction survey (PI 41) after Operations changed collection rounds. The change resulted in an additional 1,500+ calls and 800 emails during March. The team coped with this challenge but some customers commented about the long wait times to get through. The satisfaction rate of 90% was still high but below the 95% target set for the year. Surveys will now be undertaken quarterly to achieve more balance across the year and allow regular performance monitoring.

The percentage of Stage 1 complaints resolved within time (PI 43) was also affected. 28 complaints about Operations services not resolved in the 20 working day target brought performance down from 89% last quarter to 78% at the year end. These complaints mostly related to the waste management service during the round re-configuration. The service collects 8,000 bins on a daily basis and, although the majority of changes were implemented successfully, a number of persistent cases of missed bins led to increased numbers of complaints. Given the focus of the management team to address staffing shortages and deliver

the changes, response times to complaints fell short of acceptable standards. This has also been addressed with new duty management arrangements.

The target to reduce energy used in Council buildings was missed (PI 29), with a 1% increase in energy used compared to the year before. Although total energy use increased, it is worth noting that a shift from electricity towards gas has resulted in lower energy costs and reduced carbon emissions as gas is a cheaper and less carbon intensive fuel. It is anticipated that measures included in the RE:FIT programme, delayed due to lease issues at One Leisure sites, should deliver a 6% reduction in energy demand. These are scheduled for completion by October 2017.

Although the staff sickness target was missed (PI 37), fewer working days were lost due to sickness than in 2015/16 and all cases are actively managed. Days lost per full-time employee fell from 11.7 to 10.7 – slightly higher than the local government average of 10.5 (Chartered Institute of Personnel and Development, 2016). 42% of employees had no time off due to sickness in 2016/17, up from 40% last year.

3.6 The status of corporate projects at the end of March is shown below:

| Corporate project status                                  | Number | %   |
|-----------------------------------------------------------|--------|-----|
| Green (progress on track)                                 | 12     | 34% |
| Amber (progress behind schedule, project is recoverable)  | 8      | 23% |
| Red (significantly behind schedule, serious risks/issues) | 5      | 14% |
| Pending closure                                           | 7      | 20% |
| Closed (completed)                                        | 3      | 9%  |
| Awaiting progress update                                  | 0      | 0%  |

Three projects have recently been closed down following sign-off of close-down reports by the Project Management Governance Board, with another seven projects currently in the close-down stage. Business cases for a further three projects are awaiting approval by the Board.

Of the projects currently in the delivery stage, five were Red at the end of Quarter 4 as they were either significantly behind schedule, had serious risks or issues identified or had a lack of governance documentation. Four of these had been rated as Red at the end of December. The Leisure Invest to Save Opportunities project was previously Amber. Details of all Red projects can be found in Appendix C.

Two projects which were previously Red at the end of Quarter 3 had progressed to an Amber status by the end of Quarter 3. These were the Levellers Lane and Clifton Road roof replacement projects where it is anticipated that contracts will be awarded by the end of July once tenders have been evaluated.

## 4. FINANCIAL PERFORMANCE

4.1 Attached at **Appendix D** is the Quarter 4 Financial Performance Monitoring Suite (FPMS), which provides details on:

- **Revenue and Reserves 2016/17 provisional outturn** – the net expenditure of £17.2m which is an underspend of £0.59m, commentary on the variances and movements in the year for Earmarked Reserves.
- **Capital Programme 2016/17 provisional outturn** – expenditure of £7.7m which is an underspend of £4.5m and details of potential re-phasing of some schemes in to 2017/18.
- **Non Domestic Rates (NDR) and Council Tax Income** - shows the level of bills raised for NDR and Council Tax and the expected levels of collection.

- **Miscellaneous Debt** - shows the position of outstanding miscellaneous debt at £1.314m.
- **New Homes Bonus** - shows the position in relation to New Homes Bonus where 637 new homes completed in the reporting cycle.

## 4.2 ZBB Savings Progress

As part of the budget setting process for 2016/17 £2.3m of new ZBB savings were approved. A review of the position of these savings for the year has been carried out and a RAG (Red, Amber, Green) rating given.

**Appendix E** shows the RAG status for all individual projects and these are summarised in the table below:

|                                                       | Achievement of Savings<br>£'000 | Achievement of Savings<br>(%) | Achievement of Savings<br>(Numbers) | Implementation | Implementation<br>(%) |
|-------------------------------------------------------|---------------------------------|-------------------------------|-------------------------------------|----------------|-----------------------|
| <b>Red</b>                                            | 524 [282]                       | 23 [12]                       | 9 [6]                               | 9 [6]          | 19 [13]               |
| <b>Amber</b>                                          | 178 [428]                       | 8 [19]                        | 3 [7]                               | 3 [7]          | 7 [14]                |
| <b>Green</b>                                          | 1,558 [1,550]                   | 69 [69]                       | 35 [35]                             | 35 [35]        | 74 [73]               |
| Figures in brackets are the 3rd quarter's comparators |                                 |                               |                                     |                |                       |

## 5. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

5.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget, by 2021/22 it will have in part contributed in reducing this to £1.2m.

5.2 At the end of Quarter 4 the financial projections for the CIS are:

| Budget Heading         | Budget<br>(£'000) | Forecast<br>Outturn (£'000) | Variance (£'000) |
|------------------------|-------------------|-----------------------------|------------------|
| CCLA Property Fund     | 0                 | (111)                       | (111)            |
| Property Rental Income | (875)             | (509)                       | 366              |
| Management Charge      | 144               | 0                           | (144)            |
| MRP                    | 885               | 0                           | (885)            |
| <b>Total</b>           | <b>154</b>        | <b>(606)</b>                | <b>(760)</b>     |

## 5.3 INVESTMENTS

Between April 2016 and March 2017, 75 properties have been investigated as potential CIS investment opportunities. The Council has invested in 2 of the properties and the details of these investments are shown below. The reasons for rejecting the other 57 properties are summarised in **Appendix F**.

Returns from the CCLA property fund have remained relatively stable throughout the year (circa 4.5%) despite slight fluctuations in the gross dividend price. Other investment vehicles such as bank deposits and money market fund have seen their returns fall sharply over the course of the year.

**Property: 80 Wilbury Way, Hitchin.**

- Property Type: Office Block
- Purchased on 8 July 2016

- Purchase Cost (excluding completion costs) £2.2m
- Modelled rate of return 7.4%
- Rent reserved £0.175m pa
- Earmarked reserves have been used to finance the purchase of this investment, which means there is no requirement for the council to set aside funds to provides for the future debt repayments (MRP)

**Property: Shawlands Retail Park, Sudbury.**

- Property Type: Retail Park
- Purchased on 13 September 2016
- Purchase Price (excluding completion costs) £6.5m
- Modelled rate of return 6.9%
- Rent reserved £0.483m pa
- Earmarked reserves have been used to finance the purchase of this investment, which means there is no requirement for the council to set aside funds to provides for the future debt repayments (MRP)

The approval for this purchase was in line with delegated powers.

- 5.4 To date all of the Council's investments have been funded from the earmarked reserves and no new borrowing has been required .The result of this is a saving in the 2016/17 Budget of MRP.

**6. COMMENTS OF OVERVIEW & SCRUTINY PANELS**

- 6.1 Comments from the Overview and Scrutiny (Performance and Customers) Panel meeting on 14 June 2017 will be sent to Cabinet under separate cover.

**7. RECOMMENDATIONS**

- 7.1 Cabinet is invited to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.
- 7.2 Cabinet is also invited to consider and comment on financial performance at the end of March, as detailed in Appendices D and E.

**8. LIST OF APPENDICES INCLUDED**

Appendix A - Performance Summary Quarter 4, 2016/17  
 Appendix B – Corporate Plan Performance Report  
 Appendix C – Project Performance  
 Appendix D – Financial Performance Monitoring Suite, March 2016  
 Appendix E – ZBB Savings Agreed 2016/17 Budget Setting - RAG Status  
 Appendix F – Reasons for rejecting CIS investment opportunities  
 Appendix G – Peer Challenge Action Plan Progress Report

**CONTACT OFFICERS**

**Corporate Plan Performance Monitoring (Appendices A and B)**

Daniel Buckridge, Policy, Performance & Transformation Manager (Scrutiny) ☎ (01480) 388065

**Projects and Peer Challenge Action Plan (Appendix C and G)**

Adrian Dobbyne, Corporate Team Manager ☎ (01480) 388100

**Financial Performance (Appendices D, E and F)**

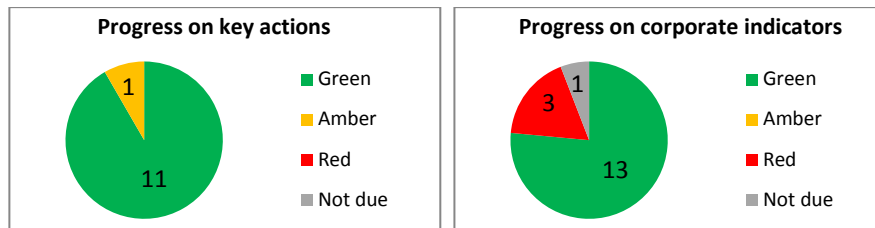
Adrian Forth, Finance Manager ☎ (01480) 388605

## Appendix A

### Performance Summary Quarter 4, 2016/17

#### Enabling communities

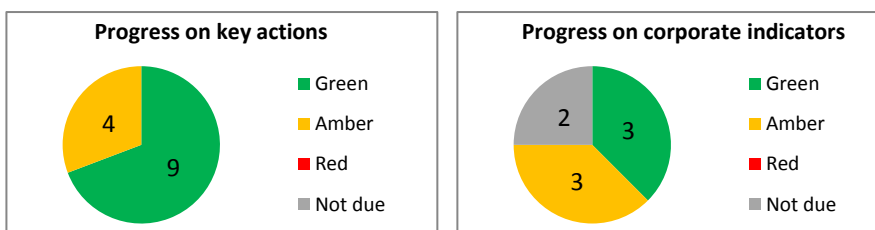
**We want to make Huntingdonshire a better place to live, to improve health and well-being and for communities to get involved with local decision making**



Highlights include the establishment of a community infrastructure organisation (CIO) to take on the day to day management of The Hub community centre at Little Paxton.

#### Delivering sustainable growth

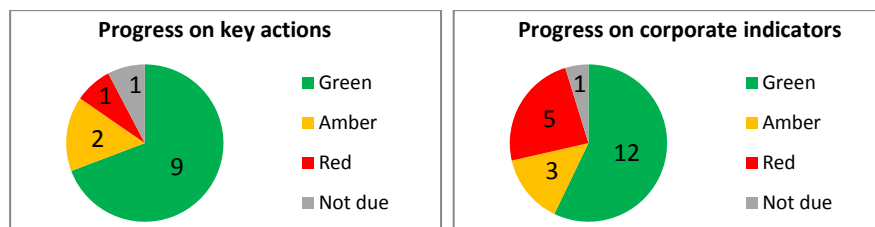
**We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing**



Highlights include 76% of major planning applications being processed on target despite an increase in the number submitted in 2016/17 compared to previous years.

#### Becoming a more efficient and effective council

**We want to continue to deliver value for money services**



Highlights include achieving the target of processing changes of circumstances for Housing Benefit and Council Tax Support within an average of 4 days. Performance was in line with the previous year despite reducing staffing levels, partly due to the introduction of an on-line change of circumstances form which had a take up of 78%.

## CORPORATE PLAN – PERFORMANCE REPORT

## Appendix B

### STRATEGIC THEME – ENABLING COMMUNITIES

Period January to March 2017

#### Summary of progress for Key Actions

|           |                      |          |                                        |          |                             |          |                          |          |                                  |
|-----------|----------------------|----------|----------------------------------------|----------|-----------------------------|----------|--------------------------|----------|----------------------------------|
| <b>G</b>  | Progress is on track | <b>A</b> | Progress is within acceptable variance | <b>R</b> | Progress is behind schedule | ?        | Awaiting progress update | n/a      | Not applicable to state progress |
| <b>11</b> |                      | <b>1</b> |                                        | <b>0</b> |                             | <b>0</b> |                          | <b>0</b> |                                  |

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

#### Summary of progress for Corporate Indicators

|           |                         |          |                                           |          |                                          |          |                             |          |                                      |
|-----------|-------------------------|----------|-------------------------------------------|----------|------------------------------------------|----------|-----------------------------|----------|--------------------------------------|
| <b>G</b>  | Performance is on track | <b>A</b> | Performance is within acceptable variance | <b>R</b> | Performance is below acceptable variance | ?        | Awaiting performance update | n/a      | Not applicable to assess performance |
| <b>13</b> |                         | <b>0</b> |                                           | <b>3</b> |                                          | <b>0</b> |                             | <b>1</b> |                                      |

| Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Full Year 2015/16 Performance                                | Annual 2016/17 Target    | Outturn 2016/17 Performance                                  | Outturn 2016/17 Status |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------|--------------------------------------------------------------|------------------------|
| PI 3. Percentage of grounds maintenance service requests resolved in five working days<br>Aim to maximise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | n/a (new measure)                                            | Grounds maintenance- 80% | 61%                                                          | <b>R</b>               |
| Comments: (Operations) Issues with CRM data collection have continued to impact the accuracy of Grounds Maintenance figures throughout the year. A change in the CRM reporting process has now been implemented which should improve the accuracy of reporting but there are issues relating to Grounds Maintenance 'scheduled works' which directly impact on the service request 'resolved' date. A new back office system is required if we are to accurately report this indicator. Q1 was also subject to extreme seasonal variations which affected GM's ability to deliver services within target, impacting on overall 16/17 performance. |                                                              |                          |                                                              |                        |
| PI 5. Percentage of HDC countryside sites self-managed by 'Friends of' groups<br>Aim to maximise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Sites with 'Friends of' groups - 44.66%<br>Self-managed – 0% | 15%                      | Sites with 'Friends of' groups - 44.66%<br>Self-managed – 0% | <b>R</b>               |
| Comments: (Operations) Friends and volunteers groups continue to support HDC countryside team but no sites are completely self-managed. There is no indication that any of the Friends groups are willing to take over the running of any site.                                                                                                                                                                                                                                                                                                                                                                                                   |                                                              |                          |                                                              |                        |

| Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Full Year<br>2015/16<br>Performance | Annual<br>2016/17<br>Target | Outturn<br>2016/17<br>Performance | Outturn<br>2016/17<br>Status |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------|-----------------------------------|------------------------------|
| PI 10. Average time between date of referral of Disabled Facilities Grants (DFGs) to practical completion for minor jobs up to £10,000<br><br>Aim to minimise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 33.4 weeks                          | 28 weeks                    | 35.8 weeks                        | <b>R</b>                     |
| <p>Comments: (Development) The shared Home Improvement Agency (HIA) service is provided by Cambridge City. A total of 167 DFGs were completed during 2016/17 for minor works. Of these, 58 (34.7%) were completed within the 28 week target.</p> <p>The Cambs Home Improvement Agency who project manage the works on behalf of customers, for a fee, have indicated that the delays were caused by staff shortages, delays obtaining necessary approval from Luminus, and time taken by HDC in approving grants. HDC delayed some grant approvals due to the budget being overcommitted and staff trying to prevent the budget from being significantly overspent. HIA has appointed a new interim manager and is undergoing a review of its procedures. Overview &amp; Scrutiny (Communities and Environment and/or Performance and Customers) will consider a report on the Home Improvement Agency Annual Report and Review, and Disabled Facilities Grant budget at its July 2017 meetings.</p> |                                     |                             |                                   |                              |

## STRATEGIC THEME – DELIVERING SUSTAINABLE GROWTH

Period January to March 2017

### Summary of progress for Key Actions

| <b>G</b> | Progress is on track | <b>A</b> | Progress is within acceptable variance | <b>R</b> | Progress is behind schedule | ? | Awaiting progress update | n/a | Not applicable to state progress |
|----------|----------------------|----------|----------------------------------------|----------|-----------------------------|---|--------------------------|-----|----------------------------------|
|          | 9                    |          | 4                                      |          | 0                           |   | 0                        |     | 0                                |

*Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.*

### Summary of progress for Corporate Indicators

| <b>G</b> | Performance is on track | <b>A</b> | Performance is within acceptable variance | <b>R</b> | Performance is below acceptable variance | ? | Awaiting performance update | n/a | Not applicable to assess performance |
|----------|-------------------------|----------|-------------------------------------------|----------|------------------------------------------|---|-----------------------------|-----|--------------------------------------|
|          | 3                       |          | 3                                         |          | 0                                        |   | 0                           |     | 2                                    |

## STRATEGIC THEME – BECOMING A MORE EFFICIENT AND EFFECTIVE COUNCIL

Period January to March 2017

### Summary of progress for Key Actions

|   |                      |   |                                        |   |                             |   |                          |     |                                  |
|---|----------------------|---|----------------------------------------|---|-----------------------------|---|--------------------------|-----|----------------------------------|
| G | Progress is on track | A | Progress is within acceptable variance | R | Progress is behind schedule | ? | Awaiting progress update | n/a | Not applicable to state progress |
| 9 |                      | 2 |                                        | 1 |                             | 0 |                          | 1   |                                  |

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

| Status   | Key Actions for 2016/17                                                                  | Target date | Portfolio Holder | Head of Service | Progress Update – Q4 / end of year 2016/17                                                                                                                                                                                                                                                                      |
|----------|------------------------------------------------------------------------------------------|-------------|------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b> | KA 30. Maximise the income generating potential of One Leisure and all traded activities | 31/03/2017  | Cllr Brown       | Jayne Wisely    | Total income for One Leisure out turned at £6.767M which was down £138K on the previous year and against a target of £7.090M. The major contributing factor to this was a downturn in the Impressions linked activities (gym memberships / fitness classes). This still represented a trading surplus of £213K. |

### Summary of progress for Corporate Indicators

|    |                         |   |                                           |   |                                          |   |                             |     |                                      |
|----|-------------------------|---|-------------------------------------------|---|------------------------------------------|---|-----------------------------|-----|--------------------------------------|
| G  | Performance is on track | A | Performance is within acceptable variance | R | Performance is below acceptable variance | ? | Awaiting performance update | n/a | Not applicable to assess performance |
| 12 |                         | 3 |                                           | 5 |                                          | 0 |                             | 1   |                                      |

| Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                               | Full Year 2015/16 Performance | Annual 2016/17 Target            | Outturn 2016/17 Performance      | Outturn 2016/17 Status |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------|----------------------------------|------------------------|
| PI 28. Percentage of missed bins recovered within 48 hours<br>Aim to maximise                                                                                                                                                                                                                                                                                                                                                       | n/a (new measure)             | 90%                              | 72%                              | <b>R</b>               |
| Comments: (Operations) New indicator. Cumulative figure for the year. New rounds were implemented on 27 February. Crews have new routes to learn which resulted in the number of bins being missed increasing. Due to resources the time taken to recollect increased. The figures for March 2017 show the number of missed bins recovered in 48 hours increasing and we are confident that this improvement will now be sustained. |                               |                                  |                                  |                        |
| PI 29. Total amount of energy used in Council buildings<br>Aim to minimise                                                                                                                                                                                                                                                                                                                                                          | 12,096,814 kWh                | 11,854,877.7 kWh<br>2% reduction | 12,227,550 kWh<br>1.08% increase | <b>R</b>               |

| Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Full Year<br>2015/16<br>Performance | Annual 2016/17 Target | Outturn<br>2016/17<br>Performance | Outturn 2016/17 Status |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|-----------------------------------|------------------------|
| Comments: (Operations) Leasing issues at One Leisure sites have resulted in delays to the RE:FIT programme but work is now underway and scheduled for completion by October 17. It is anticipated that the measures included in the programme should deliver a 6% reduction in energy demand. Although total energy use has increased this year, it is worth noting that there has been a shift in HDC's energy use, using more gas than electricity. This has resulted in lower energy costs and reduced carbon emissions this year as gas is a cheaper and less carbon intensive fuel.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     |                       |                                   |                        |
| PI 37. Staff sickness days lost per full time employee<br><br>Aim to minimise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 11.7<br>days/FTE                    | 9.0<br>days/FTE       | 10.7<br>Days/FTE                  | <b>R</b>               |
| Comments: (Corporate Team) More robust management of sickness cases has seen the overall number of days per FTE reduce by 1.0 days per FTE (450 days), although it has fallen short of our target. All cases are actively managed and reported on monthly to the Managing Director which has ensured sickness absence remains a high priority for the organisation. 42% of employees had no time off due to sickness in 2016/17, up from 40% last year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     |                       |                                   |                        |
| PI 41. Call Centre telephone satisfaction rate<br><br>Aim to maximise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 94.3%                               | 95%                   | 90%                               | <b>R</b>               |
| Comments: (Customer Services) Customer Services were able to achieve a high level of customer satisfaction in difficult circumstances. We conducted our survey after Operations changed collection rounds which resulted in an additional 1,500+ calls and 800 emails coming through during March. Our team coped with this challenge, although some customers commented about the long wait times to get through. In the next financial year we will be moving to quarterly satisfaction surveys, to achieve a more balanced figure and monitor performance more regularly. Performance of 90% was below the target set for the year but still indicates a high level of satisfaction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     |                       |                                   |                        |
| PI 43. Percentage of Stage 1 complaints resolved within time<br><br>Aim to maximise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | n/a (new measure)                   | 98%                   | 78%                               | <b>R</b>               |
| Comments: (Corporate Team) New indicator. Poor Quarter 4 performance has brought the yearly total down from 89% to 78%. 51 Stage 1 complaints were recorded on the corporate complaints database in Quarter 4 and 28 of them were not resolved within the 20 working day target. All 28 related to Operations services. However, it is understood that many other complaints received by Operations have not been recorded on the database, most of which were also not dealt with within target.<br><br>The waste management service received a large number of complaints during the round re-configuration. The service collects 8,000 bins on a daily basis and, although the majority of these changes were implemented successfully, a number of persistent cases of missed bins led to increased numbers of complaints. Improvement actions since Easter have continued to reduce missed bins from 40-50 to 30-40 daily (0.5%). Missed bin collections are now organised the next day from receipt of cases and collected within a maximum of 3 working days from 5 previously. Given the focus of the management team to address staffing shortages and deliver the changes, response times to complaints fell short of acceptable standards. This has also been addressed with new duty management arrangements. |                                     |                       |                                   |                        |

## Appendix C – Project Performance

|                                                                                                                                                    |                                                                                                                                                        |                                                                   |                                          |                                                    |                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Red =</b><br>Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation | <b>Amber =</b><br>Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable | <b>Green =</b><br>Progress is on track with no impact to delivery | Pending Closure =<br>In close-down stage | Pending Approval =<br>Business Case to be approved | Closed =<br>Project is closed. Closedown report approved by Project Board and Project Management Governance Board. |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|

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| Title and purpose of project                                                                                                                                     | Programme          | PM                        | Target End Date | Expected End Date | Programme Office comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | RAG Status | Latest Update Date |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|-----------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------|
| <b>Phoenix Industrial Unit Roof</b><br>Replace industrial roofs to address H & S and fulfil Council obligations.                                                 | Capital 2015/16    | Golby, Jackie (Resources) | 30/11/17        | 30/06/17          | Building Surveyors appointed and initial investigations and project costs received showing anticipated costs over capital budget for this project.<br><br>Tender process for works underway - in conjunction with other roof projects at Clifton Road and Levellers Lane to ensure any value is engineered through multiple projects/single tender approach.<br><br>Tender returns for all three projects will be evaluated and projects will be re-worked to ensure most urgent work contracts are to be awarded by 30 July | Red        | Within last month  |
| <b>Implementation of Financial Management System</b><br>To introduce a new Financial Management System across the council.                                       | 3C Shared Services | Buckell, Andrew (3C ICT)  | 31/05/17        | 31/10/17          | The project status is red due to the Accounts Receivable module requiring further development by the supplier. The supplier has withdrawn a consultant until early August and the interface build and B-ETL build are behind schedule.                                                                                                                                                                                                                                                                                       | Red        | Within last month  |
| <b>Leisure Invest to Save Opportunities</b><br>Explore further opportunities for invest to save schemes including the conversion of synthetic pitch at St Neots. | Facing the Future  | Clarke, Jon (Leisure)     | 30/09/15        | 31/03/17          | The Heads of Terms have now been agreed between HDC & St. Neots Learning Partnership. This should see the lease between the two parties signed before the end of January 2017. Once the lease has been signed, discussions can then take place with Sport England regarding the funding and timing of the project.                                                                                                                                                                                                           | Red        | Over 3 months ago  |

|                                                                                                                                             |                                                                                                                                                 |                                                            |                                          |                                                    |                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Red =<br>Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation | Amber =<br>Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable | Green =<br>Progress is on track with no impact to delivery | Pending Closure =<br>In close-down stage | Pending Approval =<br>Business Case to be approved | Closed =<br>Project is closed. Closedown report approved by Project Board and Project Management Governance Board. |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|

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| Title and purpose of project                                                                                                                                                                                                                                                                                                                               | Programme          | PM                          | Target End Date | Expected End Date | Programme Office comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | RAG Status | Latest Update Date         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------|-----------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------|
|                                                                                                                                                                                                                                                                                                                                                            |                    |                             |                 |                   | Ideally, site work would not commence before the clocks change so that the centre can maximise current facility booking revenues and work can then take place during the quietest time of the year and be completed prior to the start of the new soccer season.                                                                                                                                                                                                                                                                                    |            |                            |
| <b>Door Access Card Reader Replacement</b><br>The change to Proximity Card reader from Magnetic Readers at CCC and configure or replace Card Readers at SCDC and HDC. This will improve the security at CCC and provide one card access solution for the three council sites.                                                                              | 3C Shared Services | Solanki, Raj (3C ICT)       | 31/07/16        | 16/12/16          | This is showing as red due to the length of time (over 18 months) it has taken to procure and then implement. The delays have come from both the supplier and the availability of Council staff to progress the project. The door readers at the Guildhall offices have been commissioned, 3C ICT has requested and been granted by MBSS a sponsor for this project.                                                                                                                                                                                | Red        | Within last month (Bitrix) |
| <b>In Cab Systems</b><br>The project will replace the existing manual process for logging waste collection issues and involve delivery of that information in a timely manner from the refuse collection vehicle to the call centre. This will involve the purchase of a new bespoke system including hardware devices for the refuse collection vehicles. | Capital 2016/17    | Connor, Sharon (Operations) | 31/01/17        | 31/10/17          | Project has a RED status as classified by the PM due to significant delay arriving from the decision to take a wider corporate approach and consider provision as part of the existing 3C Shared Service. User requirements for operations back office and in-cab technology are currently being established by 3C IT across South Cambridgeshire, Cambridge City and Huntingdonshire District Council. Workshops are completed. HDC awaiting spec to be signed off by South Cambs and Cambridge City. Tony Allen is the Project Manager for in cab | Red        | Within last month          |

## **Financial Performance Monitoring Suite March 2017 – Provisional Outturn 2016/17**

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### **Prepared By:**

Sue Martin, Principal Accountant

Oliver Colbert, Principal Accountant (Technical)

### **1. Financial Performance**

**Revenue**      The Provisional Outturn Net spend is £17.2m which is an underspend of £0.59m (£0.64m for February) compared to the Budget. Details by Service and funding are shown later in the report.

The details of the Earmarked Reserves is in the report showing the movement in the year.

**Capital**      The Provisional Outturn on Capital spend is £7.7m and compared to the revised Budget of £12.2m there is an underspend of £4.5m (£3.0m for February). The Capital Programme by scheme, shows the potential rephrasing in to 2017/18.

## Revenue and Reserves 2016/17 Provisional Outturn

| Revenue Provisional Outturn                   | 2015/16        | 2016/17        |                             |                             |                          |                                   |                   |
|-----------------------------------------------|----------------|----------------|-----------------------------|-----------------------------|--------------------------|-----------------------------------|-------------------|
|                                               | Outturn        | Budget         | Provisional Outturn (Gross) | Use of Reserves to Fund Exp | Contribution to Reserves | Net Service Financial Performance | Variation         |
|                                               | £'000          | £'000          | £'000                       | £'000                       | £'000                    | £'000                             | £'000 %           |
| <b>Revenue by Service:</b>                    |                |                |                             |                             |                          |                                   |                   |
| Community                                     | 1,676          | 1,911          | 1,697                       | (2)                         | 6                        | 1,701                             | (214) -11.2       |
| Customer Services                             | 3,628          | 2,355          | 2,816                       | (213)                       | 0                        | 2,603                             | 461 19.6          |
| ICT Shared Service                            | 494            | 1,796          | 1,972                       | (49)                        | 93                       | 2,016                             | 176 9.8           |
| Development                                   | 1,204          | 1,370          | 578                         | (43)                        | 417                      | 952                               | (792) -57.8       |
| Leisure & Health                              | (141)          | (270)          | 55                          | 0                           | 25                       | 80                                | 325 -120.4        |
| Operations                                    | 4,173          | 3,968          | 4,292                       | (100)                       | 0                        | 4,192                             | 324 8.2           |
| Resources                                     | 4,153          | 4,492          | 3,221                       | 0                           | 66                       | 3,287                             | (1,271) -28.3     |
| Directors and Corporate                       | 2,112          | 2,291          | 2,693                       | (350)                       | 0                        | 2,343                             | 402 17.5          |
| Technical Adjustments                         | (177)          | 0              | 0                           |                             |                          | 0                                 | 0 0.0             |
| <b>Net Revenue Expenditure</b>                | <b>17,122</b>  | <b>17,913</b>  | <b>17,324</b>               | <b>(757)</b>                | <b>607</b>               | <b>17,174</b>                     | <b>(589) -3.3</b> |
| Contributions from Earmarked Reserves         | 0              | 0              | (757)                       |                             |                          |                                   | (757) 0.0         |
| Contribution to Earmarked Reserves            | 0              | 0              | 607                         |                             |                          |                                   | 607 0.0           |
| Service Contribution to Reserves              | 2,555          | 2,276          | 3,015                       |                             |                          |                                   | 739 32.5          |
| <b>Budget Requirement (Services)</b>          | <b>19,677</b>  | <b>20,189</b>  | <b>20,189</b>               |                             |                          |                                   |                   |
| <b>Financing:-</b>                            |                |                |                             |                             |                          |                                   |                   |
| NDR & Council Tax surplus                     | (2,750)        | (3,933)        | (7,108)                     |                             |                          |                                   | (3,175) 80.7      |
| Government Grant (Non-specific)               | (7,668)        | (8,351)        | (8,404)                     |                             |                          |                                   | (53) 0.6          |
| Contribution to Collection Fund Adjustment Ac | (1,492)        | 0              | 3,214                       |                             |                          |                                   |                   |
| Contribution to Reserves                      |                |                | 14                          |                             |                          |                                   | 14 0.0            |
| <b>Council Tax for Huntingdonshire DC</b>     | <b>(7,767)</b> | <b>(7,905)</b> | <b>(7,905)</b>              |                             |                          |                                   |                   |

| General Fund Reserve                                                    | 2015/16      | 2016/17      |                     |             |             |
|-------------------------------------------------------------------------|--------------|--------------|---------------------|-------------|-------------|
|                                                                         | Outturn      | Budget       | Provisional Outturn | Variation   |             |
|                                                                         | £'000        | £'000        | £'000               | £'000       | %           |
| <b>Balance as at 1st April</b>                                          | <b>9,287</b> | <b>2,537</b> | <b>2,537</b>        | <b>0</b>    | <b>0.0</b>  |
| Service Contribution to Reserves                                        | 2,555        | 2,276        | 3,029               | 753         | 33.1        |
| Contribution to/(from) Collection Fund Reserv                           | (1,492)      | 0            | 0                   | 0           | 0.0         |
| Transfers to/from Earmarked Reserves                                    | 1,055        | 0            | (150)               | (150)       | 0.0         |
| Transfer to NDR Reliefs Reserve                                         | (300)        | 0            | 0                   | 0           | 0.0         |
| Transfer to Earmarked Reserve                                           | (805)        | (2,126)      | (2,822)             | (696)       | 32.7        |
| Transfer to Commercial Investment Reserve                               | (7,763)      | 0            | 0                   | 0           | 0.0         |
| <b>Outturn forecast as at 31 March (15% of Net Revenue Expenditure)</b> | <b>2,537</b> | <b>2,687</b> | <b>2,594</b>        | <b>(93)</b> | <b>-3.5</b> |

| Earmarked Reserves              | 2015/16       | 2016/17      |                 |                     | Commentary                                                                      |
|---------------------------------|---------------|--------------|-----------------|---------------------|---------------------------------------------------------------------------------|
|                                 | Outturn       | Addition     | Deduction       | Provisional Outturn |                                                                                 |
|                                 | £'000         | £'000        | £'000           | £'000               |                                                                                 |
| S106 agreements                 | 1,233         | 446          | (602)           | 1,077               |                                                                                 |
| Commuted S106 payments          | 1,725         | 5            | (408)           | 1,322               |                                                                                 |
| CIL Admin Reserve               | 0             | 282          | 0               | 282                 |                                                                                 |
|                                 |               |              |                 |                     | Holds the difference between CIL admin receipts on an accounting and cash basis |
| Repairs and Renewals Funds      | 981           | 33           | (5)             | 1,009               |                                                                                 |
| Collection Fund                 | 2,702         | 1,244        | (1,984)         | 1,962               |                                                                                 |
| Commercial Investment           | 12,390        | 584          | (9,187)         | 3,787               |                                                                                 |
| Budget Surplus                  | 805           |              | (730)           | 75                  | To be held to meet future years budget deficit                                  |
| NDR Reliefs                     | 300           |              |                 | 300                 |                                                                                 |
| Special Reserve                 | 2,325         | 195          | (1,220)         | 1,300               | £1m To Transformation Reserve                                                   |
| Transformation Reserve          | 0             | 1,250        | (213)           | 1,037               | From Special Reserve                                                            |
| Other Reserves                  | 1,549         | 1,722        | (322)           | 2,949               |                                                                                 |
| <b>Total Earmarked Reserves</b> | <b>24,010</b> | <b>5,761</b> | <b>(14,671)</b> | <b>15,100</b>       |                                                                                 |

### Definitions

2016/17 Budget  
2015/16 Outturn

As approved by Council, February 2016  
Final figures for 2015/16, so these may vary slightly to the Provisional Outturn figures reported to Cabinet in June 2016.

## Earmarked Reserves showing movement in the year 2016/17

| Earmarked Reserves Summary Sheet 2016/17     |                  |                 |                        |                   |                 |                   |                       |                                                                                                                                                                                                                                    |
|----------------------------------------------|------------------|-----------------|------------------------|-------------------|-----------------|-------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Earmarked Reserve                    | Service          | Head of Service | Balance 1st April 2016 | Additions 2016/17 | Applied 2016/17 | Transfers 2016/17 | Balance 31 March 2017 | Comment                                                                                                                                                                                                                            |
|                                              |                  |                 | £'000                  | £'000             | £'000           | £'000             | £'000                 |                                                                                                                                                                                                                                    |
| S106 Agreements                              | Development      | Andy Moffat     | (1,233)                | (446)             | 603             | 0                 | (1,076)               | Subject to S.106 contractual restrictions                                                                                                                                                                                          |
| Commutted S106 Payments                      | Development      | Andy Moffat     | (1,725)                | (5)               | 408             | 0                 | (1,322)               | Subject to S.106 contractual restrictions                                                                                                                                                                                          |
| Chequers Court                               | Resources        | Clive Mason     | (500)                  | 0                 | 0               | 0                 | (500)                 | Reserve to meet potential shortfall in S.106 funding at Chequers Court.                                                                                                                                                            |
| One Leisure St Ives 3G Pitch                 | Leisure & Health | Jayne Wisely    | (125)                  | (25)              | 0               | (600)             | (750)                 | Funding Agreement with Football Foundation requires £100,000 security (sinking fund). Still required to meet the Football foundation funding requirements.                                                                         |
| Env Health Eqpt Renewals Fund                | Community        | Chris Stopford  | (62)                   | (7)               | 2               | 0                 | (67)                  | Phased reduction from 2016/17 to 2019/20.                                                                                                                                                                                          |
| Oak Tree Centre Renewals Fnd                 | Resources        | Clive Mason     | (277)                  | 0                 | 0               | 0                 | (277)                 | Fund to meet substantial repairs from "contracted" tenant service charges. Full property assessment to be undertaken during 2016/17 to determine extent of repairs required.                                                       |
| Commercial Investment Strategy               | Resources        | Clive Mason     | (12,390)               | 0                 | 9,187           | (584)             | (3,787)               | Fund to meet future Commercial Investment Strategy acquisitions.                                                                                                                                                                   |
| Budget Surplus                               | Resources        | Clive Mason     | (805)                  | 0                 | 86              | 644               | (75)                  | This will have a balance at the year-end and will represent the amount of the General Fund that exceeds the 15% minimum threshold less any planned use of this reserve.                                                            |
| Special Reserve                              | Resources        | Clive Mason     | (2,325)                | 0                 | 220             | 805               | (1,300)               | Fund to meet future costs of service transformation.                                                                                                                                                                               |
| Silc Clubs Funding (2009 On)                 | Leisure & Health | Jayne Wisely    | (1)                    | 0                 | 0               | 0                 | (1)                   | Reserves of a community group, now closed. HDC voluntarily agreed to use funds to assist other groups in hard-ship. Still required, review to be undertaken in 2017/18 (delayed from 2016/17 due to changes in personnel on site). |
| Housing Homeless Reserve                     | Customer         | John Taylor     | (92)                   | 0                 | 11              | 0                 | (81)                  | To meet "peaks-and-trough" in homelessness provision. However, with potential future changes in service provider, reserve to remain at this time.                                                                                  |
| Building Control Reserve                     | Development      | Andy Moffat     | (127)                  | 0                 | 0               | 0                 | (127)                 | Rolling Fund for Building Control surpluses, to be transferred to Cambridge City Council as part of the 3C's shared service arrangement.                                                                                           |
| Housing Association Footpaths                | Development      | Andy Moffat     | (39)                   | 0                 | 39              | 0                 | 0                     | In the spirit of the original external contribution, the entire reserve has been used during 2016/17 to support a residential development in Godmanchester.                                                                        |
| LPSA                                         | Development      | Andy Moffat     | (51)                   | 0                 | 0               | 0                 | (51)                  | Former LPSA monies, to be used in the EDGE partnership activity in respect of Apprenticeships.                                                                                                                                     |
| Local Plan                                   | Development      | Andy Moffat     | (500)                  | (133)             | 0               | 0                 | (633)                 | New reserve to fund the development of the Local Plan. Planned workflows in 2016/17 did not proceed as expected so contribution to reserve will allow this work to be completed in 2017/18.                                        |
| TCA                                          | Resources        | Clive Mason     | (63)                   | 0                 | 63              | 0                 | 0                     | Balance of TCA Funding to be used by three partner councils. HDC accountable body.                                                                                                                                                 |
| Transformation Reserve                       | Resources        | Clive Mason     | 0                      | 0                 | 213             | (1,250)           | (1,037)               | £1m transferred from the Special Reserve to fund tranformation programme expenditure                                                                                                                                               |
| NDR Relief                                   | Resources        | Clive Mason     | (300)                  | 0                 | 0               | 0                 | (300)                 | Additional S31 Grant relating to NDR Reliefs                                                                                                                                                                                       |
| Fraud Hub                                    | Customer         | John Taylor     | (35)                   | 0                 | 35              | 0                 | 0                     | External funding relating to HDC Anti-Fraud Activity. To be used with a range of partners. HDC is the accountable body. All remaining funds used in 2016/17                                                                        |
| Cambridge Anti-Fraud Network                 | Customer         | John Taylor     | (99)                   | 0                 | 85              | 0                 | (14)                  | External funding relating to HDC Anti-Fraud Activity. To be used with a range of Cambridgeshire partners. HDC is the accountable body.                                                                                             |
| Call Centre Move                             | Customer         | John Taylor     | (40)                   | 0                 | 26              | 14                | 0                     | Identified in-service savings to fund Call Centre Relocation from St Ives to Pathfinder House. <b>Move now complete, balance to be returned to general reserves</b>                                                                |
| Operations Efficiency Reserve                | Operations       | Neil Sloper     | (229)                  | 0                 | 0               | 0                 | (229)                 |                                                                                                                                                                                                                                    |
| One Leisure Huntingdon Changing Room Project | Operations       | Jayne Wisely    | (11)                   | 0                 | 0               | 0                 | (11)                  | To contribute to the Project cost of the refurbishment of OHL changing room to meet SE financial requirements - still required                                                                                                     |
| Commercial Property Maintenance Reserve      | Resources        | Clive Mason     | (236)                  | 0                 | 0               | (300)             | (536)                 |                                                                                                                                                                                                                                    |

| Name of Earmarked Reserve            | Service            | Head of Service | Balance 1st April 2016 | Additions 2016/17 | Applied 2016/17 | Transfers 2016/17 | Balance 31 March 2017 | Comment                                                                                                                                                                                                                                           |
|--------------------------------------|--------------------|-----------------|------------------------|-------------------|-----------------|-------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      |                    |                 | £'000                  | £'000             | £'000           | £'000             | £'000                 |                                                                                                                                                                                                                                                   |
| Mobile Home Park Renewals Fund       | Resources          | Andy Moffat     | (12)                   | (2)               | 3               | 0                 | (11)                  | Rolling-Fund to meet "larger" maintenance costs that enhance the overall asset. The action proposed to reduce the balance will bring it to a minimum amount.                                                                                      |
| Env Imps Renewals Fund               | Operations         | Neil Sloper     | (31)                   | 0                 | 0               | 0                 | (31)                  | 50% of original Reserve to be held to fund some Parish off-road parking schemes, balance to be surrendered.                                                                                                                                       |
| Collection Fund                      | Resources          | Clive Mason     | (2,702)                | 0                 | 1,984           | (1,244)           | (1,962)               | Technical reserve to meet costs relating to the Collection Fund; especially costs relating to previous years Collection Fund surplus/deficits.                                                                                                    |
| <b>New Reserves 2016/17</b>          |                    |                 |                        |                   |                 |                   |                       |                                                                                                                                                                                                                                                   |
| CIL Admin Proportion not Received    | Development        | Andy Moffat     | 0                      | (282)             | 0               | 0                 | (282)                 | Reserve holds the difference between the admin proportion of CIL receipts calculated on a cash and an accruals basis. May not be able to retain all of these receipts if costs are below the 5% receipts figure based on actual amounts received. |
| New FMS Implementation Reserve       | Resources          | Clive Mason     | 0                      | (66)              | 0               | (50)              | (116)                 | 2016/17 budget allocation for FMS implementation costs tranfered to reserve when project implementation was put back. Should be used in 2017/18                                                                                                   |
| OL Huntingdon/Medway Centre Transfer | Resources          | Clive Mason     | 0                      | 0                 | 0               | (300)             | (300)                 | Reserve set up from 2016/17 Budget Surplus to fund the asset transfer between HDC and HTC now due in 2017/18.                                                                                                                                     |
| Huntingdonshire LATHC                | Resources          | Clive Mason     | 0                      | 0                 | 0               | (100)             | (100)                 | Reserve set up from 2016/17 Budget Surplus to cover the setting up of the new trading company.                                                                                                                                                    |
| Business Intelligence                | Resources          | Clive Mason     | 0                      | 0                 | 0               | (80)              | (80)                  |                                                                                                                                                                                                                                                   |
| ICT Shared Service Reserve           | ICT Shared Service | Paul Sumpter    | 0                      | (92)              | 48              | 0                 | (44)                  | 3C's Board decision not to distribute 2015/16 saving on ICT Shared Service - surplus put into reserve to cover future shared costs.                                                                                                               |
| <b>TOTAL Earmarked Reserves</b>      |                    |                 | <b>(24,010)</b>        | <b>(1,058)</b>    | <b>13,013</b>   | <b>(3,045)</b>    | <b>(15,100)</b>       |                                                                                                                                                                                                                                                   |
| <b>General Fund Reserve</b>          |                    |                 | <b>(2,537)</b>         | <b>(3,106)</b>    | <b>0</b>        | <b>3,045</b>      | <b>(2,598)</b>        |                                                                                                                                                                                                                                                   |

## 2. Service Commentary

The following table provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service.

| Service Provisional Outturn as at 31st March 2017 |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------|------------------------------|-----------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service                                           | 2016/17<br>Updated<br>Budget | 2016/17<br>Provisional<br>Outturn | Variance         | Comments on Variance +/- £10,000                                                                                                                                                                                                                                                                                 |
|                                                   | £                            | £                                 | £                |                                                                                                                                                                                                                                                                                                                  |
| <b>Head of Community</b>                          |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                  |
| Head Of Community                                 | 79,602                       | 81,593                            | 1,991            |                                                                                                                                                                                                                                                                                                                  |
| Community Team                                    | 706,813                      | 657,936                           | (48,877)         | £48k vacant post in the team being recruited to as part of the Community restructure, £9.5k reduced costs for legal and enforcement action, additional costs of £15k for building rental and electricity                                                                                                         |
| Commercial Team                                   | 349,121                      | 277,062                           | (72,059)         | £46k vacant post in the team being recruited to as part of the Community restructure, and £16k saving legal, laboratory fees and materials, transport savings of £6k from impact of vacant post and LEAN working, combined with additional income of £7k                                                         |
| Environmental Protection Team                     | 411,550                      | 345,044                           | (66,506)         | £45k vacant post in the team being recruited to as part of the Community restructure, savings on transport £4k attributable to the vacant post, additional income of £17k,                                                                                                                                       |
| Environmental Health Admin                        | 143,779                      | 107,637                           | (36,142)         | £22k savings from vacant post in the team being recruited to as part of the Community restructure, combined with additional income of £10k from licensing                                                                                                                                                        |
| Projects And Assets                               | 140,022                      | 219,303                           | 79,281           | Covered from underspends across the Community service, further work being undertaken to reallocate budgets to new budget holder teams                                                                                                                                                                            |
| C C T V                                           | (71,000)                     | (77,050)                          | (6,050)          |                                                                                                                                                                                                                                                                                                                  |
| C C T V Shared Service                            | 212,244                      | 232,498                           | 20,254           | Non shared service income moved to CCTV line above                                                                                                                                                                                                                                                               |
| Licencing                                         | (161,246)                    | (237,152)                         | (75,906)         | £71k additional income from increased demands on the licensing service giving higher than expected income at this point in the Year.                                                                                                                                                                             |
| Corporate Health & Safety                         | 100,608                      | 94,086                            | (6,522)          |                                                                                                                                                                                                                                                                                                                  |
|                                                   | <b>1,911,493</b>             | <b>1,700,957</b>                  | <b>(210,536)</b> |                                                                                                                                                                                                                                                                                                                  |
| <b>Head of Customer Services</b>                  |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                  |
| Head of Customer Services                         | 96,477                       | 100,844                           | 4,367            |                                                                                                                                                                                                                                                                                                                  |
| Local Tax Collection                              | 140,286                      | 147,559                           | 7,273            |                                                                                                                                                                                                                                                                                                                  |
| Housing Benefits                                  | 403,556                      | 571,916                           | 168,360          | Higher than planned use of B&B to deal with homelessness has resulted in an overspend. <b>Action on Overspend</b> Working on options across the short, medium and long-term for homelessness - but in 16/17 an overspend has occurred                                                                            |
| Council Tax Support                               | (122,950)                    | (164,087)                         | (41,137)         | Grant funding provided by DCLG to HDC, amount not known at the time the budget is set. Forecasting a larger grant than originally expected                                                                                                                                                                       |
| Housing Needs                                     | 777,737                      | 832,269                           | 54,532           | Additional expenditure in year to maintain Coneygear Court temporary accommodation <b>Action on Overspend</b> This is an overspend at year-end - this site provides 30% of HDC Temporary Accommodation - the alternative is more costly B&B for homeless clients                                                 |
| Customer Services                                 | 829,302                      | 845,176                           | 15,874           | Team was restructured in 16/17 and moved location, some of the resulting additional costs were funded from reserves. The restructure saves over £200k p.a. on an ongoing basis                                                                                                                                   |
| Document Centre                                   | 230,803                      | 269,979                           | 39,176           | Less income than forecast in MTFS and work looking at potential commercial partnership is progressing. Business case presented to Director & Portfolio Lead in Feb-17 - asked to continue. <b>Action on Overspend</b> Work looking at potential commercial partnership progressing, and new clients being sought |
| Information Management                            | 0                            | 0                                 | 0                |                                                                                                                                                                                                                                                                                                                  |
|                                                   | <b>2,355,211</b>             | <b>2,603,656</b>                  | <b>248,445</b>   |                                                                                                                                                                                                                                                                                                                  |

| Service Provisional Outturn as at 31st March 2017 |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------|------------------------------|-----------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service                                           | 2016/17<br>Updated<br>Budget | 2016/17<br>Provisional<br>Outturn | Variance         | Comments on Variance +/- £10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                   | £                            | £                                 | £                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Head of ICT Shared Service</b>                 |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ICT Shared Service                                | 1,796,334                    | 2,015,897                         | 219,563          | <p>This is a combined figure based on several budget codes, as such this needs multiple explanations.</p> <p>There has been accurate forecasting for budget code 240/248 however this forecast was based on incomplete budget information provided by one partner, once the correct budget details were understood we were able to adjust the forecast incurring a projected overspend.</p> <p>The budget code 203 for IT hardware has had several purchases made against it which are yet to be recharged to the purchasing partner. Most of the recharges have been actioned now but there are numbers still outstanding.</p> <p>Budget code 511 for maintenance has seen an increase due to maintenance on aging infrastructure and due to contract costs being higher due to USD/GBP fluctuations. There has been 50% of this component cost already identified as rechargeable and therefore following recharge the figure will reduce.</p> <p><b>Action on Overspend</b> Work has always been in place to challenge and validate the budget figures on the original transferred budgets, unfortunately until a full year cycle has completed the full accurate picture was never going to show itself. This test and challenge continues but once the year end is out the full picture for 17/18 will be set. The process for recharge needs to be more robust as even small items that are unexpected capital expenditure should be recharged to the procuring partner. That work continues and more rigour is being put into the process. Process has been re-engineered and forward to relevant Finance for comment to commence in 17/18.</p> <p>When the budget was set and transferred (some items were inadvertently omitted) but it was never anticipated that anything other than basic inflation would impact the cost of maintenance and software. In the ICT world the Brexit fallout has impacted significantly many purchases and licencing prices in some cases to the tune of 20% uplift. We continue to work hard with suppliers and the market in general to demonstrate and receive best value for the authorities' purchases. The most significant proportion of the overspend is due to the continued reliance on Hired Staff. With the NPS Transition now underway budget is now available to permanently recruit staff which will mitigate this issue moving forward. Movement this month is largely due to unbudgeted Hired Staff.</p> |
|                                                   | <b>1,796,334</b>             | <b>2,015,897</b>                  | <b>219,563</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Head of Development</b>                        |                              |                                   |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Head of Development                               | 77,802                       | 80,865                            | 3,063            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Building Control                                  | 91,600                       | 83,125                            | (8,475)          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Economic Development                              | 232,062                      | 234,369                           | 2,307            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Planning Policy                                   | 854,715                      | 642,432                           | (212,283)        | <p>Mainly due to increased CIL income of £430K against budget, however £282K will be transferred to an earmarked reserve. £26K for S106 monitoring fees; £20K additional NP income. £36K staff savings resulting from time taken to fill vacancies following restructure &amp; as staff leave.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Transportation Strategy                           | 65,020                       | 55,201                            | (9,819)          | Balances to zero when adding variance to Public Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Public Transport                                  | 19,200                       | 27,724                            | 8,524            | Balances to zero when adding variance to Transportation Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Development Management                            | (192,510)                    | (379,463)                         | (186,953)        | <p>£172K variance is due to increase in planning application income. £80k overspent on consultants (St Ives West Legal and Wintringham Park Consultants) and £5605 credit budget against 799 taken out to reduce to zero, £8k overspend on postage, £8k overspend on photocopying and scanning. £4K overspend on software and £4K overspend on corporate subscriptions. £89K salary savings resulting from time taken to fill vacancies following restructure and as staff leave.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Housing Strategy                                  | 222,047                      | 207,442                           | (14,605)         | <p>Expected relocation budget expenditure reduced by £12K in line with claims and expected expenditure. £2.5K is not going to be spent as a result of reduced annual cost of the SHMA. £8K increase in likely income from mobile home park.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                   | <b>1,369,936</b>             | <b>951,694</b>                    | <b>(418,242)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Service Provisional Outturn as at 31st March 2017 |                              |                                   |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|------------------------------|-----------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service                                           | 2016/17<br>Updated<br>Budget | 2016/17<br>Provisional<br>Outturn | Variance | Comments on Variance +/- £10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                   | £                            | £                                 | £        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Head of Leisure &amp; Health</b>               |                              |                                   |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Head of Leisure & Health                          | 77,822                       | 79,978                            | 2,156    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| One Leisure Active Lifestyles                     | 222,879                      | 213,497                           | (9,382)  | Additional funding from Public Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| One Leisure                                       | (570,764)                    | (212,898)                         | 357,866  | The One Leisure recovery plan for memberships is progressing with the introduction of the new (old) membership package from January this year. Challenging monthly targets have been virtually achieved in January and February this year. Work on retention continues and OL Impressions currently has a growing membership base i.e. more members are joining than leaving. The new membership package will support the attrition rate and the length of memberships. There has been a reduction in the forecast for the utility costs and employee costs to the end of year which has contributed to the improvement from last month to the end of year forecast.<br><b>Action on Overspend</b> - Employee costs are being managed well and the impact upon the introduction of the living wage and performance increments has been absorbed so costs stay within budget. This has been achieved through pro-actively managing rota's and recruitment of staff. All other expenditure is being pro-actively managed to maintain within budget. |
|                                                   | (270,063)                    | 80,577                            | 350,640  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Head of Operations</b>                         |                              |                                   |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Head of Operations                                | 78,302                       | 120,430                           | 42,128   | £35k HoS interim consultant; £7k Recruitment costs <b>Action on Overspend</b> - Covered by one off in year service savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Environmental & Energy Mgt                        | 97,332                       | 52,393                            | (44,939) | (£26k) Sustainability advice for SCDC; (£14k) County one off energy efficiency grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Street Cleansing                                  | 826,877                      | 793,043                           | (33,834) | (£12k) Litter Bin saving; (£32k) Weed spraying contract saving; £8k Mini Sweepers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Green Spaces                                      | 1,071,021                    | 1,077,229                         | 6,208    | (£122k) One off in year savings; £22k to recover hedge cutting to standard; £26k Underachievement of ZBB target for CCC income; £20k Play equipment (Paint ramps); £8k shortfall in County income for learning placement scheme; £8k reduction in café income. Commuted Sums income £51k lower than budgeted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Public Conveniences                               | 13,400                       | 10,156                            | (3,244)  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Waste Management                                  | 2,104,683                    | 2,346,747                         | 242,064  | £250k Start of round rescheduling reprofiled; (£20k) insurance settlement relating to 2015/16; (£16k) Recycling credits c/f from 2015/16; (£24k) Recycling credit increase; (£34k) Trade waste income increased; (£29k) one off in year saving; (£23k) fuel price maintained low; (£14k) increased 2nd Green Bin income; (£11k) pension saving; £53k Round config Communications Costs <b>Action on Overspend</b> - Introduction of the revised round schedule is anticipated on 01st March. Although delayed this will then start to realise the savings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Operations Management                             | 28,891                       | 8,903                             | (19,988) | (£25k) One off in year savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Facilities Management                             | 1,041,289                    | 979,032                           | (62,257) | (£9k) EFH rent to CAB; (£31k) rent top floor of PFH; (£12.8k) rent top floor for 2015/16; (£16k) NNDR saving; £35k NNDR new costs for subletting PFH; (£20k) Repairs to PFH delayed due to lack of resources; £5k trade waste recharge; (£12k) minor savings on other office running costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Fleet Management                                  | 249,228                      | 265,262                           | 16,034   | £20k for pressure washer <b>Action on Overspend</b> - Funded by savings from vehicle cleaning in other budgets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Markets                                           | (47,885)                     | (61,026)                          | (13,141) | (£8k) increased Market income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Car Parks                                         | (1,495,224)                  | (1,400,618)                       | 94,606   | £110k Fee increase abandoned ; £10k ZBB Free after 3 reintroduced; £30k Excess charge shortfall; £20k shortfall in season tickets; (£40k) increase in casual income volume; (£36k) lower payments re supermarket car parks. <b>Action on Overspend</b> - Introduction of revised fees and charges anticipated 1st Apr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                   | 3,967,914                    | 4,191,550                         | 223,636  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Service Provisional Outturn as at 31st March 2017 |                              |                                   |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|------------------------------|-----------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service                                           | 2016/17<br>Updated<br>Budget | 2016/17<br>Provisional<br>Outturn | Variance           | Comments on Variance +/- £10,000                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                   | £                            | £                                 | £                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Head of Resources</b>                          |                              |                                   |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Head of Resources                                 | 88,022                       | 92,860                            | 4,838              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Corporate Finance                                 | 4,413,876                    | 3,705,884                         | (707,992)          | Apprentice Levy not required in 16/17 (73k), additional income from RSL investments (42k) and CIS investments (99k). Capital programme forecast underspend resulting in reduced MRP (180k) and less external borrowing (61k). Additional costs for external audit including NFI and uninsured claim +33k. Lower bad debt provision (£10k). Historic cash balance (£258k)                                                                                                             |
| Legal                                             | 211,838                      | 208,396                           | (3,442)            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Audit & Risk Management                           | 611,141                      | 568,319                           | (42,822)           | Insurance retender lower premiums                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Procurement                                       | 64,431                       | 65,579                            | 1,148              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Finance                                           | 658,934                      | 761,767                           | 102,833            | Additional 2 interims, partly offset by vacancies (115k). Delay in the implementation of the new FMS (-66k); however, the saving on the FMS has been transferred to earmarked reserves and carried forward to 2017/18. <b>Action on Overspend</b> - The overspend on the Finance Manager interim appointment can be covered from reserves as it is budget development work. However, this is not being used as overall underspends within Resources are off-setting these overspends |
| Commercial Estates                                | (1,556,757)                  | (2,115,393)                       | (558,636)          | Net saving of £50k for additional estate management costs (insurance, NDR expenditure, repairs and general management). Lost income from Voids and Rent Reviews £36k and as a consequence of not acquiring as many properties as planned but also not undertaking external finance to fund the acquisitions made, there is a net increase in the CIS surplus of £540k (MRP -885k less reduced income of £345k).                                                                      |
|                                                   | <b>4,491,485</b>             | <b>3,287,412</b>                  | <b>(1,204,073)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Corporate Team Manager</b>                     |                              |                                   |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Democratic & Elections                            | 733,932                      | 711,362                           | (22,570)           | Final accounts reconciliation for PCC Elections showed more favourable variance than budgeted. Final accounts due next month on Referendum                                                                                                                                                                                                                                                                                                                                           |
| Directors                                         | 468,855                      | 529,862                           | 61,007             | £35k excess of AK over salary budget; £13k Recruitment costs; £187k Reinvigoration & Transformation; £20k Devolution. <b>Action on Overspend</b> - £20k Devolution and £187k Transformation to be funded from reserves                                                                                                                                                                                                                                                               |
| Corporate Team                                    | 1,087,688                    | 1,101,448                         | 13,760             | £32k Tupe consultancy; £11k OH increase due to Sick policy; (£29k) general savings; £22k Resourcelink additional modules; Apprenticeships (£20k)                                                                                                                                                                                                                                                                                                                                     |
|                                                   | <b>2,290,475</b>             | <b>2,342,672</b>                  | <b>52,197</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>HDC Totals</b>                                 | <b>17,912,785</b>            | <b>17,174,416</b>                 | <b>(738,369)</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

### 3. Capital Programme

#### 3.1 Summary of Provisional Outturn

The table below shows the provisional outturn position on the Capital Programme as at 31 March 2017 of £7.662m (63% of budget). It shows an underspend and re-phase position this year of £4.525m.

The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP). The MRP budget was set based on the period 9 forecast outturn, therefore further slippage will result in a higher budget for the 2018/19 MRP being set.

| <b>Budget Summary</b> | <b>Budget</b> | <b>Provisional Outturn</b> | <b>Variance<br/>(Budget to Prov OT)</b> |
|-----------------------|---------------|----------------------------|-----------------------------------------|
|                       | <b>£000s</b>  | <b>£000s</b>               | <b>£000s</b>                            |
|                       |               |                            |                                         |
| <b>Services</b>       |               |                            |                                         |
| Community Services    | 330           | 0                          | (330)                                   |
| Development Services  | 1,164         | 2,077                      | 913                                     |
| Leisure and Health    | 1,547         | 372                        | (1,175)                                 |
| Resources             | 5,057         | 2,875                      | (2,182)                                 |
| Customer Services     | 161           | 28                         | (133)                                   |
| ICT                   | 370           | 470                        | 100                                     |
| Operational Services  | 3,558         | 1,840                      | (1,718)                                 |
| <b>Total</b>          | <b>12,187</b> | <b>7,662</b>               | <b>(4,525)</b>                          |
|                       |               |                            |                                         |

The table below shows the Capital Programme in detail and includes the potential re-phasing in to 2017/18 of particular schemes.

### 3.2 Analysis of Capital Provisional Outturn by Scheme

| Division    | Scheme                                     | Budget<br>£ | Provisional<br>Outturn<br>£ | Variance<br>£ | Overspend<br>£ | Underspend<br>£ | Growth<br>£ | Potential Re-<br>phase<br>£ | Comments From Budget Holder                                                                                                                                                                                                                                                                         |
|-------------|--------------------------------------------|-------------|-----------------------------|---------------|----------------|-----------------|-------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community   | CCTV Camera Replacements                   | 40,000      | 0                           | (40,000)      |                | (10,000)        |             | (30,000)                    | The CCTV schemes are to form part of the Commercialisation process, and will become part of the new Trading Company. As a result of this decisions on the form these schemes will take will be made after the new company is formed.                                                                |
|             | CCTV Pathfinder House Resilience           | 20,000      | 0                           | (20,000)      |                |                 |             | (20,000)                    |                                                                                                                                                                                                                                                                                                     |
|             | CCTV Wi-Fi                                 | 250,000     | 0                           | (250,000)     |                |                 |             | (250,000)                   |                                                                                                                                                                                                                                                                                                     |
|             | Lone Worker Software                       | 20,000      | 0                           | (20,000)      |                |                 |             | (20,000)                    |                                                                                                                                                                                                                                                                                                     |
| Development | Huntingdon West Development                | 758,000     | 1,484,212                   | 726,212       |                |                 | 761,212     | (35,000)                    | An increased amount of CIL has been paid to Cambridgeshire County Council, in order to pay down the balance more quickly. This will be funded from the CIL reserve.                                                                                                                                 |
|             | Disabled Facilities Grants                 | 382,000     | 553,024                     | 171,024       | 261,880        | (90,856)        |             |                             | An increased demand for grants and the speed at which the HIA processes payments.                                                                                                                                                                                                                   |
|             | Housing Private Sector Grants              | 24,000      | 28,879                      | 4,879         |                |                 | 4,879       |                             | This scheme is now ended and the final payment has been made, which was slightly higher than estimated.                                                                                                                                                                                             |
| 174         | Alconbury Weald Remediation                | 0           | 0                           | 0             |                |                 |             | 0                           | The Alconbury Weald Fund of £2.0m is still held in a reserve. A new form of scheme is being worked on.                                                                                                                                                                                              |
|             | Homelink Software                          | 0           | 10,602                      | 10,602        |                |                 | 10,602      |                             | This software will help Housing to make allocations more efficiently; it is being funded from a reserve.                                                                                                                                                                                            |
| Leisure     | One Leisure Improvements                   | 302,000     | 139,828                     | (162,172)     |                | (105,672)       |             | (56,500)                    | Underspends have resulted from approval of other schemes which will make the facility improvements, this includes the Refit project and the Burgess Hall refurbishment. Rephase to two schemes at One Leisure St Neots due to planning delays and One Leisure Huntingdon due to lease negotiations. |
|             | One Leisure St Ives String Bowling System  | 42,000      | 47,100                      | 5,100         | 5,100          |                 |             |                             | This scheme is complete, with a small overspend due to selecting the lowest life-cost RFQ for the project. This will save maintenance expenditure in future years.                                                                                                                                  |
|             | One Leisure Huntingdon Changing Facilities | 92,000      | 20,139                      | (71,861)      |                |                 |             | (71,861)                    | This scheme is now underway, with the design phase complete, but the majority of the works will be completed in 2017-18.                                                                                                                                                                            |

| Division  | Scheme                                              | Budget<br>£ | Provisional<br>Outturn<br>£ | Variance<br>£ | Overspend<br>£ | Underspend<br>£ | Growth<br>£ | Potential Re-<br>phase<br>£ | Comments From Budget Holder                                                                                                                                                                                                                                     |
|-----------|-----------------------------------------------------|-------------|-----------------------------|---------------|----------------|-----------------|-------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | One Leisure Huntingdon Development                  | 811,000     | 1,312                       | (809,688)     |                |                 |             | (809,688)                   | This scheme has been delayed by lease negotiations, whilst the design has gone ahead the main works will commence in 2017-18.                                                                                                                                   |
|           | One Leisure St Neots Synthetic Pitch                | 115,700     | 101                         | (115,599)     |                |                 |             | (115,599)                   | This scheme has been delayed due to the site lease negotiations. This scheme will be undertaken in 2017-18.                                                                                                                                                     |
|           | Replacement Fitness Equipment                       | 183,800     | 163,805                     | (19,995)      |                | (19,995)        |             |                             | This scheme was completed under budget.                                                                                                                                                                                                                         |
| Resources | Housing Association Loan                            | 3,250,000   | 2,750,000                   | (500,000)     |                | (500,000)       |             |                             | A loan facility was offered to Luminus to fund the construction of Langley Court Care Home. Whilst £5.5m was available only £5m was advanced                                                                                                                    |
|           | Phoenix Court Lane Industrial Unit Roof Enhancement | 197,000     | 0                           | (197,000)     |                |                 |             | (197,000)                   | A Building Surveyor has been appointed to manage this project. Tender exercises are underway to appoint the roofing contractors. Initial tenders suggest the cost may exceed the budget.                                                                        |
| 175       | Levellers Lane Industrial Unit Roof Enhancement     | 78,000      | 0                           | (78,000)      |                |                 |             | (78,000)                    | A Building Surveyor has been appointed to manage this project. Tender exercises are underway to appoint the roofing contractors. Initial tenders suggest the cost may exceed the budget                                                                         |
|           | Clifton Road Industrial Unit Roof Enhancement       | 70,000      | 0                           | (70,000)      |                |                 |             | (70,000)                    | A Building Surveyor has been appointed to manage this project. Tender exercises are underway to appoint the roofing contractors. Initial tenders suggest the cost may exceed the budget.                                                                        |
|           | Octagon Improvements                                | 30,000      | 30,042                      | 42            | 42             |                 |             |                             | The scheme to make the Octagon watertight is complete.                                                                                                                                                                                                          |
|           | Financial Management System Replacement             | 192,000     | 165,167                     | (26,833)      |                |                 |             | (26,833)                    | The go-live date for this project has been moved from April to October, the rephase represents the cost of the work that will now be completed in 2017-18.                                                                                                      |
|           | Capita Software Upgrade                             | 17,000      | 16,289                      | (711)         |                |                 | 23,000      | (23,711)                    | The project to upgrade the cash receipting software is complete. An additional budget was allocated for work to upgrade the cash interfaces in conjunction with the new FMS. However as the FMS go-live has been delayed this project will commence in 2017-18. |

| Division          | Scheme                                   | Budget<br>£ | Provisional<br>Outturn<br>£ | Variance<br>£ | Overspend<br>£ | Underspend<br>£ | Growth<br>£ | Potential Re-<br>phase<br>£ | Comments From Budget Holder                                                                                                                                                                         |
|-------------------|------------------------------------------|-------------|-----------------------------|---------------|----------------|-----------------|-------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | Land Sales                               | (84,200)    | (97,960)                    | (13,760)      |                | (13,760)        |             |                             | Land sales (Queens Gardens Eaton Socon, London Road St Ives) exceeded the expected sale value.                                                                                                      |
|                   | VAT Exempt Capital                       | 107,000     | 11,172                      | (95,828)      |                | (7,000)         |             | (88,828)                    | Delays to Phoenix Roof Improvements and One Leisure Synthetic Pitch have delayed the requirement for this budget as well.                                                                           |
|                   | Capital Grant to Huntingdon Town Council | 300,000     | 0                           | (300,000)     | 38,000         |                 |             | (338,000)                   | As the land lease negotiations have not completed, this payment has not been made.                                                                                                                  |
|                   | Loan Facility to Huntingdon Town Council | 800,000     | 0                           | (800,000)     |                |                 |             | (800,000)                   | As the land lease negotiations have not completed, this loan has not been advanced.                                                                                                                 |
|                   | Investment in Company                    | 100,000     | 0                           | (100,000)     |                |                 |             | (100,000)                   | The HDC Trading Company has not yet been formed so the expected investment has been delayed.                                                                                                        |
| Customer Services | CRM System Upgrade                       | 117,000     | 0                           | (117,000)     |                | (117,000)       |             |                             | This scheme was cancelled as the plan is to look to purchase software which will work with SCDC and CCC.                                                                                            |
| ICT               | E-forms                                  | 44,000      | 28,041                      | (15,959)      |                | (13,000)        |             | (2,959)                     | This scheme cost less than expected, a small amount of work remains to be completed in 2017-18.                                                                                                     |
| 3CSS              | Flexible Working - 3CSS                  | 50,000      | 9,308                       | (40,692)      |                | (40,692)        |             |                             | This project was procured on a cost model that has higher revenue costs, which meant that less was paid for the software.                                                                           |
|                   | Telephones - 3CSS                        | 100,000     | 146,542                     | 46,542        |                |                 | 75,000      | (28,458)                    | An extra £75,000 was allocated to this scheme, some work to replace cabling has not been completed, and this work is to be completed in 2017-18.                                                    |
|                   | Virtual Server - 3CSS                    | 220,000     | 314,099                     | 94,099        |                |                 | 175,000     | (80,901)                    | An additional budget of £175,000 was allocated to this scheme as this initial estimate was not sufficient. Most of the scheme has been completed, but some work remains to be completed in 2017-18. |
| Operations        | Building Efficiencies (Salix)            | 74,000      | 19,706                      | (54,294)      |                |                 |             | (54,294)                    | Savings are being recycled at a lower rate than expected and therefore the capital expenditure was reduced for 2016-17. It is expected that this scheme will complete in 2017-18.                   |
|                   | Wheeled Bins                             | 198,000     | 96,783                      | (101,217)     |                | (101,217)       |             |                             | Income from developers has been higher than expected and in addition more bins have been reused and the round rescheduling has delayed the delivery of bins.                                        |

| Division | Scheme                                    | Budget<br>£ | Provisional<br>Outturn<br>£ | Variance<br>£ | Overspend<br>£ | Underspend<br>£ | Growth<br>£ | Potential Re-<br>phase<br>£ | Comments From Budget Holder                                                                                                                                                                                                                                  |
|----------|-------------------------------------------|-------------|-----------------------------|---------------|----------------|-----------------|-------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          | Vehicle Fleet Replacement                 | 2,207,100   | 1,540,945                   | (666,155)     |                | (125,039)       |             | (541,116)                   | There have been savings made against budget through the procurement process, and in addition the delivery of 15 vehicles has been delayed as a consequence of supplier issues relating to EU environmental legislation.                                      |
|          | In-Cab Technology                         | 75,000      | 0                           | (75,000)      |                |                 |             | (75,000)                    | This will form part of a larger project to update the Operations back office in 2017-18.                                                                                                                                                                     |
|          | Play Equipment                            | 25,000      | 20,040                      | (4,960)       | 9,350          | (14,310)        |             |                             | The underspend was as a result of the need not to replace around £5,000 worth of equipment and an additional £9,000 of s106 funding, which was spent in full.                                                                                                |
|          | Retro-Fitting Buildings                   | 662,000     | 180,043                     | (481,957)     |                |                 |             | (481,957)                   | Prolonged contract negotiations have delayed expenditure, particularly negotiations relating to land leases at One Leisure Huntingdon and St Neots. In addition electrical network issues mean that PV Panel work at One Leisure Huntingdon is not possible. |
| 177      | Bridge Place Car Park<br>Godmanchester    | 318,000     | 0                           | (318,000)     |                |                 |             | (318,000)                   | An extensive review of the requirement for this car park was undertaken, although this is now complete this meant that works could not commence in 2016-17, and will now start in 2017-18.                                                                   |
|          | Loves Farm Community Centre               |             | (39,243)                    | (39,243)      |                | (39,243)        |             |                             | Additional s106 funding has been received for this scheme that completed in 2015-16.                                                                                                                                                                         |
|          | Doorstep Greens and Neighbourhood Gardens |             | 22,000                      | 22,000        |                |                 | 22,000      |                             | Additional funding was allocated for this scheme, to complete works on Neighbourhood Gardens at Oxmoor, which had not been completed as part of the Oxmoor Regeneration Scheme which completed in 2010.                                                      |
|          | Civic Suite Audio Equipment               |             | 0                           | 0             |                |                 | 108,000     | (108,000)                   | An additional budget was allocated to replace the equipment in the Civic Suite. However the size of the project now means it falls under the EJUA regulations which have delayed the purchase of the equipment.                                              |
| Total    |                                           | 12,187,400  | 7,661,976                   | (4,525,424)   | 314,372        | (1,197,784)     | 1,179,693   | (4,821,705)                 |                                                                                                                                                                                                                                                              |

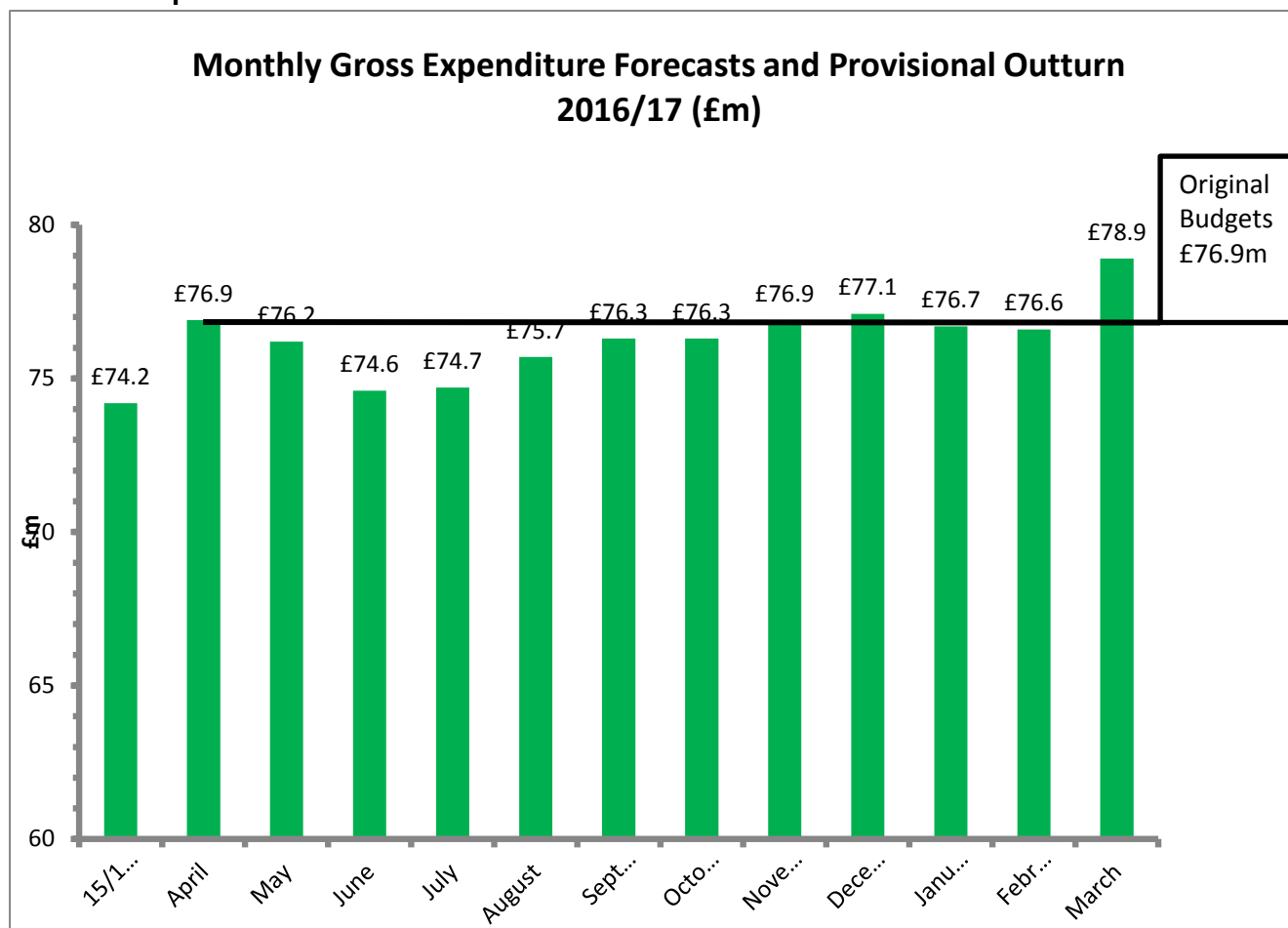
### 3.3 Re-phase of Budgets to 2017/18

At the Finance and Procurement Governance Board meeting on 16 May 2017, the requested budget re-phrasings were reviewed and the following table summarises the budgets that are recommended to be re-phased to 2017/18. The reasons for the re-phasing are detailed in the comments column on the above table.

| Scheme                                              | Potential Re-phase | Already Re-phased in MTFS | Re-phase to 2017-18 | FPGB Comments                                                         |
|-----------------------------------------------------|--------------------|---------------------------|---------------------|-----------------------------------------------------------------------|
| CCTV Camera Replacements                            | (30,000)           | 0                         | (30,000)            |                                                                       |
| CCTV Pathfinder House Resilience                    | (20,000)           | (20,000)                  | 0                   |                                                                       |
| CCTV Wi-Fi                                          | (250,000)          | (250,000)                 | 0                   |                                                                       |
| Lone Worker Software                                | (20,000)           | (20,000)                  | 0                   |                                                                       |
| Huntingdon West Development                         | (35,000)           | 0                         | (35,000)            |                                                                       |
| Alconbury Weald Remediation                         | 0                  | 0                         | 0                   | Net Nil Budget                                                        |
| One Leisure Improvements                            | (56,500)           | (96,000)                  | 39,500              |                                                                       |
| One Leisure Huntingdon Changing Facilities          | (71,861)           | 0                         | (71,861)            |                                                                       |
| One Leisure Huntingdon Development                  | (809,688)          | (779,000)                 | (30,688)            |                                                                       |
| One Leisure St Neots Synthetic Pitch                | (115,599)          | 0                         | (115,599)           |                                                                       |
| Phoenix Court Lane Industrial Unit Roof Enhancement | (197,000)          | (157,000)                 | (40,000)            |                                                                       |
| Levellers Lane Industrial Unit Roof Enhancement     | (78,000)           | (56,000)                  | (22,000)            |                                                                       |
| Clifton Road Industrial Unit Roof Enhancement       | (70,000)           | (49,000)                  | (21,000)            |                                                                       |
| Financial Management System Replacement             | (26,833)           | 0                         | (26,833)            |                                                                       |
| Capita Software Upgrade                             | (23,711)           | 0                         | (23,711)            |                                                                       |
| VAT Exempt Capital                                  | (88,828)           | (29,000)                  | (59,828)            |                                                                       |
| Capital Grant to Huntingdon Town Council            | (338,000)          | 0                         | (338,000)           |                                                                       |
| Loan Facility to Huntingdon Town Council            | (800,000)          | 0                         | (800,000)           |                                                                       |
| Investment in Company                               | (100,000)          | 0                         | (100,000)           |                                                                       |
| E-forms                                             | (2,959)            | 0                         | (2,959)             |                                                                       |
| Telephones - 3CSS                                   | (28,458)           | 0                         | (28,458)            |                                                                       |
| Virtual Server - 3CSS                               | (80,901)           | 0                         | (80,901)            |                                                                       |
| Building Efficiencies (Salix)                       | (54,294)           | 0                         | (54,294)            |                                                                       |
| Vehicle Fleet Replacement                           | (541,116)          | (174,000)                 | (367,116)           |                                                                       |
| In-Cab Technology                                   | (75,000)           | (75,000)                  | 0                   | FPGB decided this would not be rephased.                              |
| Retro-Fitting Buildings                             | (481,957)          | 0                         | (481,957)           |                                                                       |
| Bridge Place Car Park Godmanchester                 | (318,000)          | (218,000)                 | (100,000)           |                                                                       |
| Civic Suite Audio Equipment                         | (108,000)          | 0                         | (108,000)           | FPGB requirement require further detail before this project commences |
| <b>Sub-Total</b>                                    | <b>(4,821,705)</b> | <b>(1,923,000)</b>        | <b>(2,898,705)</b>  |                                                                       |
| In-Cab Technology                                   | 0                  | 0                         | 75,000              | FPGB decided this would not be rephased.                              |
| <b>Total</b>                                        | <b>(4,821,705)</b> | <b>(1,923,000)</b>        | <b>(2,823,705)</b>  |                                                                       |

## Financial Dashboard

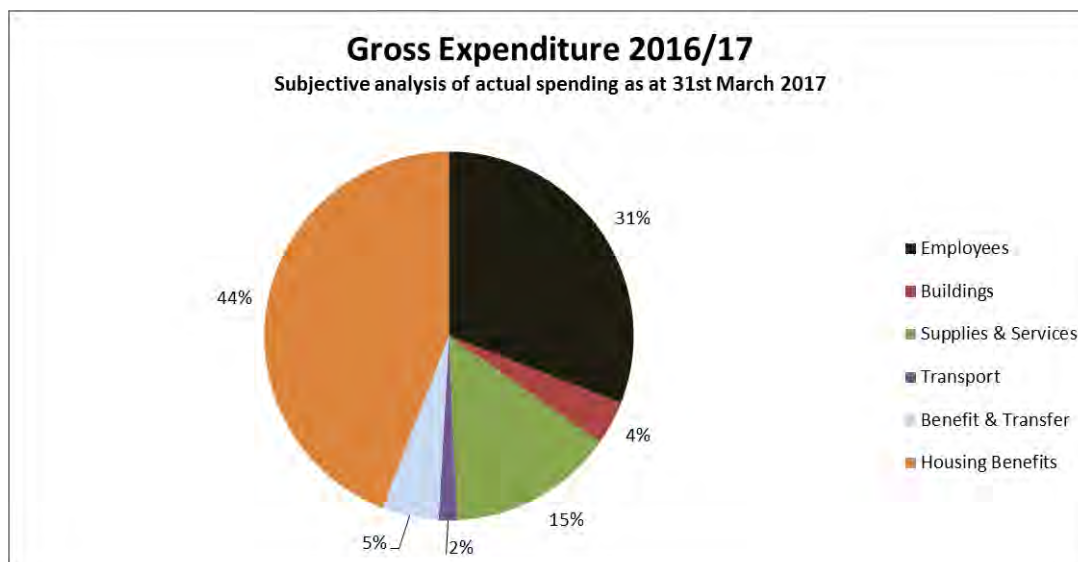
### Revenue Expenditure



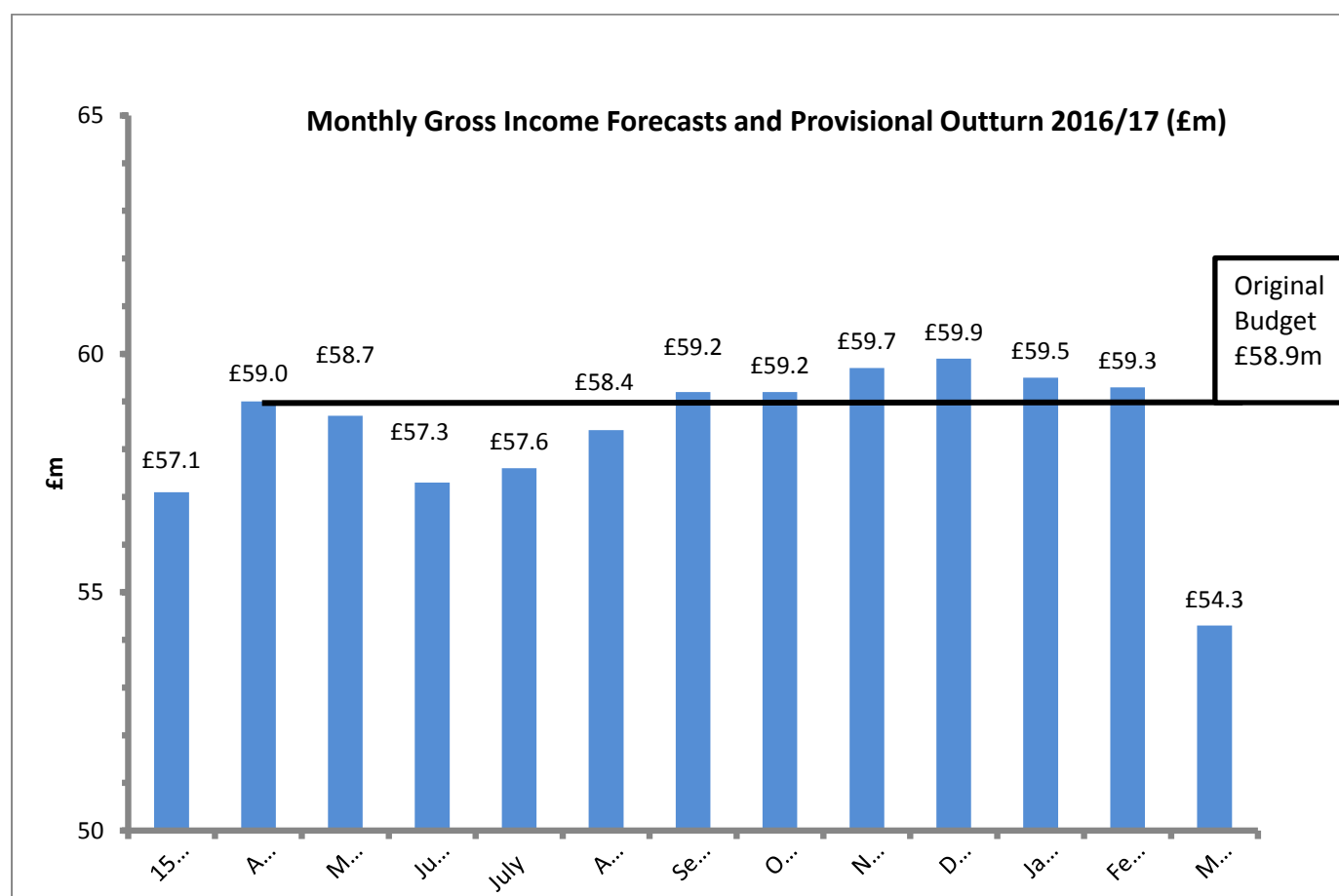
The 2016/17 gross revenue expenditure budget is £76.9m, which is £2.7m above the outturn for 2015/16. Most of this increase is explained by the impact of shared services, (HDC is hosting the ICT Shared Service which increases expenditure by £2.4m when compared to the 2015/16 outturn) and the budgeted increase to the Minimum Revenue Provision (£1m) mainly due to the Commercial Investment Strategy. These increases have been off-set by savings that services are expected to generate following service reviews.

Forecasting the ICT Shared Service expenditure has proved difficult throughout the year. Work is still being undertaken to identify on-going commitments and further fluctuations to their figures may arise over the next few months.

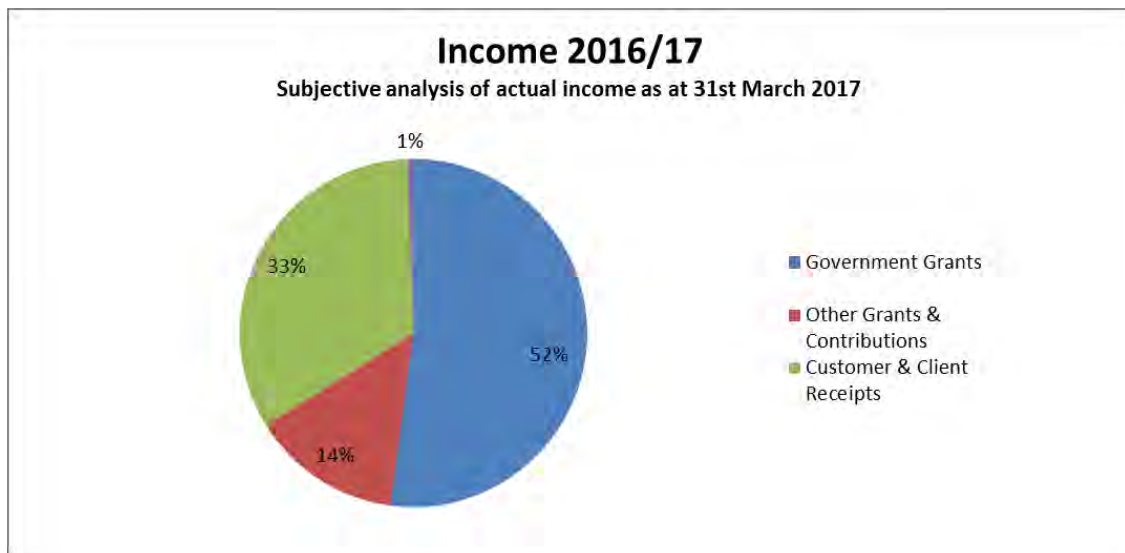
As shown below the main area of expenditure is Housing Benefits and employees.



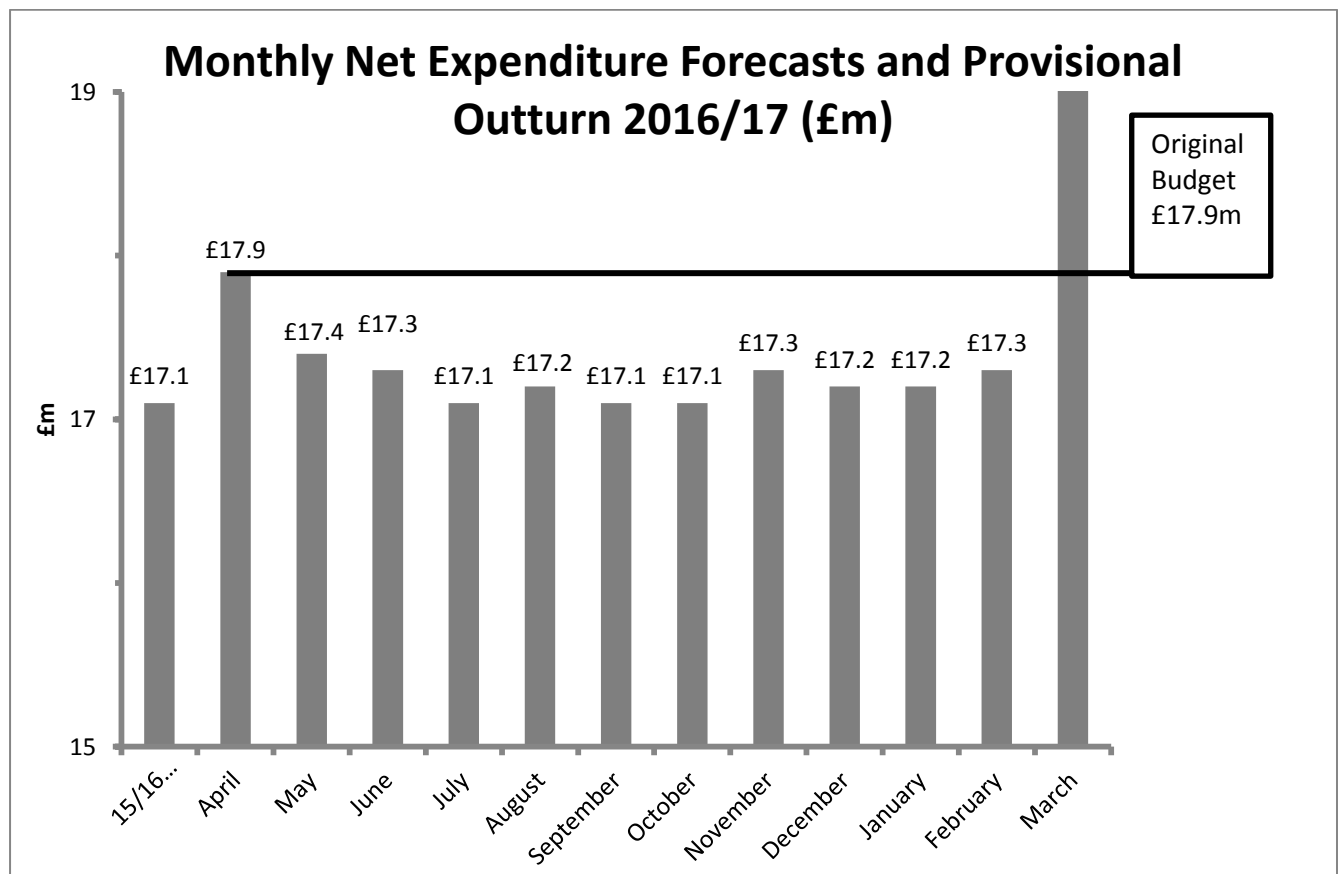
## Revenue Income



The gross revenue income budget as approved in February 2016 is £58.9m, £1.8m above the outturn for 2015/16. The main reason for this increase is due to the impact of shared services, HDC will receive £2.4m for the ICT shared service but £0.3m of Building Control income will now go to Cambridge City Council. Additional Income will also be generated by the CIS acquisitions but some one-off income items in 2015/16 have not been budgeted for in 2016/17.



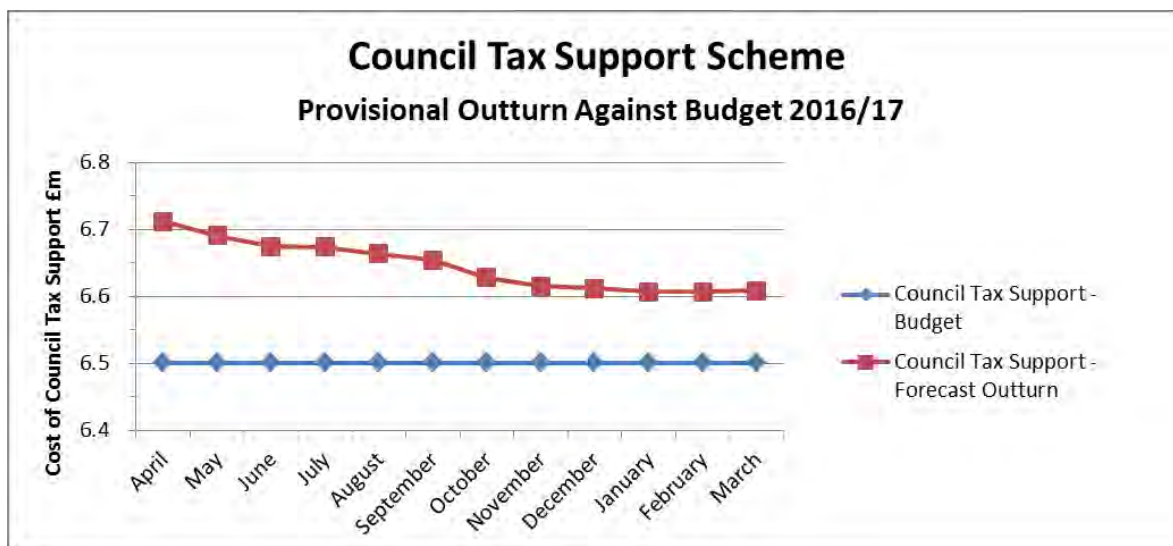
#### Revenue Net Position



At the end of March 2017 the actual net revenue expenditure is £17.3m, £0.6m below the net Budget of £17.9m.

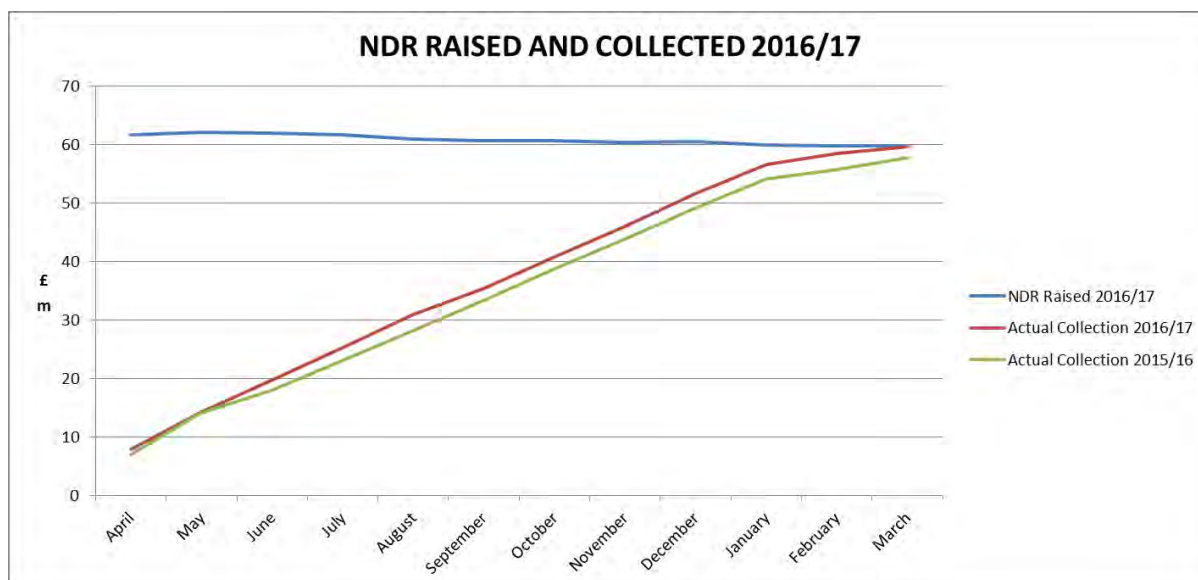
#### Council Tax Support Scheme

The actual take-up of Council Tax Support in 2016/17 was £0.1m above the budgeted £6.5m. This increase in Council Tax Support will impact in 2017/18.



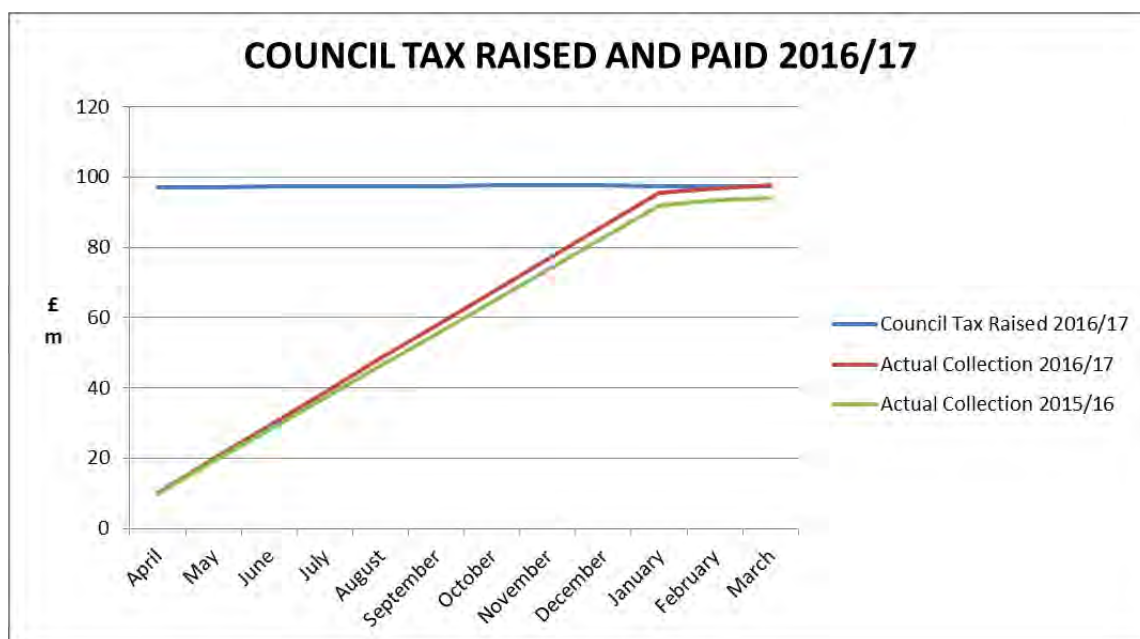
The impact of this increase on HDC will be proportionate to all Council Tax precepts (13.8% for HDC including parishes).

#### Collection of NDR



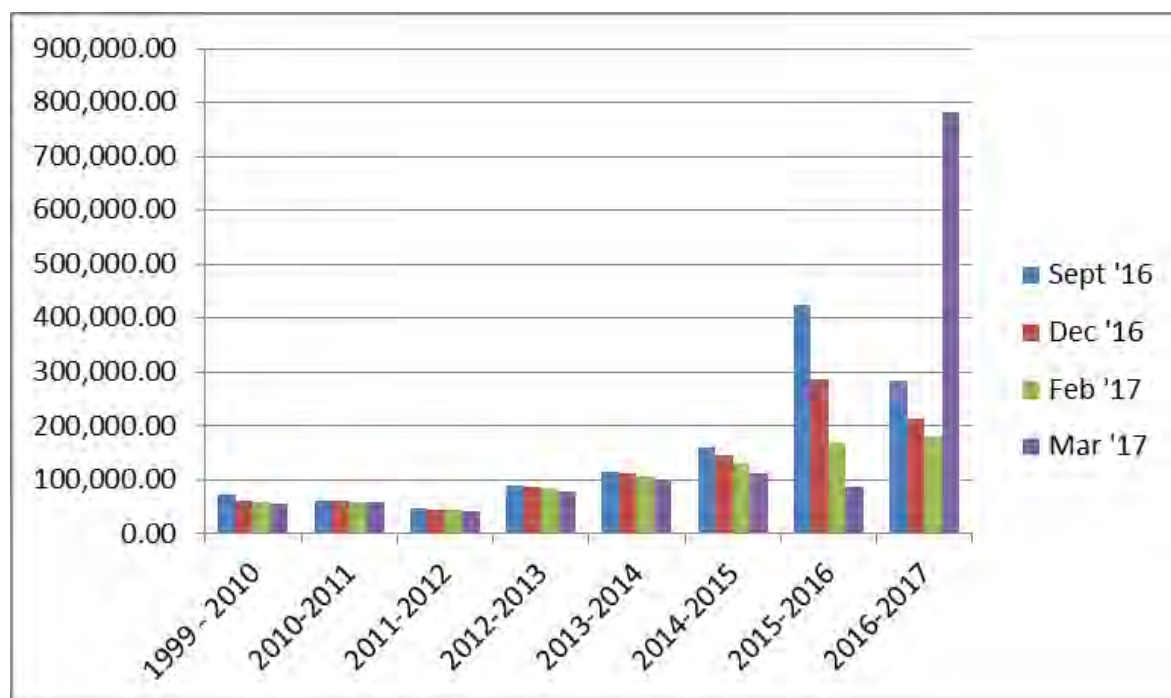
The graph above shows the total amount of NDR bills raised in 2016/17 and the actual receipts received up to end of March. The actual NDR raised is £59.82m (February forecast £59.82m).

## Collection of Council Tax



The graph above shows the total amount of Council Tax bills raised in 2016/17 and the actual receipts received up to end of March. The actual Council Tax raised is £97.53m (February forecast £97.53m).

## Miscellaneous Debt



The total outstanding debt as at 31 March 2017 is £1.314m (£0.834m February 2017) of which £0.531m is prior year debt (£0.654m February 2017), down from £1.797m as at 31 March 2016. The reason for the increase in March 2017 is mainly due to invoices raised for 2017/18.

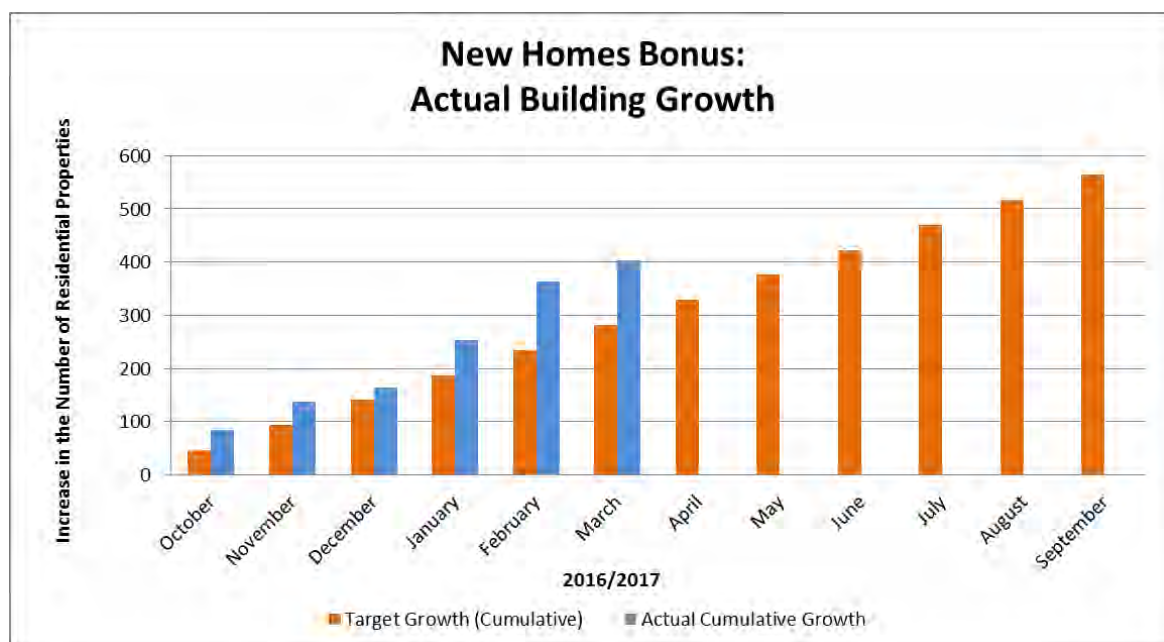
The graph shows the level of overdue miscellaneous income debt (debt is overdue when it is older than 21 days). Even though the 2015/16 debt position is currently showing a large outstanding amount the majority of this (£68k) is being collected via direct debit and will be paid by the end of the current financial year.

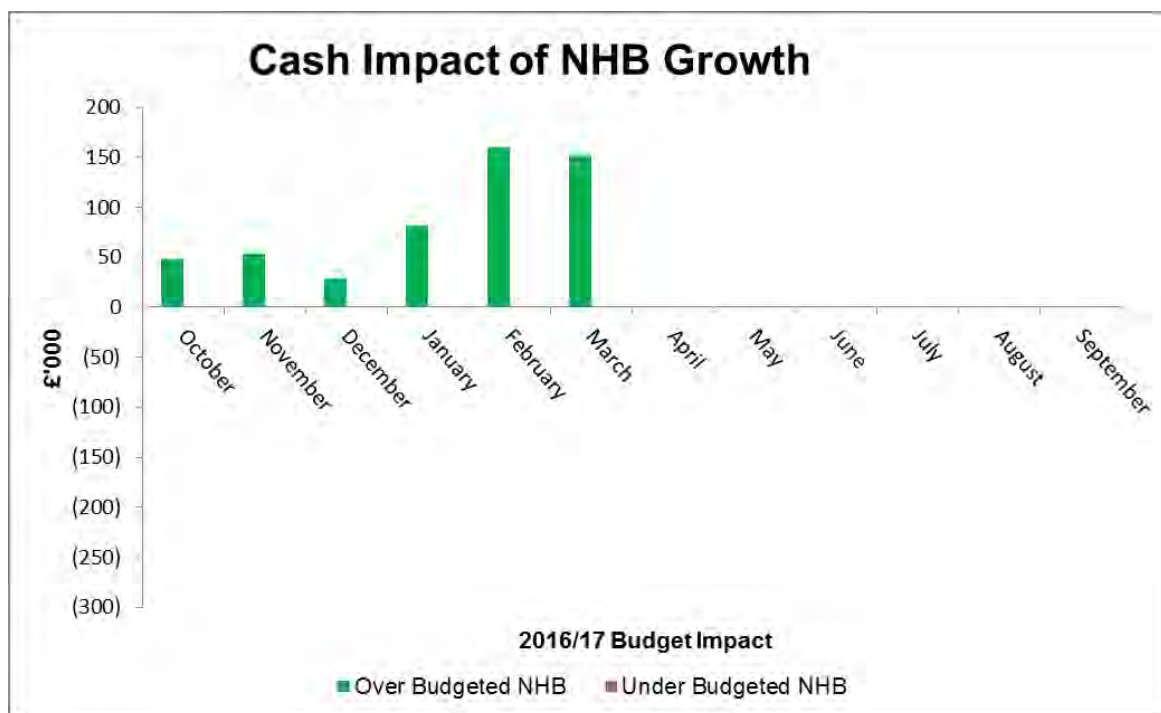
## New Homes Bonus

The 2015/16 reporting cycle (October 2015 to September 2016) is now complete, and we were 96 units ahead of the target with 637 new homes completed compared to the target of 541. The impact of these additional units will come through in 2017/18 however any growth may be tempered by potential changes to the New Homes Bonus scheme that the Government will be introducing.

The new reporting cycle which started in October 2016 and the target number of completions for 2016/17 (October 2016 to September 2017) in the Planning Annual Monitoring Report (December 2015) was 940. The draft Planning Annual Monitoring Report (December 2016) is now showing a reduced completions target for 2016/17 of 567. This lower figure has been used to assess the impact actual completions will have on NHB receipts.

As part of the Local Government Financial Settlement 2016/17 issued in December 2016 the Government announced changes to the New Homes Bonus Scheme. The number of years over which NHB will be paid has reduced from six to four and a new 'deadweight' factor of 0.4% is now being applied meaning the first 0.4% growth above the base does not attract NHB. The impact of these new factors, particularly the deadweight, on the NHB receipts beyond 2017/18 is currently being assessed.





| ZBB Savings Agreed 2016/17 Budget Setting - RAG Status |                                                                                                                |                |                 |                      | Appendix E                                                                                                                                                                                                                 |          |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------|-----------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Service                                                |                                                                                                                | Recommendation | 2016/17 (£'000) | RAG Status (Savings) | RAG Status (Implementation)                                                                                                                                                                                                | Comments |
| Operational Services                                   |                                                                                                                |                |                 |                      |                                                                                                                                                                                                                            |          |
| Waste Management                                       | Reconfiguration of rounds for residual waste, green waste & recycling to bring about more efficient collection | (207)          | RED             | RED                  | Reprofiled implementation to ensure accuracy of new models of collection revised started in March but has not achieved savings yet.                                                                                        |          |
| Whole Service                                          | Staff Restructuring                                                                                            | (300)          | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
| Whole Service                                          | - Parking Services - Increased Fees                                                                            | (110)          | RED             | RED                  |                                                                                                                                                                                                                            |          |
|                                                        | - Parking Services - Stop "Free after 3 at Xmas"                                                               | (10)           | RED             | RED                  | Proposal withdrawn by Members.                                                                                                                                                                                             |          |
|                                                        | - Parking Services - MSCP 3rd Flr Licence                                                                      | (10)           | RED             | RED                  | The licence is in place but use levels are lower than estimated figure than in ZBB. £2k annual income is expected in the first year.                                                                                       |          |
|                                                        | - Parking Services - Increased ECN Productivity                                                                | (20)           | RED             | RED                  | Long term sickness has meant that this has been missed.                                                                                                                                                                    |          |
|                                                        | - Trade Waste                                                                                                  | (20)           | GREEN           | GREEN                | Target over achieved in year one. Target for 2019/20 already achieved.                                                                                                                                                     |          |
|                                                        | - Grounds Maintenance - County                                                                                 | (70)           | RED             | RED                  | Proposal withdrawn by Members.                                                                                                                                                                                             |          |
|                                                        | - Grounds Maintenance - Luminus                                                                                | (30)           | GREEN           | GREEN                | All OK.                                                                                                                                                                                                                    |          |
|                                                        | - Street Cleansing - County                                                                                    |                |                 |                      |                                                                                                                                                                                                                            |          |
|                                                        | - Street Cleansing - Luminus                                                                                   |                |                 |                      |                                                                                                                                                                                                                            |          |
|                                                        | - Street Cleansing - Regime change and fully charge services to Parishes                                       |                |                 |                      |                                                                                                                                                                                                                            |          |
|                                                        | - Countryside Service                                                                                          | (30)           | AMBER           | AMBER                | Income target achieved, however increased costs have reduced the net position to £12k in 2016/17.                                                                                                                          |          |
| Grounds Maintenance                                    | Operational efficiencies in the provision of the grounds maintenance service                                   | (50)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
| Facilities                                             | Additional income from external lettings at PFH and EFH                                                        | (3)            | GREEN           | GREEN                | Muir in place £31,500, CAB in EFH £8,000, DWP 2017/18 £35,000, Interaction 2017/18 £30,000; currently only £20k short of 2019/20 target.                                                                                   |          |
| TOTAL OPERATIONAL SERVICES                             |                                                                                                                |                | (860)           |                      |                                                                                                                                                                                                                            |          |
| Customer Services                                      |                                                                                                                |                |                 |                      |                                                                                                                                                                                                                            |          |
| Customer Services                                      | Reductions in Service offer                                                                                    | (39)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Restructure of Customer Services and relocation of Call Centre to Pathfinder House                             | (183)          | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Creation of Multi-Agency Customer Service HUB at Pathfinder House                                              | (17)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Review the costs and benefits of the CSC's at Yaxley, St Neots & Ramsey                                        | 0              | GREEN           | GREEN                | Work looking at potential commercial partnership progressing. MTFS is proposed for adjustment in the budget papers going to Members in Q4.                                                                                 |          |
| Document Centre                                        | Re-procurement and rationalisation of print and postage services                                               | (31)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Increased income generation from external customers                                                            | (60)           | AMBER           | AMBER                |                                                                                                                                                                                                                            |          |
| Housing Needs                                          | Re-procurement of Information Technology Systems                                                               | (10)           | GREEN           | GREEN                | 2016/17 has seen an increase in homelessness and use of temporary accommodation. MTFS is proposed for adjustment in the budget papers going to Members in Q4.                                                              |          |
|                                                        | Reduction in Homelessness Prevention Budget                                                                    | (20)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Reduce Homelessness related Housing Benefits due to reduced use of temporary accommodation                     | (60)           | RED             | RED                  |                                                                                                                                                                                                                            |          |
| Local Taxation                                         | Changes to billing - single bills with HB and e-billing                                                        | (2)            | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Online self service for customers                                                                              | (21)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Changes to telephone answering standards                                                                       | (21)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
| Housing Benefits & Fraud                               | Online self service for customers                                                                              | (55)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Send single annual bill and benefit entitlement                                                                | (12)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Review of benefits surgery in St Ives                                                                          | (5)            | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Increased recovery of HB Overpayments                                                                          | (7)            | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
| TOTAL CUSTOMER SERVICES                                |                                                                                                                |                | (543)           |                      |                                                                                                                                                                                                                            |          |
| Leisure & Health - Phase 3                             |                                                                                                                |                | (51)            | GREEN                | GREEN                                                                                                                                                                                                                      |          |
| Sports & Leisure                                       | Income generation from activities                                                                              | (8)            | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | Staffing efficiencies through better balance of permanent and casual staffing                                  | (21)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
|                                                        | General efficiency savings and savings following ending of DAS project                                         | (22)           | GREEN           | GREEN                |                                                                                                                                                                                                                            |          |
| TOTAL LEISURE & HEALTH SERVICES                        |                                                                                                                |                | (102)           |                      |                                                                                                                                                                                                                            |          |
| Community Services                                     |                                                                                                                |                |                 |                      |                                                                                                                                                                                                                            |          |
| Strategic Assets & Projects                            | Restructuring                                                                                                  | (88)           | AMBER           | AMBER                | Amber - slippage in delivery, project completion 28th November 2016; £10k reserve to Development Management from 2016/17 (£5k) and 2017/18 (£5k); and 0.5 FTE Grade G permanent post being created in Operations (£18.5k). |          |
|                                                        | Reductions in Environmental Improvement Budgets                                                                | (10)           | GREEN           | GREEN                | Green - £10k removed in 2016/17 budget compared to 2015/16 (££90); further £5k to be removed 2017/18 - but this is now under the control of Operations.                                                                    |          |
| Licensing                                              | Removal of vacant post                                                                                         | (12)           | RED             | RED                  | Red - this will not be delivered, £12l funded from elsewhere in Community salary budgets as part of restructure.                                                                                                           |          |

| ZBB Savings Agreed 2016/17 Budget Setting - RAG Status |                                                                                             |                    |                      |                                | Appendix E                                                                                                        |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------|----------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Service                                                | Recommendation                                                                              | 2016/17<br>(£'000) | RAG Status (Savings) | RAG Status<br>(Implementation) | Comments                                                                                                          |
|                                                        | Wireless CCTV cameras                                                                       | (25)               | RED                  | RED                            | Delays in purchasing the equipment as linked to the commercialisation with setting up of the new Trading Company. |
| TOTAL COMMUNITY SERVICES                               |                                                                                             | (135)              |                      |                                |                                                                                                                   |
| <b>Development Services</b>                            |                                                                                             |                    |                      |                                |                                                                                                                   |
| Economic Development                                   | Various Grants                                                                              | (30)               | GREEN                | GREEN                          |                                                                                                                   |
| Development Management & Planning                      | Changes to working practices                                                                | (80)               | GREEN                | GREEN                          |                                                                                                                   |
| Policy                                                 | Pre-Planning Application fee increases                                                      | (10)               | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Reduction in Consultants budgets for redevelopment proposals                                | (140)              | GREEN                | GREEN                          |                                                                                                                   |
| Housing Strategy                                       | Changes to working practices                                                                | (34)               | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Procurement Savings                                                                         | (20)               | GREEN                | GREEN                          |                                                                                                                   |
| TOTAL DEVELOPMENT SERVICES                             |                                                                                             | (314)              |                      |                                |                                                                                                                   |
| <b>Resources</b>                                       |                                                                                             |                    |                      |                                |                                                                                                                   |
| Estates                                                | Reduced Repairs & Maintenance                                                               | (8)                | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Increased and new fees and charges                                                          | (77)               | GREEN                | GREEN                          |                                                                                                                   |
| TOTAL RESOURCES                                        |                                                                                             | (85)               |                      |                                |                                                                                                                   |
| <b>Corporate Services</b>                              |                                                                                             |                    |                      |                                |                                                                                                                   |
|                                                        | Improved efficiencies within team, through deleting vacant posts and realignment of duties. | (127)              | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Miscellaneous savings across supplies and services                                          | (30)               | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Review of LGSS Contract                                                                     | (4)                | GREEN                | GREEN                          |                                                                                                                   |
|                                                        | Efficiencies through the centralisation of training across the Council.                     | (60)               | GREEN                | GREEN                          |                                                                                                                   |
| TOTAL CORPORATE SERVICES                               |                                                                                             | (221)              |                      |                                |                                                                                                                   |
| TOTAL SAVINGS                                          |                                                                                             | (2,260)            |                      |                                |                                                                                                                   |

## **Appendix F**

### **CIS Investment Investigations**

The following table is a summary of the reasons for rejecting investment opportunities that arose between April 2016 and March 2017:

| <b>Reason for rejecting:</b>                | <b>Number:</b> |
|---------------------------------------------|----------------|
| Risk too high                               | 13             |
| Already under offer                         | 10             |
| Yield too low                               | 9              |
| Distance too great                          | 8              |
| Lack of diversity against current portfolio | 8              |
| Concerns about condition                    | 5              |
| Leasehold and not freehold                  | 4              |
| Too geographically diverse                  | 4              |
| Too management intensive                    | 2              |
| Concerns about tenant's business model      | 2              |
| Already under offer                         | 2              |
| Concerns about flats above                  | 1              |
| Joint venture did not materialise           | 1              |
| Out Bid                                     | 1              |
| Other                                       | 7              |
| <b>Total</b>                                | <b>77</b>      |

| Recommendation                                                                                                                                                                                                                                                                              | Actions                                                                                                                                                                                                                                           | Deadline      | Responsible Person         | Key Contributors and Partners                            | Link to Policy and/or responsible Executive Member                                                | RAG Status | Completed | Commentary                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------|-----------|-------------------------------------------------------------------------------------------------------------------------------|
| 1. Develop a long term narrative of the future of Huntingdonshire to inform place shaping, direct decision making and future forms of partnership working. This should make use of local evidence and context, along with national data of future trends and projections, to underpin this. | 1a. Give further consideration to this recommendation once a decision on devolution is made by Council in October 2016.                                                                                                                           | Jan-17        | Jo Lancaster               | Cabinet, O&S, Local Stakeholders                         | Cambridgeshire and Peterborough Devolution Agreement (Cllr Howe)                                  | G          | ✓         | Now integrated into Corporate Plan review beginning in June                                                                   |
|                                                                                                                                                                                                                                                                                             | 1b. Statutory consultation on proposed Local Plan to 2036 submission.                                                                                                                                                                             | May-July 2017 | Andy Moffat                | Planning Policy, Cambridgeshire County Council Transport | Local Plan to 2036 (Cllr Harrison)                                                                | G          | ✓         | Consultation due to commence in June 2017                                                                                     |
|                                                                                                                                                                                                                                                                                             | 1c. Analyse a range of data, including Economic, Health, Demography and housing trends to identify future trends and areas of concern that may present barriers to achieving our long term vision for Huntingdonshire.                            | Apr-17        | Adrian Dobbyne             | Dan Buckridge                                            | Local Plan to 2036, Housing Strategy (Cllr Bull) and Skills and Enterprise Policy (Cllr Harrison) | G          | ✓         | Evidence base for Corporate Plan 2018/20 includes these data sets                                                             |
|                                                                                                                                                                                                                                                                                             | 1d. Work with Cabinet to ensure decisions are made based on the evidence and for them to proactively work to inform residents and partners on the vision for Huntingdonshire. For example, providing report writing training for senior officers. | Year end      | Jo Lancaster               | Cabinet                                                  | Cllr Cawley                                                                                       | G          | ✓         | Training done, activity ongoing                                                                                               |
| 2. Ensure the Corporate Plan drives the budget and delivery - this will mean changing the footprint of existing service delivery to focus on new priorities.                                                                                                                                | 2a. Involve Members in reviewing the Corporate Plan and deciding what our key actions and performance indicators should be.                                                                                                                       | Mar-17        | Adrian Dobbyne             | O&S/Cabinet                                              | Plan on a Page, Budget and MTFS (Cllr Gray)                                                       | G          | ✓         | O&S Task and Finish Group 27 Feb. SMT discussing with Portfolio Holders. To Cabinet 16 March and Council 29 March             |
|                                                                                                                                                                                                                                                                                             | 2b. Make clear decisions on what our services standards should be based on cost and customer need, to include reviewing the provision of non-statutory services.                                                                                  | Feb-17        | HoS / PFH                  | Council                                                  | Plan on a Page, Budget and MTFS (Cllr Gray)                                                       | G          | ✓         | Service standards now incorporated into "business as usual" via LEAN.                                                         |
|                                                                                                                                                                                                                                                                                             | 2c. Quantify the workstreams on the reworked Plan on a Page to better link finances and delivery.                                                                                                                                                 | Oct-17        | Clive Mason / Jo Lancaster | PFH Resources                                            | Plan on a Page, Budget and MTFS (Cllr Gray)                                                       | G          | ✓         |                                                                                                                               |
|                                                                                                                                                                                                                                                                                             | 2d. Introduce charging options for higher levels of service.                                                                                                                                                                                      | Dec-17        | HoS / PFH                  | O&S/Council                                              | Link to commercialisation (Cllr Brown)                                                            | G          | ✓         | Members elected not to change charges in 2016, a review will follow the establishment of a Parking Strategy in September 2017 |
|                                                                                                                                                                                                                                                                                             | 2e. Use benchmarking data to ensure resources are achieving maximum value within 2017/18 service plans.                                                                                                                                           | Feb-17        | HoS / PFH                  | HoS                                                      | Cllr Cawley                                                                                       | G          | ✓         | Benchmarking of Planning Service by Planning Officers' Society completed in Feb 17                                            |
|                                                                                                                                                                                                                                                                                             | 2f. Use the budget challenge process to focus budgets on achieving Corporate Plan priorities.                                                                                                                                                     | Nov-16        | Anthony Kemp               | O&S/Council                                              | Plan on a Page, Budget and MTFS (Cllr Gray)                                                       | G          | ✓         | Business Planning cycle in place                                                                                              |

| Recommendation                                                                                                                                             | Actions                                                                                                                                                                                                                                     | Deadline | Responsible Person | Key Contributors and Partners      | Link to Policy and/or responsible Executive Member                                                              | RAG Status | Completed | Commentary                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------|-----------|---------------------------------------------------------------------------------------------------------------------|
| 3. Recast the approach to working in partnership, recognising that this means not always leading, to secure benefits for the wider area and the community. | 3a. Build on the decision to award two contracts, one for advice based services and the other for infrastructure services, to the voluntary sector in order to ensure the sector is in the best possible position to support the community. | Mar-17   | Nigel McCurdy      | Third sector/O&S                   | Community Resilience Plan (Cllr Dickinson)                                                                      | G          | ✓         | Contract monitoring will ensure this outcome is delivered.                                                          |
|                                                                                                                                                            | 3b. Ensure formal contracts with partners are written to protect the interests of the Council and its residents.                                                                                                                            | Year end | Clive Mason        | Corporate Governance Committee     | Cllr Brown                                                                                                      | G          | ✓         | Ongoing                                                                                                             |
|                                                                                                                                                            | 3c. Develop an asset disposal/asset management plan for HDC land and property.                                                                                                                                                              | Year end | Clive Mason        | Cabinet                            | Use of Council Assets (Cllrs Gray and Howe)                                                                     | G          | ✓         | First wave of disposals underway                                                                                    |
|                                                                                                                                                            | 3d. Use the Making Assets Count programme to maximise benefits from colocation or better use of existing assets.                                                                                                                            | Year end | Nigel McCurdy      | County / Districts / Public Sector | Use of Council Assets (Cllrs Gray and Howe) and County Council Land Swap and Maintenance (Cllrs White and Gray) | G          | ✓         | MAC closed, but work being done via other channels                                                                  |
| 190<br><br>4. Use all Members' democratic position, as ambassadors of the Council, to engage and influence partners and forms of partnership working.      | 4a. All Members appointed as representatives on organisations to be responsible for reporting to O&S on a quarterly basis.                                                                                                                  | Apr-17   | Adrian Dobbyne     | Group Leaders                      | Cllr Cawley                                                                                                     | G          | ✓         | The three O&S Panels have allocated the organisations to their Panels and will receive a report on an annual basis. |
|                                                                                                                                                            | 4b. Introduce a Council Champion approach and ask all members to sign up to the principle of acting as an ambassador of the Council.                                                                                                        | Apr-17   | Adrian Dobbyne     | Group Leaders                      | Relationships with County, Town and Parish Councils (Cllr Dickinson)                                            | G          | ✓         | Agenda item at Members' Summit                                                                                      |
|                                                                                                                                                            | 4c. Encourage all members to keep themselves up to date on HDC decisions via existing mechanisms.                                                                                                                                           | Apr-17   | Adrian Dobbyne     | Group Leaders                      | Cllr Howe                                                                                                       | G          | ✓         | Agenda item at Members' Summit                                                                                      |
|                                                                                                                                                            | 4d. Remind officers of the need to ensure Members are aware of key decisions on service provision in their wards.                                                                                                                           | Jan-17   | Adrian Dobbyne     | All Councillors                    | Cllr Howe                                                                                                       | G          | ✓         | Message delivered via Managers Forum                                                                                |
| 5. Improve the relationship, the Council offer and partnership working with the business sector.                                                           | 5a. Work with the LEP to improve insight and intelligence into the local economy and businesses based in Huntingdonshire                                                                                                                    | Apr-17   | Nigel McCurdy      | Leader/ PFH                        | Skills and Enterprise Policy (Cllr Harrison)                                                                    | A          |           | Not under our direct control; SEP evidence base now delayed by LEP                                                  |
|                                                                                                                                                            | 5b. Through our connections, work with Town Councils and small businesses to improve insight and intelligence into local economy and small business sector                                                                                  | Apr-17   | Nigel McCurdy      |                                    | Cllr Harrison/ Cllr Dickinson                                                                                   | A / G      |           | Work with small businesses needs impetus; Town Council work is at Green status                                      |

| Recommendation                                                                                                                                                                                                                                                                                                                                                           | Actions                                                                                                                                | Deadline | Responsible Person           | Key Contributors and Partners         | Link to Policy and/or responsible Executive Member                                          | RAG Status | Completed | Commentary                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------|------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. Retain the Council's focus on continued growth, including meeting the full range of housing need. Growth will be contingent upon increased housing.                                                                                                                                                                                                                   | 6a. Present details of progress indicated in the Annual Monitoring Report to O&S and Cabinet.                                          | Jan-17   | Andy Moffat                  | O&S / Cabinet                         | 5 Year Housing Land Supply and Housing Strategy (Cllrs Harrison and Bull)                   | G          | ✓         | Report considered at Oct 16 PDG meeting                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                          | 6b. Undertake a longer term assessment of options to generate more affordable housing and temporary accommodation in the district.     | Dec-16   | Andy Moffat / Jon Collen     | O&S E28/ Cabinet                      | Homelessness Accommodation (Coneygear Court) (Cllr Fuller) and Housing Strategy (Cllr Bull) | G          | ✓         | Reports considered at Nov 16, Jan 17 and Apr 17 PDG meetings. Housing Strategy due to the considered/adopted in Jun 17.                                                                                                                                   |
| 7. Conduct further work on refining the organisational understanding of efficiency that extends beyond just financial savings. This should link efficiency with the other two Council priorities of growth and enabling communities. New ways of working can lead to outcomes that include redefining models of delivery, service improvement and improved satisfaction. | 7a. Commence a programme of work relating to continuous improvement to enable the business to work smarter and achieve more with less. | Dec-16   | CMT                          | SMT / Cabinet                         | Commercialisation (Cllrs Brown), improvement (Cllr Cawley)                                  | G          | ✓         | Part of the business project within the Transformation Programme                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                          | 7b. Develop measures to monitor customer satisfaction and implement the Customer Service Strategy.                                     | Mar-17   | Adrian Dobbyne / John Taylor | O&S / Cabinet                         | Cllr Cawley                                                                                 | G          | ✓         | All HoS have actions in their service plans to deliver the Customer Service Strategy.<br><br>The Transformation Programme is developing measures that suit a new delivery model.<br><br>The new Corporate Plan will subsume the Customer Service Strategy |
| 8. Extend benchmarking activity so that the Council can benefit from understanding the 'value for money' of its services compared with other councils. This would assist the Council in its decision making on service cost, quality and performance.                                                                                                                    | Related actions already listed under 2e, 7a and 7b.                                                                                    |          |                              |                                       |                                                                                             | N/A        |           |                                                                                                                                                                                                                                                           |
| 9. Enhance and develop the organisational understanding of demand management to                                                                                                                                                                                                                                                                                          | 9a. Engage with internal and external stakeholders to develop a Community Resilience Plan.                                             | Mar-17   | Chris Stopford               | Cllr Criswell / External Stakeholders | Community Resilience Plan (Cllr Dickinson)                                                  | G          | ✓         | PDG 16 May                                                                                                                                                                                                                                                |

| Recommendation                                                                                                                                                                                                                                                                                                                                                                       | Actions                                                                                                                                                                             | Deadline | Responsible Person           | Key Contributors and Partners | Link to Policy and/or responsible Executive Member                                                                                     | RAG Status | Completed | Commentary                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|--------------------------------------------------------------------------------------|
| form the cornerstone of the enabling communities and community resilience priority. Initiate an internal and external debate on what an enabling communities programme might look like and use this to inform the production of an Enabling Communities Strategy. This would guide Council activity on this priority with greater assurance and understanding of resources required. | 9b. Create an action plan to deliver the plan.                                                                                                                                      | Apr-17   | Chris Stopford               | Cllr Criswell                 | Community Resilience Plan and Relationships with Parish Councils (Cllr Dickinson). Community Planning Guide (Cllrs Dickinson and Bull) | G          | ✓         | Principles paper in May, Procedure paper in June                                     |
| 10. Continue to develop the model of Commercial Investment Strategy to produce future income streams. As part of this evaluate how the Strategy could both deliver economic growth and housing priorities within the area while also generating important income streams.                                                                                                            | 10a. Review options for investment in housing and any savings that could be achieved against housing support costs.                                                                 | Feb-17   | Clive Mason / Andy Moffat    | Cllr Gray / Cllr Bull         | Homelessness Accommodation (Coneygear Court) (Cllr Fuller) and Use of Council Assets (Cllrs Gray and Howe)                             | G          | ✓         | Ties into Asset Disposal Strategy too                                                |
|                                                                                                                                                                                                                                                                                                                                                                                      | 10b. Start to consider the impact of changes to NNDR retention when making commercial property investment decisions, along with the employment opportunities that may be presented. | Apr-17   | Clive Mason / John Taylor    | Cllr Tysoe                    | Use of Council Assets (Cllrs Gray and Howe)                                                                                            | G          | ✓         |                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                      | 10c. Services to review their commercialisation and income generation opportunities.                                                                                                | Feb-17   | HoS                          | Cabinet                       | Commercialisation (Cllr Brown)                                                                                                         | G          | ✓         | Doc Centre and CCTV business case prepared & ready for Cllr Brown to take to Members |
| 11. The relationship with the Local Enterprise Partnership needs to be 'reset' and built afresh, taking a different approach from that to date, recognising the constraints both organisations are under.                                                                                                                                                                            | 11a. Use devolution as a catalyst to reset the relationship with the LEP.                                                                                                           | Year end | Nigel McCurdy / Jo Lancaster | LEP / Cllr Harrison           | Cambridgeshire and Peterborough Devolution Agreement (Cllr Howe)                                                                       | A / G      |           | Much effort is going into an improved relationship built around common priorities    |
| 12. Produce a formal transformation strategy and implementation plan.                                                                                                                                                                                                                                                                                                                | 12a. Produce a formal transformation strategy and implementation plan.                                                                                                              | Dec-17   | Anthony Kemp                 | Cabinet / SMT                 | Cllr Cawley                                                                                                                            | G          | ✓         | In place and being expanded                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                      | Related action already listed under 7a.                                                                                                                                             |          |                              |                               |                                                                                                                                        | N/A        |           |                                                                                      |

**Public**  
**Key Decision – No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Representation on Organisations  
**Meeting/Date:** Cabinet – 22 June 2017  
**Executive Portfolio:** Executive Leader  
**Report by:** Democratic Services Officer  
**Ward(s) affected:** All

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### **Executive Summary:**

The Council's representation on a variety of organisations and partnerships is reviewed annually. Listed in the attached schedule, Appendix 1, are those organisations/partnerships to which it is proposed that the Council appoints representatives for 2017/18. The first part refers to partnerships and the second part to general external bodies/groups. These appointments are important to ensure the Council is efficient and effective on how it spends time, resources and influences outcomes.

### **Recommendation(s):**

That the Cabinet:

- i. confirm proposed nominations to the organisations and partnerships referred to in Appendix 1;
- ii. requires appointed Members to report on an annual basis, in writing, to the relevant Overview and Scrutiny Panel; and
- iii. in the event that changes or new appointments are required to the District Council's representation during the course of the year, the Corporate Team Manager be delegated, after consultation with the Deputy Executive Leader, to nominate and authorise alternative representatives as necessary.

## **1. PURPOSE OF THE REPORT**

- 1.1 For the Cabinet to make appointments to the organisations/partnerships referred to in Appendix 1.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The Council's representation on a variety of organisations and partnerships is reviewed annually.
- 2.2 Listed in Appendix 1 are those organisations and partnerships that the Council appointed representatives to for 2016/17 and those that require appointment to for 2017/18.
- 2.3 For the sake of transparency the list includes those appointments that are the responsibility of the Licensing and Protection Committee and Overview and Scrutiny Panel (Communities and Environment).
- 2.4 A review of the organisations and partnerships has been undertaken with Senior Officers and amendments made to the schedule of proposed appointments accordingly. However, this does not preclude the Cabinet from also deciding to not appoint to other organisations and partnerships.
- 2.5 The number of meetings held each year by these organisations and partnerships varies and in accepting these appointments Members are required to endeavour to attend each meeting, in order to fully represent the Council.
- 2.6 To improve the monitoring of how these organisations and partnerships contribute to the Council and its Corporate Objectives, the Cabinet agreed last year that appointed Members should be required to report on a quarterly basis, in writing, to the relevant Overview and Scrutiny Panel. In practice this has proved difficult and the response from appointed Members to requests for information has been poor. On this basis, the Overview and Scrutiny Panels have agreed that monitoring reports should be submitted on an annual basis, on the understanding that Members could provide updates should any significant issues occur.
- 2.7 Previously the Cabinet have appointed Officers and former Councillors to organisations/partnerships. It is considered appropriate that when the Cabinet are considering appointments to organisations and partnerships for 2017/18 that these should only be serving District Councillors.
- 2.8 In the event that changes or new appointments are required to the District Council's representation during the course of the year, it is proposed that delegation be given to the Corporate Team Manager, after consultation with the Deputy Executive Leader, to nominate and authorise alternative representatives as necessary.

## **3. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 3.1 Appointing to the various organisations and partnerships will contribute to the following elements of the Corporate Plan:
- Enabling sustainable growth – to develop sustainable growth opportunities in and around our market towns; and

- Working with our Communities – to create safer, stronger and more resilient communities; improve health and well-being; and to empower local communities.

#### **4. CONSULTATION**

- 4.1 To ensure that the Council's representation remained appropriate and added value, the Council's Management Team were invited to comment on the list of proposed appointments for 2017/18. As a full review and comprehensive consultation had been undertaken with all external organisations in May 2016, it was considered that a full review was not required on this occasion.

#### **5. RESOURCE IMPLICATIONS**

- 5.1 Members appointed to represent the Council on any organisations/partnerships are entitled to claim travel and subsistence allowance, which is attributed to the Members Allowances and Support budget.

#### **6. REASONS FOR THE RECOMMENDED DECISIONS**

- 6.1 To undertake the annual review of the Council's representation on a variety of organisations and partnerships. To ensure the Council is efficient and effective on how it spends time, resources and influences outcomes.

#### **7. LIST OF APPENDICES INCLUDED**

- 7.1 Appendix 1 - Representatives on Organisations 2017/18.

#### **BACKGROUND PAPERS**

None

#### **CONTACT OFFICER**

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## REPRESENTATIVES ON ORGANISATIONS 2017/18

| PARTNERSHIPS                                                        | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum | Representative(s)<br>2016/2017                        | Representative(s)<br>2017/18                          | HDC Contact Officer                       |
|---------------------------------------------------------------------|------------------------------------|----------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------|
| Cambridgeshire Health and Well-Being Board                          | Cabinet                            | 6                                      | Cllr J M Palmer                                       | Cllr Mrs A Dickinson                                  | Head of Leisure and Health<br>☎ 388049    |
| Cambridgeshire Future Transport – Cross Party Working Group         | Cabinet                            |                                        | Cllr R Harrison                                       | Cllr R Harrison                                       | Transport Team Leader<br>☎ 388387         |
| Cambridgeshire Community Safety Strategic Board (subject to review) | Cabinet                            | 3/4                                    | Cllr Mrs A Dickinson                                  | Cllr Mrs A Dickinson                                  | Head of Community<br>☎ 388280             |
| Cambridgeshire Police and Crime Panel                               | Cabinet                            | 5                                      | Cllr R B Howe<br>Cllr Mrs A Dickinson<br>(Substitute) | Cllr R B Howe<br>Cllr Mrs A Dickinson<br>(Substitute) | Corporate Director<br>(Delivery) ☎ 388301 |
| East of England Local Government Association                        | Cabinet                            | 4/5                                    | Cllr J D Ablewhite                                    | Cllr R B Howe                                         | PA to the Managing Director<br>☎ 388301   |
| Great Fen Project Steering Committee                                | Cabinet                            | 11                                     | Cllrs T Alban and D Watt                              | Cllrs T Alban and D Watt                              | Head of Development ☎<br>388400           |

| <b>PARTNERSHIPS</b>                                                                                     | <b>Nominating/<br/>Appointing<br/>Panel</b> | <b>Approx No. of<br/>Meetings<br/>Per Annum</b> | <b>Representative(s)<br/>2016/2017</b>               | <b>Representative(s)<br/>2017/2018</b>               | <b>HDC Contact Officer</b>             |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------------------------|------------------------------------------------------|----------------------------------------|
| Huntingdonshire Local Strategic Partnership –<br>Children and Young People                              | Cabinet                                     | 4                                               | Cllr J M Palmer                                      | Cllr Mrs A Dickinson                                 |                                        |
| Health and Well-Being                                                                                   |                                             | 4                                               | Cllr J M Palmer                                      | Cllr Mrs A Dickinson                                 | Head of Leisure and Health<br>☎ 388049 |
| Huntingdonshire Community Safety Partnership                                                            |                                             | 4                                               | Cllr Mrs A Dickinson<br>Cllr Mrs J Tavener (O&S Rep) | Cllr Mrs A Dickinson<br>Cllr Mrs J Tavener (O&S Rep) | Head of Community<br>☎ 388280          |
| Joint Strategic Planning Member Board                                                                   | Cabinet                                     | 6                                               | Cllrs R B Howe, G J Bull and M Shellens              | Cllrs R B Howe, G J Bull and M Shellens              | Corporate Director (Delivery) ☎ 388301 |
| Recycling in Cambridgeshire and Peterborough Board<br>(formerly Waste Management and Environment Forum) | Cabinet                                     | 6                                               | Cllr J White                                         | Cllr J White                                         | Head of Operations<br>☎ 388635         |

| ORGANISATION                                                        | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum                  | Representative(s)<br>2016/2017                                                   | Representative(s)<br>2017/18                                                     | HDC Contact Officer                                        |
|---------------------------------------------------------------------|------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------|
| Cambridgeshire Chambers of<br>Commerce – Huntingdonshire<br>Chamber | Cabinet                            | 12 (1 <sup>st</sup> Wed of<br>every month at<br>8.30am) | Cllr R Harrison                                                                  | Cllr R Harrison                                                                  | Economic Development<br>Manager ☎ 387096                   |
| Cambridgeshire Armed Forces<br>Community Covenant Board             | Cabinet                            | 4                                                       | Cllr R Harrison                                                                  | Cllr R Harrison                                                                  | Corporate Director<br>(Delivery) ☎ 388301                  |
| Envar Ltd, St Ives Composting<br>Facility – Site Liaison Forum      | Cabinet                            | 1                                                       | Cllr G J Bull                                                                    | Cllr G J Bull                                                                    | Head of Community<br>☎ 388280                              |
| Huntingdon Association of<br>Community Transport                    | Cabinet                            | 4                                                       | Cllr R J West                                                                    | Cllr R J West                                                                    | Transport Team Leader<br>☎ 388387                          |
| Huntingdon Freeman's' Trust (4<br>year term expires June 2018)      | Cabinet                            | 12                                                      | Mrs L Kadić                                                                      | Cllr Mrs J Tavener                                                               | Democratic Services Officer<br>☎ 388169                    |
| Huntingdonshire Flood Forum                                         | Cabinet                            | 2                                                       | Executive Cllr for<br>Environment, Street Scene<br>and Operations (Cllr J White) | Executive Cllr for<br>Environment, Street Scene<br>and Operations (Cllr J White) | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Huntingdonshire Volunteer Centre -<br>District                      | Cabinet                            | 3 & AGM                                                 | Cllrs D Harty and K M Baker                                                      | Cllr R West                                                                      | Head of Community<br>☎ 388280                              |

| ORGANISATION                                          | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum | Representative(s)<br>2016/2017       | Representative(s)<br>2017/18         | HDC Contact Officer                                        |
|-------------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------------|--------------------------------------|------------------------------------------------------------|
| Internal Drainage Boards –<br>Alconbury and Ellington | Cabinet                            | 2                                      | Cllrs K M Baker and J White          | Cllrs K M Baker and J White          | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Benwick                                               |                                    | 2                                      | Cllr J M Palmer                      | Cllr J M Palmer                      | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Bluntisham                                            |                                    | 2                                      | Cllr M Francis                       | Cllr M Francis                       | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Conington and Holme                                   |                                    | 1/2                                    | Cllr T D Alban                       | Cllr T D Alban                       | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Ramsey First (Hollow)                                 |                                    | 2                                      | Cllr J M Palmer                      | Cllr J M Palmer                      | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Ramsey Fourth<br>(Middle Moor)                        |                                    | 2                                      | Cllr J M Palmer                      | Cllr J M Palmer                      | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Ramsey, Upwood and<br>Great Raveley                   |                                    | 4                                      | Cllrs R B Howe and P L E<br>Bucknell | Cllrs R B Howe and P L E<br>Bucknell | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Sawtry                                                |                                    | 1                                      | Cllrs R G Tuplin and<br>D M Tysoe    | Cllrs R G Tuplin and D M<br>Tysoe    | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Sutton and Mepal                                      |                                    | 2                                      | Cllr S Criswell                      | Cllr S Criswell                      | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| The Ramsey                                            |                                    | 4                                      | Cllrs E R Butler and J M<br>Palmer   | Cllrs E R Butler and J M<br>Palmer   | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Warboys, Somersham<br>and Pidley                      |                                    | 2                                      | Cllrs G J Bull and Mrs J<br>Tavener  | Cllrs G J Bull and Mrs J<br>Tavener  | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Whittlesey                                            |                                    | 4                                      | Cllr D Watt                          | Cllr D West                          | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Woodwalton Drainage<br>Commissioners                  |                                    | 1                                      | Cllr R B Howe                        | Cllr R B Howe                        | Operations Manager<br>(Environmental Services)<br>☎ 388648 |

| ORGANISATION                                                                         | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum | Representative(s)<br>2016/2017                                                               | Representative(s)<br>2017/18                                                                 | HDC Contact Officer                                        |
|--------------------------------------------------------------------------------------|------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Holmewood & District                                                                 |                                    | 3                                      | Cllr D Watt                                                                                  | Cllr D Watt                                                                                  | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Little Gransden Aerodrome<br>Consultative Committee                                  | Cabinet                            | 2                                      | Cllr R J West                                                                                | Cllr R J West                                                                                | Head of Development<br>☎ 388400                            |
| Local Water Forum                                                                    | Cabinet                            | 4                                      | Cllr Mrs R E Mathews                                                                         | Cllr Mrs R E Mathews                                                                         | Corporate Director<br>(Delivery) ☎ 388301                  |
| Luminus Homes                                                                        | Cabinet                            | 2                                      | Cllr Mrs R Mathews                                                                           | Cllr Mrs R Mathews                                                                           | Housing Needs and<br>Resources Manager<br>☎ 388220         |
| Luminus group (parent)                                                               | Cabinet                            | 10                                     | Cllr Mrs R Mathews                                                                           | Cllr Mrs R Mathews                                                                           | Housing Needs and<br>Resources Manager<br>☎ 388220         |
| Oak Foundation<br>(sheltered/charitable)                                             |                                    | 3                                      | Cllr D Harty                                                                                 | Cllr Mrs R Mathews                                                                           | Housing Needs and<br>Resources Manager<br>☎ 388220         |
| Middle Level Commissioners                                                           | Cabinet                            | 2 (and Annual<br>Inspection)           | Cllr G J Bull                                                                                | Cllr D Watt                                                                                  | Operations Manager<br>(Environmental Services)<br>☎ 388648 |
| Oxmoor Community Action Group<br>(OCAG)                                              | Cabinet                            | 6                                      | Cllr Mrs J Tavener                                                                           | Cllr Mrs J Tavener                                                                           | Community Resilience<br>Manager<br>☎ 388233                |
| Ouse Valley Way – Management<br>Group                                                | Cabinet                            |                                        | Executive Councillor with<br>responsibility for the<br>Countryside Service (Cllr J<br>White) | Executive Councillor with<br>responsibility for the<br>Countryside Service (Cllr J<br>White) | Countryside Services<br>☎ 388666                           |
| Red Tile Wind Farm Trust Fund Ltd<br>(formerly Red Tile Wind Farm<br>Community Fund) | Cabinet                            | 4                                      | Cllr P L E Bucknell                                                                          | Cllr P L E Bucknell                                                                          | Head of Community<br>☎ 388280                              |

| ORGANISATION                                                                               | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum | Representative(s)<br>2016/2017 | Representative<br>2017/18 | HDC Contact Officer                      |
|--------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------|---------------------------|------------------------------------------|
| Stilton Children and Young People's<br>Facilities Association                              | Cabinet                            | 4                                      | Cllr T D Alban                 | Cllr T D Alban            | Head of Community<br>☎ 388280            |
| Town Centre Management<br>Initiatives/Partnerships/<br>Management Team –<br>BID Huntingdon | Cabinet                            | 11                                     | Cllr R Harrison                | Cllr R Harrison           | Economic Development<br>Manager ☎ 387096 |
| St Ives Town Centre<br>Management Team                                                     |                                    | 11                                     | Cllr J W Davies                | Cllr J W Davies           |                                          |
| Trustees of Kimbolton School<br>Foundation (3 year term expires<br>June 2020)              | Cabinet                            | 3                                      | Cllr J A Gray                  | Cllr J A Gray             | Democratic Services Officer<br>☎ 388169  |

The following appointments will be made by the Licensing & Protection Committee at its meeting on 5 July 2017

| ORGANISATION                                                             | Nominating/<br>Appointing<br>Panel | Approx No. of<br>Meetings<br>Per Annum | Representative(s)<br>2016/2017    | Representative<br>2017/18         | HDC Contact Officer           |
|--------------------------------------------------------------------------|------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|
| Cambridgeshire Consultative Group<br>for the Fletton Brickworks Industry | Licensing                          |                                        | Cllr E R Butler                   | Cllr E R Butler                   | Head of Community<br>☎ 388280 |
| 202 Little Barford Power Station Liaison<br>Committee                    | Licensing                          | 1                                      | Cllr J E Corley                   | Cllr J E Corley                   | Head of Community<br>☎ 388280 |
| Needingworth Quarry Local Liaison<br>Committee                           | Licensing                          |                                        | Cllrs R C Carter and<br>M Francis | Cllrs R C Carter and<br>M Francis | Head of Community<br>☎ 388280 |
| Warboys Landfill Local Liaison<br>Group                                  | Licensing                          | 1                                      | Cllr P L E Bucknell               | Cllr P L E Bucknell               | Head of Community<br>☎ 388280 |

The following appointment was made by the Overview and Scrutiny Panel (Communities and Environment) at its meeting on 17 May 2017:

|                                                   |                                                                       |   |                    |                                             |                                        |
|---------------------------------------------------|-----------------------------------------------------------------------|---|--------------------|---------------------------------------------|----------------------------------------|
| Cambridgeshire County Council<br>Health Committee | Overview and<br>Scrutiny Panel<br>(Communities<br>and<br>Environment) | 5 | Cllr Mrs J Tavener | Cllr Mrs J Tavener<br>(plus one Substitute) | Head of Leisure and Health<br>☎ 388049 |
|---------------------------------------------------|-----------------------------------------------------------------------|---|--------------------|---------------------------------------------|----------------------------------------|

\*\*\* Nomination should be Chairman of Sawtry Parish Council and not named individual.

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

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