

A meeting of the **CABINET** will be held in the **THE CIVIC SUITE 0.1A PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 19 JANUARY 2012** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **APOLOGIES**

  
**Contact**  
**(01480)**

**1. MINUTES** (Pages 1 - 6)

To approve as a correct record the Minutes of the meeting of the Cabinet held on 8 December 2011.

**Mrs H Taylor**  
**388008**

**2. MEMBERS' INTERESTS**

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda Item. Please see Notes 1 and 2 below.

**3. REVENUE BUDGET 2011/12** (Pages 7 - 12)

To consider a report by the Head of Financial Services.

**S Couper**  
**388103**

**4. FINANCIAL MONITORING - CAPITAL MONITORING 2011/12** (Pages 13 - 16)

To consider a report by the Head of Financial Services on the Capital Programme for 2011/12.

**S Couper**  
**388103**

**5. VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)**  
(Pages 17 - 26)

To consider a report by the Head of Environmental and Community Health Services on voluntary sector support for 2013/14.

**D Smith**  
**388377**

**6. ADVANCED WASTE PARTNERSHIP** (Pages 27 - 96)

To consider a report by the Head of Operations on progressing the Cambridgeshire and Peterborough Waste Partnership in order to gain the maximum advantage for the authorities collectively.

**E Kendall**  
**388635**

**7. ENDORSEMENT OF THE CAMBRIDGESHIRE GREEN INFRASTRUCTURE STRATEGY AS EVIDENCE FOR PLANNING SERVICES** (Pages 97 - 102)

To consider a report by the Head of Planning Services seeking approval to use the Cambridgeshire Green Infrastructure

**P Bland**  
**388430**

Strategy as supporting evidence for planning services.

**8. COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE SUBMISSION DOCUMENT** (Pages 103 - 132)

To consider a report by the Head of Planning Services seeking approval for the charging schedule for the Huntingdonshire Community Infrastructure Levy.

**S Ingram  
388400**

**9. NEIGHBOURHOOD FORUM WORKING GROUP** (Pages 133 - 134)

To consider a report of the Overview and Scrutiny Panel (Social Well-Being) summarising the findings of a study by the Panel's Neighbourhood Forum Working Group.

**Miss H Ali  
388006**

**10. EU PROJECT - MOBILISING LOCAL ENERGY INVESTMENTS** (Pages 135 - 142)

To receive a report by the Head of Environmental Management on the outcome of a bid for Intelligent Energy Europe Financial Assistance.

**C Jablonski  
388368**

**11. CAMBRIDGESHIRE HORIZONS - PROPOSED CHANGES TO COMPANY ARTICLES & MEMORANDUM** (Pages 143 - 178)

To consider a report by the Head of Legal and Democratic Services on proposed changes to the Articles of Association, Members' Agreement and the Memorandum of Understanding for Cambridgeshire Horizons Limited.

**C Meadowcroft  
388021**

**12. EXCLUSION OF THE PUBLIC**

To resolve:-

that 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).

**13. ONE LEISURE FINANCE** (Pages 179 - 186)

To receive the report of the Working Group.

**Mrs C Bulman  
388234  
A Roberts  
388015**

Dated this 11 day of January 2012



Head of Paid Service

## Notes

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*
  - (a) *the well-being, financial position, employment or business of the Councillor, their family or any person with whom they had a close association;*
  - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
  - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or*
  - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

**Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: 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 Cabinet.**

**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 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.*

# Agenda Item 1

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the The Civic Suite, Room CVO1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 8 December 2011.

PRESENT: Councillor J D Ablewhite – Chairman.  
Councillors B S Chapman, J A Gray,  
N J Guyatt, T D Sanderson and D M Tysoe.

IN ATTENDANCE: Councillor M Shellens for item No 68.

### **66. MINUTES**

The Minutes of the meeting of the Cabinet held on 17th November 2011 were approved as a correct record and signed by the Chairman.

### **67. MEMBERS' INTERESTS**

Councillor T D Sanderson declared a personal interest in Minute No 68 in view of his employment by the Military of Defence.

### **68. RAF BRAMPTON URBAN DESIGN FRAMEWORK**

*(Councillor M Shellens, local ward member, was in attendance and spoke in support of the Framework)*

Further to Minute No. 10/67, the Cabinet considered a report by the Head of Planning Services (a copy of which is appended in the Minute Book) outlining the responses received to the consultation on the draft RAF Brampton Urban Design Framework (UDF) and suggested amendments to the Framework as a consequence thereof.

Executive Councillors were advised that the principles set out in the UDF would facilitate the delivery of the District Council's adopted core strategy policies for mixed use development in Brampton.

The responses had been discussed by the Development Management Panel and the Overview and Scrutiny Panel (Environmental Well-Being) arising from which some concern had been expressed over the future of the Brampton Park Theatre. Having requested that the final document include reference to potential options for the retention of the theatre building as a community facility, the Cabinet

### **RESOLVED**

that the Head of Planning Services, after consultation with the Executive Councillor for Strategic Planning and Housing and the Chairman of the Development Management Panel, be authorised to finalise and approve the RAF Brampton Urban Design Framework as planning guidance to inform Council Policy and Development Management Decisions on potential

planning applications.

**69. THE GREAT FEN MASTERPLAN PLANNING GUIDANCE**

Further to Minute No. 10/116, consideration was given to a report by the Head of Planning Services to which was attached the Great Fen Masterplan: Statement of Consultation (a copy of both the Statement and the Head of Service's report are appended in the Minute Book).

Executive Councillors were advised that the document had been prepared in partnership with the Environment Agency, Natural England, Middle Level Commissioners and Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough Wildlife Trust. It would be used to provide the delivery of the Great Fen Vision over a period of 50 years.

Having recognised the importance of the document when determining forthcoming planning applications within the Great Fen area and in noting its endorsement by the Overview and Scrutiny Panel (Environmental Well-Being) and Development Management Panel, the Cabinet

RESOLVED

- (a) that the Statement of Recognition, as set out in Appendix A to the report now submitted, be approved; and
- (b) that the Great Fen Masterplan be adopted as Supplementary Planning Policy Guidance to inform Council Policy and guide development management decisions.

**70. DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT**

By way of a report by the Head of Planning Services (a copy of which is appended in the Minute Book) Members were acquainted with the outcomes of the consultation exercise undertaken on the draft Supplementary Planning Document (SPD) – "Developer Contributions".

Members were informed that the initial aim of the Strategy was to establish a framework for securing planning obligations from new developments that require planning permission. It was explained that it had been necessary to update the SPD to complement the draft charging schedule for the Huntingdonshire Community Infrastructure Levy which also was subject to a preliminary consultation in November/December 2011 and examination in public by Spring 2012.

Having noted the document had been endorsed by the Overview and Scrutiny Panel (Environmental Well-Being) and the Development Management Panel, the Cabinet

RESOLVED

that the Developer Contributions Document be adopted as

**71. UPDATE OF THE COUNCIL'S CORE STRATEGY - IT'S LOCAL PLAN**

*(During discussion of this item (7.20pm) Councillor Tysoe, Executive Councillor for Environment took his seat at the meeting)*

Consideration was given to a report by the Head of Planning Services (a copy of which is appended in the Minute Book) outlining a need to update the Council's Core Strategy in order to provide Huntingdonshire with a robust ongoing local planning policy and development framework. The report had been considered by the Overview and Scrutiny Panel (Environmental Well-Being) whose comments were relayed to the Cabinet.

By way of background, Members were informed that emerging changes in the National Planning Policy position and local circumstances, such as the designation of the Alconbury Airfield Enterprise Zone, had accelerated the need for the Council to reconsider its local planning policy position.

Executive Councillors were advised that during the proposed review, the existing Core Strategy would continue to be used as a sound basis for a meeting currently defined sustainable development needs.

Members' attention was drawn to the Council's Development Strategy for future growth. The Cabinet were advised that the document would also require updating to incorporate the scale of additional new development that it is considered will need to be developed. It was reported that this work would be based on sound evidence of the local need for growth and the sustainability of such growth.

In response to a question by a Member of the Overview and Scrutiny Panel (Social Well-Being) regarding engagement, the Cabinet emphasised that public involvement was an important part of the review process and that this would include a series of workshops around the district and one specifically for Members. Whereupon, it was

**RESOLVED**

- (a) that a review and update of the Council's Core Strategy, as outlined in the report now submitted, be approved and the proposal for the Council to produce a new Local Plan in order to achieve this endorsed;
- (b) that in the interim and given the ongoing discernible growth demands on the area, support for the adopted Core Strategy as a sound basis for making relevant planning decisions be maintained; and
- (c) that the commencement of work, with partners as may be applicable, on complying an updated local evidence base be endorsed with the evidence base identifying what growth would be needed and how that additional growth could be appropriately and sustainably

accommodated; and

- (d) that the Head of Planning Services be requested to bring forward an update Local Development Scheme to include a timetable for preparing and delivering this new local plan.

## **72. ADJOURNMENT**

At 7.40pm, it was

RESOLVED

that the meeting stand adjourned

Upon resumption at 8.10pm

## **73. DRAFT BUDGET 2012/13 AND MTP**

*(At this point during the meeting Councillor Gray, Executive Councillor for Resources, took his seat at the meeting).*

Consideration was given to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) setting out a draft Budget for 2012/2013 and Medium Term Plan (MTP) for the period 2011 – 2017.

Members were advised of the latest government grant figures and were pleased to note that the Formula Grant was as predicted and the New Homes Bonus higher than the projected figure within the budget.

In discussing the contents of the report, Members' attention was drawn to the conclusions reached by the Overview and Scrutiny Panel (Economic Well-Being). In that respect, Members concurred with the Panel that the Council should not accept the proposed Council Tax Freeze Grant.

With regard to setting the Council Tax Base for 2012/13, Executive Councillors confirmed that tax payers should not be presented with a tax increase that would require a referendum to be held.

Having considered the Panel's views on the Council's general reserves provision, the Cabinet noted that the minimum level of reserves was reviewed annually and discussed the benefits and risks of increasing the level to £5m.

In relation to the inclusion of Low End Assumptions built into the MTP, the Cabinet emphasised the need to consider these carefully including the implications of planning fees from the Enterprise Zone.

In discussing the increased demand for Disabled Facilities Grants, Members reiterated their commitment to maintaining the current level of service for these grants. Executive Councillors accepted that options would continue to be investigated with a view to working in partnership with other public organisations to reduce this cost.



Discussion also ensued on the future of the Council's CCTV service and Voluntary Sector funding, in respect of which the Cabinet noted that discussions with the relevant organisations were ongoing.

Whilst congratulating officers on the significant progress that has been made in both the efficiency and savings measures identified for the next two years, the Cabinet reiterated the need to remain vigilant given the current economic climate.

In considering a request for a supplementary capital estimate of £300k to allow the Huntingdon multi-storey car park scheme to proceed and having thanked the Overview and Scrutiny (Economic Well-Being) for their input, the Cabinet

#### RESOLVED

- (a) that the contents of the report now submitted be noted;
- (b) that the draft Medium Term Financial Plan be recommended to Council as a basis for the development of the 2012/2013 budget and the revised Medium Term Plan; and
- (c) that a supplementary capital estimate of £300k be approved for the Huntingdon multi-storey car park scheme.

Chairman

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## FINANCIAL MONITORING – REVENUE BUDGET 2011/12 (Report by the Head of Financial Services)

### 1. Revenue Monitoring

1.1 An outturn of £21.4M is now forecast which is little different from the figure used for the Draft Budget report in December. £2.4M of revenue reserves will be needed to meet the resulting deficit.

1.2 The variations are summarised in Annex A and the key points are referred to below:

- **Insurance premiums (-£105K)**  
The saving has arisen firstly from the tender for insurance being less than the budget, and secondly from recognising that 3 months of the annual premium should be charged to 2012/13.
- **Pathfinder House (-£65K)**  
There is a saving of £45K on NNDR and a further saving of £20K on running costs
- **Turnover Allowance (-£201K)**  
The provision has been exceeded by a further £201K due to a variety of factors including delays in filling vacancies to ensure anyone under threat of redundancy has the best chance of being redeployed.
- **Community infrastructure levy (CIL) preparation (£80K)**  
This year's costs for the introduction of the CIL is now forecast at £115K, an increase of £80K on the figure reported in October 2011. This will be recovered in subsequent years from the administration fee.
- **RAF Alconbury development (-£90K)**  
The cost of the scheme in 2011/12 is estimated at £50K as reported in October 2011; however this report assumes that a grant of £90K will be received in this financial year
- **St Neots town development (£5K)**  
The budget is £75K, but income of £70K is anticipated this year.
- **Transfer from revenue to capital spending (-£161K)**  
Additional salaries have been charged to capital in particular from the IMD and Environmental Management teams

- **Interest (-£82K)**  
The latest forecast shows a further saving of £82K giving a saving of £105K in the year due to slippage in the capital programme and revenue savings, resulting in a higher level of reserves
- **Rental income from estates property (£109K)**  
The current economic climate has resulted in a higher number of empty industrial and commercial properties and an increase in the write-off of unpaid rents
- **Other variations - individually less than £10k (-£82K)**  
Managers have been encouraged to identify variations in their budgets however small; these collectively have resulted in a saving of £82K since the October 2011 report, and a total of £265K in the year

## 2. Amounts collected and debts written off

2.1 The position as at 31 December 2011 is shown in Annex B.

## 3 Recommendation

It is recommended that Cabinet note:

- the significant saving (£1.2M) that is expected on the original budget provision for 2011/12 and that this has already been allowed for in the Draft Budget.
- the sums collected and written off in Annex B.

## ACCESS TO INFORMATION ACT 1985

### Source Documents:

1. Cabinet and Council Reports
2. Budgetary control files.

**Contact Officers:** Eleanor Smith, Accountancy Manager (01480 388157)  
Steve Couper, Head of Financial Services (01480 388103)

<b>REVENUE BUDGETARY CONTROL 2011/12</b>	<b>Original Budget</b>	<b>Reported to Cabinet October 2011</b>	<b>Changes</b>	<b>Forecast outturn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Approved budget</b>	<b>22,615</b>	<b>22,615</b>		<b>22,615</b>
<b>Spending Delayed from 2010/11</b>	<b>370</b>	<b>559</b>		<b>559</b>
<b>Spending Delayed to 2012/13</b>	<b>-370</b>	<b>-370</b>		<b>-370</b>
<b>Variations - Service</b>				
Recovery of legal costs			22	22
Recovery of election costs			-42	-42
Reduction in number of Cabinet members		-28	-3	-31
Electoral Administration Act			-16	-16
Central and Democratic Services supplies			-18	-18
Software Licences extra provision #		20		20
IMD Helpdesk		-21		-21
IMD external work			-17	-17
IMD network saving			-37	-37
Bulky Waste income #		40		40
Recycling gate fees		-240	12	-228
Agency staff - refuse, recycling and street cleansing		30		30
Agency worker regulations		30		30
Diesel		23		23
Delay in increase in car park fees		124		124
Car park income		40	34	74
Guided Bus - Less impact on parking income			-40	-40
NNDR revaluations		-20		-20
Market income		30	18	48
Operations division staffing		-37		-37
Operations business processing		20		20
Emergency planning		-20		-20
Chewing gum removal		-18		-18
Hinchingbrooke Country Park café			15	15
Developers' contributions		-16		-16
Customer Services changes #		40	39	79
NNDR administration grant		17		17
Benefits caseload changes		-25		-25
Reduced hours at the Call Centre			-21	-21
Home improvement agency fee income		-17		-17
Building control fee income		80	20	100
Building Control staff		-15		-15
Deficit on building control fee earning account to be met from reserve		37		37
Building efficiency improvements grant		17		17
Environmental projects		-40	10	-30
Environmental improvements repair and renewals fund			-43	-43

	Original Budget	Reported to Cabinet October 2011	Changes	Forecast outturn
	£000	£000	£000	£000
Pathfinder House running costs		-15	-20	-35
Pathfinder House NNDR			-45	-45
Estates property rental income			109	109
Payment from closing the East of England Agency			-20	-20
Cover for staff representatives on ELAG			25	25
One Leisure income		-40	10	-30
One Leisure St Neots fitness suite		-115	-37	-152
General savings on One Leisure		-100	13	-87
One Leisure staff savings		-45		-45
One Leisure St Ivo football improvements			16	16
One Leisure Ramsey development		60	-40	20
Savings in audit salaries		-40		-40
Insurance retendering and accrual to 2012/13		-70	-105	-175
Interest		-23	-82	-105
Development management fees		150	-10	140
Planning employee costs **		-172		-172
Community infrastructure levy preparation		35	80	115
RAF Alconbury development net of income		50	-90	-40
Wooley Hill Wind Farm appeal		60		60
St Neot's town development net of income			5	5
Neighbourhood forum partnership contribution		-18		-18
Other variations, each less than £10k		-183	-82	-265
<b>Variations - Technical/Corporate</b>				
Pay and Allowances Review #		94	17	111
Pension fund contributions		-31		-31
Vacancies in excess of turnover allowance		-127	-201	-328
Savings on staff mileage			-21	-21
Provision for debt repayment (MRP)		-64		-64
Transfer from revenue to capital spending		-34	-161	-195
Rental deposit bad debt provision		-40	-46	-86
Loss of interest from housing association loan redemption		30	2	32
Commuted sums			-16	-16
VAT partial exemption			-16	-16
<b>Total variations</b>		<b>-587</b>	<b>-782</b>	<b>-1369</b>
<b>Total Net Spending</b>	<b>22,615</b>	<b>22,217</b>	<b>-782</b>	<b>21,435</b>

	Original	Reported to Cabinet October 2011	Changes	Forecast outturn
	£000	£000	£000	£000
<b>Financed from</b>				
Government support	-11,538	-11,538		-11538
Collection fund adjustment	-105	-105		-105
Council tax	-7,383	-7,383		-7383
<b>General Reserves</b>				
Use of delayed projects reserve	-370	-559		-559
Contribution to delayed projects reserve	370	370		370
Building control reserve		-37		-37
General reserves	-3,589	-2,965	782	-2183
<b>Total use of reserves</b>	<b>-3,589</b>	<b>-3,191</b>		<b>-2,409</b>
<b>Total Funding</b>	<b>-22,615</b>	<b>-22,217</b>	<b>782</b>	<b>-21,435</b>

# Potential variations or slower achievement of savings items

\*\* Subject to assumed workloads

<b>CONTINGENCIES INCLUDED IN THE BUDGET</b>				
	Budget	Estimated outturn	Variation	
	£000	£000	£000	
Turnover	-40	-368	-328	Managers are holding more vacancies
Transfer of revenue to capital including employees	-50	-245	-195	Additional salaries charged to capital
Savings to be found	-471	-360	111	Not all the pay and allowances savings target will be achieved until next year
	<b>-561</b>	<b>-973</b>	<b>-412</b>	

**AMOUNTS COLLECTED AND DEBTS WRITTEN OFF****Collected**

The total amount of payments received, less customer refunds and transfers to other debts:

	April to Sept 2011	Sept to Dec 2011	Total
	£000	£000	£000
<b>Type of Debt</b>			
Council Tax	47,888	23,538	<b>71,426</b>
NNDR	34,503	15,323	<b>49,826</b>
Sundry Debtors	4,413	1,887	<b>6,300</b>
Excess Charges	77	42	<b>119</b>

**Amounts written off**

Whilst the amounts have been written-off in this financial year, much of the original debt would have been raised in previous financial years.

	Up to £5k			Over £5k			TOTAL
	April to Sept 2011	Oct to Dec 2011	Total	April to Sept 2011	Oct to Dec 2011	Total	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Type of Debt</b>							
Council Tax	75.7	55.8	<b>131.5</b>	0.0	0.0	<b>0.0</b>	<b>131.5</b>
NNDR	24.6	12.2	<b>36.8</b>	39.7	23.2	<b>62.9</b>	<b>99.7</b>
Sundry Debtors	76.1	24.5	<b>100.6</b>	36.5	15.3	<b>51.8</b>	<b>152.4</b>
Excess Charges	8.1	6.1	<b>14.2</b>	0.0	0.0	<b>0.0</b>	<b>14.2</b>

**Authority to write off debts**

The Head of Customer Services is authorised to write-off debts of up to £5,000, or more after consultation with the Executive Councillor for Finance, if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Head of Financial Services deputises in her absence.



CABINET

19 January 2012

## FINANCIAL MONITORING - CAPITAL PROGRAMME 2011/12 (Report by the Head of Financial Services)

### 1. PURPOSE

1.1 This report highlights the forecast variations from the 2011/12 Capital Programme approved in February 2011. It includes any member or officer decisions already taken in accordance with the Code of Financial Management.

### 2. MONITORING OF THE 2011/12 CAPITAL PROGRAMME

2.1 The Budget approved in February 2011 was £11.9m after allowing for provisions for schemes brought forward from 2010/11 and carried forward to 2012/13. Subsequent adjustments are summarised below:-

Capital Programme	2011/12 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
<b>Approved Total Budget (February 2011)</b>	<b>15,366</b>	<b>3,433</b>	<b>11,933</b>
Actual brought forward from 2010/11	6,284	5,189	1,095
Less provision	-1,444	0	-1,444
	<b>20,206</b>	<b>8,622</b>	<b>11,584</b>
<b>Supplementary Estimate</b>			
Disabled Facilities Grant	401	-148	549
<b>Forecast Cost Variations (Annex A)</b>	-283	456	-739
<b>Forecast Timing Changes (Annex B)</b>	-11,586	-5,070	-6,516
<b>Revenue to Capital Variations</b>	266	0	266
<b>Current Forecast</b>	<b>9,004</b>	<b>3,860</b>	<b>5,144</b>

2.2 The revenue impact on the MTP of the 2010/11 outturn and subsequent variations is shown below.

### 3. SIGNIFICANT ITEMS

3.1 **Disabled Facilities Grants** Cabinet approved a supplementary estimate at its September meeting to ensure that no applications would need to be delayed because of budgetary constraints. The figures shown above are based on actual spending to date together with the latest forecast of what will be spent in the rest of the year. All of the remaining cases, currently in the pipeline, are being progressed with the expenditure for many of them expected to fall into the next financial year. The lower forecast is

predominantly due to OT referrals having fallen by 20% since August.

- 3.2 **Cambridge Street Car Park, St Neots** This has been rephased to 2012/13 pending an agreement on the provision and management of the car park proposed for a cinema on this site.
- 3.3 **PV Panel Installations** This report excludes the proposed PV panel Invest to Save schemes at Eastfield House and other council properties pending submission to COMT of revised project appraisals and risk assessments. It may well prove that schemes with adequate pay-back can still be achieved due to lower panel costs. If this is the case there may still be capital expenditure on the Eastfield House scheme in the current year.
- 3.4 **VAT Partial Exemption** The amount of VAT that cannot be claimed back due to exempt supplies has been rephased because of the timing changes to the relevant schemes.
- 3.5 **Revenue to Capital Transfer** Where appropriate, such transfers will be undertaken as they provide a beneficial revenue impact.

#### 4. REVENUE IMPACT

- 4.1 The revenue impact on the MTP of the 2010/11 outturn and subsequent variations is shown below.

Revenue Impact	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
	£000	£000	£000	£000	£000
Timing Changes 2010/11 to 2011/12	12	0	0	0	0
Cost Variations	-1	-18	-21	-24	-26
Timing Changes 2011/12 to 2012/13	-33	-144	0	0	0
Revenue/Capital Transfers	-126	26	29	33	37
Revenue variations re timing changes	-20	127	-77	-170	-211
<b>TOTAL FORECAST VARIATION</b>	<b>-168</b>	<b>-9</b>	<b>-69</b>	<b>-161</b>	<b>-200</b>

*Notes: This table uses a simplified basis for identifying the revenue impact of capital expenditure. Allowance has also been made for any revenue elements of the changes as identified in the relevant MTP bid proposals - some of these are not just due to rephasing with some significant extra income being identified on leisure schemes. More accurate calculations will be included in the final Budget/MTP in February.*

#### 5. RECOMMENDATIONS

- 5.1 It is **RECOMMENDED** that Cabinet note the contents of this report.

#### BACKGROUND PAPERS

Capital programme and monitoring working papers.  
Previous Cabinet reports on capital expenditure.

Contact Officer – Steve Couper ☎ 01480 388103

## ANNEX A

<b>Forecast Cost Variations</b>	<b>Gross Budget</b>	<b>External Contributions</b>	<b>Net Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Savings</b>			
Building Efficiency Improvements	-17	0	-17
Wheeled Bin Replacements	-99	0	-99
Alconbury Flood Scheme	-31	-31	0
Town Centre Developments	-5	0	-5
Mortgage Redemption	0	549	-549
HQ Project	-2	0	-2
ICT Replacement & Server Virtualisation	-35	0	-35
Business Systems	-110	0	-110
Public Conveniences	-150	-150	0
Community Facilities Grants	-20	0	-20
	<b>-469</b>	<b>368</b>	<b>-837</b>
<b>Extra Cost</b>			
Sustainable Homes Retrofit	85	15	70
Vehicle Replacement Programme	11	0	11
	<b>96</b>	<b>15</b>	<b>81</b>
<b>Invest To Save Schemes</b>			
South Street Toilets	5	0	5
Mobile Home Park	0	73	-73
Call Centre CRM	20	0	20
	<b>25</b>	<b>73</b>	<b>-48</b>
<b>Technical</b>			
Rule Change to Capital Overheads	117	0	117
Brought Forward Adjustment	-52	0	-52
	<b>65</b>	<b>0</b>	<b>65</b>
<b>TOTAL COST VARIATIONS</b>	<b>-283</b>	<b>456</b>	<b>-739</b>

<b>New item this time</b>
<b>No change from previous report</b>
<b>Adjusted value this time</b>

**ANNEX B**

Timing Changes to 2012/13 and beyond	2011/12 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
Heart of Oxmoor	0	-1,366	1,366
Huntingdon West Development	-7,153	-2,430	-4,723
One Leisure St Ives Redevelopment	-2,950	0	-2,950
One Leisure Future Maintenance	-453	0	-453
Replacement Fitness Equipment	-77	0	-77
One Leisure Ramsey Development	-560	0	-560
CCTV Camera Replacements	-139	0	-139
Decent Homes	-148	-212	64
Social Housing Grant	-237	0	-237
Sustainable Homes Retrofit	0	-415	415
HQ Project	0	-150	150
ICT Replacement & Server Virtualisation	-7	0	-7
Working Smarter	-23	0	-23
Replacement Equipment Document Centre	-76	0	-76
One Leisure St Ives Football Improvements	-254	-497	243
Ramsey Rural Developments	-62	0	-62
Multi-Functional Devices	-48	0	-48
Industrial Estates Repairs	-8	0	-8
Cambridge Street Car Park	-89	0	-89
Railway Station Improvements	-20	0	-20
VAT Partial Exemption	-128	0	-128
Reduction in provision for further slippage	846	0	846
	<b>-11,586</b>	<b>-5,070</b>	<b>-6,516</b>

<b>New item this time</b>
<b>No change from previous report</b>
<b>Adjusted value this time</b>

COMT	12 December 2011
Overview & Scrutiny (Social Wellbeing)	3 January 2012
Overview & Scrutiny (Economic Wellbeing)	5 January 2012
Cabinet	19 January 2012

**VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)**  
**(Report by the Head of Environmental and Community Health Services)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is a request to Members to both offer an indicative gross budget for voluntary sector support for 2013-14 and agree the method(s) for distributing funds to the voluntary sector.

**2. BACKGROUND**

- 2.1 An extensive review of voluntary sector funding and its impacts has been undertaken during 2011 and a special Member-working group was set up by the Overview and Scrutiny (Social Wellbeing) Panel. The outputs of both the officer and Member-led reviews have been seriously considered in the preparation of this report.

- 2.2 The following general priority areas, for funding voluntary organisations, have emerged:-

- Service providers that are able to provide evidence of financial sustainability; evidence may include signs of actively searching for external and/or match funding opportunities;
- Services that provide advice on debt, benefits and unemployment were particularly valued during the review;
- Activities and services that facilitate a level of independence for those people otherwise dependent on the service and support of carers and others, were also identified as worthy of consideration for financial contribution within the review;
- Services and activities that could increase the chances of young people obtaining and/or maintaining paid employment, were an emerging area that were considered important; and
- Services that support the growth of the voluntary and community sector in Huntingdonshire and provide support mechanisms by which that growth could be achieved, including sourcing funding for other voluntary bodies, were considered important in developing and supporting the sector more widely than just by direct financial contributions to a few organisations.

### 3. POTENTIAL MODELS FOR DISTRIBUTION OF FUNDS

3.1 During the review it became clear that some Members were keen to see minimal bureaucratic barriers facing those organisations seeking funding; while being mindful of both the limited financial resources that could be made available and the need to ensure the appropriate use of public funds. To this end it became clear that one solution may not fit all circumstances; different levels of assessment or 'control' should probably be applied according to financial, and or reputational, risk arising for the Council.

3.2 Various delivery methods for providing financial support to the voluntary sector were considered:-

- a) Grants – A gift of a grant restricts the opportunity for comparison between organisations' bids (only like for like are able to be compared) and does not permit ongoing monitoring of activity after grant has been awarded. There is no possibility of demonstrating good value and some grant-funded activities may be open to community challenge under a new 'Localism Act'.
- b) Commissioning- a competitive process where any 'bid' must be evaluated almost objectively against criteria and real competition is a possibility. There is a risk this process may disrupt continuity of practice and cause local disruption in cases where established groups/organisations are unsuccessful in their bid for funding.

3.2 Following discussions with Members from the working group a mixed grant system was considered potentially beneficial. The choice of method to be related directly to the potential sums required in any one year:

Grants - a grant could be for 1 to 3-years; but could include an option for the organisation to renew a 1-year bid on two further occasions in successive years. Grants do not allow for performance monitoring but the financial risk to HDC can be limited both by amount and by the duration of the grant. It is intended that a 3-year grant will likely be offered on a tapering basis to actively encourage the search for alternative, sustainable, funding. It is also intended there will be only one bidding window each year.

3.3 As part of a mixed system of awards it is also proposed that consideration be given to establishing a:

Community Chest – This would be fund for voluntary and community organisations and town/parish councils; who require a small injection of revenue. The fund could manage requests, throughout the year, for awards of up to £5k to help very local community projects.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The relevant MTP line has stated, most recently (September 2011) that reductions in Community Grants are predicted to be:

	2012-13	2013-14	2014-15	2015-16
Community Grants reductions	-51	-294	-294	-294

The prediction has included a qualification: "£51k expected to be achieved 12/13; 2013 onwards subject to Member decision Feb 2012 (Study in hand)". The reduction of £51k in the next financial year can be delivered. The second reduction of £243k in 2013-14 would represent a significant reduction in funding available to the voluntary sector from this source.

- 4.2 Officer research indicates that the current recipients of funding believe that a 50% cut in the funding available from HDC, to any one of the organisations currently benefiting from support, could be catastrophic for them. It was also identified that at this level there are risks arising of some additional costs arising to HDC which would negate some of the overall savings potential.

Most of the current recipients of funding offered coping strategies for a reduction of HDC funding up to 20%.

- 4.3 In 2011-12 the budget for Voluntary sector contributions was £ 379,120  
In 2012-13 the budget [including a £51k reduction] would be £ 328,120  
If the 2013-14 budget were to be of the order of £ 273,000  
This would allow:

Commissioning and Grant fund	£ 246,000
Community Chest fund	£ 27,000

**Potential savings** **£ 55,120**

When taking into consideration the savings already identified in the 2012/13 budget and the proposed saving for 2013/14 they total £106,120 this equates to <28% saving on the original 2011/12 voluntary sector budget.

#### 5. CONCLUSION

- 5.1 Huntingdonshire District Council has assumed a reduction in funds to be made available to the voluntary sector as part of their own Medium-term Financial Planning. An extensive review of voluntary sector funding and its impacts has been undertaken during 2011; looking at both financial and wider social impacts.

- 5.2 The final Council budget for 2013-14 is not due to be set by Council until February 2013. However, the relevant service level agreements come to a natural end in March 2013. Each agreement includes a requirement that negotiations associated with termination/follow-on agreements should start no later than 1 October 2012, and be concluded by 31 December 2012. An indication of the maximum voluntary sector budget Members may wish to see provided from 2013-14 would facilitate both negotiations and forward planning.

- 5.3 Research suggests a 50% cut in the funding available from HDC, to any one of the organisations currently benefiting from support, could be catastrophic for them. At this level additional financial risks arise to HDC which could negate some of the overall savings potential. Most of the current recipients of funding offered coping strategies for a reduction of HDC funding up to 20%. If Members wished to have regard to these findings a level of reduction less than 50% would be desirable for the potential recipients.

## 6. RECOMMENDATIONS

Members are requested to:

- 6.1 Suggest an indicative voluntary sector budget for 2013/14 of £273,000
- 6.2 Agree to adoption of a mix of methods of allocating funds, the method to involve a level of bureaucracy proportionate to the level of funding required.
- 6.3 Agree to the establishment of a modest 'Community Chest' to create an 'accessible' source of funds to help very local community projects.

## BACKGROUND INFORMATION

Huntingdonshire District Council, Community Development's Voluntary-sector Performance report 2010/11.

Huntingdonshire District Council's Voluntary-sector (officer) review: interview summaries.

The financial accounts and business plans 2010/11 or 2011/12 (as submitted by organisations participating in the 2011 review).

Huntingdonshire District Council's Equality Impact Assessment 2 (Sep 2011): "Cuts in voluntary sector funding phased in after 2012/13"

- 19 September 2011: Voluntary Sector Review report to COMT
- 4 October 2011: Voluntary Sector Review report to Overview & Scrutiny (Social Wellbeing) Panel
- 20 October 2011: Voluntary Sector Review report to Cabinet
- 1 November 2011: Report of Voluntary Sector Working Group to Overview & Scrutiny (Social Wellbeing) Panel
- 6 December 2011: Report of Voluntary Sector Working Group to Overview & Scrutiny Social Wellbeing Panel

**Contact Officer: Dan Smith – Healthy Communities Manager**  
**☎ 01480 388377**



## REPORT CHECKLIST

### Essentials

- ▲ Subject Matter
- ▲ Lead Officer
- ▲ Contact Details
- ▲ Ward Councillor(s)
- ▲ Executive Portfolio
- ▲ Key Decision
- ▲ Inclusion on Forward Plan
- ▲ Confidential/Exempt paragraph(s)
- ▲ Date for Submission
- ▲ Compliance with Council's Standing Orders and Codes of Financial Management/ Procurement
- ▲ Risk Management – Has the author clearly explained the key management issues that have been considered and the mitigation proposed.

Voluntary Sector Review (Indicative Funding)	
Dan Smith	
Extn 8377	
Cllr(s) No	Necessary to consult or otherwise - No
Cllr Tom Sanderson	
Yes	
Yes	
No	
COMT	12-12-2011
O&SP Wellbeing	3-1-2012
O&SP Economic	5-1-2012
Cabinet	19-1-2012
Yes	
Yes	

### Core Requirements

*(The author is responsible for deciding whether it is appropriate/necessary to consult the following Officers)*

- ▲ Financial Implications
- ▲ Legal Implications
- ▲ Human Resources and Health Safety Implications
- ▲ SI51 and Monitoring Officer Consent

Yes	H of FS	Sign Off	<input type="checkbox"/>
No	H of L&DS	Sign Off	<input type="checkbox"/>
No	H of PP&P	Sign Off	<input type="checkbox"/>
No			

### Policy and Strategic Framework

Cognisance with -

- ▲ Council Plan
- ▲ Equality Impact Assessment (EIA) -  
If new or amended policy/strategy has an EIA been completed?
- ▲ Local Development Plan
- ▲ Sustainable Community Strategy

Yes	If no please state reasons -
Yes	
No	
Yes	

### District Council Strategies, Policies and Plans

- ▲ Environment
- ▲ Crime & Disorder Reduction
- ▲ Local Transport

No
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### Press Release/Internal Communication

No
----

### Authority to proceed

Head of Service

Date

 30-11-2011
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**VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)**  
**(Report by the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being))**

## **1. INTRODUCTION**

1.1 At meetings held on 3rd and 5th January 2012, the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being) considered a report by the Head of Environmental and Community Health Services on voluntary sector support for 2013/14. This report summarises their discussions.

1.2 The Panels were addressed by the Executive Councillor for Healthy and Active Communities and the Head of Environmental and Community Health Services who provided background to the funding review conducted by Officers together with the work of the Social Well-Being Panel's Voluntary Sector Working Group.

## **2. OVERVIEW AND SCRUTINY PANEL (SOCIAL WELL-BEING)**

2.1 The Social Well-Being Panel's Voluntary Sector Working Group has been involved in the work that went into producing the report by the Head of Environmental and Community Health Services. The Working Group undertook extensive work on the social value of the functions performed by voluntary sector organizations under Service Level Agreements with the Council. The priorities identified in the report were a result of this work. The Working Group has, therefore, contributed to the recommendations and endorses them.

2.2 If approved, the level of indicative funding requested represents almost a 28% reduction in the amount the voluntary sector will receive in the future. This is roughly the same as the Council's own level of savings.

2.3 The change to using grants for the allocation of some of the funding signals that the Council is supporting the voluntary sector because this method of allocation reduces the influence the Council has on the way the money is used. It also reduces the burden on voluntary organizations of reporting on performance to the Council.

2.4 Grants will be available for up to three years. There is an option that the grants will be tapered so they reduce over the three years. This will encourage organizations to find their own alternative sources of funding.

2.5 The Council will achieve Value For Money by refining its priorities and through adopting a competitive allocation process.

2.6 Assurances have been received that sound governance arrangements will be in place when determining applications for grants and the community chest. It is intended that responsibility for the determination of applications will continue to be the responsibility of the Executive Councillors for Healthy and Active Communities and for Resources, with all Members having sight of the applications prior to the approval process.

2.7 The Panel has supported the recommendations in the report.

### **3. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)**

- 3.1 The Panel has discussed the proposal to establish an indicative voluntary sector budget for 2013/14 of £273,000. Whilst a range of opinions have been expressed, the majority of Members are of the opinion that the indicative budget should be approved. However concerns have been expressed about how this figure has been determined and where alternative savings will be made in the Council's Budget. Approval of the recommendations will necessitate an additional requirement for £88,000 in 2013/14 on top of the assumptions built into the draft budget. The indicative budget figure is based on the requirements of current service providers. Members have questioned whether the methodology used is valid, particularly as an important part of the rationale for the change is that the existing beneficiaries of funding are not certain to receive it in the future. Moreover, research has indicated that a reduction of more than 20% would have significant implications for both the organisations in question and the District Council.
- 3.2 A number of specific matters have been raised with regard to the level of the indicative budget. Members have queried whether any consideration has been given to a process for match funding and to what extent approval of the indicative budget will influence the voluntary sector organisations' attempts to secure alternative methods of funding and investigate opportunities for shared accommodation.
- 3.3 A suggestion has been made that the proposed sum could alternatively be used to provide District Council services directly and, therefore, make up for some of the recent reductions within the Council. The Council should clarify its priorities in this respect.
- 3.4 With regard to the proposed delivery methods for providing future financial support to the voluntary sector, the Panel has endorsed the proposal to adopt a mix of methods of allocating funds. However, Members have commented that as the Council is moving away from commissioning, a mix of distribution methods will not be used, as is stated in the report. Members have queried the rationale behind the proposal to return to a grant process and how the Council will ensure that the organisations meet the objectives for which the grant had been awarded. European Procurement rules mean that it would be difficult to tender for a service on a set budget. However, the grants will be awarded for a maximum of three years and any performance issues could be addressed in the indicative budget for the following year.
- 3.5 The Panel has discussed in detail the proposal to establish a Community Chest to create an accessible source of funds to help local community projects on a rolling programme throughout the year. This initiative has been devised in response to a number of requests within the past year from organisations for small sums of monies to help with local projects. Whilst the majority of Members agree with the proposal, in the absence of further information as to how the process might operate, it is difficult for them to give full support to it. Differing views have been expressed as to whether Towns and Parishes should be able to apply to the Community Chest. Whilst some members support this approach, it is suggested that these organisations already have the opportunity to obtain funding via their precept. Another Member has suggested that this opportunity could be valuable to smaller parishes who are often unable to raise funds for

local projects. With regards to the administration of the process, it is suggested that, given the small sums involved, it should be straightforward and flexible.

#### **4. RECOMMENDATION**

- 4.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panels (Social Well-Being) and (Economic Well-Being) as set out above when considering this item.

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**OVERVIEW & SCRUTINY  
(ENVIRONMENTAL WELL BEING)**

**10 JANUARY 2012**

**CABINET**

**19 JANUARY 2012**

## **ADVANCED WASTE PARTNERSHIP (Report by the Head of Operations)**

### **1. PURPOSE**

- 1.1 This report is about moving Cambridgeshire and Peterborough Waste Partnership (RECAP) to the next level of partnership working in order to gain the maximum advantage for the authorities collectively.
- 1.2 RECAP partnership has been a successful partnership to date, primarily delivering benefits to the individual authorities, by working together on various projects and in services for local residents. However, members and officers recognise that more could be achieved by an enhanced partnership approach. Independent research work has also helped identify a way forward.
- 1.3 Two types of advanced partnership working have been identified. These are:-
  - Joint projects or joint ventures
  - Joint Waste Committee
- 1.4 In order to take these forward a partnership charter has been drawn up, laying out important principles, vision and objectives. The charter will provide partners with a solid basis of agreement in order to carry out the above and make decisions within a formal framework.

### **2. BACKGROUND**

- 2.1 The Cambridgeshire and Peterborough Waste Partnership (RECAP) was formed in 1999 and consists of the five district councils, Cambridgeshire County Council and Peterborough City Council. Its remit is the management of municipal waste, waste related environmental crime and commercial waste management.
- 2.2 Its success has been recognised through Beacon Status in 2007 and the award of Green Flag Status in 2009, which recognised partnership working in RECAP as key to reducing waste in the area and demonstrating exceptional performance from which others can learn. The recycling and composting performance across the partnership area is one of the highest in the country with a recycling/composting rate over 50%.

- 2.3 Recognising new emerging financial challenges, RECAP began a project in November 2010 to understand the options for advanced partnership working in waste. RECAP secured external match funding from Improvement & Efficiency South East to engage a consultancy – Eunomia, to explore and appraise options for advanced partnership working. The final report is included at Appendix A.
- 2.4 Eunomia worked with the partnership in the first stage of the project to understand what ‘Advanced Partnership Working’ could mean and look like for RECAP. This involved various forms of work and engagement with partners to understand individual service needs in relation to partnership working, the perceived strengths and weaknesses of current partnership working and the different forms of advanced partnership working in waste as options and opportunities for RECAP.
- 2.5 The outcome of this initial piece of work identified two potential kinds of advanced partnership working in waste for RECAP. The first builds on and develops the current partnership to effectively deliver joint projects/ventures in waste, presenting a range of potential examples of joint projects/ventures and assessing these in terms of the value for the partnership. Some of the projects being considered are list below:
- Joint Trade Waste Service
  - Joint Efficiency Reviews
  - Joint Bulky Waste Service
  - Joint Procurement
  - Infrastructure Harmonisation
- 2.6 The second type identified is the formation of a Joint Waste Committee, where decision-making powers are granted to a group of elected members appointed by the constituent authorities, therefore enabling decisions to be made on integrated service delivery.
- 2.7 Appraisal of these options focused on their financial benefit to the council tax payers in the Partnership area. The project scope included all seven partnering authorities, however, due to other commitments Peterborough City Council were unable to actively take part.
- 2.8 Following elections in May 2011 a new RECAP Board was formed, which consists of Members from each of the partnership authorities. The next stage of the project was to seek a way forward from the new RECAP Board in view of the options appraised.
- 2.9 In September 2011, the RECAP Elected Members Board met to discuss a vision, objectives, guiding principles and priority work programme for the RECAP partnership. Members agreed the need to be more ambitious in their collaborative working and that challenging times required bold decisions. However, there was also recognition that each partner authority had differing political, financial and operational pressures and that the partners must recognise and



respect these and build trust to overcome future challenges. All agreed that the key success criteria for the partnership would be improved value-for-money and customer service.

2.10 From this meeting a Charter on Advanced Partnership Working was drafted. This lays out the agreed vision, objectives, guiding principles and governance arrangements for the partnership. This will provide partners with a solid basis of agreement in order to carry out the above and make decisions within a formal framework. The charter is attached at Appendix B.

2.11 Elected Members agreed that they required more detailed information to take back to their respective authorities before decisions could be pursued on the detail of advanced partnership working. Members asked that outline business cases (OBC) be developed for the following areas with champions working on specific projects:

- **Joint Waste Committee** – it was recognised this might not deliver immediate cashable savings, but joint decision-making would be a key enabler of future efficiency and customer service improvements. Project champion – Mike Hill Corporate Director, South Cambridgeshire DC.
- **Joint Trade Waste Delivery** – agreed to look at use of assets and the opportunity of forming a new venture company. Project Champion – Jas Lally, Head of Refuse and Environment, Cambridge City Council.
- **Joint Procurement Opportunities** – the potential for vehicles, contracts etc. Project Champion – Eric Kendall, Head of Operations, Huntingdonshire DC.

2.12 In October 2011 the Public Service Board (PSB) agreed to the above approach and Jean Hunter, Chief Executive from South Cambridgeshire DC became the overall Programme sponsor. Her role would be to:

- Promote visibility of this work.
- Ensure clear communication and engagement with PSB.
- Sponsor briefings and engagement with the Leaders' & Chief Execs' meeting.
- Oversee project deliverables.

2.13 The next stage for the partnership will be to receive the outline business cases in the next financial year.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications in the current year as a result of this report. Any budget proposals for 2013/14 and beyond will be considered within the normal budget cycle. However there may be a requirement based on the outcomes of the business cases presented to revise budgets in autumn 2012. The collection and disposal of waste and recycle is a large cost to council tax payers and the introduction of more efficient ways of working will produce a saving dependant on the extent of joint working projects undertaken.

### **4. RECOMMENDATION**

- 4.1 It is recommended that the RECAP Advanced Partnership Working Charter is adopted and that outline business cases for any Advanced Waste projects are brought to Environment Scrutiny before a decision is made to proceed.

**Contact Officer: Eric Kendall, Head of Operations**  
**☎ 01480 388635**



## RECAP: Creating an 'Advanced Partnership'

Authors:

James Fulford, Dr Debbie Fletcher,  
Rob Gillies, Siobhán O'Brien

April 2011



*Report for:*

RECAP Local Authorities

*Prepared by:*

Dr Debbie Fletcher

Rob Gillies

Siobhán O'Brien

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*Approved by:*

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.....

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April 2011

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## 1.0 Introduction

Eunomia has been commissioned to explore the possibilities for ‘advanced partnership working’ across the Cambridgeshire and Peterborough Waste Partnership (RECAP).

The overall objective of the project is:

- To explore what ‘advanced partnership working’ could potentially look like in Cambridgeshire and Peterborough across waste management and street scene/ street cleansing; and
- To examine the potential role and function of the partnership to effectively meet the current and future business needs of its partners.

The brief provided by RECAP splits the project into five distinct stages, each with a target outcome.

**Table 1: Project Brief Stages and Outcomes**

Stage	Outcome
1	To develop a partnership wide understanding of the key short, medium and long term business needs of all individual partner authorities within a local and national context.
2	To establish and agree, with the partnership, the individual and collective benefits (quantitative and qualitative) to be achieved through advanced partnership working.
3	To open up communications between authorities so that they understand, at a political level, what RECAP might be able to achieve for them and what each partner is looking for from the partnership going forward.
4	To identify a range of potential advanced partnership working models which deliver the individual and collective benefits.
5	To appraise against the criteria (quantitatively and qualitatively) the list of potential models.

This report presents a high-level appraisal of those advanced partnership working models that have been identified in the previous stages of work as having the potential to deliver both individual authority and collective benefits for the RECAP partnership.

## 2.0 Options for Advanced Partnership Working

Based on the work undertaken at each stage of the project, the following key options have been identified for further development/description and high-level appraisal in this final project stage. These options are evaluated in terms of the benefit they bring to the partnership as a group, their ability to support high quality services and their financial outcome.

### Option 1: Short-term partnership options

- A) Development of joint procurement capacity and delivery of further joint procurements e.g. vehicles, containers, fuel, PPE;
- B) Infrastructure harmonisation and cross-boundary working;
- C) Joint trade waste service development and management;
- D) Joint delivery of bulky waste services and increased third sector involvement (including HWRC waste);
- E) Joint delivery of efficiency/contract reviews.

### Option 2: Longer-term partnership option

Full integration of services across partners - in effect a joint committee approach.

Whilst we recognise that there may be limited appetite for option 2, it has been included, partly at the request of the project team and other officers, so that:

- 1) Partners understand the savings that are available if efficiency gains are prioritised above all else; and
- 2) A long-term end-point is described so that partners better understand what much fuller integration might look like.

## 2.1 Option Descriptions

For each option we provide an overview description describing how:

- 1. The arrangements would look and feel to partners;
- 2. What resources would be required for implementation; and
- 3. The governance arrangements that would be required.

## 2.2 Option Evaluations

All of the options discussed have advantages and disadvantages and all carry different degrees of risk.

For each of the options where there is sufficient information to carry out a quantitative assessment of the business case for joint working, a high-level business case has been prepared.

We have compared the relative performance of the options using fixed evaluation criteria. To do this each option has been scored against a number of criteria using a one (1) to five (5) points range, with one being the worst and five being the best. The criteria we have used are:

- Improved Joint Working
- Quality of Service to Residents
- Short term Affordability
- Financial
- Environment
- Ease of Implementation

Risk is assessed separately.

## 3.0 Option 1: Short-Term Options RECAP Structures

### 3.1 Background

Discussions and meetings with stakeholders confirm that the most likely next stage outcome from this project is that the RECAP authorities choose to work together on delivering short-term 'quick-win' joint projects. Very little, when it comes to partnership is genuinely 'quick', so the phrases 'short-term' and 'quick-win' do not in this case imply projects that will be up and running in less than 6 months or that will be delivering immediate savings. In this context these terms are used in a relative sense to make a distinction between the types of joint project options which are described over the following pages. These projects do not require highly structured approach to governance (as would be the case with a fully integrated partnership) and can be expected to be up and running in 6 – 12 months from the point at which partners agree to take them forward.

### 3.2 Proposal

RECAP is not a new entity. The partnership has staff, funding agreements, a brand and a track record. The proposal here is not to tear up the current arrangements and start from scratch. Indeed an important objective in looking at 'quick-wins' is to release savings quickly and enhance the working together objective of the partnership. Months (or possibly years) spent on developing and agreeing new structural arrangements to co-ordinate these projects will only delay savings.

There are, however, a number of ways in which the authorities might choose to improve and consolidate the current arrangements. Our proposal here, based on our observations to this point (and our need to define an arrangement for the purpose of the business case modelling) is provisional upon the partners agreeing its suitability. Our proposal involves a small number of changes to current arrangements:

1. Where possible, use existing staff resources to co-ordinate the development of the project.
2. Develop an agreement regarding how to share the costs and subsequent savings of new projects.

3. Strengthen partnership governance (through informal approaches) to ensure that members are given a strong mandate to deliver new work.
4. Develop a partnership approach, savings targets and an action plan to guide future work.

Discussion of these four proposals runs through the following sections.

### 3.3 Potential Issues

#### 3.3.1 Historic Issues Persist into the Future

The options presented in this report aim to build on the strengths of the current arrangements; thus where there are weaknesses, these may remain. This is not however inevitable.

For example the project has identified that communications between partners is not always as clear as some might like. However, simply by identifying and discussing an issue, it becomes possible to then solve it. Member feedback from the Stage 3 workshop has been positive and members have indicated that they would like to spend more time working together as a group. Since that workshop Members have again met, this time in a more informal setting to discuss the partnership. Clearly the communication issues which were previously identified are already being dealt with.

It is also likely that if partners become committed to a new course of action, then the process of working together to agree precisely what should be delivered and how will involve officers and members in better and more regular contact with each other. This will, in and of itself, serve to make the group feel better bonded by a common purpose which is, to some extent, currently missing (as evidenced by the brief for this project).

#### 3.3.2 Agreement of Future Projects and Future Direction

A fundamental difficulty with partnership working arises when the various partners are unable to agree on the future course of action. Some partners may not wish to work on any future joint initiatives (although this appears unlikely), some may wish to work on a small number of very specific projects, and other may wish to work quickly towards full integration. This is problematic but also, to some extent inevitable in any partnership and is certainly not insurmountable.

Members will need to work collaboratively to agree a joint approach so that officers have clarity regarding what it is that the partnership should be seeking to do. In addition, it may be beneficial if RECAP feels able to adopt the view that not all projects require the full participation of all partners. The approach taken to investing in project costs and sharing savings will, to some extent, help to define what projects are likely to be taken forward most quickly.

If partners view the next stages of RECAP's work in a collaborative way and are determined to deliver savings quickly, then it may be that agreement regarding the projects which should be developed will quickly follow.

### 3.3.3 Agreement of Future Budget Arrangements

RECAP already has two budgets; one budget supports the Partnership team and is funded by an agreed percentage contribution from each RECAP authority. The second budget supports the Joint Awareness Fund (JAF) and is funded through £1 per tonne being top-sliced from the recycling credit payments for each district from the previous year, combined with a further £1 per tonne contribution from CCC. PCC began to contribute in 2010 / 11 and this contribution matches that of the Cambridgeshire district with the most recycling credits.

It is anticipated that this budget (or some part of it) may be made available in future to support the development of joint working initiatives. However, it is possible that the investment needs of some projects will exceed the current budget (or whatever remains after the costs of ongoing communication work are met). Furthermore, if RECAP decides to take forward two or more of the proposed short-term options, then the existing budget is unlikely to be adequate. Given the current financial position in which local authorities find themselves, identifying where future investments should come from has the potential to be contentious (or even impossible).

If no further budget is available, then the partnership will need to work within this constraint. If the business case for further investment is strong and persuasive, then it may be possible to design an approach which brings mutual benefit from joint investment. Again, a strong lead from members will help to manage these issues so that they can be worked through as quickly as possible.

This issue is considered more closely in the following section.

## 3.4 Resource Requirements

As discussed above, the partners need to consider carefully what approach they take to sharing the costs and benefits of future joint working. These arrangements will determine the benefit that each partner takes from joint working and therefore the overall success of the partnership.

The costs of the existing RECAP team are already accounted for and could reasonably continue to be funded on the same basis as at present.

The costs of future projects could however be funded by two possible alternative approaches:

1. **Contributions:** according to a set formula;  
**Benefits:** partners take benefit in the form of cost savings (or new revenues) which accrue to their individual authorities.
2. **Contributions:** according to a set formula (which may be flexed on a project-by-project basis);  
**Benefits:** partners take benefit according to a set formula which is used to divide the savings (and any new revenues).

The benefit of the first option is in its simplicity (and the importance of this benefit should not be under-estimated). However, the advantage of the second option is equally compelling if a formula for sharing savings can be agreed. Under the second option, a partner can collaborate even where a specific project may not be of *direct*

benefit to the authority in question, because the agreed formula justifies any investment.

For example there is likely to be benefit to the partners in looking at infrastructure optimisation. The group might agree to work on a site-by-site basis for reasons of budget and other resource availability. If the first project works to facilitate a depot share between two neighbouring authorities (or between a District and the County), then under the first and simpler cost sharing approach laid out above, the benefits of this would only flow to one (or two) authorities through their reduced expenditure (and asset release). This would clearly undermine the basis for the other partners to invest in the project.

However, if the savings from were shared according to a formula, then other authorities could invest in the project confident that their investment would be repaid from the savings made by the authorities sharing the new depot. The formula would be unlikely to split the savings equally between all partners. Clearly the largest proportion of the savings, by some distance, would be taken by the authorities now sharing a depot. Nonetheless a small proportion of savings from the depot share in the first one to three years could be returned to the partnership to cover the costs of the investment made to that point and future investment in the next stages of infrastructure optimisation.

This approach would allow the authorities to pool investment for mutual benefit, even where the projects in question do not have direct budget impact on all partners. As such it has the potential to turn the partnership into a much more effective and powerful structure, able to co-ordinate the budgets of all partners to address the investment needs of projects where the greatest possible savings can be driven out.

Clearly if RECAP is minded to consider this type of approach, further work will be needed to define a mutually acceptable mechanism. In that event, partners will need to identify a finance officer to be seconded to the project to assist in developing acceptable proposals. This work may be undertaken as part of the overall need to review and refine the principles of partnership working between RECAP partners for future projects.

### 3.5 Governance Requirements

As with all options presented in this report, would should ideally be managed using a project (and possibly a programme management environment). PRINCE 2 is the best developed project management methodology used widely within both the public and private sector. Managing Successful Programmes (MSP) is a programme methodology based on the same principles and vocabulary as PRINCE2 and provides a framework for managing multiple projects in a consistent way.

Eunomia's staff are trained and experienced in both PRINCE and MSP and have extensive experience of using these approaches to support local authority waste partnerships. Based on this experience we would recommend that both have much to offer in terms of providing clarity, mandate, resilience and a strong focus on the desired benefits. We would also warn, however, that these approaches are best used judiciously as opposed to being followed slavishly. There is a real risk that process can get in the way of progress. Project and programme methodologies should be used



as a suite of tools and techniques to be deployed to the benefit of the partners and should not become an administrative straight-jacket, preventing partners moving forward more rapidly where this is possible.

The RECAP board will have overall responsibility for commissioning project work to advance joint working. In effect, the RECAP board will act as the Programme or Corporate Board (in MSP terms), and will provide overall control on deciding whether projects are undertaken and in defining overall project tolerances such as the budget and timescales for delivery.

Officers from the JWOG will take on the role of the Project Board. They will need to determine how the various options interlink and the order and priority in which work should be undertaken, and should appoint resources to undertake initial business case work so that the options can be presented to the RECAP board for approval.

The operations panel may provide individuals as part of the project team to deliver various workstreams, but should also remain a place to discuss day-to-day issues.

More active joint working at board level and possibly more frequent meetings will allow members to work to reach decisions more quickly and provide clear direction and strong support for officers to deliver efficiency projects.

### 3.6 Evaluation

Clearly the creation of structures and arrangements to take forward joint working will not deliver benefits directly, in and of itself. This is a necessary pre-requisite to taking a strategic and co-ordinated approach to the development of further joint working initiatives.

### 3.7 High-level Action Plan

1. Commitment to the overall partnership approach must be agreed first. This approach will need to define the 'WHY', with a vision and an agreed set of guiding principles for the RECAP partners. The JWOG should develop this approach and seek its approval from the RECAP board.
2. The group must consider the relative advantages of the different models for sharing the savings of future joint working (and for this it may be necessary to secure finance officer support).
3. If a formula based approach is taken to sharing savings, then this needs to be agreed.
4. Further work should initially be undertaken on an outline business case for each option which RECAP wishes to consider further, to determine which projects would be feasible to deliver. Resources would be required to develop the outline business case,
5. Planning will then be required by JWOG to determine:
  - a. Which projects should be taken forward first;
  - b. To develop an action plan to deliver these projects;
  - c. To set a savings target.

## 4.0 Option 1A: Development of Joint Procurement Capacity

### 4.1 Background

The Cambridgeshire authorities have undertaken a number of procurement exercises in the recent past (including for both MRF capacity and bring bank services) which have been carried out under a variety of joint working arrangements. The partner authorities therefore have some experience in this area and an awareness of some of the possible pitfalls. There is however the potential to take a much more strategic approach to joint procurement exercises whereby partners work together:

1. To agree which procurements are suitable for managing jointly;
2. On the procurement process itself; and
3. Then entering into joint contracts.

It is noted that the RECAP Operations Panel are already analysing the options for further joint procurement opportunities and that this is a relatively well-advanced area of partnership working.

The fact that the waste collection services offered by the authorities with an in-house service are already broadly harmonised across the partnership, should make joint procurement in this area relatively straightforward compared to an area with a diverse set of collection service designs.

It is also noted that whilst Peterborough City Council's recent strategic partnership contract award means that the authority will inevitably be allowing time for the new arrangements to 'bed in,' PCC have indicated an interest in the potential for participating in joint procurement exercises in the future.

### 4.2 Proposal

There are a number of potential areas that may provide further joint procurement opportunities for the Partnership.

#### 4.2.1 Vehicles

With a combined fleet of around 120 waste vehicles plus another 50 street cleansing vehicles, the RECAP WCAs could achieve considerable savings through a joint approach delivering reduced procurement process costs and lower prices.<sup>1</sup>

The RECAP authorities have currently taken different approaches towards vehicle provision. Cambridge City, Fenland and Huntingdonshire Councils purchase their own vehicle fleet, East Cambridgeshire's vehicles are contractor-owned, and South

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<sup>1</sup> Consideration could also be given to including other local authority vehicles such as Highways within a joint vehicle procurement exercise.

Cambridgeshire lease their vehicles. In addition it is noted that in the past Cambridgeshire CC and Defra have funded some vehicle purchases for districts.

Our analysis consistently shows that where the authorities have not reached their Prudential Borrowing limits, or where capital reserves can be made available, then it is preferable for the authority to purchase the vehicles directly. Private sector lease finance is more expensive than Prudential Borrowing. Recent changes to the system have eroded the differential but even with the difference between the underlying interest rates narrowing, private sector lease finance companies will charge a profit margin on top of interest and it remains distinctly preferable for authorities to use Prudential Borrowing.

Where capital reserves are available, this is an even better approach to funding vehicle purchase costs. In recent years and as a consequence of the 2008 financial crisis in which local authorities lost money invested in Icelandic banks, treasury management has become much more cautious. At the same time interest payments on savings and investments have declined to historically low levels. Many local authorities are now newly interested in how capital purchases can be used to reduce future revenue expenditure.

When pursuing a different vehicle purchase strategy than that with the authority is most familiar, there is an administrative overhead. In this case there may be real benefit in exploring the options jointly as part of a joint procurement strategy designed also to achieve lower unit costs. A single finance officer can do the necessary work once, on behalf of all authorities, as opposed to each authority needing to determine independently how the purchase should be managed and funded.

Even where districts use contractor-owned vehicles they may be able to benefit from the joint procurement of vehicles with some collection contractors showing a growing interest in operating authority-owned vehicles.

Another advantage of joint procurement is that given a sufficient value purchase, vehicle suppliers will look to compete on matters not just related to price. It is possible to secure driver and operator training for free or at a discounted rate along with preferential deals on parts and emergency breakdown attendance. In some cases, a supplier will agree to establish a local workshop with spares and the capacity for rapid response.

Should RECAP partners be able to agree on a consistent specification for waste and street cleansing vehicles, a joint vehicle procurement partnership would facilitate a reduction in the number of spare vehicles required and reduce down-time. There is also the potential to look at contracting across Cambridgeshire's fleet for vehicle maintenance services.

Steps should be taken to line-up vehicle procurement dates where sensible and it may be prudent to look at leasing vehicles on a temporary basis to provide a bridge for other authorities to 'catch-up' ready for a joint procurement.

RECAP Partners should continue to work together to develop a cost-effective financing model for joint procurement of 'high ticket' items such as vehicles and plant.

#### 4.2.2 Fuel

With the cost of bulk diesel having risen from 92.15 pence per litre (ppl) to 106.35 ppl in the past 12 months and a continued rise in oil price predicted, fuel costs present a major budget risk for RECAP Partners.<sup>2</sup> Rising costs can also seriously reduce or even potentially wipe out efficiency savings made elsewhere; Partner Authorities should consider following the Lincolnshire authorities' recent move towards joining together to tender for a single joint fuel contract.<sup>3</sup> This can of course be expanded to include fuel purchases for other non-waste council services and the partnership is a useful way for authorities to easily benchmark their own fuel prices with partners.

We would, however, caution that the authorities are unlikely to be able to achieve large savings on fuel unless current arrangements are particularly disadvantageous. Fuel costs cannot be greatly discounted where bulk purchases are made. Once authorities are purchasing fuel by the tanker-load, then the price will not decline much further for larger purchases. This is partly because the market is competitive, partly because supplier costs do not decline for larger deliveries (there are no genuine savings that can be passed on to the end-user) and partly because a large proportion of the price relates to tax which is obviously not variable on bulk purchases.

#### 4.2.3 Containment

With the majority of authorities using 240 litre wheeled bins, there is the potential to realise further savings through joint procurement of replacement containment (including for trade waste containment as part of a joint trade waste arrangement – see Section 6.0), although it is noted that this is an area where RECAP have already carried out joint procurement.

At some point in the future, authorities may decide to take a joint approach to service (and bin) branding and bin colour and this will increase the savings that are available. At present that is not a priority for the authorities and savings from joint procurement are going to be constrained by the fact that the partners will generally be buying different things, albeit through a single procurement exercise.

In any event, the savings that flow from *good* procurement will outstrip those that can be achieved by *joint* procurement.

#### 4.2.4 MRF Capacity and Recycling Materials

Feedback received during the interviews stage of this project revealed that the current MRF arrangements which vary between partners has been a contentious issue. When existing MRF contracts across RECAP come to an end, there will be an opportunity to explore further joint procurement, either by going out to the market to provide the MRF capacity once again, or possibly through pursuing a joint MRF facility

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<sup>2</sup> February 2011

<sup>3</sup> <http://www.letsrecycle.com/news/latest-news/vehicles-and-plant/waste-sector-reacts-to-massive-impact-of-fuel-cost-rises> [Accessed 3rd March 2011]

in Cambridgeshire or Peterborough, depending on which were to prove to be the most cost-effective option.

Given the current fluctuation across the UK in MRF gate fees and material revenues, it would be difficult to undertake, at a high level, an options appraisal for jointly procuring MRF capacity, other than to say that there would definitely be a saving from only undertaking one procurement exercise rather than multiple procurements.

Additional savings may also be available through jointly selling material, but these would be set against a relatively favourable current baseline gate fee.

Whilst a joint RECAP facility might provide a more stable longer-term option, this is not a straight-forward calculation. Eunomia's research shows that there is currently around 400,000 tonnes of uncommitted MRF capacity in England. This means that authorities are able to benefit from extremely favourable gate fee deals, with the private sector taking an unusually high proportion of the risk on material prices. It is fairly normal for authorities to be able to get favourable deals through the spot-market (although the risk of this approach means that it is relatively a less common approach for the public sector), what is not so common are the high price, multi-year deals currently being offered by MRF operators. Should this situation persist, the authorities may take the view that it would be preferable to pass the risk of material price to the private sector rather than to invest in a new Cambridgeshire/Peterborough MRF.

Whilst we do not recommend any one approach, given the complexities of the current situation and the wide variety of possible future options, it is clear that a strategic, whole-partnership approach will yield benefits.

This is an area then that is worth exploring further with some individual RECAP members having strong views that there are significant opportunities for the authorities to work together to secure a stronger deal for all parties in the future.

Opportunities should also be explored for further developing the joint procurement of bring bank services, which a number of WCAs have already undertaken. Again this is an area in which there are strong views about the current arrangements. With two authorities (Fenland and Huntingdonshire) reviewing their bring arrangements due to changes in kerbside recycling collection there is an immediate opportunity to review the service and associated contracts for all partners to ensure that the bring site network is optimised alongside and integrated with kerbside collection and that future opportunities for joint contracts are taken.

#### 4.2.5 Other Areas

Joint procurement of personal protective equipment (PPE) and other operational equipment and supplies (e.g. signage, communications and marketing material) is another potential area of savings as is joint contracting for the supply of casual and temporary operational staff (drivers and crews) to cover planned or unplanned staff absence or deal with temporary increases in resource requirements.

This type of joint procurement is unlikely to yield very significant benefits and may not justify the investment of time and valuable officer resource, though could be an opportunity to further partnership working.

### 4.3 Resources Required

We understand that joint procurement has thus far been managed via a 'lead authority' model with at least one tendering exercise being delivered via the Eastern Shires Purchasing Organisation (ESPO). Interviews carried out for this project revealed that some RECAP authorities have expressed concerns over the quality of the result.

Feedback from the RECAP partners suggest that whilst there is procurement expertise within corporate procurement teams, there is also scope to develop this expertise further and to support individuals to improve their knowledge of waste management-related procurement. There are a number of options for RECAP here: one would be to build on the resource and expertise in place to establish a 'virtual' waste procurement team across the partnership. Another option would be to for RECAP to invest in its own experienced procurement resource, or to secure access to such resource on a project by project basis possibly through Improvement East or external third party waste procurement experts.

Without clarity on the level and frequency of joint procurement projects that RECAP would like to pursue it is difficult to predict the level of resource required; although it is reasonable to assume that given a sufficient number of reasonably sized procurements, any investment in developing procurement expertise for RECAP would quickly pay for itself in terms of the level of savings that could be delivered from joint procurement and contracts.

It is recommended that suitably qualified and experienced procurement expertise be seconded to RECAP for a fixed period to identify and develop a strategic plan and business cases to deliver both short and longer term procurement savings.

### 4.4 Governance Requirements

One issue with joint procurement identified in Stage 1 of this project was that authorities can be reluctant to 'relinquish' negotiation rights with a supplier to another authority. In order to address this issue it will be necessary to be clear about roles and responsibilities in each joint procurement exercise.

Joint procurement exercises should led by the Operations Panel to a clear set of outcomes set by the Board via JWOG although again an initial analysis is required to identify and business case opportunities such that the resource required to provide leadership and oversight of the work can be identified and secured.

### 4.5 Identifying Target Contracts

RECAP should carry out a co-ordinated exercise to review all current purchasing within each authority's waste service in order to identify existing contracts and framework agreements in use and their end dates and details of any break clauses. This will allow authorities to bring as many purchasing cycles into line as possible through the use of break clauses and short term contract extensions where appropriate.

For example, where a number of contracts are due to end within a few years of each other, consideration should be given to exercising break clauses and putting in place 'stop-gap' leasing arrangements to create the opportunity to align arrangements ready for a new joint contract. Alternatively, where this is not considered to be

appropriate (for example where the additional cost of leasing or fixed term contract extensions prove prohibitively costly) a phased approach can be taken.

This exercise will also allow RECAP to consider whether existing contracts remain fit for purpose given anticipated changes to the waste management landscape brought about by the Waste Review and other policy changes.

## 4.6 Evaluation Methodology

To evaluate the benefits of joint procurement, two sample joint procurements have been considered:

- i) Vehicles; and
- ii) Containment.

The cost of the preparation of a strategic plan identifying candidate procurement opportunities and the business case for each of these has been included as part of this option. This would allow partners to examine the potential savings at a more detailed level and aid decision making.

A one off set-up cost for each joint procurement has also been included. It has been assumed that the set-up cost of joint procurement would reduce as procurement experience is gained. These costs are presented in Table 2.

### 4.6.1 Vehicles

As per the Stage 3 report, all five Cambridgeshire districts have shown interest in this option. There is also scope to consider including CCC highways vehicles and PCC vehicles. To ensure a conservative approach is taken to this high-level modelling, the CCC and PCC vehicles have not been included at this stage. Nonetheless, the practicality of also including these vehicles within any such future joint procurement should be considered as part of a more detailed options assessment.

Baseline vehicle and crew data used has been taken from the pro-forma filled in by authorities for Stage 1 of this project. Using our internal database we have attributed a capital value to each vehicle type. This cost is then annualised over 7 years.

Following comments on the Stage 4 report we have assumed that the benefits of the joint procurement will be realised over three years, between 2012 and 2015, with the latter date aligned to the end of ECDC's current collection contract. We have not modelled any change to the current vehicles; therefore the saving is based on current service provision across the five districts.

Taking a conservative approach, we have modelled joint vehicle procurement savings of 2% per annum. This 2% relates solely to the capital cost of vehicles.

### 4.6.2 Containment

Baseline costs of containers has been calculated based on the current collection systems being used by each WCA and the numbers of households requiring containment. This has been crosschecked with data supplied from the previous asset mapping work.

As per the sequence for joint procurement of vehicles we have assumed that savings accrue over a four year period between 2012 and 2015.

We have assumed that a saving of 1% per annum could be made on containment costs. This is based on the baseline containment requirements and does not account for any service change that may occur in future, or for the additional inclusion of trade waste containment. There is scope for increased savings if agreements were made regarding uniformity of containment – in particular colour and type.

Table 2: Assumptions for high-level calculation of benefit of joint procurement

Assumptions	Unit Value
Initial Options Assessment	£15,000
Initial Joint Procurement Set-up Cost	£25,000
Second Joint Procurement Set-up Cost	£20,000
Vehicle Purchasing Saving	2%
Containment Purchasing Saving	1%
Source: Eunomia estimate based on previous experience of similar joint procurements	

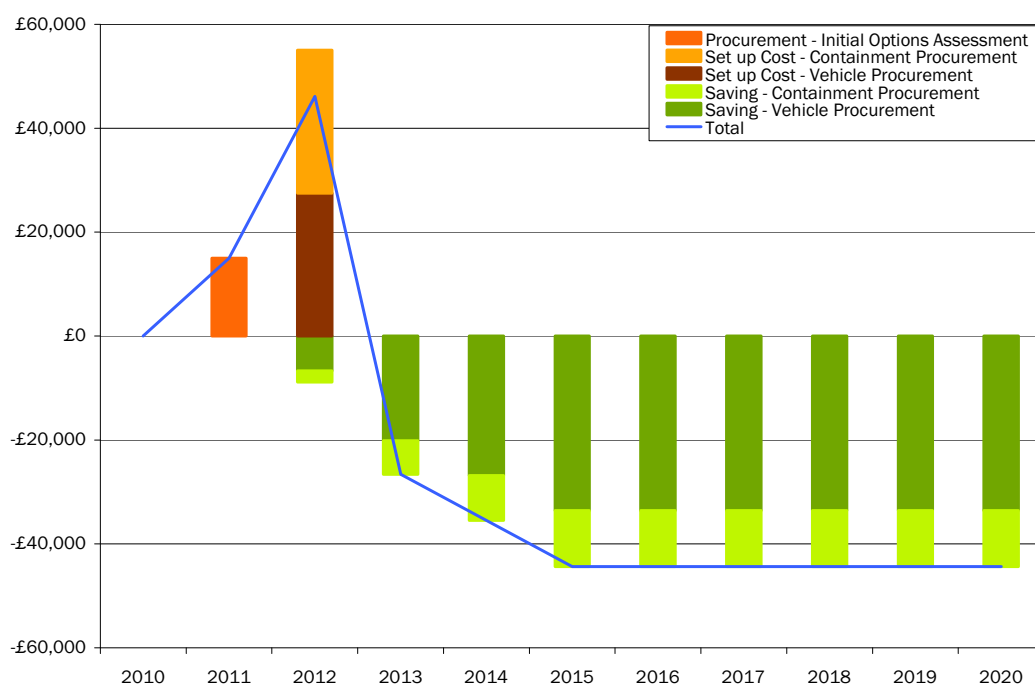
## 4.7 Evaluation Results

The net benefit available as a result of joint procurement of vehicles and containment is presented in Table 3. The cash flow reflects the assumptions described in Section 4.6. This option does not include CCC highways vehicles or PCC vehicles. If it were viable for these partners to also take part in this option, it is likely that the level of savings would increase beyond those presented here.

It has been assumed that the current level of service provision does not change. If ECDC was to change the current service to a comingled option at the end of the current contract, we would expect that the savings would increase further. This applies to approximately 10 vehicles; therefore we would expect a relatively small additional increase in savings.



Table 3: Joint Procurement, net Costs and Benefits



A number of procurement options haven't been assessed but should also be considered:

- **Joint Procurement of Fuel** - As far as we understand the joint procurement of fuel has been brought forward for further consideration and is currently progressing. As this has been explored previously and is being moved forward we have not included it in this analysis. We would note, as we have above, that although fuel costs are significant, the savings available from joint procurement are less significant in this area than they are in many others.
- **Joint Procurement of MRF Capacity and Recycling Materials** - The authorities have not established a clear approach to securing MRF capacity, future bring bank contracts or the approach to the sale of recyclate. This is very much to be expected given the stage of the partnership's development and uncertainty, particularly in material and MRF markets. If the authorities choose to jointly build their own MRF then estimating the costs of that exercise are outside the scope of this piece of work. If alternatively, the authorities choose to jointly procure MRF capacity from a private sector supplier, then the value of that will depend very heavily on when that procurement is run, the period of the contract and the materials that are to be sorted. We are currently seeing contracts let for periods of 3 - 5 years for commingled kerbside collected materials including glass with gate fee payments of £20 - £30 / tonne. Although there is very significant uncommitted MRF capacity, there is no guarantee that authorities will be able to achieve the same prices at the point at which they go out to the market. The prices that are achievable are extremely heavily influenced by commodity markets and these are volatile. The

key recommendation here, there is that whatever approach the authorities choose to take, this decision should be based on a strategic analysis of the needs of the whole partnership.

- **Joint Procurement of PPE** – high-level mapping of current expenditure on PPE has already been looked at in the assets mapping project, and it was decided not to go forward with the joint procurement of PPE. Given that this area has already been looked at, and that we would need to dig into detailed budget information of what was purchased and for how much to build on the modelling already undertaken, the joint procurement of PPE has not been modelled in this project.

## 4.8 High Level Action Plan

1. Prepare strategic joint procurement plan and timeline:
  - a. Review existing service and goods and equipment contracts.<sup>4</sup>
  - b. Agree candidate service contracts, together with goods or equipment refresh dates for each Authority.
2. Identify expert procurement resource(s).
3. Create rolling programme of joint procurement exercises.
4. Run joint procurements.

## 5.0 Option 1B: Infrastructure Harmonisation

### 5.1 Background

There are currently six waste services depots and ten HWRCs across Cambridgeshire and Peterborough, as well as four CCC highways depots. These facilities appear to be reasonably located for the needs of the authorities to which they belong. However if the RECAP area is viewed as a single collection area, then some rationalisation of requirements might be possible. There is already some co-location of collection and treatment infrastructure at Waterbeach (IVC, MBT, landfill, SCDC depot and tipping point for CCityC, EDCD and SCDC), which has reduced the overall number of sites, and will also have reduced haulage costs as the need to travel to separate sites in any one day is reduced. However, in the first three phases of examining possibilities for advanced partnership working across RECAP, several authorities have identified that additional savings might potentially be derived from further harmonising infrastructure across Cambridgeshire and Peterborough, and from cross-boundary working from that harmonised infrastructure, particularly across the collection services and including HWRCs.

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<sup>4</sup> This would allow for the review of whether the service or contract is still required or whether there is an opportunity to re-configure to reduce costs – See other joint working options.

The Cambridgeshire authorities are examining the opportunities for infrastructure harmonisation and collocation across all service areas through the Making Assets Count (MAC) project. Any work on waste needs to be cognisant of that programme. However because MAC is not service specific and does not, to the best of our current understanding draw heavily on the expertise of senior waste officers, some work may be justified by RECAP to illustrate the opportunities for harmonisation of waste infrastructure. These are very considerable (in the medium to long-term) and if preliminary work can be done by RECAP, then this could feed into MAC, to ensure that programme paid proper attention to the needs and possibilities presented by the waste service.

## 5.2 Proposal

Several possibilities regarding further harmonisation of infrastructure have been identified as follows:

1. The possibility of relocating CCityC's operation to Waterbeach so that it is co-located with treatment infrastructure for residual and organic waste (and potentially in future for dry recyclables) and is also located with SCDC's operation, enabling these operations to reduce their depot overheads and, for example, potentially to share spare vehicles and vehicle maintenance arrangements.
2. ECDC could also relocate to Waterbeach at the end of their current contract, though ECDC notes that the land from which their operation is currently run is highly contaminated and not likely to be worth much if sold.
3. Three of the CCC highways depots look to be located close to the existing waste depots in ECDC, FDC and HDC. There might be the potential for highways and waste services to share depots going forward.
4. There is also the possibility that vehicle maintenance could be shared between all authorities; although this would mean that some vehicles would have to travel greater distances for maintenance, centralising this function across RECAP may reduce overall maintenance costs by sharing resources and effectively only running one workshop. HDC in particular mentioned that they have a new vehicle maintenance facility which might be used not only by RECAP partners, but also by neighbouring authorities including, for example, in Northamptonshire. However, careful consideration would be needed regarding the current capacity of each maintenance facility and whether or not any additional resource would be required to deliver additional fleet maintenance in fewer locations.
5. PCC currently only has a single HWRC for its 77,000 households, whereas CCC has nine HWRCs across 252,500 households. Given that the HWRCs will remain outside the new contract recently let by PCC, the assessment of the locations and catchment areas of all the HWRCs across RECAP and beyond its borders may be a viable project in terms of how best to deliver HWRC infrastructure in future.
6. In harmonising and potentially relocating infrastructure across RECAP, it would then be necessary to re-optimize the collection rounds based upon the new

infrastructure configuration. This optimisation could include optimising rounds across current district borders where this is the most efficient means of collection.

### 5.3 Potential Issues

There are several important issues that would need consideration in examining the potential to harmonise infrastructure across RECAP:

1. Any work undertaken individually by RECAP would need to be considered alongside the Cambridgeshire-wide MAC project. Would RECAP be empowered by their authorities to pursue infrastructure harmonisation on a purely waste and street cleansing basis, or would they have to await the outcomes of the wider assets project? If the latter is applicable, could RECAP nonetheless set up a project team under the guidance of the wider assets project to ensure that the needs of waste services and street cleansing are met and that savings are delivered through the project? It should be noted that awaiting the outcome of the larger scale project might lead to significant slippage in the ability to deliver short-term savings for RECAP from its infrastructure.
2. Any harmonisation of depots across RECAP would leave the current depots redundant in terms of their use for waste services. Whilst in some cases this will provide a totally empty site and a valuable asset for authorities to use as they wish, the situation for a number of existing depots is more complex. For example, in CCityC, the depot is shared with taxi licensing, building services and street cleansing. For some shared sites, it is likely to be possible to sell off the part of the site that was used for the storage of waste vehicles. Where this is not possible, it may be viable to relocate all services to the new depot location, or for the non-waste services to locate to a third site. This would require further investigation for each individual case.
3. For those sub-options relating to the potential re-location of waste services in CCityC and ECDC to Waterbeach, the potential outcome could be that there are three WCAs on the same site alongside staff employed directly by AmeyCespa. Given that each service would continue to be run individually by each employer, there would be no requirement to harmonise to a particular set of employee terms and conditions. There may be some competition for labour between employers on-site; however, in reality, external market forces will be a much more significant driver in labour costs, so harmonisation impacts associated with the re-location itself would be likely to be minimal.
4. Given that RECAP is already looking to undertake round optimisation over the coming year in order to reduce collection costs across the authorities, it is important to note that further round re-structuring would be required if infrastructure locations were to subsequently change. In order to minimise time and money spent on optimising rounds, in an ideal world it would be better to first establish where rounds will start and finish before looking to optimise them. However, given the need to realise savings in 2011, and that this work is already underway, it might be most effective to start the round restructure for those authorities whose depots are least likely to move very far first, and to ensure that any optimisation undertaken is readily transferable,

with minimum resource requirements, to be calculated from a new depot site in future.

## 5.4 Resources Required

Prior to commencing any detailed work on the suggested infrastructure optimisation workstreams listed in Section 5.2, RECAP will need to liaise with the project manager of the MAC project to ensure there is no duplication of effort. It may be that some of the sub-options listed are already being looked at as part of this project; for example, we know that re-location of the CCityC depot is already being considered. RECAP officers may be able to get more involved in this project or delivering parts of the project that relate to waste services, rather than committing a full project team resource. However, if and where there are infrastructure optimisation workstreams that do not form part of or are not sufficiently covered by the MAC project, an additional project team resource would be needed. The remainder of this section on infrastructure optimisation focuses on the approach that should be taken if options are identified that fall outside the MAC project remit.

Further work should initially be undertaken on an outline business case to determine whether or not to proceed with the infrastructure harmonisation option. Resources would thus be required to develop the outline business case, and this may include wider authority support from areas such as planning and estates management officers.

Upon presenting the outline business case to the RECAP board, the board should then decide whether to commission the project, and agree a budget for delivery of that project. At this stage, a more detailed business case and project plan would be developed, and the project team resource would work towards agreed timescales and budget for the project. Given that there are a number of options listed above, several teams may be required to deliver a number of work streams. For example, if relocating the CCityC depot remains a viable option and RECAP considers that it should be looked at separately to the MAC project, then it would be prudent to include the operations manager or supervisor from CCityC in the project team, as well as a representative from the SCDC depot and from AmeyCespa.

## 5.5 Governance Options

The key governance requirements have already been addressed in the short-term options overview (Section 3.0).

## 5.6 Evaluation Methodology

Several of the proposed options come under the current Making Assets Count work that is being undertaken in Cambridgeshire. Two areas were taken forward to quantitative stage:

1. CCityC waste depot relocation to Waterbeach
2. Reduction in the number of vehicle maintenance facilities required across Cambridgeshire.

The set up costs of depot relocation were modelled to be in the order of £50,000. This allows for contract agreement at the new depot, HR arrangements, and time required to complete the sale of land that is no longer used for waste depots.

An additional rent of the new depot location is modelled at a value of £75,000 per annum. This is an average based on a valuation from AmeyCespa.

Regarding potential savings, for those depots which are authority owned and which are no longer required in the new infrastructure configuration, an income is subsequently obtained from investment of the assumed capital receipt or from rent to a third party. Income or 'rentable value' is assumed on the same basis as the current rent calculation (i.e. 10 % of capital value, based on current yield on light industrial property. This approach is based on advice from previous work with the County Valuations teams in Dorset). This value could also be viewed as a one-off capital income, we have chosen this method to show how the costs are offset over a ten year period.

The land value / annual rent attributed to the CCityC depot is described in Table 5. This value is based on work completed by the Making Assets Count team, using VOA residual land data. We have assumed that 90% of the CCityC current depot value would be realised due to a cost of relocation of other services currently located there.

We have assumed that CCityC could move locations as early as 2013, given that the land at Waterbeach is available for infrastructure to be built.

Additional savings could be obtained through the sharing of administration space, however, this has not been accounted for in the financial analysis.

With respect to shared vehicle maintenance, set up costs of this option have been modelled at £15,000. This figure includes:

- The cost of evaluating options for the location of shared vehicle maintenance,;
- Negotiation of contracts, and agreements; and
- The cost of additional infrastructure.

We have not prescribed the exact location of a shared maintenance depot as we are aware that there are a number of options for the location.

We have modelled a phased roll out of savings from shared maintenance between 2013 and 2014 with a saving at two maintenance facilities. We have assumed that the savings arising from shared vehicle maintenance will be obtained from the reduction of part of an FTE and increased efficiency. The annualised benefit associated with the reduction in maintenance facilities is presented in Table 4.

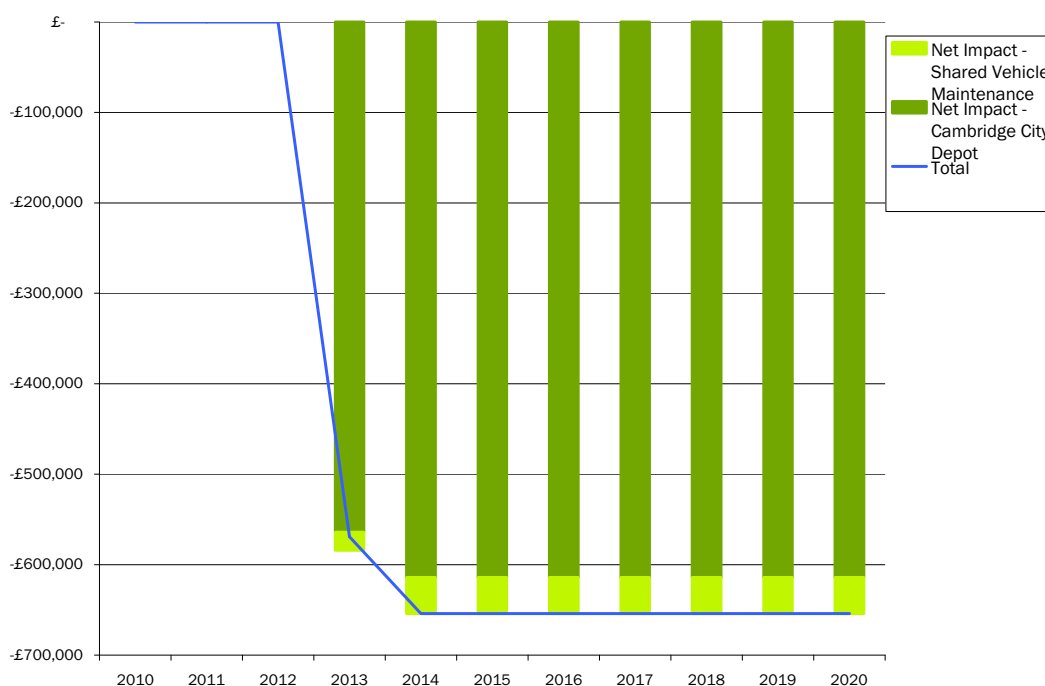
Table 4: Assumptions Option - 1B

Assumption	Value
Set-up Cost – Depot Relocation	£50,000
Set-up Cost – Joint Vehicle Maintenance	£15,000
Annual Rent at Waterbeach	£75,000
Value of Land – Cambridge City (total saleable value)	£7,656,000
Saving from Maintenance Depot Reduction	£20,000
<i>Source: Eunomia estimate based on previous partnership work</i>	

## 5.7 Evaluation Results

The savings presented in Table 5 include the annualised income of the sale of the CCityC depot. The level of saving associated with this option should be approached with caution bearing in mind that the pricing of land is challenging, and a lower land value could reduce overall saving.

Table 5: Infrastructure Harmonisation Results



## 5.8 High Level Action Plan

For those infrastructure optimisation sub-options falling outside the MAC project, the following approach would need to be undertaken:

1. Identify resource - assign project team to look at waste services and street scene infrastructure;
2. Liaise with the project manager for the MAC project and obtain any useful information on available sites for depot infrastructure;
3. If required undertake more thorough site search to ensure all available and potentially workable sites across RECAP have been identified. Also assess the potential for use of depots/locations outside RECAP boundaries as/where applicable;
4. Assess how many sites are actually required and size of site that would be needed. To do this, test a number of different configurations, based upon catchment areas for each depot. Also incorporate whether or not vehicle maintenance is required (or if this should be centralised). Focus on the location of depots for waste collection, but recognise that based upon the identification of suitable sites for these, one or more satellite additional depots for street cleansing may be required;
5. Assess the sites against key criteria such as location, environment/landscape designations, size of site, access, ease of acquisition;
6. Determine preferred sites;
7. Develop strategy to release existing assets – in some cases relocation might leave a totally empty site and provide a valuable asset for authorities to use as they wish. For some shared-use sites, it is likely to be possible to sell off the part of the site that was used for the storage of waste vehicles. Where this is not possible, it may be viable to relocate all services to one of the new depots, or for the non-waste services to locate to a third site. This will require further investigation for each individual case;
8. Determine the estimated timings for acquiring sites, obtaining planning permission and undertaking the build where necessary;
9. Consult staff regarding relocation;
10. Commence any building works ahead of relocation;
11. Commence migration of equipment and staff to new site.

## 6.0 Option 1C: Joint C&I Waste Service

### 6.1 Background

The Cambridgeshire authorities currently have a varied approach to trade waste. South Cambridgeshire and, particularly, Cambridge City, have significant trade waste operations. East Cambridgeshire, Fenland and Huntingdonshire have much smaller operations.



Table 6: RECAP Authorities' Trade Waste Businesses

	Cambridge City	East Cambs	Fenland	Huntingdonshire	Peterborough	South Cambs
Contract	In-house	Referred to Veolia's commercial arm	In-house	In-house	In-house	In-house
<u>Refuse</u>						
Predominant Containment Type and Size (Litres)	Sacks, 140 L, 240 L, 360 L, 500 L, 660 L, 770 L or 1100 L	N/A	Skips, Sacks, 240 L, 360 L, 660 L or 1100 L	Sacks	1100 L	Sacks, 240 L, 660 L and 1100 L
Number of Customers	1800	N/A	320	467	1050	1000
<u>Recycling</u>						
Service?	Yes	No Service	Yes	No Service	Yes	Yes
Materials Collected	Card, Glass	N/A	Paper, Card	N/A	Plastic bottles, mixed cans, paper card, glass bottles & jars and aerosols	Paper, Card
Predominant Containment Type and Size (Litres)	As required by customer	N/A	Sacks, 240 L, 360 L, 660 L or 1100 L	N/A	1100 L	240 L, 660 L and 1100 L

CCC has a PFI with a fixed minimum tonnage. Currently it appears that the facility may be operating at approximately 7kt beneath the Gross Minimum Tonnage (GMT). The next 7kt can therefore be treated within the existing PFI Unitary Charge. This is not to say that this waste can be provided to other companies or authorities free of charge: CCC has an obligation to 'sell' this capacity. However the County may be in a position where it can offer capacity to commercial waste customers at competitive rates. When operating beyond the GMT the cost of waste treatment (to CCC) will be £16/tonne.

In addition, LATS is biting much less hard than anticipated and may well be dismantled following the upcoming national Waste Strategy Review. The pressure to force trade waste out of the municipal system is now declining and may disappear.

These facts create a potential opportunity for the partnership to work towards the innovative development of a jointly owned business for the collection and treatment of commercial waste, while strengthening partnership working within RECAP.

The size of the commercial waste and recycling market in the RECAP area is likely to be significant. The collection authorities already provide services with a complete geographic spread and are therefore likely to have competitive advantage in collecting this waste.

The partnership therefore has competitive advantage from two perspectives if it chooses to collaboratively engage with this market.

## 6.2 Proposal

A new, jointly owned, Local Authority Trading Company (LATC) could be established to enable authorities to take advantage of the opportunity to develop this business collaboratively. This company would take responsibility for service administration and marketing, leaving WCAs to continue to make (and be paid for) the actual collections. The intention here is to share the business overheads whilst leaving authorities free to focus on their area of specialisation – collection for the WCAs and disposal for the WDA.

Customers would be invoiced by the LATC which would, in turn, be invoiced by the authorities for the costs of service provision.

Payments for service would be split as follows:

1. Costs of collection plus a margin to be agreed, to be passed to the collection authority in each district.
2. Costs of disposal to be passed to the disposal authority for its cost in treating the waste.
3. The not-for profit LATC retains that proportion of the invoice required to cover marketing, new business development, administration, invoicing and debt recovery;
4. Shareholders (the RECAP authorities) may or may not decide that a surplus could be retained by the LATC to support further RECAP work.

Under this proposal, those authorities with existing trade waste businesses benefit by sharing the costs of marketing and managing the service with others. In addition, CCC may be able to offer favourable rates to the LATC given that it will be a shareholder of this company. If that is the case, then the LATC will be able to offer a more competitive rate to service users and to be able to develop the business more rapidly for the benefit of all authorities.

Additionally, all authorities will benefit from a more active approach to winning and developing new business. Under a variant model, one or more authorities might provide their capabilities in this area to the LATC at reasonable cost.

Those authorities without an existing trade waste business benefit from a collaboration which allows them to develop new revenues without needing to put in place new administration or commercial management resources. New customers can simply be added to existing household waste collections with revenues collected centrally and passed back to the authority in a single monthly payment. (Although clearly it will be necessary to agree an approach to understanding how much waste is being collected for the purpose of fair charging.

The benefit for the County Council under this approach is that a much more active approach to developing C&I waste collections will mean better utilisation of the PFI infrastructure as a means to meeting the PFI business case.

Three alternative approaches could be taken to resourcing the LATC:

1. A new staff could be recruited to manage the administration and marketing of the service. Such an approach would also require the LATC to invest in new customer invoicing systems. Issues including pay and rations and accommodation for this new staff would need to be addressed. Clearly this approach is likely to be expensive and time consuming.
2. One or more authorities could provide services to the LATC under a sub-contract. Service management and invoicing could be provided by one authority, business development and marketing with another, financial reporting with a third. The authorities will need to evaluate the costs that fall on the LATC under this approach to ensure that they are proportionate and competitive.
3. The LATC could be operated as a virtual organisation, with responsibility for business development, marketing, customer invoicing, preparation of work instructions all passed to a private sector sub-contractor. Under this arrangement, the LATC would also look to divest itself of the risk of bad debt.

## 6.3 Potential Issues

### 6.3.1 Competition with Existing Local Authority Trade Waste Services

Those authorities with existing trade waste businesses have expressed concerns that any collaborative arrangement such as that described here might compete with their existing operations. Under the structure described above, this will not be an issue. All partners will be paid for any waste that they collect with only the marketing and administration elements of the service being shared. However, if some authorities find this proposal attractive and others do not, it is entirely feasible for a collective approach to move forward with only a subset of the total RECAP group and for this to happen in such a way as to avoid competing with any partners' existing businesses.

### 6.3.2 Structure Issues

Local Authority Trading Companies can be established under section 95 of the Local Government Act 2003. They are well-understood and well-used structures but have not been established under the joint ownership of a number of authorities in a large number of cases. Under these powers, local authorities are able to trade in their own functions and discharge functions for other authorities. There are complexities around joint ownership of this type of company by authorities which do not have identical functions. For example CCC as a WDA does not have the functional responsibility to collect C&I waste. However, our understanding is that this issue can (and has) been addressed in other cases.

Other powers, including under the Environmental Protection Act 1990, could be called upon in the establishment of this type of organisation.

It is necessary to establish a company of this type with carefully considered objects (as expressed in the Memorandum & Articles of Association). There are legal difficulties for local authorities in establishing an organisation which is explicitly intended to generate an operating surplus (a profit) but such an organisation can make a profit if this is 'incidental' to its main purpose (for example, it may be established to provide excellent C&I waste and recycling services to local businesses).

In addition, the authorities will need to consider whether they wish for this new structure to be usable for carrying out (and investing) in other partnership related work. If so, this will need to be reflected in the company's objects.

Clearly, if the authorities wish to take this proposal forward, legal advice will be required and the authorities will wish to identify an officer who can take a lead on this.

### 6.3.3 Resources Required

Resources will be required to clarify the legal and structural issues and to establish any new legal entity which is deemed necessary. Taking this advice should form part of the option appraisal.

The resources required to market the service to win new business and to manage the service and customer billing will depend on the approach taken. Alternatives are described above.

Clearly this is an important issue and one on which the authorities will need to take further advice before deciding which approach is likely to work best for them. For the purpose of modelling we propose to model the use of a private sector supplier providing marketing and billing services, not because we particularly recommend this approach, but because this approach provides predictable and therefore easily modelled costs.

## 6.4 Governance Requirements

The governance requirements for this option need to be considered carefully. Effectively, members of the RECAP board could act as shareholder representatives (representing the interests of their individual authorities) with the JWOG officers appointed as the Board of Directors.

If not all partners wish to participate, issues surrounding governance may be slightly complicated but can probably be resolved fairly easily.

## 6.5 Evaluation Methodology

To evaluate this option we have considered a partnership approach comprising all authorities except ECDC. Clearly this authority will be in a position to participate using various approaches but, given the Veolia contract the authority is not directly comparable and service provision is likely to be more expensive. This should not be

seen as an impediment to ECDC's eventual inclusion within such a service which should be explored if the option is taken forward.

We have assessed the size of the market by looking at the number of VAT registered business in Peterborough and Cambridgeshire.<sup>5</sup> We have assumed that, given competitive trade waste prices, the RECAP authorities will be in a position to win up to 50% of the C&I waste and recycling market in each area where the service is operated.

We have projected that the sales efforts of the joint RECAP approach result in each authority increasing its total customer base by 200 customers per annum.

Typically when authorities carry out a full cost of service analysis, we see service management overheads (including bad debt) at around 15 – 20%. (The precise figure depends heavily on the approach taken to internal recharges for managing invoice transactions and the level of bad debt and we have seen cases where service overheads are as high as 40% of total turnover). For the purposes of this high-level business case assessment, we have assumed that the individual authorities have a service management overhead of 15%.

Where overheads are shared across multiple services and where the costs of administration and marketing are managed down, it is quite normal to find a service operating with overheads of 7 – 10%. Again, for the sake of conservatism, we have taken the figure of 10% when calculating service management overheads in the event of a partnership LATC operated service.

It has been assumed that customers will be charged a cost that will cover the collection, disposal and administration of the service. The County will invoice the LATC for the cost of disposal, and authorities will invoice for the cost of collection. It has been assumed that each authority will continue to collect C&I waste and recycling under their current service.

Where an authority has an established customer base, the benefit of a joint approach show up in reduced service overheads. For all authorities, we have also included the benefits of a larger business, driven by a dedicated marketing and sales push.

We have not shown any benefit accruing in terms of new treatment revenues, material sales or more competitive treatment costs to any party.

Given that this report provides only high-level analysis of each option, we have not included the potential costs of round optimisation and any requirement for investment in new vehicles as rounds reach an optimum number of customers. The effect on labour has also not been assessed at part of this high level analysis.

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<sup>5</sup> Office for National Statistics (2009) *UK Business Size and Activity*, available at: <http://www.statistics.gov.uk/statbase/product.asp?vlnk=933>

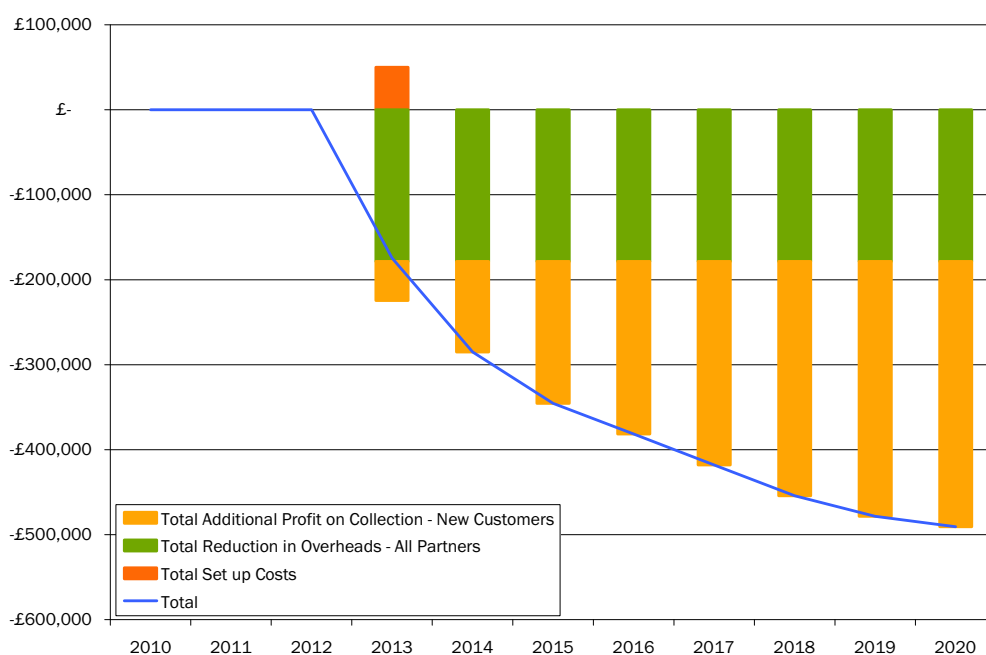
Table 7: Assumptions for high-level calculation of benefit of joint C&I service

Assumptions	Unit Value
Total Set-up Costs	£50,000
Annual revenue per Customer – No Active Recycling	£700
Annual revenue per Customer – Active Recycling	£800*
Reduction in <b>Current</b> Overheads Per Annum	5%
<i><u>Split of Revenue – Joint Trade Waste</u></i>	
Overhead	10%
Disposal Cost Invoiced	25%
Collection Cost Invoiced	65%
<i>of which profit margin</i>	12%
Note: *When the joint trade waste option has been set up assume all customers will be charged the active recycling customer rate of £800. Additional profit margin to collection authorities apply to <b>new</b> customers only.	

## 6.6 Evaluation Results

The cash flow associated with a joint trade waste service is presented in Table 8. It has been assumed that customer numbers will increase as a result of more active marketing and business development through the joint approach.

Table 8: Joint Trade Waste, net Costs and Benefits



It should be noted that these benefits are independent from existing revenues. The current customer base, the projected future customer base and the value of the joint approach to each authority is shown in Table 9.

Table 9: Current and Future C&I Waste Service Customers and Additional Revenues

Authority	Total Customers - Current	Total Customers - 2020	New Revenues 2020 (NB - these are additional to existing revenues)
CCityC	1,800	2,400	£99,288
ECDC	N/A	N/A	N/A
FDC	410	920	£47,245
HDC	467	2,067	£113,113
PCC	1,050	2,250	£109,326
SCDC	1,151	2,400	£73,196
<i>Total</i>	4,878	10,037	£442,167

## 6.7 High-Level Action Plan

An action plan for this initiative cannot easily be developed without the authorities collectively first determining which and how many partners are interested in this type of collaboration. Also, the structural issues which need to be addressed are rather complicated and the action plan will depend on the approach which the partnership wishes to take forward.

In the first instance partners should:

1. Consider their appetite for a joint C&I waste and recycling service and the business case which is developed.
2. Secure legal and potentially other business development advice (regarding the size of the business that can realistically be developed) as a precursor to defining a preferred approach to taking this forward.

Only at that point will it be possible to develop even a high-level action plan.

## 7.0 Option 1D: Joint Delivery of Bulky Waste Services

### 7.1 Background

Although much of the focus in local government, in partnership work and through this project is directed towards identifying opportunities for cost-saving, this is far from being RECAP's only purpose. It is unlikely that any of the authorities would want to see the partnership taking a narrow, purely financially-focussed perspective in future.

Where there are opportunities for RECAP to continue to focus on improved environmental performance and the provision of good public services, it is clearly important that these should continue to be given priority. One such area is around the provision of bulky waste removal and reuse services.

Currently the collection authorities operate chargeable collections for the removal of bulky waste (that which is too large to be removed through the normal household collection). The charges shown in Table 10 vary fairly significantly, although none are particularly towards the low-end of what we normally see.<sup>6</sup>

We understand that the County Council is looking at their options in this area. Any work taken forward by RECAP should complement the work that is already being done.

Where bulky waste is not collected, then the householder can take this material to an HWRC to deposit.

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<sup>6</sup> Network Recycling and Furniture Re-use Network (2005) *Bulky Waste Collections: Maximising Re-use and Recycling - A step-by-Step Guide*, Report for Department for Environment Food and Rural Affairs, December 2005



Table 10: WCA Bulky Waste Charges

	Cambridge City	East Cambs	Fenland	Hunting-donshire	Peterborough	South Cambs
Charges 2010/11	One item £20 Two or three items £26 Four - six items £30 Seven - 10 items £40	3 items £20	£21.65 for up to a maximum of 4 items (minimum charge) £10.00 for each household item above 4 items Fridges and Freezers £15.85	Household Bulky Waste: Six Items or less £26.00 More than six items £35.00 per hour (Commercial Bulky Waste £75.00 per hour + VAT)	None in 2009/10. Charge of £23.50 introduced in 2010/11.	Charge of £30.00 for the first 3 items and £5.00 per extra item booked at the same time.

Although we understand that options for re-use are under investigation or have been considered in the past, none of the bulky waste currently collected from the household or taken to an HWRC is currently re-used. Re-use (and waste prevention) sit at the top of the waste hierarchy and should be given high priority. However, the quantities of waste involved and the expense of promoting and supporting waste re-use mean that these types of initiative can be difficult for an individual authority to pursue with the necessary focus and resources.

It would appear, therefore, that there may be opportunities for RECAP to support its member authorities in developing projects designed to lead to bulky waste re-use. This opportunity opens the potential to partner with third sector organisations to support the 'Big Society', community engagement model which authorities are being urged to consider.

In work for WRAP in 2009, Eunomia and REalliance identified 691 third sector organisations involved in waste and recycling service provision, of which 16% were operating furniture and electrical goods re-use projects.<sup>7</sup> Collectively these organisations were diverting an estimated 42,500 tonnes of furniture and white goods from landfill.

There is an increasing trend for local authorities to contract directly with third sector organisations. Authorities (including Worcestershire, Shropshire, Doncaster, Devon, Wigan and many others) have either contracted directly with third sector organisations to support furniture and other bulky waste re-use or have secured the services of such organisations indirectly via a sub-contract with a larger private sector waste services provider.

<sup>7</sup> Eunomia Research & Consulting *Third Sector: Investment for Growth*, Report for WRAP, June 2009

Currently, the Furniture Reuse Network is developing a whole-city framework contract to assist London Borough Councils to draw on the services of this sector. Although this particular project is well-supported by money from the London Mayor (via the London Waste and Recycling Board), many other projects are being established without any external funding. WRAP is expected to release new guidance imminently setting out how to structure procurement exercises appropriately to suit the scale and tendering capabilities of this type of organisation.

At the moment there are a number of third sector furniture re-use organisations providing these services in Cambridgeshire and Peterborough (although not supported by any contract with the RECAP authorities). The Community Recycling Network manages a directory of member organisations that manage furniture (and white good) re-use projects, of which the following are in Cambridgeshire or Peterborough:<sup>8</sup>

- Branching Out, Ely;
- Cambridge SOFA, Cambridge;
- Compass SOFA & Compass Electricals, Peterborough;
- Emmaus Cambridge, Cambridge;
- Fenland Family Support Centre, Wisbech;
- St Barnabas, Huntingdon;
- Salvation Army, Huntingdon;
- The Ferry Project, Wisbech;

In addition, the Cambridge Council for Voluntary Service, which provides support to community groups in CCityC and SCDC, could provide a good link through which voluntary groups could provide re-use services for certain items of bulky waste such as WEEE.

## 7.2 Proposal

It is proposed that RECAP considers the potential offered by a partnership with one or more third sector organisations to maximise the re-use of furniture, white goods and other reusable bulky waste collected either through bulky (or special) collections and which is taken to HWRCs for disposal. If there is the necessary third sector capacity and appetite, then RECAP should look to let a framework contract for the provision of bulky waste collection and reuse services.

A framework contract will allow for one or more than one service provider to bid to provide services (based on their capability to deliver those services). Two types of services are likely to be required.

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<sup>8</sup> CRN Member directory, accessed 19/3/11;  
<http://www.crn.org.uk/cwne/directory/Cambridgeshire.html#Anchor-Furniture-33869>

### 7.2.1 Bulky Waste Collections

Certain authorities currently fully outsource their entire bulky waste service management and delivery. Under this approach, callers are directed from the authority website and by front-office call handling staff to a third sector provider. This company, under contract to the local authority, responds to a resident request for a bulky waste collection, sets an appointment as would the local authority if it were providing the service directly, and then, when making the collection, separates that which is suitable for reuse from that which requires disposal.

That material which is to be disposed of (or composted) is taken to WDA facilities with the costs of disposal sitting outside the contract and remaining with the disposal authority (a small third sector organisation will not be able to accept the unknown disposal cost risk).

That material which can be re-used will be taken back to the third sector organisation's depot / premises for testing, simple maintenance and to be made available to the public. Where items are re-used, this will be recorded using a standard approach with data passed back to the authority (or authorities) in question so that they can demonstrate the success of the project in terms of tonnage of material reused (other metrics, including number of vulnerable families assisted can also be recorded).

In the event of a whole-partnership approach, it may be necessary to let the contract in a number of geographically specific lots allowing third sector organisations to bid to supply services within a specific district's area. This overcomes the anticipated difficulty that no (or very few organisations) within Cambridgeshire or Peterborough will be of sufficient size to provide this type of service to the whole RECAP area.

From the perspective of the authorities, the costs of service management are passed to the third sector organisation. However, revenues from bulky waste charges will also pass to those organisations. There is, therefore, a calculation for each authority to consider whether the lost revenues are less than, equivalent to or greater than the cost of service provision. Only at this point will it be possible to for the authority in question to be clear as to whether this arrangement is likely to be financially acceptable.

We understand from conversations with a specialist who has been closely involved in the development of local authority third sector bulky waste collection contracts that for this arrangement to be financially viable to a third sector organisation, collections need to be charged in the range £23 - £30 / collection.<sup>9</sup> This is comparable to the service charges currently in place amongst the RECAP authorities. From the

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<sup>9</sup> Caroline Lee-Smith is a leading advisor on how local authorities can successfully contract with third sector organisations for the provision of this type of service. As well as working alongside Eunomia on a number of projects, she has worked for WRAP in helping authorities to establish these types of arrangement and is currently supporting the development of the whole-London re-use network. We have spoken with Caroline in connection with this project and these figures are based on her knowledge and experience.

perspective of the resident, therefore, service costs are unlikely to need to change significantly.

As discussed above, however, the value of this type of joint initiative is not primarily financial. If the costs are acceptable to the local authority (in terms of lost revenue), or if the letting of this type of contract is cost-neutral (and this is realistic), then a number of benefits flow. Waste prevention is supported and, importantly, is seen by the public as being supported. The service creates a platform for the promotion of the authorities' key waste prevention messages. In addition, support for third sector organisations is likely to bring other benefits. This type of organisation contributes to the culture and community of an area and is likely to contribute constructively to the debate regarding household waste. As such, some of the load regarding public engagement around waste disposal and recycling is picked-up by a non-council organisation.

In addition, authorities are under some pressure to demonstrate that they are supporting 'Big Society' initiatives. These types of organisation fit that agenda perfectly, not just through the services that they provide when they collect material from the householder, but also when they return reusable items to vulnerable members of society, often using staff with learning disabilities or the long-term unemployed in the process.

#### 7.2.1.1 Reuse Facilities at Household Waste Recycling Centres

Both Cambridgeshire and Peterborough's HWRCs make provision for the collection of WEEE, rubble and textiles and these materials will (where possible) be re-used. This is clearly good practice but, if space permits, it may be possible to increase the quantity of waste passing through these sites which is reused. A number of HWRCs around the country now have re-use facilities including, in some cases, shops for the re-sale of items of furniture and WEEE.

The options open to Cambridgeshire will depend heavily on space and on site management policies and other arrangements. If container space is available it may be possible to train staff to set-aside greater quantities of material for re-use – particularly furniture – than are already being captured. If more space is available, then it may also be possible to provide furniture re-use outlets. In the latter case, then any arrangement with a third sector organisation for the collection of bulky waste, could be structured to allow that organisation access to an HWRC (or adjoining land) as an outlet for the same material.

As with household bulky waste collections, this type of arrangement may generate very limited revenues but is only likely to be supported if the authorities take a wider view of the benefits that such a model offers in terms of community value and the active promotion of waste prevention.

### 7.3 Resources Required

In the first instance, the authorities will need to carry out a more detailed analysis of the opportunity to look at both the capacity of the third sector to support this type of initiative and the space availability / constraints (and other issues) at the HWRCs. This work could be delivered through existing RECAP resource although it is realistic to expect that WRAP may also be prepared to offer funding to support any such

investigation. We would not envisage that this would need to be a large or complicated piece of work, but rather that it would involve interviews with third sector organisations and interviews with HWRC operators.

Beyond this point it is again realistic to imagine that the preparation of contract documents and the tendering and letting of a contract might be done using internal resource. WRAP guidance will, as stated above, be imminently available and action plans have been prepared for other authorities setting out the approach that should be taken; WRAP may also be able to make these available to the RECAP authorities.

## 7.4 Governance

No additional governance is seen as being required to deliver this project.

## 7.5 Evaluation Methodology and Results

A quantitative approach has not been taken to assess the benefits of jointly contracting to secure third sector support to deliver bulky waste services. Given the authorities' current charges, it is likely that in broad terms the services being offered are cost-neutral. The proposal here is structured with the intention of developing an approach which remains cost-neutral. No financial benefits have therefore been modelled.

The purpose of jointly contracting with a third sector organisation will be to achieve social value, increased reuse and associated waste promotion opportunities. It is not intended within this proposal that this approach will lead to increased revenues from this service. It is possible that there will be a small reduction in service management costs for the authorities and that there will be increased levels of reuse which bring some benefit to CCC. However, in neither case will these gains be significant and they have not, therefore, been worked-up.

Clearly the authorities will wish to carry out a slightly more detailed analysis of their current costs of service provision to reassure themselves that this opportunity does not represent a new cost.

## 7.6 High-level Action Plan

If the partnership feels that it would benefit from support in carrying out a capacity analysis, then an application for WRAP support should be prepared and submitted. Otherwise this work could be delivered almost immediately.

Any work beyond this stage, will depend on the findings of the first stage.

# 8.0 Option 1E: Joint Efficiency/ Contract Reviews

## 8.1 Background

In our discussions with authorities, we have found that a number of authorities are already considering efficiency reviews as a logical step forward in trying to reduce the costs of existing services. RECAP is, for example, already looking at round optimisation as one way of reducing costs of delivering collection services within each authority. In addition to this work, individual authorities are continuously making

efforts to achieve efficiency. RECAP might wish to consider commissioning further work to maximise productivity of both staffing and vehicle arrangements, to review existing contracts where applicable and to deliver savings across the service without making changes to the services that the residents receive.

## 8.2 Proposal

The proposal for the joint efficiency/contract reviews option is based upon the idea that each partner contributes to a central fund, much as is the case for RECAP's communication, waste prevention and other work, in order to support the review of an existing service area, operation or contract for a particular authority. As noted in Section 3.4, there are several overarching funding mechanisms that might be applied in order to determine both the contributions to the central fund and how the benefits are subsequently shared. For this approach, we would suggest that the second approach might be more applicable, enabling partners to collaborate even where a specific project may not be of *direct* benefit to the authority in question, because the agreed formula justifies any investment. Thus, on completion of an efficiency review, the majority of the savings derived would pass to the individual authority within which the review was undertaken, but a portion would also go back to the central fund to cover the initial investment of all partners and to finance further reviews. The fund would thus be replenished. Initiation of each review would need to be supported by a compelling business case to ensure funds are invested only where appropriate.

This option focuses on the efficiencies that might be derived in examining the front-line services for each authority. A number of techniques may be used to try to identify savings via improved efficiency, including the following:

- Looking at staff terms and conditions – are staff working under contracted hours, task and finish or group task and finish? Do terms and conditions include any contractual overtime? What is the subsequent collection services work rate that results from these arrangements?;
- Undertaking work study to get a view on general productivity levels of particular rounds and establish where improvements might be made. This is also an opportunity to look at whether there are any health and safety issues on the rounds;
- Vehicle design – are vehicles being used near to capacity, could any changes be made to vehicles to improve productivity of the crews?;
- Examining crewing levels for each round;
- Undertaking a round optimisation exercise (note this is already scheduled to be undertaken by several authorities in RECAP over the coming year so will only be factored in as a cost or saving for this option for three authorities for the purposes of this high-level options appraisal);
- Contract reviews – where the service is currently outsourced, a contract review could be undertaken; engagement with the contractor would be required to understand their appetite for change and readiness to support the need to drive through savings. An operational review of the contractor's service might then be undertaken, alongside contract renegotiation including potential

changes to the services that are delivered, in order that savings are derived for both the authority and the contractor;

- Review existing HWRC operations including considering how to accept / attract trade waste through the sites;
- This option could also involve some collections modelling to test different vehicle and crew configurations and establish what the financial and performance impact of any changes in service might deliver for particular authorities should they wish to consider any such changes going forward. Expanding this further, future work in this area might also include undertaking a wider options appraisal to deliver savings through changes to the current service configuration.

It should also be noted that an efficiency review might also include a review of current 'back-office' or waste management processes, and ways in which, for example, IT might be used to support improved process efficiency.

### 8.3 Resources Required

The funding for this option might either be through the existing central RECAP fund or through an additional fund, depending on the priority placed on delivering efficiency projects compared to other work streams (including existing RECAP activities). As with all options, each proposed efficiency project would need to be formally commissioned by the RECAP board for a project team to deliver.

Given the need to find efficiencies, it may be that the particular authority under review will require external support to, for example, undertake work study activities or deliver a contract review, or to effectively be an outside voice in identifying any inefficiencies (if they exist) and to drive forward the changes required to address those inefficiencies. It may be that another partner authority could provide this service at agreed day rates, depending on whether the authority under review would be comfortable with this arrangement.

Once recommendations have been received, the authority in question will need to consider how to respond and which of the recommendations it wishes to take forward. Again it may wish to use external or partnership support to drive through any required changes.

### 8.4 Governance Requirements

The key governance requirements have already been addressed in the short-term option overview (Section 3.0).

### 8.5 Evaluation Methodology

The cost of carrying out an efficiency review is likely to be of the order £30,000. Given that the authorities are already in the process of purchasing round optimisation software, this has not been included in our calculations. An additional cost of £60,000 has been assumed for the implementation of recommendations arising from the review. For ECDC we have included an additional cost for a contract review of £40,000.

Without a detailed review of the current services in each authority, it is difficult to say what level of savings might be achievable from each review. We have therefore erred on the side of caution and assumed a low percentage saving, assumed to be 5% of current operating costs. However, our experience shows that efficiency reviews at this level can result in annual savings of up to 15%. Current operating costs were supplied by all authorities for the Stage 1 report.

We understand that the ECDC contractor has already reviewed the current service and calculated a saving of between £40,000 and £400,000. We have assumed a conservative saving of 5%, assuming some efficiency is gained from the Veolia review.

The timing of these reviews is staggered, to allow for the benefit of a review to feed back into the pot and fund the following reviews. We have assumed one review will take place in 2012, followed by two in 2013, a fourth review in 2014 and a final efficiency review in 2015.

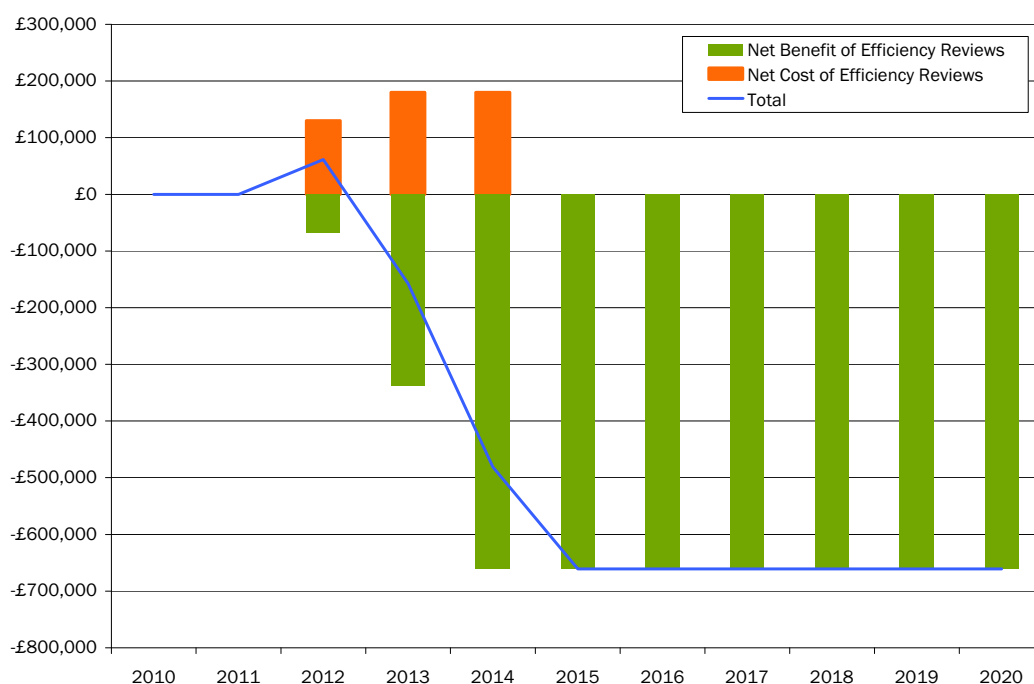
It should be noted that it would be necessary to identify the order in which reviews would occur and agree the budget for each review in advance. It has been assumed at this stage that each review would require the same budget, with an additional cost for the contract review.

## 8.6 Evaluation Results

The potential benefits of undertaking five efficiency reviews across the Cambridgeshire WCAs are presented in Table 11. There is scope to include an additional cost and saving if PCC were to be included in this option. Additional work would need to be undertaken to assess the most productive order in which to complete the efficiency reviews and the exact nature of the distribution of benefits.



Table 11: Joint Efficiency Reviews, net Costs and Benefits



## 8.7 High Level Action Plan

1. Determine which authority should initially get support in undertaking an efficiency and/or contract review and the specification for the support that the authority requires;
2. Determine budget required from the central RECAP fund to deliver a particular efficiency project (this is what will be needed to be paid back into the fund on completion of every efficiency review);<sup>10</sup>
3. Identify internal resource to manage the efficiency review project and to commission support as required;
4. Ensure have sufficient detail on baseline costs and performance for that authority and an agreed method of establishing changes to the baseline cost that directly result from efficiency savings;

<sup>10</sup> The agreement between the authorities in terms of paying into the RECAP fund will need to consider what to do if a particular efficiency review does not deliver against the proposed savings in the business case and the authority is unable to fully replenish the fund on completion of the review. The requirement to pay back the money may be made a formalised condition of using the RECAP fund to ensure that each authority strives to maximise their return on investment. However, a more informal arrangement might be considered in order to manage the perceived risk associated with this requirement which might otherwise lead authorities to under-estimate the savings available and refrain from committing to undertake an efficiency review.

5. Undertake an efficiency review to identify any areas where changes may be made to existing services to deliver savings;
6. Set up work streams to deliver the potential efficiencies identified in the initial examination of service. Work streams may include areas such as HR, operational change and IT;
7. Compare baseline costs against the new set of costs to identify savings derived from the efficiency project;
8. Pay back pre-agreed fraction of savings into the central RECAP fund;
9. Undertake lessons learned and seek approval for commencement of next efficiency project.

## 9.0 Option 2: Fully Integrated Partnership

### 9.1 Background

The first three stages of this project have revealed a variation in the appetite for considering the option of full-integration of waste management services for Cambridgeshire involving a shared Joint Waste Committee. Whilst a number of authorities were keen to explore this option further, initial research suggested that two authorities were not currently interested in the approach.<sup>11</sup> It is also worth noting that as an approach to enhanced two-tier partnership working, this approach might not suit the inclusion of PCC as a unitary authority.

Given the relative cautiousness towards the option of full service integration we have thus far focused on shorter-term options and have looked in more detail at some of the 'quick wins' that might be available to RECAP. However, in order to provide partners with a greater understanding of the potential savings that would be available from the fully-integrated option, we have outlined the main features and opportunities below.

### 9.2 Proposal

The purpose of forming a Joint Waste Committee would be to fully integrate the decision making on waste management for Cambridgeshire, with the members of the committee having delegated powers for strategy,<sup>12</sup> policy and service delivery to optimise the whole system to strike the best balance between service performance, cost and environmental impact unconstrained by the current collection and disposal split and without regard to existing historical administrative boundaries.

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<sup>11</sup> See Stage 1 Report

<sup>12</sup> Including the Joint Municipal Waste Management Strategy (JMWMS)

### 9.3 Joint Waste Committee

A joint committee would be established under Section 101 and 102 of the Local Government Act 1972 , section 20 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000.

Such a joint committee would be made up of elected members appointed to it by the constituent authorities. It would have certain decision-making powers delegated to it by each of the constituent authorities, with a scheme of delegations set out as part of the constitution of the joint committee. The committee would be able to take decisions on behalf of all constituent authorities within those delegations. Therefore, a decision taken by the joint committee would, in law, be a decision of each constituent authority.

However, a joint committee is not a separate legal entity and, as such, cannot enter into contracts in its own right or employ staff directly. In order to do these things, one or more constituent authorities must be appointed to act as administering authority, via a delegation under the provisions of Section 101 of the Local Government Act 1972.

### 9.4 Service Management

The Joint Committee model would usually involve the full integration of the management of collection and disposal services. Street Cleansing services are likely to be included given their integration with waste services for many authorities and there is also the potential to include other related services such as grounds maintenance where there are existing strong relationships and the potential to realise economies of scale savings.

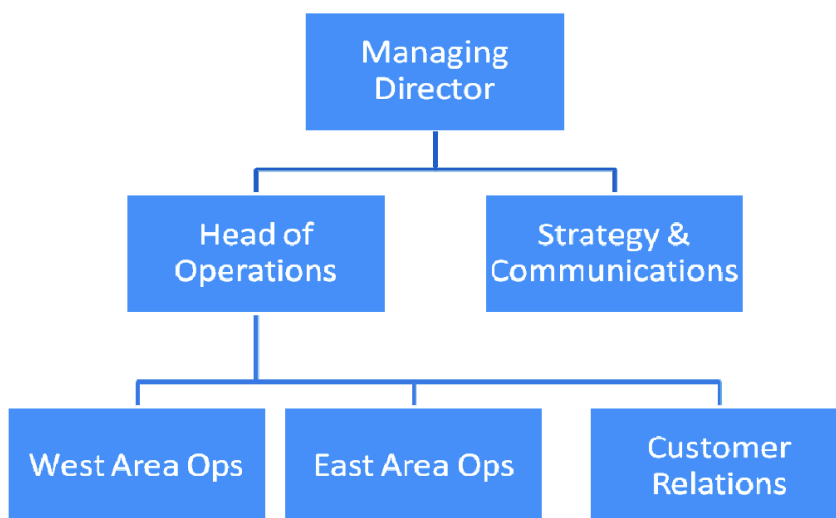
The Joint Committee would agree an annual business plan and budget and this would be delivered by a joint management unit comprising 'back office' service management staff from the constituent authorities, now employed by the Administering Authority. By way of an example, the high level structure for the Somerset Waste Partnership (SWP) shared management unit shown in Figure 1.

The principle of a single budget is important. There is no longer the need to manage the exchange of finance between tiers which in itself can deliver savings in terms of eliminating some accounting and management information tasks.

The creation of this budget should be based on a cost-sharing mechanism which takes into account the partners' relative responsibilities for collection and disposal costs and the variation between partners in household numbers and population sparsity and service design.

Although there is a single, shared management team for the partnership, customer contact can remain provided by each constituent authority; whilst integrating customer contact for waste across the partnership is an option, where each authority has its own corporate shared customer contact centre this is often a barrier given the potential viability of these centres once waste and street cleansing calls are moved elsewhere.

Figure 1: Somerset Waste Partnership Shared Management Structure



### 9.5 Service Delivery

A Joint Waste Committee does not presuppose a specific form of joint service delivery; The Somerset Waste Partnership (SWP) for example have rolled out a single collection service design to all Partner authorities, whereas in Gloucestershire, where four WCAs and the WDA are at an advanced stage of planning for a partnership based on the Joint Committee model, there are no current plans to harmonise service designs.

It is worth pointing out that as one might expect, the greater the harmonisation of services, the greater the potential for efficiency savings, and, depending on the service design, environmental benefits. Whilst it is noted that RECAP authorities have relatively similar service designs compared with some two-tier areas, it is acknowledged that this is a decision not limited to financial savings; ultimately it is a political decision.

As noted above, given its recent award of a long-term service contract, PCC would not be able to join in any collection or street cleansing service integration. It may however be able to work within a Joint Committee structure on HWRCs, bulky waste, trade waste, and emergency treatment capacity provision etc. PCC could therefore, whilst not being eligible to participate as fully as other authorities, still have a presence on the Joint Committee, possibly as a non-voting member.

Although this option for advanced partnership option is relatively challenging and involves a significant resource requirement (see below) there are opportunities for significant savings (Table 12).

Table 12: Business Cases for Joint Waste Committee Partnerships

	Somerset	Dorset	Gloucestershire
Proposed arrangements	Joint Committee	Joint Committee	Joint Committee
No. of authorities	6 (inc 5 WCAs)	7 (inc 6 WCAs)	7 (inc 6 WCAs)
No. of households (rounded)	210,000	189,000	264,000
Projected annual savings	£1.5m (actual)	£1.2m - £2.0m	£1.7m - £3.2m
Annual savings/hhold	£3.50 - £7.00	£6.50 - £10.50	£6.42 - £12.28
Partnership becomes cash-flow positive	Year 1	Year 2	Year 3

## 9.6 Resources Required

Setting up a Joint Waste Committee and associated structures would involve a significant amount of work and probably involve the formation of a formal programme involving programme management resource, programme board structure and the provision of advice from a number of in-house specialists (legal, HR etc) and external advice. Precedents such as those in joint waste partnership programmes undertaken in Somerset, Dorset and Gloucestershire suggest set-up costs of between £1m and £1.6m including one-off project costs such as legal advice, financial work, infrastructure and service design and redundancy costs, although this would depend on the level of integration decided upon. Simply setting up the governance and legal structures for a Joint Committee and establishing a shared management unit would be significantly less.

## 9.7 Governance Requirements

In order for the delegation of functions to be considered seriously, the fundamental interests of the constituent authorities would need to be protected by proper safeguards.

As noted above, in order to provide strategic direction, the partnership will need a multi-year business plan incorporating a medium-term financial strategy, to be updated annually and presented to constituent authorities with the partnership's budget for the following year. This will provide the partnership with the mandate it needs to implement the plan without further formal reference to the individual authorities unless a significant change in direction or financial situation occurs. It is expected that the only viable approach would be for the business plan and budget to be agreed by resolution of each partner authority's executive.

Some decisions could not practically be *fully* delegated to a joint committee, as they could have very significant implications for individual authorities and their residents. For example, it would not be practical for all decisions regarding spending to be left entirely to a joint committee, as, particularly in the case of waste collection authorities, those spending decisions relate to a significant proportion of the net revenue budget of the whole authority. Because the implications of spending decisions within waste and street cleansing could be so significant for individual authorities, it would be essential for safeguards to be included in the joint committee arrangement to ensure that the committee could not unilaterally take a decision that could impact significantly on the funding available for other services.

Equally, as an appointed (as opposed to an elected) body, it would not be appropriate for a joint committee to be able to make decisions regarding the fundamental design of key services without input from the relevant partner authority. In circumstances such as these, the scheme of delegations could include decisions for which a power of veto would apply, or could leave such decisions to be made by the constituent authorities individually.

Inter-authority Agreements (or equivalent) will be required to provide a contractual basis for the authorities' financial responsibilities to each other and to the new body/Authority.

RECAP members would have responsibility for shaping the way the governance arrangements work and feel to each authority.

Constituent authorities would also wish to ensure that officers retain a view of proceedings. In Somerset, a Strategic Management Group (SMG), comprising the most senior officers of the SWP and directors from each of the partners meets two weeks ahead of each full meeting of the partnership. In this way, consensus around decisions can be developed and members can be assured of full and proper briefings before they are required to discuss any given issue in formal council or committee. This group is also the first point to which any dispute arising from interpretation or operation of the formal inter authority agreement is referred. As far as we are aware, to date no issue has been referred to the SMG for resolution.

## 9.8 Evaluation Methodology

Eunomia has developed a spreadsheet tool on behalf of Defra and Improvement and Efficiency South East (the former Regional Improvement and Efficiency Partnership with the national lead on waste efficiency projects) to assist authorities in assessing the high-level business case for the creation of an integrated joint waste service.

This tool provides a high level projection of the possible savings attributable to partnership working. Savings are expected to be realised from front and back office efficiencies, joint procurement of vehicles, infrastructure rationalisation and optimisation of support services.

We have used this template business case to assess the value of the opportunity that the RECAP authorities have if at some point in the future the partnership decides to develop a single, fully-integrated service delivery organisation. Authority data has been used to complete the spreadsheet. Table 13 describes the areas where costs and benefits are assessed.

It should be noted that several of the options modelled for Option 1 are included as part of the Joint Committee option; if Option 1A, 1B and 1E were implemented and savings realised before Option 2 is undertaken, then this would reduce the overall benefit derived from Option 2.

**Table 13: Assumptions - Option 2**

Category	Change in Cost	Source of Data
Infrastructure – Existing Depot Saving	Saving from closing depot net of cost of new optimised infrastructure	Estimate based on detailed analysis of other partnership depot costs and potential savings
Infrastructure – New Streets Depot	Cost of new streets depots following optimisation of waste depot infrastructure	A new streets depot is expected to be required and the costs of this have been included
Operational Management - Labour	Reduced staff cost following the centralisation of services	Typical partnership savings where single whole-authority management structure is adopted or modelled
Operational Management – Contract Procurement	Reduced investment in contract procurement	Estimate based on average procurement process costs
Front Line Service Saving – Vehicle Maintenance	Reduction per shared workshop	As per Option 1B

Front Line Service Saving – Vehicle Procurement	Percentage saving on procurement	As per Option 1A (i)
Front Line Service Saving – Labour Cover	Percentage reduction in labour cover	Savings based on Somerset experience
Front Line Service Costs – Work Force Integration	Cost of integrating front-line staff and contract conditions	Costs are included to allow for some possible increase in staff costs as Ts and Cs converge
Front Line Service Saving – Productivity Gains	Percentage productivity saving on current operating cost	Savings based on Somerset experience
Back Office - Labour	Reduced staff cost following the centralisation of services	Savings based on Somerset experience
Back Office – Support Services	Reduction in costs paid to support services following integration	Savings based on Somerset experience
Programme Costs	One off programme cost inclusive of programme management (estimated at £1.5 million)	Estimate based on business case analysis for other partnership authorities
External Funding	One off grant funding procured (estimated at £200,000)	Estimate based on business case analysis for other partnership authorities

## 9.9 Evaluation Results

The overall results following the full implementation of a joint committee are presented in Table 16. The results are presented as commencing in year ‘-3’. This represents the expected three year lead in time prior to set up of a joint committee. The figures are presented net of programme costs, or set up costs, of £1.5 million.

The cash flow presented in Table 16 is determined by the level of costs / benefits incurred in each year. We have assumed that 25% of the cost / benefit will be realised in year one, with 50% realised in year two, and 100% in year four. The programme cost is annualised over five years, as it is expected that, following three years of lead in time, there will be a bedding-in period of two years.



The template calculates a unit value for each category identified that is affected by the creation of a joint committee. A 'high' and 'low' boundary of cost / benefit was allocated to each category. For example, for the shared maintenance option, we have assumed a reduction of between two and three depots. At a unit value of £20,000 per annum that results in a 'high' saving of £60,000 and a 'low' saving of £40,000. Table 14 describes the total 'high', 'low' and average cost, and the cost per household saving at each bound.

Table 15 shows the total cost and benefits for each category.

The full benefits of this option will not be realised if the short-term options described as part of Option 1 occur prior to the formation of the Joint Committee. However the savings would still be expected to be in the order of £4 per household at the lower bound, and delivering savings as part of Option 1 would allow for strengthened partnership relationships prior to the formation of a Joint Committee.

**Table 14: Joint Committee Headline Result (excluding set up costs)**

	Low	High	Average
Total saving	£1,495,280	£2,355,626	£1,925,453
Per household saving	£5.98	£9.42	£7.70

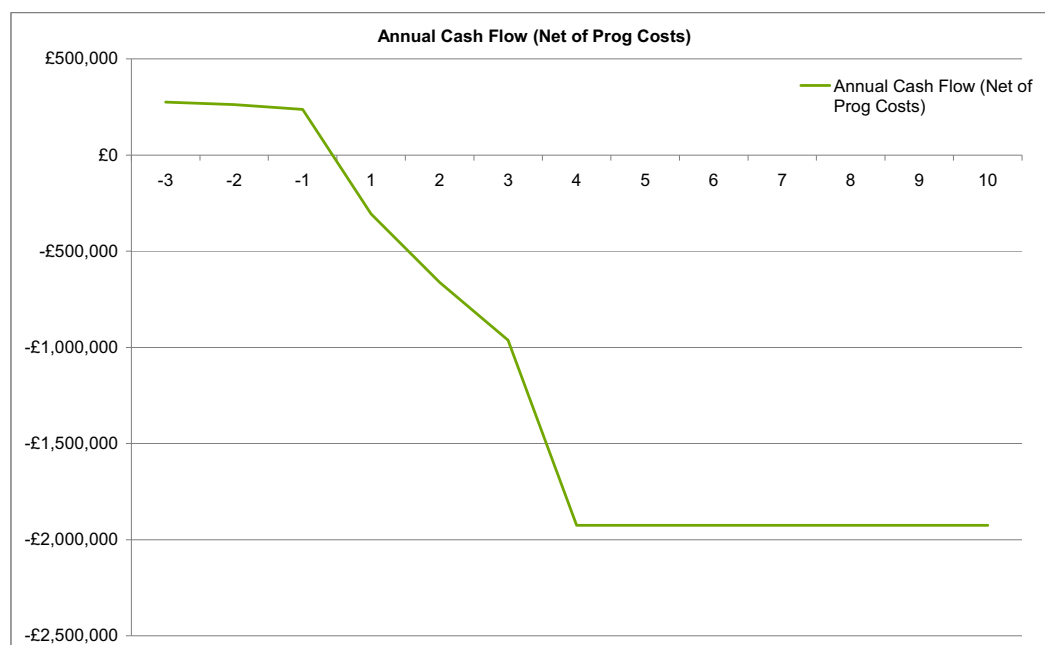
**Table 15: Joint Committee – One Year Cost / Benefits**

Category	Item	Unit Value	Number		Saving		
			Low	High	Low	High	Mid-Point
Infrastructure	Existing Depot Savings	£100,000	1	1	£100,000	£100,000	£100,000
Infrastructure	New Waste & Streets Depot	-£75,000	1	1	-£75,000	-£75,000	-£75,000
Infrastructure	New Streets Depot	-£35,000	1	1	-£ 35,000	-£ 35,000	-£ 35,000
Operational Management	Manager Tier 1	£41,985	3	4	£125,956	£167,941	£146,948
Operational Management	Manager Tier 2	£32,531	2	3	£65,063	£97,594	£81,329
Operational Management	Supervisor	£27,134	2	3	£54,269	£81,403	£67,836
Operational	Contract	£14,286	1	1.5	£14,286	£21,429	£17,857

Management	Procurement						
Front-Line Service	Vehicle Maintenance	£20,000	1	2	£20,000	£40,000	£30,000
Front-Line Service	Vehicle Procurement	£10,786	3	4	£32,357	£43,143	£37,750
Front-Line Service	Vehicle Financing	£41,394	2	2	£82,787	£82,787	£82,787
Front-Line Service	Front-line Staff Cover	£33,400	2	4	£66,800	£133,600	£100,200
Front-Line Service	Work-force Integration	- £249,990			-£249,990	-£249,990	-£249,990
Front-Line Service	Operational Productivity Gains	£134,203	6	8	£805,220	£1,073,627	£939,424
Back Office	Management Tier 1	£58,707	2	5	£117,413	£293,533	£205,473
Back Office	Management Tier 2	£34,495	1.5	4.5	£51,743	£155,229	£103,486
Back Office	Officer Tier 3	£27,748	2	3	£55,496	£83,244	£69,370
Back Office	Officer Tier 4	£25,146	2	3	£50,293	£75,439	£62,866
Back Office	Admin Tier 5	£22,099	3	5	£66,298	£110,496	£88,397
Back Office	Admin Tier 6	£18,430	3	5	£55,291	£92,152	£73,721
Back Office	Support Services	£120,000			£120,000	£120,000	£120,000

\*Note: negative values indicate a cost

Table 16: Annual Real Terms Cash Flow of Net Financial Costs and Benefits - Option 2



## 10.0 Relative Value of Each Option

### 10.1 Methodology and Criteria

All of the options discussed above have advantages and disadvantages relative to one another and all carry different degrees of risk. In the appraisal itself, each criterion other than risk was scored for each option using a one (1) to five (5) points range, with one being the worst and five being the best.

Risk was scored separately based on a simple risk assessment methodology specific to each option. The risk calculations are presented separately in the project Risk Register.

The criteria assessed are as follows:

- Improved Joint Working - early evidence of success that will cement the partnership.
- Quality of Service to Residents - the benefit the option has to the provision of service to residents.
- Short term Affordability - an estimate of the cost of each option over the next year (April 2011 – April 2012) was determined. The options offering the greatest overall savings to the partnership were given the highest scores out of five points.

- Financial - an average of the net cost of each option over ten years was modelled. The options offering the greatest overall savings to the partnership were given the highest scores out of five points.
- Environment - an estimate of the likely impact of each option in terms of environmental performance (measured by the recycling rate achieved and a reduction in residual waste per hhld) was determined. The options offering the greatest increase in environmental performance were given the highest score out of five points.
- Ease of Implementation - The options were scored based on how easy or difficult they would be to implement, with those options that would be easiest to implement scoring the highest out of five points.

The risk assessment has primarily been carried out to test the level of risk inherent in each option for the purposes of comparison and should not be taken as a comprehensive risk assessment. If the partnership decides to pursue a particular option or options, it would be advisable to carry out a more in-depth assessment of those particular options.

## 10.2 Overall Performance of the Options

A criteria based analysis should (and almost invariably is) used as a framework to think about the various options being considered. Although the scores presented in Table 17 (both individual and total) are indicative of performance, they should not be followed without thought. They are intended to be no more than an aid to decision-making.

Table 17: Overall Evaluation Criteria

Option	Improved Joint Working	Quality of Service to Residents	Short term Affordability	Financial Impact	Environment	Ease of Implementation	Total	Rank
Scoring	(5)	(5)	(5)	(5)	(5)	(5)		
1A – Procurement	3		4	3	1	3	14	4
1B – Infrastructure	3		2	1	1	3	9	6
1C – Trade Waste	4		3	2	3	2	14	4
1D – Bulky	3		5	N/A	4	4	16	1
1E – Efficiency reviews	4		3	4	2	2	15	2
2	5		1	5	3	1	15	2



# RECAP Advanced Partnership Working Charter

Version: 1.0

Date: October 2011

Circulation:

Title/Group	Date
Cambridge City Council	
Cambridgeshire County Council	
East Cambridgeshire District Council	
Fenland District Council	
Huntingdonshire District Council	
Peterborough City Council	
South Cambridgeshire District Council	

## Purpose

This Partnership Charter was developed by the RECAP Board and encapsulates RECAPs approach to advanced partnership working. The Board has directed that the partnership be ‘more ambitious in its collaborative working’ and ‘bolder in its decision-making’, with the expectation of ‘tangible delivery’ with ‘pace and purpose’. Developments had to respect individual Council positions and differences – avoiding an ‘all or nothing’ approach in the progression of opportunities.

### RECAP Partners

Cambridge City Council  
 Cambridgeshire County Council  
 East Cambridgeshire District Council  
 Fenland District Council  
 Huntingdonshire District Council  
 Peterborough City Council  
 South Cambridgeshire District Council

### RECAP Board Members

Cllr Jean Swanson  
 Cllr Matthew Shuter  
 Cllr Kevin Ellis  
 Cllr Pete Murphy (Chair)  
 Cllr Darren Tysoe  
 Cllr Matthew Lee  
 Cllr Sue Ellington

## Vision

In October 2011 RECAP agreed the following outline vision for advanced partnership working:

***‘Working ever closer together to deliver the best most cost effective waste services for the benefit of all local communities in Cambridgeshire’.***

## Objectives

Advanced Partnership Working in RECAP will seek to deliver:

- **Increased best value for money.** Achieving sustained value for money, not at the expense of customer service and satisfaction.
- **Increased service improvement.** Improving services for local areas based on what local communities say and need.
- **Improved environmental performance.** Reducing the carbon impact of service delivery and waste management.
- **Leveling-up of services.** Achieving consistently high quality services across the partnership area.

## Guiding Principles

Advanced Partnership Working guiding principles, underpinning the achievement of the vision and objectives are:

- **Strong leadership and clear governance**
- **Commitment to the partnership**
- **Good communications and continuous dialogue**
- **Build trust through openness, honesty and transparency**
- **Learn from each other**
- **Treat each other as equals with respect**
- **Willingness to compromise**
- **Seek a benefit to all partners to their mutual advantage**
- **Deal with issues promptly and effectively**
- **Deliver through clear and agreed project management methodology**
- **Contribute to joint ventures in a fair and equitable way**
- **Make decisions at the appropriate level**



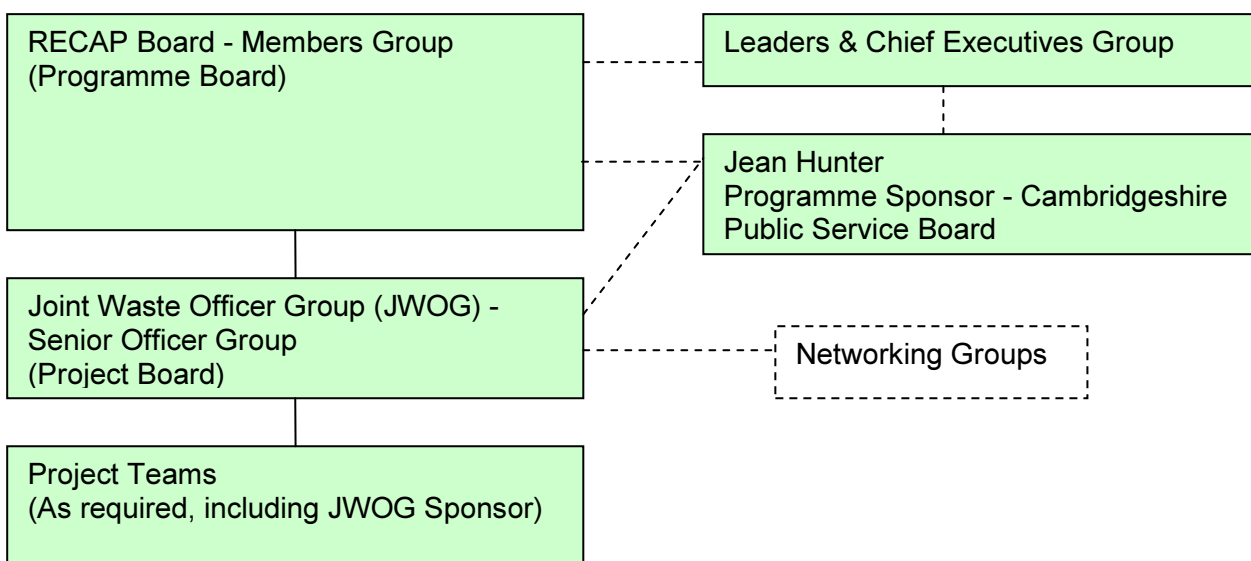
## Scope of Activities

Advanced partnership working activities will extend to all waste related service delivery.

## Governance

The following governance arrangements have been set up to oversee the RECAP Advanced Partnership Working development:

### Organogram



### Roles and responsibilities

#### Programme Sponsor

- Promotes visibility of work.
- Ensures clear communication and engagement with the Cambridgeshire Public Service Board.
- Provides briefings and ensures engagement with the Leaders' & Chief Executives' meeting.
- Oversees project deliverables.

#### Programme Board

- Oversees the development of a partnership work programme on behalf of their respective authorities.
- Approves and commissions all work on behalf of their respective authorities in accordance with internal decision-making processes.
- Sets all tolerances e.g. resources and timescales.
- Responsible for relevant communications to stakeholders as per communications plan.
- All papers for meetings of the Board will be made accessible to the public with an annual meeting of the Board to be held in public.

**Project Board**

- Facilitates decision-making by the Programme Board and respective authorities on the development of a partnership work programme.
- Accountable to the Programme Board for the delivery of the advanced partnership working programme.
- Appoints and directs resource to deliver work programme, providing a sponsor for each project from the Project Board to sit on the Project Team.
- Provides direction and Mentorship to Networking Groups

**Project Teams**

- Appointed as required Project Board as task and finish groups with roles and skills required by the project.
- Delivers project in accordance with direction from the Project Board.
- Includes an appointed Sponsor from the Project Board.

**ADVANCED WASTE PARTNERSHIP**  
**(Report by the Overview and Scrutiny Panel (Environmental Well-Being))**

**1. INTRODUCTION**

- 1.1 At its meeting held on 11th January 2012, the Overview and Scrutiny Panel (Environmental Well-Being) considered the report by the Head of Operations on the Advanced Waste Partnership. The following paragraphs contain a summary of the Panel's discussions on the report.

**2. THE PANEL'S DISCUSSIONS**

- 2.1 Members have acknowledged that the work of the Cambridgeshire and Peterborough Waste Partnership (RECAP) represents an excellent example of Countywide partnership working and have expressed their support for the RECAP Advanced Partnership Working Charter.
- 2.3 The Panel has highlighted that presently the waste collection service has high satisfaction levels and is delivered at a relatively low cost per household. Members are keen to ensure that the Council's performance levels are not compromised by the proposals for greater joint working. Members have also raised concerns over the political will for all parties to commit to enhanced partnership working, the dangers of the negotiations not having a successful outcome and the resources that some partner authorities have available. In this light the importance of dealing with this project on a business case by business case basis has been acknowledged.
- 2.4 It is recommended that the RECAP Advanced Partnership Working Charter is adopted and that outline business cases for any Advanced Waste projects are brought to Environmental Well-Being Scrutiny before a decision is made to proceed. Owing to their involvement in reviewing the business cases for advanced waste projects, Members of the Panel will visit the waste facility at Waterbeach to familiarise themselves with its operation and potential for service development.

**3. CONCLUSION**

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Environmental Well-Being) as set out above when considering this item.

**Contact Officer: A Roberts, Scrutiny and Review Manager 01480 388015**

**Background Documents** - Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 10th January 2012.

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COMT  
OVERVIEW & SCRUTINY  
CABINET

12<sup>th</sup> December 2011  
10<sup>th</sup> January 2012  
19<sup>th</sup> January 2012

## **Endorsement of the Cambridgeshire Green Infrastructure Strategy as Evidence for Planning Services (Report by Head of Planning Services)**

### **1. INTRODUCTION**

1.1 The purpose of this report is to inform Members of the Cambridgeshire Green Infrastructure Strategy and seek Cabinet endorsement of the strategy as supporting evidence for planning purposes.

### **2. BACKGROUND**

2.1 The first Green Infrastructure Strategy (GI Strategy) for the Cambridge Sub-region was developed in 2006 by The Landscape Partnership, on behalf of Cambridgeshire Horizons and partners, including Huntingdonshire District Council. It was one of the first in the region and was particularly beneficial in helping to secure Growth Area funding and delivery of the projects it identified has contributed to the acceptability of growth to residents across the county.

2.2 A review of the GI Strategy has now been completed, in order to:

- Give coverage to the whole of Cambridgeshire
- Be a stronger part of the evidence base for future policy decisions (including taking the GI Strategy through a comprehensive public consultation)
- Provide a robust evidence base for funding of Green Infrastructure through a Community Infrastructure Levy (CIL) and other sources of funding.

2.2 Cambridgeshire Horizons has developed a new GI Strategy for Cambridgeshire in partnership with all the key delivery bodies. The strategy's vision is for high quality green spaces that enhance the quality of new and existing communities, provide health and leisure benefits for residents and improve the Cambridgeshire environmental quality 'offer' to attract businesses and individuals considering locating in the county and help retain them within the area. Appendix 12 of the revised strategy details the economic value of green spaces, drawing on the work of Forest Research, Natural England and others to show how environmental improvements can help improve inward investment and job creation, increase land and property values and help stimulate local economic regeneration.

2.3 The reviewed GI Strategy includes a 'Strategic Network' of Green Infrastructure for Cambridgeshire which provides the context for the planning and delivery of local Green Infrastructure plans and strategic and local projects. It identifies benefits that can be achieved through co-ordinated planning and investment in Green Infrastructure at a community, local and sub-regional scale, and identifies Green Infrastructure investment opportunities that can provide benefits to a broader set of issues including health, biodiversity, climate change and economic development.

2.4 The four objectives for the reviewed GI Strategy are to:

- Reverse the Decline in Biodiversity in Cambridgeshire
- Mitigate and Adapt to Climate Change
- Promote Sustainable Growth and Economic Development
- Support Healthy Living and Wellbeing

2.5 The Strategy establishes a 'Strategic Network' where green infrastructure can provide the greatest benefit to:

- Enhance quality of life by providing an attractive living, working and recreational environment
- Attract and retain high value businesses
- Offer economic opportunities for rural industries and land management
- Encourage exercise and activities to improve health and well-being
- Play a major role in tourism by creating visitor attractions, preserving attractive landscapes and conserving biodiversity.

2.6 For each of the areas, opportunities are identified for improving Green Infrastructure through projects. Partnership working across Cambridgeshire Horizons, local authorities and the other stakeholders has allowed a comprehensive and robust set of projects to be brought together. The final sections of the Strategy show how existing local planning authority priorities for Green Infrastructure can be supported and influenced by the Strategy, and how the projects within the Strategy might be delivered.

2.7 The reviewed strategy has gone through comprehensive public consultation. From January to March 2010, a public consultation on the first draft was undertaken. Responses to the consultation supported the objectives, but made a range of points about how the Strategy might be improved. The strategy was restructured so that it placed more emphasis on the Strategic Network, the projects that form part of the network, and how projects might be delivered. A second round of public consultation on the updated draft took place in March 2011. Cambridgeshire Horizons board signed it off for publication on 27<sup>th</sup> June 2011.

2.8 The Strategic Network is divided into different geographical areas. The areas in Huntingdonshire are:

- Huntingdonshire Fens and Woods (which includes the Great Fen)
- Great Ouse

2.9 For each area, opportunities are identified for improving Green Infrastructure through a number of projects. Partnership working across Horizons, local authorities and other stakeholders has allowed a comprehensive and robust set of projects to be brought together.

2.10 The GI Strategy can be viewed on the Cambridgeshire Horizons archived website at: [http://www.cambridgeshirehorizons.co.uk/our\\_challenge/GIS.aspx](http://www.cambridgeshirehorizons.co.uk/our_challenge/GIS.aspx). Please note that the strategy is a large document, and that the key diagrams will be presented to members in a series of slides.

### 3. DELIVERING THE STRATEGY

3.1 The strategy allows Green Infrastructure to be delivered flexibly in a variety of ways, at different scales and by a number of organisations as and when resources and

opportunities permit. The Council, along with the other Cambridgeshire districts, Cambridge City Council, Cambridgeshire County Council and major environmental organisations will be the main delivery bodies.

- 3.2 As a Local Planning Authority the Council will have an important role to play through the development process. The strategy will be used as part of the evidence base for planning policy development and to inform possible Green Infrastructure projects in relation to the emerging Community Infrastructure Levy (CIL).
- 3.3 Local communities will also have an important role in achieving the vision set out in the strategy and ensuring its long-term success. With proposed changes to the planning system being brought in through the Government's National Planning Policy Framework (NPPF), local communities will have the opportunity to designate important green areas as 'Local Green Spaces'. These spaces will be given increased protection from development, particularly where they are close to a centre of population or have special value to a town or village. Neighbourhood Plans, brought in by the recently enacted Localism Act will enable local communities to set out their priorities for development at the local level, including green infrastructure. The strategy will form an important piece of evidence that could be used to help local communities identify Local Green Spaces and to set realistic and meaningful objectives in neighbourhood plans.
- 3.4 The strategy also highlights the importance of considering long-term management and maintenance of routes and spaces from the beginning. A range of options are explored, including the involvement of voluntary organisations, 'friends' groups, charitable management trusts, community development trusts and co-operatives and partnerships, and case studies are set out in the document.
- 3.5 The strategy is supported by the Green Infrastructure Forum, members of which are adopting or endorsing the Strategy through their appropriate cabinets and/or management boards. With the demise of Cambridgeshire Horizons the Forum will continue to act as a central hub to work on Green Infrastructure across the county. It is recognised that in the current climate of reduced public sector funding delivery will need to be achieved through partnership working. There are no funding implications for the Council.

#### **4. UPDATING THE LOCAL DEVELOPMENT PLAN**

- 4.1 The GI Strategy will be part of the evidence base that informs the Council's future work on updating its development strategy for the period up to 2036. That updated strategy for future growth would need to be based on sound evidence of the local need for additional economic growth, associated housing development and related infrastructure delivery and require the development of an associated local infrastructure strategy which could demonstrate how that growth could be satisfactorily accommodated. The new Cambridgeshire GI Strategy would form part of that local evidence base.

#### **5. RECOMMENDATION**

- 5.1 Cabinet is recommended to endorse the Cambridgeshire Green Infrastructure Strategy as supporting evidence for planning purposes.

#### **Background Papers:**

Cambridgeshire Green Infrastructure Strategy – see note at 2.10 above

**CONTACT OFFICER** - enquiries about this report to James Campbell, Senior Planning Policy Officer, on 01480 388432.

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**ENDORSEMENT OF THE CAMBRIDGESHIRE GREEN INFRASTRUCTURE  
STRATEGY AS EVIDENCE FOR PLANNING SERVICES  
(Report by the Overview and Scrutiny Panel (Environmental Well-Being))**

**1. INTRODUCTION**

- 1.1 At its meeting held on 11th January 2012, the Overview and Scrutiny Panel (Environmental Well-Being) considered the report by the Head of Planning Services entitled Endorsement of the Cambridgeshire Green Infrastructure Strategy as Evidence for Planning Services. The following paragraphs contain a summary of the Panel's discussions on the report.

**2. THE PANEL'S DISCUSSIONS**

- 2.1 The Strategy does not make reference to the local agricultural industry, which is the largest industry in the District. In addition, the areas covered by the Strategy have increased in size. This is a concern as the emphasis of it appears to be that environmental organisations are taking responsibility for land. There is a danger that this will have an adverse effect on the local agricultural industry. Food security is of local, national and international concern and ought to be given a higher priority and be reflected to a greater extent in the Council's policy framework. East Anglia has an extremely high capacity to produce food yields and, therefore, the Strategy should identify current land use.
- 2.2 A suggestion that reference to the local agricultural industry is included in the new Local Plan has been accepted and a Working Group has been established to make recommendations on the terms of these references.
- 2.3 It is recommended that the accountability and reporting lines of the Green Infrastructure Forum should be clarified.

**3. CONCLUSION**

- 3.1 On the basis of these discussions, the Panel recommends the Cabinet, bearing in mind the primacy of the agricultural sector and its importance to the local and national economy, to endorse the Cambridgeshire Green Infrastructure Strategy as supporting evidence for planning purposes.

**Contact Officer: A Roberts, Scrutiny and Review Manager 01480 388015**

**Background Documents** - Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 11th January 2012.

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COMT  
CABINET

6 JANUARY 2011  
19 JANUARY 2012

**COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE:  
SUBMISSION DOCUMENT  
(Report by Head of Planning)**

**1 INTRODUCTION**

- 1.1 This report describes the background and consultation involved in the production of the Huntingdonshire Community Infrastructure Levy Charging Schedule, leading to the final version of the Charging Schedule and evidence to be submitted for examination. Members are asked to consider the Charging Schedule and it is recommended that the necessary papers be approved for submission.

**2 BACKGROUND**

- 2.1 The Community Infrastructure Levy (CIL) was first noted in the Planning Act 2008. This was followed in April 2010 with the Community Infrastructure Regulations and subsequent amendments in 2011.
- 2.2 The 'Huntingdonshire Community Infrastructure Levy - Preliminary Draft Charging Schedule' (issued for consultation between 29 July 2011 and 9 September 2011) set out the Council's initial framework for justifying the introduction of a new Community Infrastructure Levy (CIL) to be charged on most new development across the District. The CIL is a mechanism to allow local planning authorities in England and Wales to raise funds from developments to help pay for the infrastructure that is, or will be, needed as a result of new development. It applies to most new buildings and charges are based on the size and type of the new development.
- 2.3 The CIL is based on identified community infrastructure needs, and is payable per net additional square metre of floorspace. Affordable housing development, development by charities and a limited range of minor ancillary development is exempt from CIL. Domestic household extensions up to 100 square metres of net additional floorspace are not liable for CIL. All other development is liable for CIL which is charged on a scale of rates based on viability testing. The outcome of the viability testing means that some types of new development, such as new business space, are subject to a nil charge, whilst other types of new development, including all new dwellings (houses and flats), are subject to a viability tested charge. The proposed charges for the 'Draft Charging Schedule' are set out section 3 of this report.
- 2.4 The CIL 'Draft Charging Schedule' (issued for consultation between 23 November 2011 and 3 January 2012) is complementary to the 'Developer Contributions Supplementary Planning Document' (SPD) which was subject to a consultation at the same time as the CIL

'Preliminary Draft Charging Schedule'. The SPD was considered and adopted by Cabinet on 8th December 2011. The SPD is now operational, and the SPD and the CIL will operate together when the CIL is adopted. It is envisaged that the CIL 'Draft Charging Schedule' will be subject to an Examination in Public, followed by adoption in April 2012 at Full Council. The next steps for the CIL are set out in section 6 of this report.

### 3 CONSULTATIONS

#### Stage 1: Preliminary Draft Charging Schedule

3.1 The CIL 'Preliminary Draft Charging Schedule' was subject to a widespread public consultation for a 6 week period between 25<sup>th</sup> July 2011 and 9<sup>th</sup> September 2011. A consultation session with the Council's Developers and Agents Forum was held on 5<sup>th</sup> September 2011. A total of 134 representations from 39 respondents were received. The key themes raised within the representations were:

- Impacts on development viability and challenges on the justification and scale of proposed CIL charges
- Clarifications on the viability testing and evidence base used to inform the CIL
- Linkages with the proposed SPD

#### Stage 2: Draft Charging Schedule

3.2 A range of minor changes were incorporated into the CIL 'Draft Charging Schedule' in line with the officer comments. In response to consultation comments, the proposed CIL rates were reviewed through further viability testing. The proposed rates were consequently amended and at the Cabinet meeting of 19<sup>th</sup> November 2011, the Draft Charging Schedule was approved for the final round of consultation in line with the Community Infrastructure Regulations 2010 (as amended). The rates proposed were:

<b>Proposed charge for development types</b>	<b>CIL rate (per square metre)</b>
All development types unless stated otherwise in this table	£ 85 (standard rate)
Retail 500 sq m or less(A1/A2/A3/A4/A5)	£40
Retail > 500 sq m (A1/A2/A3/A4/A5)	£100
Hotel (C1)	£60
Nursing Home (C2)	£45
Health (D1)	£140
Business (B1), General Industrial, Storage & Distribution (B2 and B2), Community Uses (within D1 and D2) and Agricultural	£0

3.4 The Draft Charging Schedule was open for public consultation between 23<sup>rd</sup> November 2011 and 3 January 2012. District and County Council member briefings were held in November and December 2011. A further consultation session with the Council's Developers and Agents Forum was held on 16<sup>th</sup> December 2011. A total of 32 representations from 24 respondents were received during this time. In addition, comments from a further 3 respondents were

received out of the permitted consultation time, although they do not form part of the formal responses. The key themes raised within the representations were:

- Levy rates set and S106
- Viability assumptions
- Development deliverability
- Exemptions
- Infrastructure list and funding gap
- Spending of CIL
- CIL Regulations clarifications

3.5 The detailed representations and related officer comments are contained in the Draft Charging Schedule Statement of Representations at Appendix A.

#### **4. STATEMENT OF MODIFICATIONS**

4.1 Having considered the comments received, a modification has been made. This relates to the health levy rate which has changed from £140 per square metre to £65 per square metre. A Statement of Modifications clarifying this along with appropriate evidence will be sent to consultees in line with the CIL Regulations 2010 (as amended) before including within the paperwork submitted to the examiner.

#### **5 EQUALITY IMPACT ASSESSMENT**

5.1 The Draft Charging Schedule was screened for an Equality Impact Assessment (EqIA). This was to ensure that the impact of Charging Schedule was fully understood in relation to its impact on local residents and to identify, remove or reduce barriers to equality.

5.2 An action plan has been agreed from the EqIA. This will ensure that local needs are accommodated within the Annual Business Plan for CIL expenditure through continued partnership working.

#### **6 CHARGING SCHEDULE - NEXT STEPS**

6.1 The next key stages in the process, subject to approval, will be to:

- Send a copy of the Statement of Modifications to all consultation bodies as required under Regulation 19
- Publish the Statement of Modifications on the Council website

6.2 Following this the Draft Charging Schedule, subject to approval, will be submitted to the examiner along with:

- a statement setting out if representations were made in accordance with Regulation 17, the number of representations made and a summary of the main issues raised by the representations
- copies of any representations made in accordance with Regulation 17
- a Statement of Modifications in accordance with Regulation 16
- copies of the relevant evidence

- 6.3 The Council is also required to submit a declaration, approved at “a meeting of the authority, and by a majority of votes of members present”, that the charging authority has complied with the requirements of this Part and CIL regulations (including the requirements to have regard to the matters listed in section 211(2) and (4)); that appropriate available evidence has been used to inform the Draft Charging Schedule, and that any other matters prescribed by CIL regulations have been dealt with. A copy of this declaration for approval can be found at Appendix B.
- 6.4 The above documentation will all be available for inspection at Pathfinder House, libraries and Community Access Points across the district. It will also be accessible via the Council’s website.

## **7. RECOMMENDATIONS**

- 7.1 It is recommended that Cabinet:
- a) Approves the Charging Schedule for submission together with supporting documents to the examiner;
  - b) Authorises the Head of Planning Services, after consultation with the Executive Councillor for Strategic Planning and Housing, to make minor amendments as necessary to prepare the ‘Huntingdonshire Community Infrastructure Levy - Charging Schedule’ and associated paperwork for submission for Examination.
  - c) Approves the legal declaration required under the Planning Act 2008 and CIL Regulations 2010 (as amended).

### **Background Papers:**

- Huntingdonshire Local Investment Framework 2009
- Core Strategy 2009
- Huntingdonshire Market Report, August 2010 published with Preliminary Draft Charging Schedule
- Huntingdonshire Viability Testing of Community Infrastructure Levy Charges Report, 2011 published with Preliminary Draft Charging Schedule
- Huntingdonshire Preliminary Draft Charging Schedule Project Plan List
- Huntingdonshire Draft Charging Schedule Project Plan List Update, November 2011
- Huntingdonshire CIL Addendum Report, November 2011
- Huntingdonshire Draft Charging Schedule Explanatory Note, November 2011

**CONTACT OFFICER** - Enquiries about this report to Steve Ingram, Head of Planning Services, on 01480 388400

# **Huntingdonshire District Council Community Infrastructure Levy: Draft Charging Schedule**

## **Statement of Representations**

## **Summary of Main Issues**

# Huntingdonshire District Council: Summary of Main Issues Raised

## 1.0 Introduction

1.1 At a meeting of Huntingdonshire District Council Cabinet on 17<sup>th</sup> November 2011, it was resolved that the Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule be approved for a statutory consultation period in November/December 2011. The period of public representation commenced on Wednesday 23<sup>rd</sup> November 2011 and concluded at 5.00 pm on Tuesday 3<sup>rd</sup> January 2012. In accordance with the CIL Regulations 2010 (as amended), this statement sets out how many representations were made on the Draft Charging Schedule and summarises the main issues the representations raised.

### Representation Period

1.3 At the beginning of the representation period, and in accordance with the CIL Regulations 2010 (as amended), copies of the Draft Charging Schedule, the evidence used to develop the Draft Charging Schedule, Background Paper, Comments Form, Statement of Representations Procedure and Guidance Notes and Public Notice were made available for inspection by the Council at:

District Council Offices at Pathfinder House, St Mary's Street, Huntingdon;  
Local Libraries in Huntingdonshire;  
Customer Access Points; and  
On the Council's website [www.huntingdonshire.gov.uk/cil](http://www.huntingdonshire.gov.uk/cil)

1.4 Representations on the Draft Charging Schedule could be made electronically via the planning portal (the council's preferred method of consultation), by email, by completing a comments form or by sending in written representations.

1.5 In accordance with the Regulations, the Council e-mailed all the Consultation Bodies via the planning portal to notify of the consultation start. In addition letters were also sent out to Parish and Town Councils and notification via email and meeting was given to a range of business networks, groups, organisations and individuals. A Public Notice was also placed in local newspapers and on the Council website advertising the Period of Representation.

## 2.0 Summary of Main Issues

2.1 The District Council received 32 representations from 24 respondents to the CIL Draft Charging Schedule within the consultation period. Table 1 below summarises the main issues raised by the representations. In addition, comments from a further 3 respondents were received out of the permitted consultation time. These have been noted separately at the end of Table 1 for information, although they do not form part of the formal responses.

2.2 Table 2 shows the representations received along with the Council response and whether any alteration to the Draft Charging Schedule to be submitted for Examination is required. The table also notes any representor who has requested for the right to be heard by the Examiner. The comments from the 3 respondents that were received out of the permitted consultation time have also been noted separately at the end of Table 2 for information, although they do not form part of the formal responses.

2.3 Copies of all representations will be made available on the Council's website.



Table 1: Summary of main issues raised

Respondent	ID	Spending of CIL	Levy rates and S106	Viability assumptions	Development deliverability	Exemptions	Infrastructure list and funding gap	CIL regulation clarifications	Other
Tom Gilbert-Wooldridge English Heritage	56252	<input checked="" type="checkbox"/>							
Tim Isaac Country Land and Business Association	34813		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Rose Freeman The Theatres Trust	34973		<input checked="" type="checkbox"/>						
Nicholas Wells Godmanchester Town Council	170428	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	
Martin Page D H Barford & Co *	34433		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Janet Nuttall Natural England	34468	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Adam Ireland Environment Agency	34875	<input checked="" type="checkbox"/>							
Sainsburys Supermarkets Ltd Sean McGrath Indigo Planning Ltd	34926		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Harjinder Kumar Peterborough City Council	523149	<input checked="" type="checkbox"/>							
Tesco Stores & Santon Group Devs Ltd Mark Buxton *	558973		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Janet Innes-Clarke Brampton Parish Council	618087								<input checked="" type="checkbox"/>
Gail Stoehr	618171						<input checked="" type="checkbox"/>		
Stacey Rawlings Bidwells (on behalf of	34732		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		

Respondent	ID	Spending of CIL	Levy rates and S106	Viability assumptions	Development deliverability	Exemptions	Infrastructure list and funding gap	CIL regulation clarifications	Other
Connolly Homes D.Wilson Oxford University) *									
Jennifer Dean Anglian Water Services Ltd	511199	<input checked="" type="checkbox"/>							
Paul Belton The Fairfield Partnership *	72517		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Mr Watters	246620		<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	
Claire Wright Maxey Grounds LLP	607992		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Cassie Fountain Peacock & Smith Ltd (on behalf of Wm Morrison Supermarkets Plc)	558561		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Francesca Lasman	612216	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Wendy Hurst Lidl UK GmbH	617782		<input checked="" type="checkbox"/>						
Ian Burns NHS Cambridgeshire *	34877		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Care UK Community Partnership Adrian Kearley AKA Planning	618174		<input checked="" type="checkbox"/>						
Gordon Hasell	438569								<input checked="" type="checkbox"/>
J Bowd Holywell-cum-Needingworth Parish Council	34718		<input checked="" type="checkbox"/>						

- Denotes any respondent to Draft Charging Schedule who has requested the right to be heard by the Examiner

Representations received after the formal consultation period had closed									
Respondent	ID	Spending of CIL	Levy rates and S106	Viability assumptions	Development deliverability	Exemptions	Infrastructure list and funding gap	CIL regulation clarifications	Other
Stuart Garnett, Savills Planning (on behalf of Gallagher Estates Ltd) *	<a href="#">n/a</a>			<input checked="" type="checkbox"/>					
Deryck Irons Abbotsley Parish Council	<a href="#">n/a</a>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Phil Copsey, David Lock Associates (on behalf of Urban and Civic)	<a href="#">n/a</a>						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Table 2: Representations received and Council response

Respondent	Comment ID	Comments	HDC Officer Response
Tom Gilbert-Wooldridge English Heritage	<a href="#">CIL-D5</a>	<p>Thank you for consulting English Heritage on the draft charging schedule for the district's community infrastructure levy. We do not have any specific comments on the draft schedule itself. Our general comments made at the time of the preliminary draft charging schedule consultation (CIL-PD68) are still relevant, and we note the council's response to our views.</p> <p>We note that the background paper refers to the district council allocating a meaningful proportion of levy receipts to neighbourhoods (in line with emerging government thinking). We hope that a constructive dialogue can be established between the district council, neighbourhoods and other groups/organisations (where appropriate), to ensure that funds are put to effective use locally. This could include funding towards heritage assets within neighbourhoods, identifying specific assets and projects as well as other income streams alongside CIL. Heritage assets on the district council's Building at Risk Register and English Heritage's Heritage at Risk Register may be appropriate to target funding. Where appropriate, English Heritage would be happy to participate in discussions with neighbourhoods and the district council.</p>	<p><b>No Specific Comments:</b> Confirmation of no specific comments from EH on the Draft Charging Schedule is noted.</p> <p><b>Project Development Support:</b> The offer of support from English Heritage, where appropriate, to engage with neighbourhoods to discuss appropriate heritage infrastructure funding is acknowledged. This will be considered further as part of the emerging CIL governance and funding prioritisation processes.</p>
Tim Isaac Country Land and Business Association	<a href="#">CIL-D15</a>	<p>We would like to comment on the following parts of the draft charging schedule:</p> <p><b>The CIL £0 Rate</b> The CIL £0 rate must clearly include buildings erected for agriculture (as it now does), but also those built for horticulture and forestry purposes. This is for the same reasons as agriculture, primarily that these are not buildings into which people normally go.</p> <p><b>The CIL Rate of £40 for retail 500 sq m or less</b> With farm shops in mind, liability for CIL is likely to undermine farmers from adding value to their primary purpose of growing food. CIL at £40 per sq m is unviable for farming businesses in current economic circumstances. We strongly urge you to add farm shops to the £0 rate category.</p> <p><b>The CIL Standard Rate of £85 for all development types unless specifically stated otherwise</b> The CLA has major concerns with the proposal to levy a charge of £85 per sq m on all housing, presumably including that in rural areas. Our concerns fall in to two main categories:</p> <p><b>i) Homes for Essential Rural Workers</b> The CLA have concerns that there is no allowance for housing needed for rural businesses such as agricultural, forestry and other essential rural workers. The CLA would like clarification that these dwellings will be treated the same as affordable housing, with a nil rate set for CIL. Our view is that the CIL should not apply to these dwellings which will have been justified as a requirement for the agricultural, forestry or other rural business to which they relate</p> <p><b>ii) Commercial housing</b> It is our view that commercial housing in rural areas is being used to subsidize the increased infrastructure required for development elsewhere which is unfair, especially if the rural area concerned does not benefit from increased infrastructure. The CLA views the proposed rate as an unacceptably high charge and the impact will stop the much needed</p>	<p><b>Agricultural Definitions:</b> Buildings for agricultural use are now identified as being subject to a zero rate. This was clarified by further viability testing undertaken following the Country Land and Business Association's response to the consultation on the Preliminary Draft CIL Charging Schedule consultation. The Agricultural zero rate also applies to buildings used for horticultural and forestry purposes. Whilst the appraisal shown in the Addendum Report is for an agricultural barn, the appraisal inputs are also appropriate for horticulture and forestry. Definitions of the scope of these uses will be provided.</p> <p><b>CIL Rate for Retail Uses:</b> The proposed CIL retail rates apply to all new retail development.</p> <p><b>Homes for Essential Rural Workers:</b> The standard rate will apply to dwellings for essential rural workers, as it does for all other private dwellings. These types of dwellings do not meet the requirement for affordable housing exemption under the legislation.</p> <p><b>Commercial Housing:</b> The CIL standard rate will be applied to all new commercial housing in</p>

Respondent	Comment ID	Comments	HDC Officer Response
		<p>objective of rural rebalancing within the area. The profit margins for development of rural housing will be squeezed and make sites unviable, especially when the additional charges for affordable housing and costs to promote a site for development are included. It is our view that the £85 per sq m contribution will act as a significant disincentive for development in rural areas which, in turn, will stifle the rural economy at a time when it is desperately needed to help promote economic growth and sustainable communities. We urge you to re-think this charging policy.</p> <p>We hope our comments are clear, but should you wish to clarify or discuss any points, please do not hesitate to contact the undersigned.</p>	<p>urban and rural areas across the district. The CIL receipts will be used for prioritised infrastructure projects through the emerging CIL governance arrangements. Parish Council's, many of which are rural parishes, are likely to be eligible to receive a 'meaningful proportion' of CIL receipts generated as a result of development taking place in their parish. The DCLG's consultation on this 'meaningful proportion' closed on 30<sup>th</sup> December 2011 and the outcome is awaited.</p>
Rose Freeman The Theatres Trust	<a href="#">CIL-D13</a>	<p>Our Ref.: RF/3996</p> <p>Thank you for the email from Limehouse of 23 November consulting The Theatres Trust on the CIL Draft Charging Schedule.</p> <p>The Theatres Trust is The National Advisory Public Body for Theatres. The Theatres Trust Act 1976 states that <i>'The Theatres Trust exists to promote the better protection of theatres.</i> It currently delivers statutory planning advice on theatre buildings and theatre use through the Town &amp; Country Planning (General Development Procedure) (England) Order 2010 (DMPO), Articles 16 &amp; 17, Schedule 5, para.(w) that requires the Trust to be consulted by local authorities on planning applications which include <i>' development involving any land on which there is a theatre .'</i></p> <p>We note the last category in the table at para.1.5 on page 1 does not include sui generis uses. To be fully informative the last section should include sui generis, such as houses in multiple occupation, hostels, theatres, retail warehouse clubs, etc.</p> <p>Drivers Jonas had advised in February 2010 that 'The change to S106 obligations seek to remove their ability to provide for funding or the provision of infrastructure projects or types of infrastructure. If local authorities want to obtain funding for infrastructure they will have to produce a charging schedule and adopt CIL prior to April 2014, effectively making CIL mandatory.'</p> <p>We look forward to being consulted on further planning policy documents.</p>	<p><b>CIL Standard Rate and Liability for CIL Theatre Development:</b> Development types that are not specifically identified within the Draft Charging Schedule at paragraph 1.5, or specifically exempted, fall within the CIL Standard Rate as defined.</p>
Nicholas Wells Godmanchester Town Council	<a href="#">CIL-D12</a>	<p>To keep things straightforward it seems sensible to have a simple ratio to determine how the CIL is split between Parish/Town, District and County Councils. The one ratio can be applied whatever the type and size of development.</p> <p>The ratio should be broadly in line with what it is for S106. e.g. Parish/Town Councils receive about 5-10%. In line with this, expectations of who delivers what with the CIL should be the same as they are now with S106.</p> <p>Therefore, Godmanchester Town Council require confirmation that the expectations of Parish/Town Councils in terms of use of CIL are essentially only around provision of public leisure facilities within the town (but not within the development itself) for all ages and at the moment also public toilet provision in Godmanchester.</p> <p>Huntingdon District Council's and Cambridgeshire County Council's responsibilities would stay the same as they are now, i.e. everything currently outside the remit of the Parish/Town Council, so that by receiving a proportion of the CIL it's clear that the Parish/Town Council is not expected or obliged to take on any additional responsibilities.</p> <p>There should be minimal process/paperwork/administration for Parish/Town Councils to go through before funds are released.</p> <p>There should be no caveats/conditions/clawback period etc. i.e. Parish/Town Council should be free to use the funds for whatever purpose it feels is most appropriate and is</p>	<p><b>CIL Funding for Parish and Town Councils:</b> Parish and Town Council's are likely to be eligible to receive a 'meaningful proportion' of CIL receipts generated as a result of development taking place in their parish. The DCLG's consultation on this 'meaningful proportion' closed on 30<sup>th</sup> December 2011 and the outcome is awaited. However, the amount of such funding, and the types of projects that it may be used for, does not form part of the Draft Charging Schedule. These issues, including the roles, rights and responsibilities of the recipients of CIL funding, will be considered further as part of the emerging CIL governance and funding prioritisation processes.</p> <p><b>Purpose of CIL and S106 Agreements:</b> CIL receipts will be used to help fund a range of</p>

Respondent	Comment ID	Comments	HDC Officer Response
		<p>within its powers to do, for the benefit of the town.  Huntingdon District Council should confirm now what, if any, types of evidence/information may be required to evidence Parish/Town Council's appropriate use of these funds, and confirm in what format they would be required and when. (We don't expect that any evidence will be required, as Godmanchester Town Council keep our own records to support annual audit but if there is, the Parish/Town Council need to know in advance.)  Based on the current Huntingdon District Council proposals for how the CIL would be applied and last year's planning applications,</p> <p>* what proportion of Huntingdonshire developments currently outside S106 would need to pay the CIL each year?  * how much money would the CIL raise in total per year?  Godmanchester Town Council have struggled to understand the proposed charging calculation or how the chargeable area is calculated.  * A few worked examples should be included in the policy.  * Godmanchester Town Council wish to seek confirmation from Huntingdon District Council that all money obtained through the CIL from local developments, whoever it's later re-distributed to (Huntingdon District Council, Cambridgeshire County Council, Parish/Town Councils, etc.) will be spent locally to benefit Parish/Town residents, i.e. not used to fund activity in distant parts of Huntingdonshire or Cambridgeshire.  S106 charges will still apply in some cases, in addition to the CIL. Therefore Parish/Town Councils should have more involvement (for developments affecting e.g. in or adjoining Parishes/Towns) in identifying potential impacts. Huntingdon District Council should involve Parish/Town Councils at the stage of early discussions so Parish/Town Councils can have access to all valid information and so they can influence the list of facilities etc. requiring funding.  Huntingdon District Council should make clear during discussions, before finalising the S106 agreement for each specific development affecting Parishes/Towns, any facilities or responsibilities they are hoping Parish/Town Councils will take on in the long term.</p>	<p>prioritised community infrastructure projects across the district. S106 agreements will still be required to ensure the delivery of development specific infrastructure.</p>
<p>Martin Page  D H Barford &amp;  Co</p>	<p><a href="#">CIL-D22</a></p>	<p><b>Please Note:</b> The representation from DH Barford &amp; Co is in the format of a report.</p> <p>In summary, the DH Barford &amp; Co representation covers the following issues:</p> <ul style="list-style-type: none"> <li>• Up to date Core Strategy</li> <li>• The content of the Infrastructure Project Plan List</li> <li>• Viability of CIL levy rates proposed and impact on development</li> <li>• Calculation of chargeable floorspace</li> </ul> <p>In addition to the comments on the Draft Charging Schedule being consulted on, comments were also made on the Background Paper. Points covered that are not already noted above are:</p> <ul style="list-style-type: none"> <li>• Other potential funding sources</li> <li>• Misleading text</li> <li>• Double counting of CIL with S106 contributions</li> <li>• Land payments</li> </ul>	<p><b>Core Strategy:</b> The Council has an up-to-date development strategy on which to base the Charging Schedule.</p> <p><b>Infrastructure Project list:</b> The Infrastructure List supporting the Draft Charging Schedule is based on the needs arising from new development. It is not accepted that the infrastructure list is going beyond meeting these needs in order to address deficiencies but is very detailed clearly showing whether items are CIL or S106 to ensure no double counting takes place. Furthermore the aggregate funding gap is still of the scale to warrant a levy rate.</p> <p>The Infrastructure List also identifies alternative funding sources and deducts these from the funding gap. Reference to the New Homes Bonus has been made in Appendix 2 of the</p>

Respondent	Comment ID	Comments	HDC Officer Response
			<p>Background Paper 2011.</p> <p><b>CIL Rates and impact on development:</b> The viability assessments have been carried out by a highly experienced team and clearly evidence the proposed CIL rates. The District Council considers that the rates set are appropriate and comply with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended). The rates are based on evidence and not policy. Assessments for all rates proposed are available in the Viability Report and the Addendum Report.</p> <p><b>Affordable housing:</b> Land for affordable housing is not required to be passed to an Registered Provider as a serviced land parcel for nil value, and the methodology adopted is one well used and understood. The affordable housing values have been assessed using specialist software. The profit allowed within the entire appraisals are as set out in the Viability Report. Merely using a much lower sales rate would inevitable impact on viability but the rates used in the testing have been derived from market evidence as set out in the Market Report. The sizing of affordable housing units to meet size criteria means that those units do not derive best value. Build costs have been applied at the same rate as private units.</p> <p><b>Build Costs:</b> The build costs have been derived from BCIS as set out in the Viability Report. If warehouse build costs were increased this would impact on viability but as the rate is already recommended to be nil this point is moot.</p> <p><b>Site Densities:</b> The site densities tested were as agreed with Council planning policy officers and reflect potential densities as set out in the SHLAA.</p> <p><b>Land value:</b> The £100,000 per acre does not reflect land value with planning permission. The Site 2 base value reflects the allocated but not permitted state of the site and the size.</p> <p>The base value for Site 1 has been adopted of</p>

Respondent	Comment ID	Comments	HDC Officer Response
			<p>£400,000 per acre, which is very similar to that put forward in the calculation suggested. The traffic light coding is red acknowledging that in that case the site would not be viable.</p> <p><b>Remediation costs:</b> Cost for remediation have not been included but the proposed CIL rates have been considered to allow 'headroom' within appraisals for matters such as unknown costs rather than using the maximum possible.</p> <p><b>Floorspace calculation:</b> The details provided for measuring floorspace by the respondent are inappropriate as they relate to net internal area and not gross internal area as stated in the CIL Regulations 2010 (as amended).</p> <p><b>Viability assumptions:</b> The S106 level input into the assessments is based on future likely requirements. In the example stated by the respondent of a 14 unit development, the requirement for play facilities would fall under CIL and not be part of any S106 agreement.</p> <p><b>Levy use definitions:</b> Guidance on definitions for matters relating to CIL will be provided before charging commences.</p> <p><b>Payment in kind:</b> It is accepted that CIL monies could be paid in part through a land payment but this is a legislative matter and not part of the setting of the levy rates.</p> <p><b>CIL Rate for Hotels:</b> Hotels were tested as the most likely form of development to come forward in the HDC area.</p> <p><b>CIL Rate for Nursing Homes:</b> Nursing homes were tested as the most likely form of development to come forward in the HDC area.</p> <p><b>CIL Rate for Retail Uses:</b> The lower retail rate proposed for units of 500 sq m or smaller is as a result of the viability testing undertaken on a range of unit sizes, including additional testing since the consultation on the Preliminary Draft Charging Schedule.</p>



Respondent	Comment ID	Comments	HDC Officer Response
Janet Nuttall Natural England	<a href="#">CIL-D16</a>	<p>Thank you for consulting Natural England on the above in your e-mail dated 23rd November 2011.</p> <p>Natural England is the Government agency that works to conserve and enhance biodiversity and landscapes, promote access to the natural environment, and contribute to the way natural resources are managed so that they can be enjoyed now and by future generations.</p> <p>We are generally satisfied with the content of the draft charging schedule and would like to take this opportunity to reiterate the important role that the CIL should play in funding green infrastructure in Huntingdonshire. The adopted Core Strategy identifies the importance of the quality of open space provision and the need for development proposals to contribute to this. The CIL offers an opportunity to secure funding for green infrastructure in advance of development and it is crucial that this funding is robustly ring-fenced. The monies raised can be shared between the costs of creating new greenspaces and securing their long-term management, and managing existing green infrastructure. Natural England's Analysis of Accessible Natural Greenspace Provision for Cambridgeshire and Peterborough, together with the Cambridgeshire Green Infrastructure Strategy should form part of the evidence base for identifying the location and design of new greenspaces.</p> <p>We note that viability testing has identified that for certain types of business development the proposed CIL rate should be nil, largely due to current economic conditions. Since this type of development can also have an impact on green infrastructure, water supply and other infrastructure required to support development we trust the Council will keep this situation under review.</p> <p>I hope these comments are helpful. Please do not hesitate to contact me should you wish to discuss these in more detail.</p> <p>For any correspondence or queries relating to this consultation only, please contact me using the details below. For all other correspondence, please contact the address above.</p>	<p><b>Satisfactory Approach:</b> Confirmation that NE is generally satisfied with the content of the Draft Charging Schedule is noted.</p> <p><b>Ringfencing CIL Receipts for Green Infrastructure Projects:</b> The types of projects that CIL receipts may be used for does not form part of the Draft Charging Schedule. Whilst green infrastructure is identified as an important element of community infrastructure, it is not possible at this stage to make reference to any possibility of ringfencing CIL receipts for the development and management of green infrastructure projects. These issues, including the roles, rights and responsibilities of the recipients of CIL funding, will be considered further as part of the emerging CIL governance and funding prioritisation processes.</p> <p><b>Impacts of Business Development on Green Infrastructure and Other Infrastructure:</b> The CIL rate for specific business uses is set at zero to reflect viability evidence. The CIL Charging Schedule, once approved, will be reviewed in due course and CIL rates for specific uses may be increased or reduced as a result of that review.</p>
Adam Ireland Environment Agency	<a href="#">CIL-D21</a>	<p>Thank you for consulting the Environment Agency on the CIL Draft Charging Schedule. Whilst we have no specific comment in relation to the calculation of the chargeable amount, we would like to work closely with your organisation when identifying the water services or water environment infrastructure that could be provided through capital raised by the CIL process. We will seek to ensure that, where possible, any achievements / improvements made to this infrastructure have multi-functional benefits. Where this is the case, we will also look to adopt a multi-organisational approach in order to utilise other possible sources of funding.</p>	<p><b>No Specific Comments:</b> Confirmation of no specific comments from EA on the Draft Charging Schedule is noted.</p> <p><b>Project Development:</b> Confirmation that EA would wish to be involved in future project development for multi-funded projects (including CIL) is noted.</p>
Sainsburys Supermarkets Ltd Sean McGrath Indigo Planning Ltd	<a href="#">CIL-D18</a>	<p>We write on behalf of our client, Sainsbury's Supermarkets Ltd, in respect of the Draft Charging Schedule for Huntingdonshire. Sainsbury's currently operates a store in Huntingdon at St Germain Walk, and are seeking to relocate this store to George Street. The Council resolved to grant planning permission in relation to these proposals, subject to the signing of a Section 106 Agreement on 18 April 2011. Negotiations in respect of that Section 106 Agreement are ongoing, and it is anticipated that these discussions will be concluded and planning permission will be granted shortly.</p> <p>Sainsbury's also have other requirements in the District and, as such, they are keen to be involved in the Council's Local Development Framework process.</p> <p>The implementation of CIL in the District and its impact on retail proposals is therefore of great interest to Sainsbury's and they are keen to ensure that the CIL levy is implemented appropriately.</p>	<p><b>Principle of CIL Related to Economic Development:</b> It would appear that the respondent's comments relate to the initial CIL rates for retail uses proposed in the Preliminary Draft Charging Schedule. The Draft Charging schedule contains revised CIL rates for retail uses. However, it is acknowledged that the respondent disagrees in principle with CIL.</p> <p><b>Impact of CIL on Viability of Supermarket Development:</b> The viability assessments clearly demonstrate the CIL retail rates proposed in the</p>

Respondent	Comment ID	Comments	HDC Officer Response
		<p>Having reviewed the draft Charging Schedules, we are of the firm view that the proposed levy of £50 per m<sup>2</sup> for retail developments less than 1,000m<sup>2</sup> (G.I.A) and £140 per m<sup>2</sup> for retail development more than 1,00m<sup>2</sup> is both unreasonable and contrary to Government policy on promoting sustainable economic development. It will simply be too onerous to developers and operators to pay this levy in respect of foodstore development in addition to having to pay considerable Section 106 contributions. The levy means that these types of development will need to contribute at least £270,000, but more than likely, a minimum fee of £500,000 will be required for a standard new foodstore.</p> <p>In light of the Government's clear promotion of sustainable economic development, the imposition of this levy will conflict with key national policy aims. One of the key messages from 'Planning for Growth' is that LPA's should "ensure that they do not impose unnecessary burdens on development". The imposition of the proposed levy rate will be a clear burden on retail development and it will be harmful to investment and job creation. PPS4 identifies retail as economic development and development that generates employment. In the current economic climate, retail development is an important contributor to economic growth and obstacles such as the proposed levy should not be imposed. It will be in clear conflict with current national policy and should not be carried forward, as proposed.</p> <p>If a levy must be brought forward, we consider that a cap needs to be set for the total amount of money that can be contributed by developments through CIL. This cap should be based on a robust assessment of viability, taking into account that developers will still also be contributing significant funds towards Section 106 Agreements. It is unreasonable that the proposed CIL Levy could act to restrict development that is otherwise acceptable. This is unacceptable and unjustified. In the current economic climate, local authorities should be encouraging investment and job creation.</p> <p>We trust that the above comments will be taken into consideration by the Inspector during the Examination in Public into the Preliminary Draft Charging Schedule which we understand is expected to take place in February 2012.</p> <p>Sainsbury's are keen to invest further within the District, but do not wish to see potential development opportunities adversely impacted upon by the imposition of an unreasonable CIL Levy.</p> <p>Please contact my colleague David Graham or myself if you wish to discuss further and please keep us informed of the LDF process going forward.</p>	<p>Draft Charging Schedule are viable. Therefore, CIL should not restrict the ability of developers to bring new retail development forward, and so CIL cannot be considered as unreasonable. The lower rate proposed for the 500 sq m size or less is as a result of the viability testing undertaken on a range of unit sizes, including additional testing since the consultation on the Preliminary Draft Charging Schedule.</p> <p><b>Cap on CIL Contributions:</b> It is not permissible to introduce a cap on CIL contributions from any particular development.</p>
Harjinder Kumar Peterborough City Council	<a href="#">CIL-D31</a>	<p>Thank you for consulting us on the above document. We have no comments to make on the draft charging schedule.</p> <p>As a neighbouring authority, we may on a rare occasion have to work in partnership to deliver/fund cross-border schemes and this may potentially require pooling CIL contributions in order to deliver mutually beneficial outcomes. Should this occasion arise Peterborough City Council would be willing to work with Huntingdonshire District Council on cross-border schemes.</p>	<p><b>No Specific Comments:</b> Confirmation of no comments from PCC on the Draft Charging Schedule is noted.</p> <p><b>Cross Boundary Working:</b> The District Council would, in principle, be willing to work with PCC to discuss ways in which the use of CIL receipts may deliver mutually beneficial outcomes.</p>
Tesco Stores & Santon Group Devts Ltd Mark Buxton	<a href="#">CIL-D23</a>	<p>On behalf of our clients, Tesco Stores Ltd and Santon Group Developments LTd, we hereby make the following observations and comments on the revised draft Community Infrastructure Charging Schedule (published for consultation between 23 November 2011 and 3 January 2012).</p> <p>Our comments supplement our previous representations made on 9th September 2011. Whilst we welcome the reduction in the charging schedule for retail development of 500m<sup>2</sup> or more to £100 we consider that all our previous comments remain applicable and relevant</p>	<p><b>CIL Retail Rates:</b> The viability assessments clearly demonstrate the proposed CIL retail rates are viable. The lower rate proposed for the 500 sq m size or less is as a result of the viability testing undertaken on a range of unit sizes, including additional testing since the consultation on the Preliminary Draft Charging Schedule.</p>

Respondent	Comment ID	Comments	HDC Officer Response
		to the assessment of the Charging Schedule by an examiner.	
Janet Innes-Clarke Brampton Parish Council	<a href="#">CIL-D17</a>	Brampton Parish Council has 'No comments'.....we can only go by what the experts recommend.	<b>No specific comments:</b> Confirmation of no specific comments noted.
Gail Stoehr	<a href="#">CIL-D29</a>	The Cambridgeshire Local Access Forum (LAF) welcomes that access, recreation and cycling infrastructure has been identified and included.	<b>No specific comments:</b> Confirmation of support of access, recreation and cycling infrastructure noted.
Stacey Rawlings Bidwells (on behalf of Connolly Homes D.Wilson Oxford University)	<a href="#">CIL-D33</a>	<p>The methodology and assumptions contained in the DJD viability report and addendum require further testing, specifically full justification for the CIL rate in respect of strategic scale residential led development is still required. Please refer to Bidwells statement dated 3 January 2012 and earlier representations dated 9 September 2011. Please refer to accompanying statement and Bidwells previous detailed representations.</p> <p><b>Please Note:</b> The representation from Bidwells is in the format of a report.</p> <p>In summary, the Bidwells representation covers the following issues:</p> <ul style="list-style-type: none"> <li>• Viability assumptions including residential coverage, private and affordable house sales values, Code for Sustainable Homes, Section 106, infrastructure cost and base values</li> <li>• Infrastructure Project List</li> </ul>	<p><b>Single Zone approach:</b> Welcome support of the single zone approach for the district.</p> <p><b>Residential coverage:</b> The GIA has increased due to a correction in the average unit size of affordable housing units to ensure the relevant guidance on unit size is met.</p> <p><b>Sales rates:</b> Support of revised sales rate noted. The private sales rates were based on the market research as evidenced in the Market Report attached to the Viability Report.</p> <p><b>Affordable sales values:</b> The affordable sales values have been derived through the use of ProVal software (a specialist affordable housing residual appraisal model) as set out in our response to the PDCS Consultation CIL-PD83.</p> <p>The Code for Sustainable Homes level 3 has been included. It would not be appropriate to consider all code levels at this stage. The charging schedule can be reviewed when appropriate should costs, or other such elements change significantly.</p> <p><b>CIL rates:</b> The viability appraisals contain a number of inputs and variations could be expected in any one of these. In arriving at the CIL rate additional testing was carried out to ascertain the maximum amounts that might be supportable before rendering development unviable, before recommending a lower rate that we considered would not be to the detriment of deliverability of the majority of development in accordance with the regulations.</p> <p><b>Viability Infrastructure Costs:</b> The figure of £200,000 per acre is one intended to reflect the scale of costs on such a site and is in addition to</p>

Respondent	Comment ID	Comments	HDC Officer Response
			<p>normal build costs and site works. It provides £44.4m allowance for such costs and we believe this figure reasonable to adopt.</p> <p><b>Viability Base Value:</b> The £100,000 has been used as a base figure in comparison to the calculated residual across the entire site so in effect relates to the gross site area.</p> <p><b>Viability S106 contributions:</b> The Council will continue to consider S106 contributions in light of CIL contributions but the viability testing has taken into account the level of contributions advised as reasonable for this type of strategic site in the Huntingdonshire area. The CIL has been proposed at a level to maintain a margin of 'headroom' within the appraisals.</p>
Jennifer Dean Anglian Water Services Ltd	<a href="#">CIL-D32</a>	<p>Thank you for consulting us on the Huntingdonshire Community Infrastructure Levy- Draft Charging Schedule 2011.</p> <p>We would welcome the opportunity to discuss the water and sewage requirements for the growth in Huntingdonshire. We recommend the Draft Charging Schedule cross references to the provisions in the Water Industry Act 1991 for funding water and Wastewater infrastructure and clearly outlines where appropriate the role, and benefit, of funding through CIL.</p> <p>We are keen to work with partners to improve the efficiency of existing infrastructure through retrofitting surface water management and water efficiency measures. This may offer local solutions to infrastructure constraints through potentially creating capacity within the existing network and enabling Huntingdonshire to adapt to Climate Change.</p>	<p><b>Purpose of the Draft Charging Schedule:</b> The purpose of the Draft Charging Schedule is to state the proposed levy rates. All other related legislative matters are considered and the District Council welcomes the opportunity to continue to work with Anglian Water on infrastructure requirements.</p>
Paul Belton The Fairfield Partnership	<a href="#">CIL-D24</a>	<p>It is considered that the Draft CIL Charging Schedule should acknowledge here, or within the corresponding footnote, the exceptions for applying CIL, as set out within Part 6 of the Adopted CIL Regulations 2010 (as amended), specifically the fact that affordable housing is exempt from CIL.</p>	<p><b>CIL Exemptions and Affordable Housing:</b> The role of the Draft Charging Schedule is to set out the CIL rates for the District, not all legislative matters. Much of the legislative background and the methodology that the District Council has used in formulating the Draft Charging Schedule, is set out in the 'Huntingdonshire Community Infrastructure Levy: Background Paper 2011' which was issued as a supporting document as part of the consultation on the Draft Charging Schedule. This refers to exemptions and affordable housing. The District Council's approach to seeking developer contributions towards affordable housing is set out in its adopted 'Developer Contributions SPD' adopted in December 2011.</p>
Mr Watters	<a href="#">CIL-D1</a>	<p>The proposal does not appear to apply to travellers sites/mobile homes? Is that correct? I did not raise this before as I was not aware that a draft proposal had been released.</p>	<p><b>Travellers Sites and Mobile Homes:</b> The Community Infrastructure Levy will apply to most new development within the requirements set</p>

Respondent	Comment ID	Comments	HDC Officer Response
			out in the legislation.
Claire Wright Maxey Grounds LLP	<a href="#">CIL-D9</a>	It is our opinion that it is incorrect to make no specific reference to agricultural dwellings in the draft charging schedule. Agricultural dwellings by their very nature are essential dwellings on farms and should be exempt from Community Infrastructure Levy as imposed on other residential developments.	<b>Agricultural Dwellings:</b> The Community Infrastructure Regulations 2010 (as amended) clearly state the circumstances where exemptions from CIL can be permitted. Agricultural dwellings are not exempt and so are liable to pay CIL at the standard rate.
Cassie Fountain Peacock & Smith Ltd (on behalf of Wm Morrison Supermarkets Plc)	<a href="#">CIL-D6</a>	<p>On behalf of our clients, Wm Morrison Supermarkets plc, we <b>OBJECT</b> to the proposed CIL rate charge for retail development identified in the Table following Paragraph 1.5.</p> <p>In particular, we <b>OBJECT</b> to the following matters:</p> <ul style="list-style-type: none"> <li>The significantly lower CIL rate of £40 per sq.m for retail developments &lt;500sq.m will unreasonably favour smaller scale retail developments over larger and appears to support a decision by the charging authority (Council) to support smaller units which goes beyond viability considerations alone and conflicts with national guidance. It is therefore considered that separate rates for new retail development of different sizes is not reasonable or properly justified, and has the effect of conferring selective advantage within the retail development sector. It is suggested that the rates are amended to provide one, reduced flat rate for new retail development providing over 100 sq.m gross internal floor area.</li> <li>The proposed CIL rate of £100 per sq.m for new retail developments of 1,000 sq.m or more is still relatively high, and for a large foodstore (of around 7,400 sq.m GIA) will result in a CIL charge of £0.740m which is still excessive. A levy of this level is likely to render future large-scale retail developments unviable, particularly when taking in to account other costs for local infrastructure works and other contributions required as part of typical s106 Agreements (such as highway works which can typically be very expensive to ensure large scale retail developments function well).</li> </ul> <p><b>Suggested Change to the CIL rate for Retail Development</b></p> <p>It is suggested that the Council should adopt one CIL rate for all retail development providing more than 100 sq.m additional (new) gross internal floorspace, and that the charging level should be amended and full justification for the new figure should be given to ensure that all relevant factors have been taken in to consideration.</p> <p>We reserve the right to comment further at later stages of preparation of this document.</p>	<b>Impact of CIL on Viability of Supermarket Development:</b> The viability assessments clearly demonstrate the CIL retail rates proposed in the Draft Charging Schedule are viable. Therefore, CIL should not restrict the ability of developers to bring new retail development forward, and so CIL cannot be considered as unreasonable. The lower rate proposed for the 500 sq m size or less is as a result of the viability testing undertaken on a range of unit sizes, including additional testing since the consultation on the Preliminary Draft Charging Schedule. The viability testing supports the retention of two CIL retail rates for developments under and over 500sqm.
Francesca Lasman	<a href="#">CIL-D3</a>	<p>It seems inappropriate to use affordability as the only criterion to decide rate of the levy. This is particularly relevant in relation to health development, which is in itself infrastructure, and where affordability is now changing in its definition as healthcare provision funding changes rapidly.</p> <p>How is it logical to charge more for healthcare premises than for any other?</p> <p>The effect of this levy on the provision of necessary healthcare infrastructure to support a new development, or expansion as the demands of care in the community increase, will be to ensure that the provision will be jeopardised. The funding of healthcare premises is a complex issue which is already precariously balanced, and, for instance, when additional space was needed for training in our surgery, it was difficult to find any sources of funding. Imposing an additional cost will prove a huge disincentive to develop healthcare premises.</p>	<p><b>Impacts of CIL on Health Related Development:</b> The CIL Regulations 2010 (as amended) clearly state that levy rates need to be balanced with viability.</p> <p>Viability testing has been carried out to arrive at a recommended rate. Affordability to a particular end user is not part of the Regulations. Gross internal floor space up to 100 sq m is exempt.</p> <p>Additional viability testing has been carried out and the recommended rate amended accordingly.</p>
Nicholas Wells	<a href="#">CIL-D11</a>	Some of the rates proposed are not reasonable...	<b>Unreasonable CIL Rates:</b> The viability

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Godmanchester Town Council		<p>* although they would have a significant effect on infrastructure, the rate for health developments should be lower to reflect the desirability of health provisions - suggest reduce from £140 per square metre to £85.</p> <p>* General industrial and distribution &amp; storage would hopefully bring some employment benefits but the benefits might be outweighed by the impact of additional heavy traffic - suggest the rate should be increased from £0 to £85.</p>	assessments have been carried out by a highly experienced team and clearly evidence the proposed CIL rates. The District Council considers that the rates set are appropriate and comply with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended). The rates are based on evidence and not policy.
Claire Wright Maxey Grounds LLP	<a href="#">CIL-D10</a>	<p>It is also our opinion that the conversion of redundant rural buildings will still be hugely affected by this proposed charging schedule which includes retail use. The last thing the rural economy needs is an additional taxation burden which could potentially stop certain types of economic development in rural Huntingdonshire and seriously delay the economic recovery in rural areas.</p> <p>Further to the proposed rates of CIL it is our opinion that the rates have been set far too high and will succeed only in stalling economic recovery, particularly in disadvantaged areas of Huntingdonshire whilst deterring developers from favouring Huntingdonshire for new developments when neighbouring authorities are not yet introducing CIL.</p>	<b>Impacts of CIL on Economic Recovery:</b> The viability assessments have been carried out by a highly experienced team and clearly evidence the proposed levy rates. The Council believe the rates set are appropriate and comply with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).
Wendy Hurst Lidl UK GmbH	<a href="#">CIL-D8</a>	<p>The proposed CIL groupings for retail, i.e. 500 sq m or less (A1/ A2/ A3/ A4/ A5) and &gt; 500 sq m (A1/ A2/ A3/ A4/ A5) are too general and do not take into account the significant differences between medium development of 1,001 sq.m against that of a major scheme of 6,000 sq.m or more in terms of infrastructure effects and the necessary contributions to justify a development of this scale. Medium-sized retailers are therefore discriminated against and are being asked to contribute a much higher figure towards specific LA/CC schemes than has been the case previously; which has been much more open to negotiation and therefore perceived as fairer. The current draft fails to take into account the diverse nature of food retail in particular and the various classes within this, such as LAD's.</p> <p>SUGGESTED CHANGES - Lidl suggest that the thresholds should be amended to:</p> <p>500 sq m or less (A1/ A2/ A3/ A4/ A5) - CIL Rate £40</p> <p>500 sq.m to 1,499 sq.m (A1/A2/A3/A4/A5) - CIL Rate £70</p> <p>&gt; 1500 sq m (A1/ A2/ A3/ A4/ A5) - CIL Rate £100</p> <p>With a contribution per square metre which better reflects the overall impact of the development on service provision and infrastructure.</p>	<b>Impact of CIL on Viability of Supermarket Development:</b> The viability assessments clearly demonstrate the CIL retail rates proposed in the Draft Charging Schedule are viable. Therefore, CIL should not restrict the ability of developers to bring new retail development forward, and so CIL cannot be considered as unreasonable. The lower rate proposed for the 500 sq m size or less is as a result of the viability testing undertaken on a range of unit sizes, including additional testing since the consultation on the Preliminary Draft Charging Schedule. The viability testing supports the retention of two CIL retail rates for developments under and over 500sqm.
Ian Burns NHS Cambridgeshire	<a href="#">CIL-D19</a>	<p>Following our comments at the Preliminary Draft Charging Schedule Consultation Stage, the Council responded that this proposed level of charging for Health development is based on their Viability Report. We have therefore employed a Consultant Surveyor, Stephen Boshier of Boshier &amp; Co, to review the Viability report and assessment of Health development viability on our behalf. Mr Boshier is a Consultant Surveyor &amp; RICS Registered Valuer (MRICS) who specialises in working for the NHS and advises us on a number of property related matters.</p> <p>He concludes that the assumptions in the viability appraisal are inappropriate and that if the correct assumptions had been used the health development would be showing a loss. The outcome of £140 per m<sup>2</sup> as the levy is based on assumptions and information which does not stand up to scrutiny.</p> <p>Curiously, there is a mix of per ft<sup>2</sup> and an outcome of per m<sup>2</sup>. The health sector, including property advisers within the sector, all use m<sup>2</sup> in their calculations and analysis. The appraisal assumes a 6,400ft<sup>2</sup> ( 594m<sup>2</sup>) building (net) 8,000 ft<sup>2</sup> (743m<sup>2</sup>) (gross) on a half-acre (0.2ha) plot.</p>	<p><b>CIL Health rate assessment:</b> Noted the queries are on assumptions on the viability, not the methodology. The mix of ft<sup>2</sup> and m<sup>2</sup> was merely to be consistent in the viability testing, but makes no difference to the result as all figures are converted appropriately.</p> <p>Noted confirmation that the rent is within reason.</p> <p>The appraisal does assume a long lease to the doctors practice underpinned by PCT funding as has been market practice in recent years, hence the yield derived from market evidence and considered appropriate for this type of development. Changes in health sector funding</p>

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		<p>Mr Boshier comments as follows:</p> <ul style="list-style-type: none"> <li>The rate of £17.50 per ft<sup>2</sup> is £188.37 per m<sup>2</sup>. This is on a FRI lease basis. The CMR (rent reimbursement) would be +5% or £197.79 per m<sup>2</sup>. This is at the upper end of rent expectations for health accommodation outside of Cambridge, but within reason for a BREEAM Healthcare "Excellent" building.</li> <li>The yield of 6% is very full and would reflect a lease term in excess of 25 years without a break. This is an unrealistic assumption for businesses other than the NHS.</li> <li>The build cost is significantly understated and, therefore, the profitability is significantly overstated. Build cost is put at £120 per ft<sup>2</sup> (£1,290 per m<sup>2</sup>). Build costs for BREEAM Healthcare "Excellent" would be in the order of £2,000 per m<sup>2</sup> plus VAT.</li> <li>Professional fees would be in the range of 11% - 15% of the build costs.</li> </ul> <p>A revised financial appraisal would show a significant loss for this development          Whilst we appreciate that the Council intends to make Health a recipient of Cil, to make delivery of Health infrastructure affordable we need to be a net recipient of CIL. A circular funding arrangement that neutralises any benefit could put some important health developments at risk.          We suggest a way to include the NHS as a community use and thereby benefit from a nil rate is to include all buildings where community health services are provided either direct by the NHS or via an NHS contract. In terms of revised wording, simply delete the line from the table detailing Health and add Health D1( for NHS use) in the final line of the table.</p>	<p>and how this will impact development is as yet untested. It has already been recommended that CIL is reviewed moving forward which should include a revision to the methodology for this type of property if appropriate at the time in accordance with established practice.</p> <p>The cost of building to BREEAM Excellent standard has been considered and an addition explicitly shown in the appraisals above the base build cost.</p> <p>Additional viability testing has been carried out and the recommended rate amended accordingly.</p> <p>The CIL Regulations do not require health development to be exempt.</p>
Paul Belton The Fairfield Partnership	<a href="#">CIL-D25</a>	<p>It is considered that the Charging Schedule needs to provide increased flexibility to enable deviation from the standard charges to be agreed where justified on a site specific basis, specifically by way of a viability appraisal. To ensure this is possible it is considered that the following text should be added to the end of Paragraph 1.5. "<i>and/or agreed in writing with the Local Planning Authority</i>"</p> <p>In addition to the above it is also requested that it be clarified what is meant by the text "unless specifically stated otherwise". This is not clear at present.</p> <p>The above modifications are suggested because the proposed charges set out within this Draft Charging Schedule have been informed by a Viability Report, prepared by Drivers Jonas Deloitte and published in July 2011 and a "CIL Addendum Report", again prepared by Drivers Jonas Deloitte, published November 2011. Within this time period the Viability Appraisal's have suggested that the standard CIL charging rate be reduced from £100 to £85. Given these changes have been deemed necessary over this relatively short period, with further amendments made in the preceding 18 months since the Local Investment Framework was published by the Council in 2009 (which was also based on viability assessments) it is considered essential that the Adopted Charging Schedule maintains sufficient flexibility to ensure that CIL development across the District remains viable.</p>	<p><b>Flexibility with CIL:</b> The CIL is a mandatory levy which will be payable by all new development identified in the Charging Schedule. It has been subject to rigorous viability testing and it will not be possible to 'deviate' from the CIL rates set on a site by site basis – therefore CIL will not be negotiable on any particular development site. The table at para 1.5 clearly states that the standard rate applies to all development types unless stated otherwise in the table.</p>
Paul Belton The Fairfield Partnership	<a href="#">CIL-D26</a>	<p>Based on the information provided at presented it is not accepted that a standard charge of £85 is appropriate for Huntingdonshire. Having reviewed the supporting appraisals which have supported the latest Drivers Jonas Deloitte Report, we are not convinced that the assumptions used in the appraisal are robust. For example, the appraisals assume that the general build cost for residential development is £64/sqft. This would appear to be a very low build cost and well below the mean BCIS figure, adjusted for Cambridgeshire, of £79/ft<sup>2</sup>. Unless the assumed build costs can be explained and justified we cannot accept that the viability appraisal upon which the CIL Charging Schedule is based are robust,</p>	<p><b>Viability Evidence:</b> The build costs have been based on local Cambridgeshire BCIS data correlating to the period when market evidence was gathered. A further cost has been added to ensure CSH level achievement. The appraisals have been carried out by professionals in the field and are considered to be sound and robust.</p>

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		credible and therefore sound.	
Care UK Community Partnership Adrian Kearley AKA Planning	<a href="#">CIL-D30</a>	Due to care homes being generally unable to withstand CIL in the majority of the District it is proposed that they should be exempt and that they should be set at £0 per sq.m in the charging schedule.	<b>CIL Rate for Nursing Home:</b> The viability report details assessments undertaken to show the proposed levy rates.
Gordon Hasell	<a href="#">CIL-D2</a>	Please correct a minor typing error In para. 1.6. - Royal " <i>Institute</i> " of Chartered Surveyors should be Royal " <i>Institution</i> " of Chartered Surveyors which is its correct title.	<b>Typo:</b> Noted. Text will be corrected.
Paul Belton The Fairfield Partnership	<a href="#">CIL-D27</a>	It is considered that paragraph 1.6 should be reworded to read "The rate shall be updated annually for inflation <i>and deflation</i> ...." This change is considered necessary to ensure the CIL rate remains aligned with BCIS, as is clearly intended within the Draft Charging Schedule.	<b>Inflation and Deflation:</b> It is not intended to reword the document as the respondent suggests. Inflation can be negative or positive.
Paul Belton The Fairfield Partnership	<a href="#">CIL-D28</a>	<p>It is stated here that site specific contributions may also be required through a S106 agreement. The Council's CIL Background Paper 2011 confirms that it is important that the CIL Charging Schedule differentiates between a development's specific infrastructure which will be more suitably dealt with through a S106 (such as schools) to those infrastructure works included in the standard CIL charge. It is not considered that the current Draft Charging Schedule provides the clarity that is required.</p> <p>In this regard it is considered that paragraph 1.7 should be extended to confirm the above. It is considered that the text from the Background Paper should be repeated here, as is set out below:</p> <p><i>" A development's specific infrastructure requirements may be best dealt with through a Section 106 Agreement. This CIL Charging Schedule differentiates at paragraph ?? of this Charging Schedule between these infrastructure projects and those covered by CIL to ensure no double counting takes place between calculating the district wide CIL rate for funding of infrastructure projects and determining Section 106 Agreements for funding of other development specific infrastructure projects, within the scope of the three statutory S106 tests and in compliance with the Community Infrastructure Regulations 2010 (as amended)"</i></p> <p>This additional text should also confirm that appropriate reductions in the standard CIL charge shall be applied where site specific infrastructure that would normally have been covered by CIL is to be provided as part of any specific development proposal.</p> <p>In addition, it is considered that the Draft Charging Schedule needs to be clearly cross referenced with the Infrastructure Project List. It is this list that will ensure that double counting between CIL and S106 does not occur.</p> <p>It is noted that the CIL Background Paper states that the Infrastructure Project List will be published when the CIL Charging Schedule has been adopted. As it is this Infrastructure Project List that is informing the scale of contributions to be sought and the projects that are to be funded by CIL, this Project List should be appended to the Charging Schedule and cross referenced within its text at all times.</p>	<b>Supporting Evidence:</b> The Infrastructure Project List was issued as supporting evidence with the Draft Charging Schedule. It clearly identifies a range of infrastructure that could be funded via CIL. The Background Paper (issued at the same time) provides, as it implies, background information to the development of the Draft Charging Schedule as does the referenced Developer Contributions Supplementary Planning Document (adopted in December 2011).
J Bowd Holywell-cum-Needlingworth Parish Council	<a href="#">CIL-D7</a>	The scale of levy appears to penalise the 'health' sector but no apparent reason given.	<p><b>CIL Rate for Health Related Development:</b> The proposed health charge in the Draft Charging Schedule was based on viability evidence</p> <p>The health sector is not penalised. The CIL Regulations make no exemption for specific</p>



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			uses other than the reliefs allowed and the type of end user is not the determining factor in deciding to set a CIL rate for a type of development. .
Francesca Lasman	<a href="#">CIL-D4</a>	<p>Healthcare is essential infrastructure which should be supported by the CIL and not subject to charge at all.</p> <p>The region will not be economically viable or desirable as a place to live without adequate healthcare provision, which, with the new changes bringing care into the community, will require considerable additional investment in buildings. Who will provide this investment where there will no longer be guaranteed funding (bear in mind that your calculations on surgery funding are based on historical data which will change in the new climate). I would urge the district council to re think this part of the plan completely.</p>	<p><b>CIL Rate for Health Related Development:</b> The CIL Regulations 2010 (as amended) clearly state that development will be liable to pay CIL, with the exception of a number of legal exemptions. The fact that the building is for a private development or an identified infrastructure item is not relevant to the legalities of whether it is chargeable</p> <p>The future viability of surgeries or primary care facilities will change as will others as the health economy changes and the CIL is proposed to be reviewed going forward. Changes in the way that certain types of premises are delivered and occupied should appropriately be factored in when the 'market' is established.</p>
Ian Burns NHS Cambridgeshire	<a href="#">CIL-D20</a>	<p>Following our comments at the Preliminary Draft Charging Schedule Consultation Stage, the Council responded that this proposed level of charging for Health development is based on their Viability Report. We have therefore employed a Consultant Surveyor, Stephen Boshier of Boshier &amp; Co, to review the Viability report and assessment of Health development viability on our behalf. Mr Boshier is a Consultant Surveyor &amp; RICS Registered Valuer (MRICS) who specialises in working for the NHS and advises us on a number of property related matters.</p> <p>He concludes that the assumptions in the viability appraisal are inappropriate and that if the correct assumptions had been used the health development would be showing a loss. The outcome of £140 per m<sup>2</sup> as the levy is based on assumptions and information which does not stand up to scrutiny.</p> <p>Curiously, there is a mix of per ft<sup>2</sup> and an outcome of per m<sup>2</sup>. The health sector, including property advisers within the sector, all use m<sup>2</sup> in their calculations and analysis. The appraisal assumes a 6,400ft<sup>2</sup> ( 594m<sup>2</sup> ) building (net) 8,000 ft<sup>2</sup> (743m<sup>2</sup> ) (gross) on a half-acre (0.2ha) plot.</p> <p>Mr Boshier comments as follows:</p> <ul style="list-style-type: none"> <li>• The rate of £17.50 per ft<sup>2</sup> is £188.37 per m<sup>2</sup>. This is on a FRI lease basis. The CMR (rent reimbursement) would be +5% or £197.79 per m<sup>2</sup>. This is at the upper end of rent expectations for health accommodation outside of Cambridge, but within reason for a BREEAM Healthcare "Excellent" building.</li> <li>• The yield of 6% is very full and would reflect a lease term in excess of 25 years without a break. This is an unrealistic assumption for businesses other than the NHS.</li> <li>• The build cost is significantly understated and, therefore, the profitability is</li> </ul>	<p><b>CIL Health rate assessment:</b> Noted the queries are on assumptions on the viability, not the methodology. The mix of ft<sup>2</sup> and m<sup>2</sup> was merely to be consistent in the viability testing, but makes no difference to the result as all figures are converted appropriately.</p> <p>Noted confirmation that the rent is within reason.</p> <p>The appraisal does assume a long lease to the doctors practice underpinned by PCT funding as has been market practice in recent years, hence the yield derived from market evidence and considered appropriate for this type of development. Changes in health sector funding and how this will impact development is as yet untested. It has already been recommended that CIL is reviewed moving forward which should include a revision to the methodology for this type of property if appropriate at the time in accordance with established practice.</p> <p>The cost of building to BREEAM Excellent standard has been considered and an addition explicitly shown in the appraisals above the base</p>

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		<p>significantly overstated. Build cost is put at £120 per ft<sup>2</sup> (£1,290 per m<sup>2</sup>). Build costs for BREEAM Healthcare "Excellent" would be in the order of £2,000 per m<sup>2</sup> plus VAT.</p> <ul style="list-style-type: none"> <li>Professional fees would be in the range of 11% - 15% of the build costs.</li> </ul> <p>A revised financial appraisal would show a significant loss for this development</p> <p>Whilst we appreciate that the Council intends to make Health a recipient of Cil, to make delivery of Health infrastructure affordable we need to be a net recipient of CIL. A circular funding arrangement that neutralises any benefit could put some important health developments at risk.</p> <p>We suggest a way to include the NHS as a community use and thereby benefit from a nil rate is to include all buildings where community health services are provided either direct by the NHS or via an NHS contract. In terms of revised wording, simply delete the line from the table detailing Health and add Health D1( for NHS use) in the final line of the table.</p>	<p>build cost.</p> <p>Additional viability testing has been carried out and the recommended rate amended accordingly.</p> <p>The CIL Regulations do not require health development to be exempt.</p>
<b>Representations received after the formal consultation period had closed</b>			
Respondent	Comment ID	Comments	HDC Officer Response
Stuart Garnett, Savills Planning (on behalf of Gallagher Estates Ltd)	<a href="#">n/a</a>	<p><b>Please Note:</b> The representation from Savills Planning on behalf of Gallagher Estates Ltd is in the format of a full letter.</p> <p>In summary, the representation covers the following issues:</p> <ul style="list-style-type: none"> <li>Viability assumptions including Section 106, developer profit, Code for Sustainable Homes, base values and payment timings</li> </ul>	<p><b>S106:</b> The S106 level input was based on assessment of other similar schemes and infrastructure project details..</p> <p><b>Profit:</b> An appropriate profit level was used for the types of schemes tested and the Huntingdonshire area. This was applied to both private and affordable housing.</p> <p><b>Code for Sustainable Homes costs:</b> An allowance for CSH3 was incorporated in the build costs across the sites which we consider reasonable in accordance with current requirements.</p> <p><b>Base value:</b> The £100,000 per acre reflects the hypothetical 444 acre site that does not have planning permission but is allocated for residential. Given the uncertainty in such a situation and the size of the site being purchased we consider this figure reasonable.</p> <p><b>Timing of payments:</b> The Council would agree that a deferred payment policy as allowed in the Regulations is a pragmatic approach, but for the purpose of testing have assumed payment of levy at commencement of construction.</p>
Deryck Irons Abbotsley	<a href="#">n/a</a>	A key objective of the draft national planning policy framework is 'to significantly increase the delivery of new homes'. Abbotsley Parish Council fails to see how imposing charges on	<b>Commercial Housing:</b> The Community Infrastructure Levy applies to all development.

Respondent	Comment ID	Comments	HDC Officer Response
Parish Council		<p>housing development will achieve this objective.</p> <p>The new Community Infrastructure Levy may be appropriate for large housing developments, used in conjunction with S106 agreements, but it does not appear to be appropriate in small rural environments. Although large scale developments in Abbotsley are unlikely, our Village Plan identified a need for smaller dwellings for the village - particularly for young people living in the village. The introduction of a large levy on all developments, of say £7 - 10,000 for a 2/3 bedroom house, is very significant. Infill plots and very small developments are therefore more likely to comprise of larger and more expensive houses where the charge is more easily absorbed. Such small developments were unlikely to attract significant S106 contributions previously. Abbotsley Parish Council considers the proposed charges to be very high with a possible negative effect on low cost rural housing.</p>	<p>The proposed standard rate will be applied to all new commercial housing in urban and rural areas across the district. The viability assessments have been carried out by a highly experienced team and clearly evidence the proposed CIL rates.</p>
Phil Copsey, David Lock Associates (on behalf of Urban and Civic)	<a href="#">n/a</a>	<p><b>Please Note:</b> The representation from David Lock Associates on behalf of Urban and Civic is in the format of a full letter.</p> <p>In summary, the representation covers the following issues:</p> <ul style="list-style-type: none"> <li>• Approach to large scale major developments</li> <li>• Infrastructure List CIL / S106 split</li> <li>• Charging Schedule timing</li> <li>• CIL Reporting</li> </ul>	<p><b>Large scale major developments:</b> The support of clarity on infrastructure provision for large scale major sites through CIL and S106 is noted.</p> <p><b>Infrastructure Project list CIL / S106 split:</b> The Infrastructure List supporting the Draft Charging Schedule is based on the needs arising from new development. It is very detailed clearly showing whether items are CIL or S106 to ensure no double counting takes place.</p> <p>The Infrastructure List also identifies alternative funding sources and deducts these from the funding gap. This has included the deduction of S106 development specific funded infrastructure to ensure that the aggregate funding gap is valid and in compliance with the CIL Regulations (as amended).</p> <p><b>Charging Schedule Timing:</b> It has been public knowledge for a considerable time that Huntingdonshire District Council is working towards the adoption of a Community Infrastructure Levy Charging Schedule with a view to adoption in April 2012. This has been made known via the website, meetings and through the Developer and Agents Forum events. Planning applications and S106 Agreements will continue to be worked on in the usual manner.</p> <p><b>CIL Reporting:</b> The Council will report on CIL annually as required by the CIL Regulations 2010 (as amended).</p>



## Community Infrastructure Levy Declaration required under Planning Act 2008, Section 212, subsection 4 & 5

Huntingdonshire District Council hereby declares that:

- “a) as the charging authority it has complied with the requirements of Part 11 of the Planning Act 2008 and the Community Infrastructure Levy (CIL) Regulations 2010 as amended by the CIL Regulations 2011 (including the requirements to have regard to the matters listed in Section 212 (2) and (4) of the Planning Act 2008);
- b) as the charging authority it has used appropriate available evidence to inform the draft charging schedule; and
- c) that any other matters prescribed by CIL Regulations 2010 as amended have been dealt with.”

As required under subsection (5) this Declaration was presented and approved by a majority of the members present at a meeting of Huntingdonshire District Council on 19<sup>th</sup> January 2012. A copy of the minutes of the meeting is available on the Council’s website at [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk) .

Signed: .....

Name: .....

Position: .....

Date: .....

## Compliance with the legislative requirements for preparing and submitting a Draft Charging Schedule

The following sets out how the requirements of Section 212 (4) of the Planning Act 2008 have been met.

<b>Planning Act 2008</b>	
Section 211	<p>In preparing the Draft Charging Schedule Huntingdonshire District Council has had regard to the actual and expected costs of infrastructure; the economic viability of development; other actual or expected sources of funding for infrastructure; the actual or expected administrative expenses in connection with CIL; and the Statutory Guidance.</p> <p>Huntingdonshire District Council has consulted a range of stakeholders in preparing the Draft Charging Schedule, with formal consultations taking place as follows:</p> <p>Preliminary Draft Charging Schedule - 29<sup>th</sup> July 2011 to 16.30 on 9<sup>th</sup> September 2011            Draft Charging Schedule - 23<sup>rd</sup> November 2011 to 17.00pm 3<sup>rd</sup> January 2012</p>
Section 212	<p>Huntingdonshire District Council has appointed the Planning Inspectorate to examine the Draft Charging Schedule, as an appropriate independent body that has suitable qualifications and experience for the task.</p>
Section 212	<p>The following appropriate, available evidence has informed the Draft Charging Schedule:</p> <p>The key pieces of evidence used were:</p> <ul style="list-style-type: none"> <li>• the Huntingdonshire District Council Viability Testing of Community Infrastructure Levy Charges by Drivers Jonas Deloitte, July 2011;</li> <li>• the Huntingdonshire District Council CIL Addendum Report by Drivers Jonas Deloitte, November 2011; and</li> <li>• the Draft Charging Schedule Infrastructure Project List, November 2011.</li> </ul> <p>The Huntingdonshire Core Strategy 2009 and evidence, including the Local Investment Framework 2009, were used.</p> <p>In addition to the above evidence, the Council has produced a CIL Background Paper to provide further information on the development of a Community Infrastructure Levy for Huntingdonshire.</p> <p>As part of the required consultation process, the following documents were also published:</p> <ul style="list-style-type: none"> <li>• Preliminary Draft Charging Schedule Consultation Responses 2011</li> <li>• Draft Charging Schedule Statement of Representations Procedure and Guidance Notes Nov 2011</li> <li>• Draft Charging Schedule Notice of Public Participation Nov 2011.</li> <li>• Draft Charging Schedule Statement of Representations 2011 (published as part</li> </ul>

	<p>of the report to Huntingdonshire District Council Cabinet on 19<sup>th</sup> January 2012).</p> <p>All of the above documents are available on the website at <a href="http://www.huntingdonshire.gov.uk">www.huntingdonshire.gov.uk</a> .</p>
<b>Regulation Number</b>	<b>The Community Infrastructure Levy Regulations 2010 as amended</b>
12	The Draft Charging Schedule contains the information required by the Regulations, namely (a) the name of the charging authority; (b) the rates (in pounds per square metre) at which CIL is to be chargeable in the authority's area; (c) the fact that the levy rates will apply uniformly to all land uses across the whole geographic extent of the district of Huntingdonshire; and (d) an explanation of how the chargeable amount will be calculated.
13	Huntingdonshire District Council's differential levy rates are compliant with Regulation 13, which enables charging authorities to set differential rates (including nil rates) by location and type of development.
14	In setting its differential levy rates, Huntingdonshire District Council has complied with Regulation 14 (1), which requires that it, "must aim to strike what appears to the charging authority to be an appropriate balance between— a. the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b. the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.". The Viability Report and Addendum Report have been key to this.
15	<p>A Preliminary Draft Charging Schedule was approved by Cabinet on 23<sup>rd</sup> June 2011 following consideration of the submitted report and a verbal update relating to levy rate changes and published on 29<sup>th</sup> July 2011, together with the accompanying evidence base. Consultation occurred in accordance with the Regulations over the period 29<sup>th</sup> July 2011 to 16.30 on 9<sup>th</sup> September 2011 with the prescribed consultation bodies. Comments were also invited from residents, businesses and voluntary bodies, including:</p> <ul style="list-style-type: none"> <li>• All local planning authorities adjoining the district, the county council, parish/town councils, partner consultees, infrastructure providers and other organisations and individuals subscribed to the Limehouse consultation system</li> <li>• Town Centre Partnerships and business networks</li> <li>• Voluntary / community networks</li> <li>• Neighbourhood Forums</li> <li>• Huntingdonshire Strategic Partnership</li> <li>• Greater Cambridge Greater Peterborough Local Enterprise Partnership</li> </ul> <p>The document was also made available for anyone to access at:</p> <ul style="list-style-type: none"> <li>• public libraries across the district</li> <li>• Customer Service Centres across the district</li> </ul> <p>Details regarding the consultation were also made available through a local press release.</p>

	<p>A total of 134 representations from 39 respondents were received to the Preliminary Draft Charging Schedule. These helped to inform the preparation of the Draft Charging Schedule and were reported to Huntingdonshire District Council Cabinet on 17<sup>th</sup> November 2011. Full details can be found in the Preliminary Draft Charging Schedule Consultation Responses 2011.</p>
16	<p>In accordance with the Regulations, the Draft Charging Schedule was published, together with a Statement of Representations Procedure and Guidance Notes, a Comment Form, Public Notice availability of documents, relevant evidence and the 'Background Paper', on the Council's website on 23<sup>rd</sup> November 2011. Consultees were notified as required and local advertisements were placed in the Hunts Post and the Peterborough Evening Telegraph on 23<sup>rd</sup> November 2011.</p> <p>A total of 32 representations from 24 respondents were received to the Draft Charging Schedule.</p> <p>A further 3 respondents submitted comments on the Draft Charging Schedule. These were received outside the agreed time and so are not accepted formal responses although their comments have been considered.</p>
17	<p>The period for representations on the Draft Charging Schedule was 23<sup>rd</sup> November 2011 to 17.00 3<sup>rd</sup> January 2012.</p>
19	<p>Huntingdonshire District Council will submit the Declaration and the following to the examiner in accordance with the Regulations: (a) the Draft Charging Schedule; (b) a summary of the main issues raised by the representations; (c) copies of the representations; (d) any modifications; (e) copies of the relevant evidence.</p> <p>Copies of the above documents will be made available at all libraries in Huntingdonshire and Customer Service Points including the Council's main offices at Pathfinder House, St Mary's Street, Huntingdon as required by the Regulations. All documents will be available on the Council's website and a statement of the fact that the documents are available for inspection and where they can be inspected will be published.</p> <p>Any modifications to the Draft Charging Schedule, as agreed by Cabinet on 19<sup>th</sup> January 2012, will be published on the Council's website and notified to all prescribed consultation bodies, before submission of the Draft Charging Schedule to the examiner as required by the regulations.</p>



## **NEIGHBOURHOOD FORUMS WORKING GROUP (Report by the Overview and Scrutiny Panel (Social Well-Being))**

### **1. INTRODUCTION**

1.1 At its meeting in November 2011, following a request by the Cabinet, the Panel established a Working Group to undertake a review of the Neighbourhood Forums in Huntingdonshire. As part of their investigations the Working Group was apprised of the “Shape Your Place” initiative. The purpose of this report is to seek the Cabinet’s endorsement of the initiative for implementation within Huntingdonshire.

### **2. SHAPE YOUR PLACE INITIATIVE**

2.1 At the Working Group’s initial meeting on 23<sup>rd</sup> November 2011, Members of the Working Group received a presentation from the Managing Director (Communities, Partnerships and Projects), the Corporate Team Manager and the Healthy Communities Manager on the “Shape Your Place” initiative currently being piloted in Fenland.

2.2 “Shape Your Place” is a web based site which has been established by Cambridgeshire County Council who are leading on the scheme. Partners who have subscribed to the Fenland scheme include Fenland District Council, Cambridgeshire Constabulary, Cambridgeshire Fire and Rescue Service and a local community group called Community Fair. The initiative seeks to promote community engagement by enabling local public bodies to establish dialogue with local residents. An important aspect of this is that some of these residents might not utilise the Neighbourhood Forums. The site can be accessed via the following link - [www.shapeyourplace.org](http://www.shapeyourplace.org) and encourages residents to either report any issues of local concern or to post ideas on how to make their neighbourhoods a better place to live. It operates sub-district neighbourhood areas, which are larger than towns or parishes.

2.3 The initial costs of establishing the scheme within Huntingdonshire is estimated to be around £2,000 plus ongoing costs. Work is currently being undertaken by Officers to define the geographical areas within Huntingdonshire on which the initiative will operate. Dependant on the number of areas proposed, the costs will vary. The figure of £2,000 has been based on the establishment of 4 neighbourhood areas. Whilst the ongoing costs are yet to be confirmed, Members have been informed that this will cover maintenance of the site and any monitoring activity undertaken by the County Council.

### **3. CONCLUSION AND RECOMMENDATION**

3.1 The Panel has formed the view that the “Shape Your Place” initiative should be adopted within Huntingdonshire. Members of the Working Group have concluded that it will promote community engagement by enabling public bodies to establish a dialogue with a sector of local residents who would not normally be inclined to attend the existing Neighbourhood Forums. Furthermore, it will allow members of the public to feed into the democratic process and provide a means to report back to them on outcomes. The Overview and Scrutiny Panel (Social Well-Being) has endorsed these views. It is therefore

## RECOMMENDED


that the Shape My Place initiative is adopted within Huntingdonshire.

## BACKGROUND PAPERS

Overview and Scrutiny Panel (Social Well-Being) 1/11/2011 and 6/12/11 - Minutes and Reports.

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## EU PROJECT - MOBILISING LOCAL ENERGY INVESTMENTS (MLEI)

(Report by Head of Environmental Management)

### 1. INTRODUCTION

- 1.1 One of the biggest challenges especially for small to medium-sized local authorities is to prepare sustainable energy projects which are big enough to be considered 'bankable' by financing institutions and/or suitable for grant funding, the *Mobilising Local Energy Investments (MLEI) in greater Cambridgeshire and Greater Peterborough* project responds to this challenge by bundling local initiatives to reduce their risk and increase their attractiveness.
- 1.2 A successful application has been made jointly by five Cambridgeshire local authorities and Cambridge University to the European Commission's Executive Agency for Competitiveness & Innovation (EACI) for 'Intelligent Energy Europe (IEE) financial assistance totalling €1.2M (£1M). The project will support the delivery of projects across the county comprising energy efficiency and energy generation schemes using public assets as the focus for delivery. Three local authorities (Cambridgeshire County Council, Cambridgeshire City Council and South Cambridgeshire District Council) will shortly receive Member approval to participate in the project.
- 1.3 Under the project Huntingdonshire District Council stands to benefit from €157,000 grant funding for staff time and overheads to support the delivery of two projects in the district.
  - St Neots District Heating Network - Ongoing work into the viability of developing a combined heat and power network in the Cromwell road area of the town.
  - The retro-fitting of commercial and industrial units in the district - to improve energy efficiency, reduce bills for tenants and lower carbon emissions.
- 1.4 The project will also enable work to be undertaken to provide a framework for the delivery of other District/Countywide energy infrastructure projects through the development of the Community Energy Fund (CEF) and other projects listed in 2.3 below.
- 1.5 For the Council to participate in the project it will be necessary to sign a Heads of Terms document, a consortium agreement governing joint working arrangements and agree the financial management of the project before the funding is released.

### 2. BACKGROUND

- 2.1 In January 2011 Professor Ian White of Cambridge University proposed to the Local Enterprise Partnership (LEP) Board the set up a business driven Low Carbon Hub for Greater Cambridge and Greater Peterborough. The Low Carbon Hub will be the central place for co-ordinating and demonstrating how to create a low carbon

economy by using the assets within the LEP area, such as the businesses, the universities, the public sector, and others to bridge the current implementation gap.

- 2.2 A Regional Growth Fund bid was submitted by the LEP but was unsuccessful. The ambition to set up the Low Carbon Hub remains and efforts to secure other sources of funding to help deliver the ambitions of the Hub are now underway.
- 2.3 Through a series of defined work packages the MLEI project will prepare, mobilise financing and launch investments to deliver:
  - a. A finance model which aligns private and public sector investment to support the low carbon infrastructure investment
  - b. A Community Energy Fund (CEF) to collect developer contributions from the delivery of new housing
  - c. An Energy services company (ESCO) (or appropriate mechanism) to deliver investments and infrastructure
  - d. A mechanism to deliver retrofit schemes for housing
  - e. Delivery of an investment programme comprising 10 local projects
- 2.4 An overview of the project including key objectives and deliverables is included as Annexe A.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The overall project requires that a €1.2M grant generates at least 15 times its value of projects going to tender, equating to €18M. Failure to collectively deliver the desired leverage will mean the grant provided will have to be paid back but only on a pro rata basis. To date, a portfolio projects worth at least €23M has been identified and partners are confident the necessary targets will be comfortably met even if some projects do not reach tender stage. Risk is further reduced by the opportunity to substitute projects during the course of the initiative.
- 3.2 In addition to the individual HDC projects there will be €290,000 of shared grant to be used to assist project delivery across the County e.g. CEF/CRIF related work. Cambridgeshire CC has advised that there is shared liability for these costs with the maximum liability for HDC if no projects are delivered being €50,000. Should this unlikely scenario arise then the liability will be met from the Council's existing Environmental Management revenue budgets in line with the current Medium Term Plan.
- 3.3 The Intelligent Energy Europe (IEE) funding programme presents an opportunity for the Council to obtain €157,000 towards the costs of developing two significant business driven energy infrastructure projects in the district. The intention is that the funding will pay for existing and potentially additional staff over the three year period of the project to enable schemes to be brought to the tender stage prior to implementation.
- 3.4 To alleviate any risk of having to pay back staff costs, a decision to draw down the European funding will only be taken when the Council is certain that the two HDC projects will deliver as required. Should these projects not prove viable, the Council has been advised by the project lead (Cambridgeshire CC) that it will be able to withdraw them from the scheme without any financial penalty.

#### **4. CONCLUSIONS**

- 4.1 The Intelligent Energy Europe (IEE) project provides an opportunity for Huntingdonshire District Council to receive €157,000 funding to provide technical assistance towards the development of two significant schemes within the District. The first of which will enable the council to upgrade its commercial/industrial units by retro-fitting energy efficiency measures and the second will support an innovative proposal for a District Heating Network in the town of St Neots. It will also provide a framework for the delivery of other District/County wide projects through the development of the CEF and appropriate delivery vehicles e.g. ESCOs.
- 4.2 The Scheme requires that the technical assistance provided will generate leverage of at least 15 times the original grant. A portfolio of investment projects has been identified within the County and if all are successful investment in excess of €23M will be forthcoming. Failure to generate this leverage will result in pro-rata claw back of the grant funding, with a maximum liability for HDC of €50,000 resulting from shared project costs. Should this unlikely situation arise the liability will be met for the Council's existing Environmental Management revenue budgets.

#### **5. RECOMMENDATIONS**

- 5.1 Cabinet is recommended to:
- (a) Agree in principle to participate in Cambridgeshire's Intelligent Energy Europe (IEE) project to provide a much needed source of funding/capacity for developing energy infrastructure initiatives.
  - (b) Delegate authority to the Managing Director (Communities, Partnerships and Projects) and the Head of Legal and Democratic Services, to negotiate a Heads of Terms document, a consortium agreement governing joint working and the completion of the final form of documentation needed for the Countywide application to the EU's IEE fund for technical assistance, subject to consultation with the Executive Councillor for the Environment on the proposed governance arrangements and full financial details.

#### **BACKGROUND INFORMATION**

**Contact Officer: Chris Jablonski (Environment Team Leader)**  
**Tel: Ext. 8368**

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## Project overview

- 1.1 A successful application has been made to the European Commission's Executive Agency for Competitiveness & Innovation (EACI) for financial assistance to support the mobilisation of local energy investments in Greater Cambridge and Greater Peterborough.
- 1.2 The 2007-2013 Intelligent Energy – Europe (IEE) programme, worth €730 million, forms part of the EU's Competitiveness and Innovation framework Programme (CIP). Funding may cover up to 75% of the eligible costs of successful project applications. IEE's aim is to accelerate uptake of sustainable energy technologies, through increasing the level of investment in them and the demand for sustainable energy. One of the biggest challenges especially for small and medium-sized local authorities is to prepare sustainable energy projects which are big enough to be considered 'bankable' by financing institutions and/or suitable for grant funding by EU financing facilities.
- 1.3 The *Mobilising Local Energy Investments in Greater Cambridge and Greater Peterborough* project responds to the challenge by bundling local initiatives together to reduce their risk and increase their attractiveness. The Partnership has proposed a project worth €1.2million (£1 million) to facilitate the delivery of an investment programme of approximately €23million (£20.3 million). The investment programme comprises approximately 10 projects split between energy efficiency of public sector buildings and council homes and low carbon energy generation.
- 1.4 The Partnership includes Cambridgeshire County Council, Peterborough City Council, Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council. The University of Cambridge is also engaged in the project, through its leadership of a Low Carbon Hub which is harnessing local assets to bring about transformational CO2 emissions reductions and stimulate the local low carbon economy.

## 2 The Key Objectives

- 2.1 The *Mobilising Local Energy Investments in Greater Cambridge and Greater Peterborough* project will prepare, mobilise financing and launch investments to deliver:
  - a. A finance model which aligns private and public sector investment to support low carbon infrastructure investment  
The scale of infrastructure investment required to deliver a low carbon economy is significant. Taking renewable energy and energy efficiency as key investment areas it is estimated that to deliver 28% of our energy from renewables by 2031 will cost between £3-6billion of investment dependant on ambition and to deliver significant retrofit – for example in Cambridge, over £600million will be required. To make this happen a long term investment strategy is required. The project will identify which public

sector funding streams can be brought together with private finance to create a fund that can be invested in low carbon infrastructure. For example using Feed in Tariff, Renewable Obligation Certificates, Green Deal, Community Energy Funds, S106, Community Infrastructure Levy and other funding to develop a sustainable financial model for Cambridgeshire investing over the longer term.

- b. A Community Energy Fund (CEF) to collect developer contributions from the delivery of new housing
- c. An Energy Services Company (ESCO) (or appropriate mechanism) to deliver investments and infrastructure
- d. A mechanism to deliver retrofit schemes for housing  
With a financial model in place that can invest over the longer term, delivery vehicles are required to manage the finance, build, design and operation of retrofit and energy generating projects. Three possible vehicles are identified as b, c and d above. When the vehicles are set up, these can then be tested by the projects in the investment programme and fine tuned as lessons are learned.
- e. Delivery of an investment programme comprising local projects  
The Local Authorities will draw up O&J contracts to procure the delivery of the projects. Currently, there are two retrofit projects and three energy efficiency projects in the investment programme. They include: the retrofit of the 10 worst energy-performing schools in Cambridgeshire, a retrofit project of 670 rural off-gas grid homes in South Cambridgeshire, the Cambridge city combined heat and power and district heating scheme (phase 1) and St Neots combined heat and power and district heating scheme (phase 1). The project will help to identify (through its financial model, investor networks and delivery vehicles) the funding mix for the projects including if the local authorities want to have long term financial stakes in the projects. The project supports the local authorities with the information to make investment decisions.

### **3 The existing position and contributions already made**

- 3.1 The Cambridgeshire Renewables Infrastructure Framework (CRIF) has identified that delivery of 18% renewable electricity and 35% renewable heat for Cambridgeshire will realise investment of between £4-6billion into local energy generation. Cambridgeshire has sufficient renewable energy capacity to deliver this challenge but needs to work out how to attract the investment to make it happen and then to ensure that significant financial and economic benefits are retained locally.
- 3.2 Delivery of the current growth agenda in Cambridgeshire up to 2026 (from 2011) will provide a pot of funding of up to £60million for a Community Energy Fund. The Community Energy Fund will be administered by the local authorities and invest in local low carbon infrastructure.
- 3.3 The EU-funded project *Mobilising Local Energy Investments in Greater Cambridge and Greater Peterborough* will set up delivery vehicles to manage the scale of



infrastructure delivery including an energy services company that can commission, design, build and manage new energy generating schemes (community scale and larger) and a special purpose vehicle to support delivery of large scale retrofit in public assets. In addition, it will set up the Community Energy Fund as a mechanism for developers to deposit contributions from new development to deliver their zero carbon obligations from 2016.

- 3.4 The EU project provides technical assistance money to develop skills and capacity in the Local Authorities through piloting public sector projects to deliver energy generating schemes and retrofit projects. The University of Cambridge, with the EU project partners will work with investors and commercial sector to broker business relationships for delivering Cambridgeshire's potential.
- 3.5 This project will:
- make best use of market incentives e.g. Renewable Heat Incentive and Feed in Tariff, capturing this value for Cambridgeshire and providing a platform for the cleantech sector to develop and grow
  - help unlock market failure in the potentially huge energy retrofit market where consumers lack information they need to make consumer decisions and trust in a highly fragmented supply side
  - help support the development of the cleantech sector in our area, and creation of jobs as the money leverages a multiplier effect in terms of contracts awarded.
- 3.6 This project will enable us (and a range of partners) to:
- deliver projects sooner and cheaper than if partners proceeded without EU funding
  - deliver long term energy savings year on year for the wider public estate.
- 3.7 To not proceed with this project will mean:
- Partners in the project lose the benefits of the work undertaken to date
  - Partners lose the capacity in Cambridgeshire to make progress and lose the ability to develop a multibillion pound business opportunity – including the patriation and safeguarding of critical energy supplies for Cambridgeshire.

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**COMT  
CABINET MEETING**

**19 January 2012**

## **CAMBRIDGESHIRE HORIZONS – PROPOSED CHANGES TO COMPANY ARTICLES & MEMORANDUM**

(Report by the Head of Legal and Democratic Services)

### **1. Purpose of Report**

To approve proposed changes to the Articles and Memorandum of Cambridgeshire Horizons and to authorise the Council to enter into a Memorandum of Understanding to deal with the repayment of monies previously advanced by the company.

### **2. Background**

- 2.1 Whilst Cambridgeshire Horizons is winding down its operations, the Board has decided that the company should be maintained as a legal entity, principally in order to receive the returning housing growth fund investments and loans over the next few years.
- 2.2 This necessitates a change to the company's Articles of Association. The main changes are to omit EEDA and English Partnerships as company members and to give greater discretion around meetings and business planning, as the company will be largely dormant until money starts returning.
- 2.3 A copy of the Articles showing all proposed amendments in track changes is attached as annex A.
- 2.4 The Members Agreement also requires amendment, the most significant amendments being in respect of decisions which require unanimous member approval (schedule 5), or the approval of all the Directors of the Member Organisations (schedule 6) and those requiring a majority Board approval (schedule 7).
- 2.5 Extracts of the Members Agreement, including Schedules 5-7 showing the proposed alterations in track changes is attached as annex B.
- 2.6 Finally, the Council is required to enter into a Memorandum of Understanding, which outlines the basis on which returning monies are apportioned and the priority in which they are repaid. The main provision is that the County Council has first call on the returning monies and would be paid back the £1.15m prudential borrowing it undertook to cover agreed shortfalls in the company's capital expenditure programme.

2.7 A copy of the Memorandum of Understanding is attached at annex C.

### 3. **Recommendation**

The Cabinet is recommended:-

- 1) to approve the proposed changes to the Articles and Memorandum of Cambridgeshire Horizons; and
- 2) authorise the Council to enter into the attached Memorandum of Understanding.

Contact Officer:

Colin Meadowcroft, Head of Legal & Democratic Services (01480 388021)

Background papers: Legal and Democratic Services File L/POG/20

*ANNEX A*

*THE COMPANIES ACT 2006*  
*COMPANY LIMITED BY GUARANTEE*  
*AND NOT HAVING A SHARE CAPITAL*  
*ARTICLES OF ASSOCIATION*  
*OF*  
*CAMBRIDGESHIRE HORIZONS LIMITED*  
*(the “Company”)*

1. **PRELIMINARY**

These Articles alone shall constitute the regulations of the Company.

2. **INTERPRETATION**

2.1 In these Articles:

2.1.1 the following expressions have the following meanings unless inconsistent with the context:

<b>“the Act”</b>	the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
<b>“these Articles”</b>	these Articles of Association, whether as originally adopted or as from time to time altered by the requisite resolution of the Member Organisations;
<b>“Board”</b>	the board of Directors, acting collectively, as constituted from time to time;
<b>“Board Approval”</b>	the approval of the Board pursuant to <b>Article 18</b>
<b>“Board Meeting”</b>	any meeting of the Board;
<b>“Board Meeting Notice”</b>	any notice convening any Board Meeting;

<b>“Business”</b>	the business of the Company as set out in the Business Plan from time to time;
<b>“Business Day”</b>	any day other than a Saturday or Sunday or a public or bank holiday in England;
<b>“Business Plan”</b>	a business plan of the Company from time to time approved with Board Approval;
<b>“clear days”</b>	in relation to the period of a notice, means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“Code of Conduct”</b>	any code of conduct agreed from time to time with Board Approval;
<b>“Committee”</b>	any panel, committee or delivery group established pursuant to <b>Article 12</b> ;
<b>“Committee Meeting”</b>	any meeting of any Committee;
<b>“the Directors”</b>	the duly appointed directors for the time being of the Company and <b>“Director”</b> shall be construed accordingly;
<b>“General Meeting”</b>	a meeting of the Members;
<b>“Member”</b>	a member of the Company from time to time and the term <b>“Members”</b> shall be construed accordingly;
<b>“Member Organisation”</b>	the Directors appointed as directors of the

**Directors”** Company from time to time by the Member Organisations pursuant to **Article 13.1** and the term **“Member Organisation Director”** shall mean any of them;

**“Member Organisations”** Cambridgeshire County Council, Cambridge City Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council and South Cambridgeshire District Council including any successor body to any of them for so long as they remain Members and **“Member Organisation”** shall mean any of them;

**“Policies”** the contract and financial rules, regulations and policies to which the Company is subject from time to time in a form approved by the Member Organisations;

**“the Seal”** the common seal of the Company (if any);

**“Secretary”** the secretary of the Company from time to time or any other person appointed from time to time to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**“the United Kingdom”** Great Britain and Northern Ireland; and

2.1.2 the headings are for ease of reference only and are not to be taken into account in the interpretation of the Article to which they refer;

2.1.3 words importing the singular meaning where the context so admits include the plural meaning and vice versa;

- 2.1.4 words of one gender include both other genders and words denoting natural persons include corporations and firms and all such words are to be construed interchangeably in that manner;
- 2.1.5 references to any enactment, order, regulation or instrument shall be construed as a reference to the enactment, order, regulation or instrument as amended, modified, extended re-enacted or replaced by any subsequent enactment, order, regulation or instrument; and
- 2.1.6 the words “includes”, “including” and “included” will be construed without limitation unless inconsistent with the context.
- 2.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force on the date of adoption of these Articles.
3. **PRIVATE COMPANY**
- 3.1 The Company is a private company limited by guarantee within the meaning of section 1 of the Act.
- 3.2 The Company’s objects (the “**Objects**”) are to assist, promote, encourage, develop and secure the sustainable growth of Cambridgeshire in keeping with the nationally, and locally agreed strategic plans where such activity appears to the Company to facilitate or be conducive to such sustainable growth and without prejudice to the generality of the foregoing to:
- 3.2.1 drive forward and accelerate the programme of infrastructure and sustainable development pursuant to the agreed plans for Cambridgeshire;
- 3.2.2 ensure the delivery of the Cambridgeshire strategy for Affordable Housing;
- 3.2.3 co-ordinate funding streams from various sources including, without limitation, the Government, Section 106 and Community Infrastructure Levy arrangements, Private Finance Initiative and the Private Sector;
- 3.2.4 secure the highest possible quality standards in terms of design, materials, workmanship and environment in the delivery of specific projects for the growth of Cambridgeshire to achieve sustainability; and
- 3.2.5 promote the business of the Company and ensure the involvement of wider stakeholders and the public in community and infrastructure development.



- 3.3 The Company shall have power to do all things as may be necessary, incidental or conducive to the attainment of the Objects or any of them, provided that (a) any such powers may only be exercised in promoting the Objects, and (b) nothing in this clause 3 will permit the Company to do anything that the Members who are Local Authorities (as defined in the Local Authority Government and Housing Act 1989) do not have the legal powers to do.
- 3.4 The income and property of the Company shall be applied solely towards the promotion of the Objects and no portion thereof shall be paid, transferred or distributed, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to Members of the Company, provided that nothing in these Articles shall prevent any payment in good faith by the Company:
- 3.4.1 of reasonable and proper remuneration to any member, officer or servant of the Company (not being a member of its Board) for any services rendered to the Company;
  - 3.4.2 of interest on money lent by any Member or Director;
  - 3.4.3 of reasonable and proper rent for premises demised or let by any Member or Director;
  - 3.4.4 of fees, remuneration or other benefit in money or money's worth to any company of which a Member or Director may also be a member; or
  - 3.4.5 to any director reasonable out-of-pocket expenses properly incurred in connection with the Business or undertaking of the Company subject to the Company's Articles of Association.
- 3.5 The liability of each member is limited to £1.00 being the amount each Member undertakes to contribute to the assets of the Company in the event of its being wound up while it is a Member or within one year after he ceases to be a Member, for:
- 3.5.1 Payment of the Company's debts and liabilities contracted before he ceases to be a Member;
  - 3.5.2 Payment of the costs, charges and expenses of winding up; and
  - 3.5.3 Adjustment of the rights of the contributories amongst themselves.

#### 4. **MEMBER ORGANISATIONS**

- 4.1 The Company must keep a register of Member Organisations as required by the Act.
- 4.2 The subscribers to the Company's memorandum of association and such other persons as are admitted to the membership of the Company in accordance with these Articles shall be Members. No person shall be admitted as a Member without the approval of all of the Member Organisations. Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors may from time to time require to be executed by him agreeing to be bound by these Articles and, being so admitted, his name, shall be entered in the register of Member Organisations of the Company.
- 4.3 The Member Organisations shall have an absolute discretion in determining whether to accept or reject any application for membership in the Company and shall not be bound to assign any reason for their decision.
- 4.4 A person shall automatically cease to be a Member in the event of:
- 4.4.1 such person giving notice of retirement from the Company; or
  - 4.4.2 such person passing a resolution for winding-up (otherwise than for the purpose of a solvent amalgamation or reconstruction where the resulting entity assumes all of the obligations of such person) or a court makes an order to that effect; or
  - 4.4.3 such person becoming or being declared insolvent or convening a meeting of or making or proposing to make any arrangement or composition with its creditors or if a liquidator, receiver, administrator, trustee, manager or similar officer is appointed in relation to the whole or any part of the assets or undertaking of such person or any analogous step is taken in connection with such person's insolvency or dissolution; or
  - 4.4.4 all of the Member Organisations agreeing to the removal of that person as a Member.
- 4.5 The minimum numbers of Members shall be one and there shall be no limit on the maximum number of Members.
- 4.6 Save as may be required by operation of law in respect of any Member membership of the Company shall not be transferable.

4.7 Each Member shall use all reasonable endeavours not to place itself in a position where its own interests conflict or may conflict with the interests of the Company and the interests of the Members as a whole.

## 5. GENERAL MEETINGS

5.1 The Directors may call General Meetings and must call a General Meeting if they receive a requisition by the Members in accordance with the Act.

## 6. NOTICE OF GENERAL MEETINGS

6.1 General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called at shorter notice if it is so agreed in accordance with section 307(5) of the Act. The notice shall specify the time and place of the General Meeting and the nature of the business to be transacted.

6.2 Notices of and other communications relating to any General Meeting which any Member is entitled to receive shall also be sent to the Directors and to the auditors for the time being of the Company.

6.3 The accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by, any person entitled to receive such notice shall not invalidate the proceedings (including any resolution passed) at that General Meeting.

## 7. PROCEEDINGS AT GENERAL MEETINGS

7.1 Subject to **Article 7.2**, no business shall be transacted at any General Meeting unless a quorum of Members is present. A quorum shall be 4 Member Organisations present in person (as represented by their duly authorised representatives).

7.2 If a quorum is not present within half an hour from the time appointed for any General Meeting, then such General Meeting shall be deemed to be inquorate and will be adjourned to the same day and time in the next following week at the same place or to such other day and at such other time and place as the Board may determine. As much notice as reasonably possible shall be given to Members of such adjourned General Meeting. If at such adjourned General Meeting, a quorum is not present within half an hour from the time appointed for such adjourned General Meeting then the Members present shall be a quorum.

- 7.3 Each Member Organisation shall be entitled for so long as it remains a member of the Company, to appoint an authorised representative to attend, speak and vote on its behalf at General Meetings and reference to “Member Organisation” and “Member” in these Articles will be construed accordingly.
- 7.4 The Member Organisations shall, by a majority vote, elect a chairperson from time to time to preside as chair at every General Meeting (the “Chairperson”) but if he shall not be present at the time appointed for holding the same or is otherwise unable or unwilling to do so, the Member Organisations present at such General Meeting shall elect one of their number to preside. The Chairperson shall be a member of the Board, and shall also be the chairperson of the Board.
- 7.5 A Director, notwithstanding that he is not a Member, shall be entitled to attend and speak at any General Meeting (but, for the avoidance of doubt, shall not count towards the quorum for such General Meeting and shall not be entitled to vote at such General Meeting).
- 7.6 The Chairperson may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by such meeting), adjourn such General Meeting from time to time and from place to place, but:
- 7.6.1 as much notice as reasonably possible shall be given to Members of such adjourned General Meeting; and
- 7.6.2 no business shall be transacted at any adjourned General Meeting other than the business which might properly have been transacted at that General Meeting had the adjournment not taken place.
- 7.7 Any Member may participate in a General Meeting by means of a conference telephone or similar communications system whereby all persons participating in that General Meeting can hear and address each other and participation in a General Meeting in this manner shall be deemed to constitute presence at that General Meeting for all purposes including that of establishing a quorum. A General Meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such a group the location of the Chairperson shall be deemed to be the place of the General Meeting.
- 7.8 Subject to the approval of the Chairperson, any Member Organisation shall be entitled to invite relevant third parties (including by way of example consultants or professional contractors who are from time to time involved in providing services to the Member Organisations or any of them) to attend any General Meeting where

such attendance is deemed worthwhile or necessary to the matters before such General Meeting (provided always that such relevant third parties agree to be bound by obligations of confidentiality reasonably acceptable to the Company). For the avoidance of doubt, no such relevant third party shall count in the quorum or be entitled to vote at any General Meeting.

7.9 All General Meetings shall be held at a location convenient to the Member Organisations or a majority of them.

## **8. VOTES OF MEMBER ORGANISATIONS**

8.1 At any General Meeting a resolution put to the vote of such General Meeting shall be decided on a show of hands unless before, or immediately on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by the Chairperson or by at least two Member Organisations having the right to vote at such General Meeting.

8.2 Unless a poll is duly demanded a declaration by the Chairperson that a resolution has been carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the General Meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

8.3 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. A poll shall be taken as the Chairperson directs and he may appoint scrutineers (who need not be Member Organisations) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

8.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson shall not be entitled to a casting vote in addition to any other vote which he may have.

8.5 A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a General Meeting at which he was present shall be as effectual as if it had been passed at a General Meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

8.6 On a show of hands and on a poll each Member present in person shall have one vote.

9. **NUMBER OF DIRECTORS**

The number of Directors shall be not less than two and not more than eight.

10. **ALTERNATE DIRECTORS**

None of the Directors shall be entitled to appoint an alternate for the purpose of voting. However, in the event that any Member Organisation Director is unable to attend any Board Meeting, that Member Organisation shall be entitled to send a substitute to speak at the Board meeting. More generally, in the event that any Director is unable to attend any Board Meeting but has any concern, issue or point he would like to raise at such Board Meeting in respect of any matter on the agenda or otherwise proposed to be discussed at such Board Meeting (“Issue”), that Director shall be entitled to give notice to the Chairperson of the Issue and the Chairperson will ensure that, wherever possible, notice of the Issue is circulated to the other Directors prior to such Board Meeting and he shall in any event take steps to bring the Issue to the attention of the other Directors at such Board Meeting so that the Issues may be considered and discussed by the Chairperson and the other Directors.

11. **POWER OF DIRECTORS**

11.1 Subject to these Articles (including **Article 18**) the Act, the Policies and any resolutions passed from time to time by the Members, the business of the Company shall be managed by the Board and it may exercise all such powers of the Company and do so on behalf of the Company all such acts as may be exercised and done by the Company.

11.2 In the event of any dispute as to whether any activity has been delegated to the Board, such dispute shall be referred to the Member Organisations.

11.3 No alteration of these Articles shall invalidate any act of the Board prior to such alteration which would have been valid if such alteration had not been made.

12. **DELEGATION OF DIRECTORS’ POWERS**

The Board may establish panels, committees or delivery groups to deal with any matters it shall deem appropriate provided that the proceedings of any such panels, committees or delivery groups shall be governed by the provisions of these Articles insofar as they apply to the Board.

13. **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 13.1 Each Member Organisation shall be entitled (for so long as it remains a Member) to appoint and remove one Director and if any Member Organisation Director is removed from the Board pursuant to these Articles, the Member Organisation which appointed such Member Organisation Director shall be entitled to appoint another person to take such removed Member Organisation Director's place.
- 13.2 Other persons may from time to time be appointed as Directors by an ordinary resolution of the Members provided that at least three quarters in number of the Member Organisations shall have voted in favour of that resolution.
- 13.3 Any appointment or removal of a Member Organisation Director shall be effected by an instrument in writing signed by or on behalf of the relevant Member Organisation and shall take effect upon lodgement with the Company at its registered office or on delivery to a meeting of the Board (as the case may be).
- 13.4 Such non-voting observers or attendees as a majority of the Directors may from time to time agree, shall be entitled to attend Board Meetings in a non-voting observer role.
- 13.5 The Board's chair shall be such person appointed from time to time by the Member Organisations as Chairperson pursuant to article 7.4 and, unless he or she is unable or unwilling to do so, he or she shall preside at every Board Meeting at which he or she is present. If the Chairperson is not present or is otherwise unable or unwilling to preside at any Board Meeting, the Directors present shall decide who shall act as chair for the purposes of such Board Meeting.

14. **NO RETIREMENT BY ROTATION**

Save as otherwise provided in these Articles, the Directors shall not be liable to retire by rotation.

15. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of a Director shall be vacated immediately if:

- 15.1 he ceases to be a Director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a Director; or
- 15.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- 15.3 he is, or may be, suffering from mental disorder and either:
- 15.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- 15.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 15.4 he resigns his office by notice to the Company; or
- 15.5 he shall for more than six consecutive months have been absent without having obtained permission from the Chairperson from Board Meetings held during that period and the Board resolves that his office be vacated. The Chairperson will not unreasonably withhold his permission pursuant to this **Article 15.5**; or
- 15.6 he is subject to a term of imprisonment of any duration; or
- 15.7 the Member of which the Director is an employee, officer or member ceases to be a Member; or
- 15.8 he ceases to be an employee, officer or member of a Member.

## 16. **REMUNERATION AND EXPENSES**

No Director will be entitled to any remuneration or reimbursement of expenses from the Company in connection with the performance of his or her duties for the Board (including but not limited to his or her attendance at Board Meetings or Committee Meetings), unless the Member Organisations shall otherwise agree.

## 17. **PROCEEDINGS OF THE DIRECTORS**

17.1 Subject to the provisions of these Articles, the Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit.

17.2

The quorum for the transaction of business of the Board shall be 4 Directors of which for so long as there are at least 6 Member Organisation Directors in office at least 4 will be Member Organisation Directors;



- 17.3 If a quorum is not present within half an hour from the time appointed for any Board Meeting then such Board Meeting shall be deemed to be inquorate and will be adjourned to the same day and time in the next following week at the same place. If a quorum is not present within half an hour from the time appointed for any adjourned Board Meeting then the Directors present will constitute a quorum.
- 17.4 The Board shall meet as often as the Directors shall from time to time determine is necessary.
- 17.5 Either the Chairperson or any 2 Directors may requisition a Board Meeting at such time as he or they (as the case may be) may agree with the other Directors or, in the absence of such agreement, by giving to the other Directors not less than 10 Business Days' notice, such notice to specify the date, time and reasonable details of the matters proposed to be discussed at the Board Meeting. Any Director may convene a Board Meeting where in such Director's reasonable opinion the interests of the Company would be adversely affected if a matter was not brought before the Board as a matter of urgency and such Director shall give not less than 10 Business Days notice of such Board Meeting or such shorter period of notice as the Chairperson may expressly agree.
- 17.6 At least 10 Business Days' notice must be given to each Director before each Board Meeting and Committee Meeting respectively unless the Chairperson in his sole discretion determines that it is necessary to call a Board Meeting or Committee Meeting (as the case may be) on shorter notice. At least 5 Business Days before each Board Meeting or Committee Meeting (as applicable) the Directors or members of the relevant Committee shall be given copies of any documents which are to be discussed at such Board Meeting or Committee Meeting (as the case may be).
- 17.7 Notice of every Board Meeting shall be given to each Director and notice of every Committee Meeting shall be given to the members of the relevant Committee including Directors or members of the relevant Committee who may for the time being be absent from the United Kingdom but who have given the Company an address within the United Kingdom for service. Without prejudice to **Article 23.2** each notice shall set out reasonable details of the matters to be discussed at such Board Meeting or Committee Meeting (as the case may be).
- 17.8 Any Director may participate in any Board Meeting or a Committee Meeting of which he is a member by means of a conference telephone or similar communications system whereby all persons participating in such Board Meeting or

Committee Meeting can hear and address each other and participation in a Board Meeting or Committee Meeting in this manner shall be deemed to constitute presence at such Board Meeting or Committee Meeting for all such purposes including that of establishing a quorum. A Board Meeting or Committee Meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled or, if there is no such group, where the Chairperson then is (in the case of a Board Meeting) or the chair of the Committee Meeting then is (in the case of a Committee Meeting).

- 17.9 The continuing Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies, or of calling a General Meeting.
- 17.10 All acts done by any Board Meeting or Committee Meeting, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 17.11 Subject to the provisions of the Act and the Code of Conduct, and provided that he has disclosed to the other Directors the nature and extent of any interest of his, a Director notwithstanding his office:
- 17.11.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- 17.11.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- 17.11.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and
- 17.11.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;

- 17.12 For the purposes of **Article 17.11**:
- 17.12.1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- 17.12.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 17.12.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when the Company was incorporated) connected with a Director shall be treated as an interest of the Director.
- 17.13 The Code of Conduct shall govern the declaration of interests by Directors and the entitlement of Directors to attend and vote at Board Meetings.
- 17.14 A resolution in writing, signed by all the Directors entitled to receive notice of a Board Meeting or Committee Meeting shall be as valid and effectual as if it had been passed at a Board Meeting or Committee Meeting duly convened and held and may consist of several documents in the like form each signed by one or more Directors or members of the relevant Committee (as the case may be). An e-mail or other electronic communication sent by a Director which sets out the text of a resolution and contains a statement to the effect that a Director agrees to that resolution and which has been sent to the Company shall be valid for this purpose.
- 17.15 Subject to the prior approval of the Board, any Director shall be entitled to invite relevant third parties to attend any Board Meeting where such attendance is deemed worthwhile or necessary to the matters before the Board Meeting, provided that such third parties agree to be bound by obligations of confidentiality reasonably acceptable to the Company. For the avoidance of doubt, no such third party shall count in the quorum or be entitled to vote at any Board Meeting.
- 17.16 Board Meetings shall be held at a location reasonably convenient to all or a majority of the Directors.
- 17.17 Each Director present at a Board Meeting will be deemed to have received notice of such Board Meeting and of the purpose(s) for which it was convened. The accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by,

any person entitled to receive such notice shall not invalidate the proceedings (including any resolution passed) at that General Meeting.

18. **VOTE OF DIRECTORS**

18.1 Subject to **Articles 17.13** and **17.14** each Director shall have one vote on each resolution considered by the Board.

18.2 In the case of an equality of votes of the Directors, the Chairperson will not be entitled to a casting vote in addition to any other vote which he may have.

19. **RESTRICTIONS**

The Company will be operated within the parameters set by any Business Plan provided that Board Approval will be required prior to any action being taken in respect of any matter which is or would reasonably be regarded as being outside such parameters.

20. **SECRETARY**

Subject to the provisions of the Act and this **Article 20**, the Secretary shall be appointed by the Board for such term and such remuneration (if any) and upon such conditions as it thinks fit, and any person so appointed as Secretary may be removed by the Board. The Secretary will not be a Director but shall attend Board Meetings in a non-voting capacity for the duration of his or her appointment pursuant to this **Article 20**. Until the first Secretary is appointed by the Board, the Member Organisations shall be entitled to appoint a person to act as the Secretary.

21. **MINUTES**

21.1 The Directors shall cause minutes to be made in books kept for the purposes:

21.1.1 of recording the names and addresses of all Member Organisations; and

21.1.2 of all appointments of the Directors and the Secretary; and

21.1.3 of all proceedings at General Meetings, Board Meetings and Committee Meetings including the names of Member Organisations, Directors and members of the relevant Committee (as appropriate) present at each such meeting.

21.2 Copies of all minutes shall be sent promptly to all Directors and Member Organisations.

22. **THE SEAL**

If the Company has a seal it shall only be used with the authority of the Directors or of a Committee which is comprised entirely of Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined, every instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or another Director.

23. **NOTICES**

23.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing.

23.2 Each Board Meeting Notice will contain an agenda with details of each matter to be considered at the Board Meeting to which such Board Meeting Notice relates which are reasonably sufficient to enable the Member Organisation Directors to fully understand the nature of such matter and the proposed resolution on such matter.

23.3 The Company may give notice to any person pursuant to these Articles either personally or by sending it by first class post in a pre- paid envelope addressed to such person at its registered address (or to such address notified from time to time to the Secretary) or by leaving it at that address, or (if it has no registered address within the United Kingdom) to or at the address, if any, within the United Kingdom supplied by it to the Company for the giving of notices to it, but otherwise, no such person shall be entitled to receive any notice from the Company. Notices may be sent by e-mail to such e-mail addresses as may have been provided from time to time by the intended recipient to the Secretary.

23.4 Where a notice is sent:

23.4.1 personally, that notice will be deemed to have been given at the time of delivery;

23.4.2 by first class post, proof of the notice having been posted in a properly addressed, prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 2 Business Days after the envelope containing the same is posted;

23.4.3 by e-mail, that notice will be deemed to be given within 24 hours after sending provided that no notification informing the sender that the message has not been delivered has been received by the sender and that a

confirming copy is sent by first-class post in a pre-paid envelope addressed to the intended recipient within 24 hours after sending.

- 23.5 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all Member Organisations entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 23.6 A copy of each Board Meeting Notice will be served on each Member Organisation at the same time as such Board Meeting Notice is served on the Directors.

24. **WINDING UP**

If, upon the winding up or dissolution of the Company, there remains, after satisfaction of all debts and liabilities of the Company, any property or operating surplus whatsoever, the same shall be paid to or distributed among the then current Members on such terms as the then current Members shall agree at such time.

25. **INDEMNITY**

- 25.1 In the lawful execution of his duties and the exercise of his rights in relation to the affairs of the Company (and without prejudice to any indemnity to which he may otherwise be entitled) every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against any costs, losses, claims, actions or other liabilities suffered or incurred by him and arising by reason of any improper investment made by or for the Company in good faith (so long as he shall have sought professional advice before making or procuring the making of such investment) or by reason of any negligence or fraud of any agent engaged or employed by him in good faith (provided reasonable supervision shall have been exercised) notwithstanding the fact that the engagement or employment of such agent was strictly not necessary or by reason of any mistake or omission made in good faith by him or by reason of any other matter or thing other than deliberate fraud, wrongdoing or wrongful omission on the part of the Director or other officer of the Company who is sought to be made liable.

25.2 The Directors shall have power to purchase and maintain at the expense of the Company for the benefit of any Director, officer or auditor of the Company insurance against any such liability as is referred in section 532(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him for loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or auditor.

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**ANNEX B**

**DATED**

**2012**

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- (1) CAMBRIDGESHIRE COUNTY COUNCIL
- (2) CAMBRIDGE CITY COUNCIL
- (3) EAST CAMBRIDGESHIRE DISTRICT COUNCIL
- (4) FENLAND DISTRICT COUNCIL
- (5) HUNTINGDONSHIRE DISTRICT COUNCIL
- (6) SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
- (7) CAMBRIDGESHIRE HORIZONS LIMITED

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**MEMBERS' AGREEMENT  
RELATING TO CAMBRIDGESHIRE  
HORIZONS LIMITED**

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## SCHEDULE 5

### Matters Requiring Member Approval

1. Save as provided in the Articles, the removal of any Member Organisation as a member of the Company.
2. the admission of any person as a member of the Company.
3. The making of any variation to the Articles.
4. The making of any petition or resolution to wind-up the Company or any application for administration or giving any notice of intention to an administrator unless in any case the Company is at the relevant time insolvent and the Directors reasonably consider (taking into account their fiduciary duties) that the Company ought to be wound-up.
5. The amalgamation or merger of the Company with any other company or business undertaking, the formation of any subsidiary by the Company, the acquisition by the Company of any shares in any company or any business or undertaking of any person or the participation by the Company in any legal partnership or joint venture (whether incorporated or not).
6. The making of any loan or the granting of any credit (other than in the normal course of trading) or the giving of any guarantee by the Company.
7. Save as otherwise provided in or pursuant to this Agreement, the taking of any loan, borrowing or credit by the Company.
8. The giving by the Company of any guarantee, suretyship or indemnity to secure the liabilities of any person or the assumption by the Company of the obligations of any person.
9. The entering into by the Company of any arrangement, contract or transaction that is outside the normal course of the Business and/or otherwise than on arm's length terms.
10. Save as provided in **clause 9.2**, the appointment and removal of any person as a Director.

## SCHEDULE 6

## Matters Requiring Approval of all Member Organisation Directors

1. The approval of each Business Plan and the making of any material variation to such Business Plan.
2. The carrying on of any business in addition to or instead of the Business.
3. The defraying of any monies other than for the purposes of or in connection with the carrying on of the business of the Company.
4. The entering into of any contracts or arrangements by the Company with any Member Organisation.
5. Save as included in any Business Plan during the Accounting Year to which such Business Plan relates:
  - 5.1 the sale, lease (as lessor), licence (as licensor), transfer or other disposal of any tangible or intangible asset.
  - 5.2 the purchase or other acquisition of any tangible or intangible asset.
  - 5.3 the acquisition or agreement to acquire any freehold or leasehold interest in or licence over land.
  - 5.4 the entering into of any contract with a cost to the Company.
  - 5.5 the incurring of any item or series of items of expenditure.
6. The creation of any encumbrance over any tangible or intangible asset (including any mortgage, charge, pledge, option, title retention, preferential right, equity or trust arrangement, lien (other than a lien arising by operation of law), right of set-off or any security interest whatsoever and howsoever created or arising).
7. The appointment of any person as a Director pursuant to **clause 11.4**.
8. The approval of the Policies and any material variation to the Policies (or any of them).

## SCHEDULE 7

### **Matters Requiring Majority Board Approval**

1. Subject to this Agreement and the Articles, the appointment or removal of any Director, the Board's Chair, the Chief Executive, the Company Secretary, the auditors to the Company or the bankers to the Company.
2. Subject to this Agreement and the Articles, the determination of the terms of appointment of any Director, the Board's Chair, the Chief Executive or the Company Secretary.
3. The approval of terms of reference for any Chief Executive appointed by the Board.
4. The making of any variation to any Policy.
5. The determination of the remuneration of any Director entitled to remuneration and the terms upon which such remuneration will be payable.
6. the alteration of the name of the Company, the registered office of the Company, the Accounting Date, the place of business of the Company.
7. The use of any trading name, design or logo in connection with the Business.
8. The opening or closing of any bank account of the Company.
9. The making of any election to waive the VAT exemption in respect of any property.
10. The adoption of any standard terms of business for use with third parties.
11. If applicable, the establishment of or amendment to any pension scheme or any death, retirement, profit sharing, bonus or other scheme for the benefit of any employees of the Company.
12. The agreement to remunerate any Member Organisation, Director or officer of the Company.
13. The institution or threat to institute any legal proceedings in respect of the Company (other than debt recovery proceedings in the ordinary course of business).
14. The settlement or compromise of any legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or the submission to arbitration of any dispute involving the Company.

15. If applicable the application to HM Customs & Excise to treat the Company as a member of a group registration for value added tax purposes.
16. The application by the Company of any reserves or other funds in pursuance of its Objects in the ordinary course, subject always to the other terms of this Agreement.
17. The approval of any matter falling outside the parameters of any Business Plan





**ANNEX C**

**DATED**

**2011**

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- (1) CAMBRIDGESHIRE COUNTY COUNCIL
- (2) CAMBRIDGE CITY COUNCIL
- (3) EAST CAMBRIDGESHIRE DISTRICT COUNCIL
- (4) FENLAND DISTRICT COUNCIL
- (5) HUNTINGDONSHIRE DISTRICT COUNCIL
- (6) SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
- (7) CAMBRIDGESHIRE HORIZONS LIMITED

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**MEMORANDUM OF  
UNDERSTANDING  
RELATING TO CAMBRIDGESHIRE  
HORIZONS LIMITED**

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**THIS AGREEMENT** is made by Deed on  
**BETWEEN:**

2011

- (1) CAMBRIDGESHIRE HORIZONS LIMITED (registered number 05201320) whose registered office is situate at Shire Hall, Cambridge CB3 0AP (“the Company”);
- (2) CAMBRIDGESHIRE COUNTY COUNCIL of Shire Hall Cambridge, CB3 0AP (“the County Council”);
- (3) CAMBRIDGE CITY COUNCIL of The Guildhall, Cambridge, CB2 3QJ (“the City Council”);
- (4) EAST CAMBRIDGESHIRE DISTRICT COUNCIL of The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4PL (“ECDC”);
- (5) FENLAND DISTRICT COUNCIL of Fenland Hall County Road, March, Cambridgeshire, PE15 8NQ (“FDC”);
- (6) HUNTINGDONSHIRE DISTRICT COUNCIL of Pathfinder House St Mary's Street, Huntingdon, Cambridgeshire, PE29 3TN (“HDC”); and
- (7) SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL of South Cambridgeshire Hall, Cambourne Business Park, Cambourne CB23 6EA (“SCDC”).

**BACKGROUND**

(A) The County Council, the City Council, ECDC, FDC, HDC and SCDC are all members of the Company.

(B) During the course of the Company’s trading activities the County Council has made certain advances to the Company totalling a principal sum of £1,150,000 as described in clause 1.1 (the “Advances”).

(C) In addition, both the County Council and the Company have made certain funds available by way of loan towards the cost of the Addenbrookes access road (the “AAR”), being part of the Southern Fringe development, which are due to be repaid out of contributions received pursuant to certain s106 agreements relating to such development (the “AAR Repayments”).

(D) The parties have agreed on the basis upon which the Advances are to be treated, and repaid, and the priority of the AAR Repayments as set out in the terms of this Agreement.

**OPERATIVE PROVISIONS**

**1. STATUS OF ADVANCES**

1.1 The parties acknowledge and agree that the County Council provided certain funding to the Company during the course of 2010 and 2011 to cover agreed shortfalls in the Company’s then current capital expenditure programme comprising solely Housing Growth Fund awarded by government. The total principal sum made available to the Company, and utilised, by way of the County Council meeting agreed payments on behalf of the Company, totalled £1,150,000.

1.2 The parties further acknowledge and agree that the treatment of the Advances shall be as follows:

1.2.1 The Advances amount to the principal sum of £1,150,000 plus interest charges equivalent to those costs actually incurred by the County Council from time to time on those borrowings undertaken by

the County Council to enable it to make the Advances. Such interest charges shall continue to accrue until the Advances are repaid in full.

1.2.2 The Advances shall remain outstanding (and shall not constitute a debt or require repayment by the Company) until such time as the Company receives funds from the repayment of the Company's existing £20.5M investments (the "Investments"), at which time it is agreed by the parties that the Advances shall, but only to the extent any such Investment monies have been received, be repaid by the Company (unless agreed otherwise by the County Council) and such repayment shall take priority over all other uses of any Investment monies received by the Company.

1.2.3 Failure by the Company to repay the all or any part of the Advances from any Investments monies received (pursuant to clause 1.2.2), within 30 days of such funds becoming available to the Company, shall constitute a default by the Company of the terms of this Agreement, at which point the amount of such non-payment shall thereafter constitute a debt owed by the Company to the County Council, and the County Council shall be entitled to make demand for repayment of such amount by the Company.

## **2. AAR REPAYMENTS**

2.1 The parties agree and acknowledge that the Company and the County Council made the following loan contributions to the AAR:

2.1.1 County Council - £4,800,000 (the "County Council AAR Debt")

2.1.2 The Company - £8,000,000 (the "Company AAR Debt")

2.2 It is agreed between the County Council and the Company that upon receipt by either party of any AAR Repayments (and notwithstanding the terms of third party contracts relating to the same), then as between the County Council and the Company, any such repayments shall first be applied in reduction of the County AAR Debt, with the intent that the County Council AAR Debt shall be repaid in full before any AAR Repayments are applied in reduction of the Company AAR Debt. The Company and the County Council shall take such steps between them as are necessary to give effect to the terms of this clause.

## **3. MEMBERS UNDERTAKINGS**

3.1 The parties (other than the Company) further agree:

3.1.1 to each use such voting powers they possess as members of the Company to procure (so far as they are each able to do so from time to time) that the Company (a) adheres to the terms of this Agreement, and (b) does not otherwise dispose of its rights or entitlement to the Investments or any AAR Repayments (other than as contemplated by this Agreement); and

3.1.2 in the event of any winding up or reorganisation of the Company, prior to repayment in full of the Advances, that to the extent they are able to direct or influence the utilisation of any funds from the Investments, or any AAR Repayments, they will take such reasonable actions as may be available to them (provided such actions are at no cost to such members) so as to give effect to the terms of this Agreement.

**4. TERM**

4.1 This Agreement will continue in full force and effect until the earlier of:

4.1.1 the date the Advances, and the Company AAR Debt, are repaid in full;

4.1.2 the parties agreeing unanimously in writing to terminate this Agreement;

4.1.3 in respect of an individual party, that party ceasing to be a member of the Company, in which case this Agreement shall cease to apply to such party, but shall continue to bind those parties who remain members of the Company.

**5. NOTICES**

Any notice, demand or communication in connection with this Agreement shall be given in the manner provided in the then current members agreement in place in relation to the Company.

**6. VARIATION**

Save as expressly provided in this Agreement, any variation to this Agreement must be in writing and signed by the respective duly authorised representatives of all of the parties.

**7. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in all respects in accordance with English Law and the parties submit to the exclusive jurisdiction of the Courts of England.

**8. COUNTERPARTS**

This Agreement may be executed and delivered in any number of counterparts, each of which so executed will be an original, but together will constitute one and the same instrument.

**THIS AGREEMENT** is executed as a deed and delivered and takes effect on the date stated at the beginning of it.



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

Document is Restricted

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