

A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 10 DECEMBER 2015** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 5 - 16)

To approve as a correct record the Minutes of the meeting held on 19th November 2015.

**M Sage
388169**

2. MEMBERS' INTERESTS

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

3. PROCUREMENT POLICY (Pages 17 - 24)

To consider a report by the Procurement Manager regarding the Procurement Policy.

**N Arkle
388104**

4. CORPORATE FRAUD WORKPLAN AND PROSECUTION POLICY
(Pages 25 - 40)

To consider a report by the Benefits Manager on the Workplan for the Corporate Fraud Team following the transfer of Housing Benefit Fraud investigations to the Department for Work and Pensions and the Council's revised Fraud Prosecution Policy.

**A Burns
388122**

5. CAMBS HOME IMPROVEMENT AGENCY (CHIA) SHARED SERVICE REVIEW AND DISABLED FACILITIES GRANT BUDGET
(Pages 41 - 52)

To consider a report by the Housing Strategy Manager regarding a review of the Cambridgeshire Home Improvement Agency shared service and a review of the ongoing demand for Disabled Facilities Grants.

**J Emmerton
388203**

6. CUSTOMER SERVICE STRATEGY (Pages 53 - 74)

To receive a report by the Head of Customer Service on the revised Customer Service Strategy.

**J Taylor
388119**

7. **COMMUNITY INFRASTRUCTURE LEVY GOVERNANCE STRUCTURE** (Pages 75 - 86)
- To receive a report by the Head of Development on a revised governance structure for the management and operation of the Council's Community Infrastructure Levy and confirmation of continued Community Infrastructure Levy funding towards the costs of the Huntingdon West Link Road.
- P Bland
388430**
8. **HUNTINGDONSHIRE INFRASTRUCTURE PLANNING UPDATE** (Pages 87 - 94)
- To receive a report by the Head of Development providing an update on the current position with infrastructure planning in Huntingdonshire.
- P Bland
388430**
9. **NEIGHBOURHOOD AND COMMUNITY PLANNING GUIDE** (Pages 95 - 142)
- To receive a report by the Head of Development regarding the introduction of a new Neighbourhood and Community Planning Guide.
- P Bland
388430**
10. **COMMERCIAL INVESTMENT STRATEGY: BUSINESS PLAN** (Pages 143 - 178)
- To receive a report by the Head of Resources regarding the Commercial Investment Strategy Business Plan.
- C Mason
388157**
11. **ZERO BASED BUDGETING UPDATE: PREPARATION FOR THE 2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY** (Pages 179 - 186)
- To receive a report by the Head of Resources to provide an update on the Zero Based Budgeting process in preparation for the 2016/17 Budget and Medium Term Financial Strategy.
- C Mason
388157**
12. **RESERVES REVIEW** (Pages 187 - 198)
- To consider a report by the Head of Resources regarding a Reserves Strategy and associated governance arrangements.
- C Mason
388157**

Dated this 2 day of December 2015



Head of Paid Service

Notes

1. Disclosable Pecuniary Interests

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*

- (a) relates to you, or
- (b) is an interest of -

- (i) your spouse or civil partner; or
- (ii) a person with whom you are living as husband and wife; or
- (iii) a person with whom you are living as if you were civil partners

and you are aware that the other person has the interest.

- (3) Disclosable pecuniary interests includes -

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

Non-Statutory Disclosable Interests

- (4) If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.

- (5) A Member has a non-statutory disclosable interest where -

- (a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or
- (b) it relates to or is likely to affect a disclosable pecuniary interest, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association, or
- (c) it relates to or is likely to affect any body –
 - (i) exercising functions of a public nature; or
 - (ii) directed to charitable purposes; or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.

and that interest is not a disclosable pecuniary interest.

2. Filming, Photography and Recording at Council Meetings

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

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

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

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

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

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

Emergency Procedure

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

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 19 November 2015.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors R C Carter, D B Dew, R Harrison, J A Gray and D M Tysoe.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors R B Howe and S Cawley.

IN ATTENDANCE: Councillors Mrs A Dickinson, R Fuller and T Sanderson.

45. MINUTES

The Minutes of the meeting held on 22nd October 2015 were approved as a correct record and signed by the Chairman.

46. MEMBERS' INTERESTS

Councillor R Harrison declared a non-statutory disclosable interest in Minute No. 50 by virtue of being a St Neots Town Councillor.

During the debate on Minute No. 51 Councillor D Tysoe declared a non-statutory disclosable interest by virtue of being a Parish Council Clerk.

47. CORPORATE PLAN AND FINANCE - INTEGRATED PERFORMANCE REPORT (QUARTER 2)

The Cabinet received a report by the Corporate Team Manager and Accountancy Manager (a copy of which is appended in the Minute Book) regarding progress against the Key Activities and Corporate Indicators listed in the Council's Corporate Plan 2015/16 for the period 1st July to 30th September 2015 and updates on current projects.

Progress against the Corporate Plan objectives was reported quarterly and performance data was provided in the form of a narrative of achievement accompanied with a Red/Amber/Green status against each Key Action in the Corporate Plan.

To enable the Capita software system to be upgraded, the Cabinet approved the inclusion of a supplementary capital bid to the 2015/16 capital programme, as detailed in Appendix E of the Officer's Report. It was explained to the Cabinet that the system enabled the processing of payments received by the Council via credit and debit cards using on-line payments on the Council's website, automated phone payments and payments at the Call Centre. The system would be upgraded to a cloud based system with an additional interface to

the Leisure Centres as currently these were inputted manually.

The Cabinet expressed appreciation to Officers and Members at the progress the Council continued to make. It was noted that capital spend was being well controlled and there was consideration about project costs and how projects were financed. There was now better governance of projects and discipline of the information being input into the system on progress with projects.

As a result of planning permissions not being implemented, the Cabinet were frustrated that the New Home Bonus was not achieving as forecast. It was noted that the Council had granted ample planning permissions. However, developers were choosing to 'land bank' and not progress planning permissions which was a national issue that Government needed to address. The New Homes Bonus was calculated on the annual average completion rate over 25 years and work was underway to provide a more accurate forecast in light of the current situation.

Having considered the comments of the Overview and Scrutiny Panel the Cabinet,

RESOLVED

to:

- i. note the progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C of the Officer's report.
- ii. note the Council's financial performance to the end of September, as detailed in the Financial Performance Monitoring Suite in Appendix D of the Officer's report.
- iii. approve the inclusion of a supplementary capital bid to the 2015/16 capital programme for an upgrade to the Capita payments system, as described in Appendix E of the Officer's report.

48. REVIEW OF THE COUNCIL'S LETTINGS POLICY

The Cabinet considered a report by the Head of Customer Services (a copy of which is appended in the Minute Book) as the Council's Lettings Policy had been revised following necessary changes in light of new legislation and statutory guidance.

The Council was required by law to have an allocations scheme for determining priorities in the allocation of social rented housing, which was the Lettings Policy. Following changes to legislation, the Council was required to review its allocation scheme to provide for social tenants who needed to move to be closer to work, or accept an offer of work, where failure to meet that need would cause hardship to themselves or others. The Council's Policy already provided for those people that were in work within the District, providing them with a local connection to the area. However, it did not specifically provide for those that were in receipt of a genuine offer of employment in the

District and might suffer hardship if they were unable to accept that offer.

The Council's Lettings Policy had been amended to include new local connection criteria so that households that met this criterion and needed to move between local authorities were not disadvantaged.

The Council was required to reserve a proportion of its lettings to households within this 'Right to Move' category, which the Secretary of State recommended was at least 1%. This equated to four to six lettings per year in this District and this quota system and percentage had been included within the Lettings Policy.

It had been noted that references in the footer of the document to 'Territorial Army' should be replaced with 'Regular Army Reserve' to ensure the correct use of terminology. Whereupon the Cabinet,

RESOLVED

that the amended Lettings Policy, as attached as Appendix 1 to the Officer's report be approved with references in the footer of the document to 'Territorial Army' to be supplanted with 'Regular Army Reserve'¹.

49. ESTABLISHMENT OF A PROCESS FOLLOWING THE RECEIPT OF AN EXAMINER'S REPORT INTO A NEIGHBOURHOOD PLAN

(Councillor T Sanderson, Chairman of Overview and Scrutiny Panel (Environmental Well-Being), was in attendance for this item).

The Cabinet received a report from the Planning Policy Team Leader, which was presented by two Senior Planning Policy Officers (a copy of which is appended in the Minute Book) regarding the process for determining whether a Neighbourhood Plan progressed to Referendum and the requirements of the Regulations in relation to Referendums.

St Neots Neighbourhood Plan was at the Referendum stage and the Council was receiving more expressions of interest from other Town and Parish Councils regarding Neighbourhood Plans. Therefore a process was required to be established.

Following examination of a Neighbourhood Plan, the Examiner issued a report to the Local Planning Authority and the respective Town/Parish Council who had prepared the Neighbourhood Plan. The Examiner was required to recommend one of three options:

- i. That the Neighbourhood Plan proceeded to Referendum as submitted;
- ii. That the Neighbourhood Plan was modified by the Local Planning Authority to meet the basic conditions and the modified version

¹ Following the request of the Cabinet, the definitions in the footer of the Lettings Policy related to definitions contained within the 2006 Armed Forces Act, which the Council was required to comply with. The Armed Forces Act had been amended and 'Army Reserve' was now 'Regular Reserve' and the 'Territorial Army' was now the 'Army Reserve'. These amendments would be reflected in the Council's Policy.

- proceeded to Referendum; or
- iii. That the Neighbourhood Plan did not proceed to Referendum as it failed to meet the basic conditions or legislative requirements and could not be modified to do so.

Following the examination and receipt of the Examiner's Report the Local Planning Authority had limited options. It could:

- a. Where the Examiner recommended that the Plan met the basic conditions or could meet the basic conditions, subject to modifications, act upon the Examiner's Report and progress the Neighbourhood Plan to Referendum;
- b. Propose to take a decision substantially different from the Examiner's recommendation which was wholly or partly as a result of new evidence or a different view taken by the Local Planning Authority on a particular fact. In this instance the Local Planning Authority must notify all those identified in the consultation statement and invite representations on the alternative decision. Where necessary as a result of the representations the Local Planning Authority had to reopen the examination;
- c. Decide not to progress the Neighbourhood Plan to Referendum if the Examiner's report stated that it failed to meet the basic conditions or legislative requirements and could not be modified to do so.

If a Neighbourhood Plan was successful at Referendum it would form part of the Statutory Development Plan for Huntingdonshire.

Once the Examiner's Report on a Neighbourhood Plan had been received the Cabinet would be presented with a report to determine which of the options was appropriate and, if necessary, a draft Decision Statement with modifications that the Examiner considered were required to the Plan to meet the required basic conditions.

The Chairman of the Overview and Scrutiny Panel (Environmental Well-Being), having been invited to address the Cabinet, explained that there had been a lengthy discussion on the matter at the meeting and that the Panel had agreed with the recommendations, but had suggested that it was important for Town and Parish Councils developing a Neighbourhood Plan to project plan.

Concern was expressed by the Cabinet that should a Neighbourhood Plan, once adopted, be challenged that the Council would be at financial risk. It was therefore important to ensure that any Plan accorded with the Council's policies and that the motivator of devising a Plan should be to support local needs and not for supposed financial gain from Community Infrastructure Levy funds. The Cabinet was informed that unless there was general conformity with the Council's Local Plan the Examiner would not recommend that the Plan proceeded to Referendum.

Following questions it was noted that promotion of a Neighbourhood Plan and Referendum was the responsibility of the respective Town/Parish Council and that there was considerable resource implications both in terms of staff time and costs for providing assistance to a Town/Parish Council undertaking a Neighbourhood Plan, examination and Referendum. The Department for

Communities and Local Government had made grants of up to £30,000 available to local planning authorities for each Neighbourhood Plan which was expected by Government, to cover the costs of the Examination and Referendum. In concluding it was,

RESOLVED

that the Cabinet

- i. agrees the process for determining whether a Neighbourhood Plan progresses to Referendum as detailed in the Officer's report; and
- ii. notes the requirements of the Regulation in relation to Referendums as summarised in the Officer's report and set out in the Briefing Note on the Role of the Local Planning Authority in arranging the Referendum (as prepared by the Planning Advisory Service and Local Government Association attached as Appendix 1 of the Officer's report).

50. ST NEOTS NEIGHBOURHOOD PLAN EXAMINATION OUTCOME AND PROGRESSION TO REFERENDUM

(Councillor T Sanderson, Chairman of Overview and Scrutiny Panel (Environmental Well-Being), was in attendance for this item).

The Cabinet received a report from the Planning Policy Team Leader, which was presented by two Senior Planning Policy Officers (a copy of which is appended in the Minute Book) regarding whether the Council should act upon the Examiner's Report and recommended modifications, and if St Neots Neighbourhood Plan should proceed to a Referendum.

The process for determining whether a Neighbourhood Plan progressed to Referendum following the receipt of an Examiner's report was agreed by the Cabinet in Minute No. 49.

St Neots Neighbourhood Plan was the first in Huntingdonshire to progress through Examination. The Examiner had accepted that, with appropriate modifications, the Neighbourhood Plan would meet the basic conditions against which it was required to be tested to be able to progress to Referendum.

The Examination of the St Neots Neighbourhood Plan took place during January to February 2015 with the final report being issued in February 2015. The Examiner proposed a substantial number of modifications which had been discussed with St Neots Town Council. The Examiner presented options for the Town Council to consider and had agreed with their preferred modifications which included deleting the chapter on Entertainment and Leisure in order to designate Riverside Park and Regatta Meadow as local green spaces.

The Cabinet was referred to the copy of the Neighbourhood Plan submitted for Examination and the document detailing the modifications required by the Examiner, as appended to the Officer's report. It was noted that it was the responsibility of St Neots Town

Council to incorporate the amendments into a finalised copy of the Neighbourhood Plan.

It was considered that the modifications as now proposed would enable the St Neots Neighbourhood Plan to meet the basic conditions required and that there was no new evidence or a different view by the Local Planning Authority to require those identified in the consultation statement to be notified or for the Examination to be reopened.

Preparations would be made for a Referendum to be held on the St Neots Neighbourhood Plan in accordance with the Regulations and using the guidance provided by the Planning Advisory Service and Local Government Association. The Cabinet were informed that a tentative date of 4th February 2016 had been reserved for the Referendum.

The Examiner was required to recommend the area to be covered by the Referendum. In this instance it was recommended that the Referendum encompassed the St Neots Neighbourhood Plan area, as approved on 17th October 2013.

At the Referendum the electorate would be requested to vote on the question: 'Do you want Huntingdonshire District Council to use the Neighbourhood Plan for St Neots to help it decide planning applications in the neighbourhood area?'

If the results were a majority 'yes' vote, the Council would be asked to adopt the Neighbourhood Plan at its next available meeting. The Plan would then form part of the Statutory Development Plan for the area.

The Cabinet was advised that it was the responsibility of the respective Town/Parish Council to promote the Referendum and that the Extra Burden Grant should meet the costs of the Referendum.

In discussing the tentative date of the Referendum, the Cabinet suggested that due to adverse weather, Winter was not the optimal time to hold a Referendum. In order to enable better community engagement in the process through a larger turnout, the Cabinet requested that St Neots Town Council be approached to consider holding the Referendum in May 2016 alongside the scheduled elections.

The Chairman of Overview and Scrutiny Panel (Environmental Well-Being), having been invited to address the Cabinet, explained that the Panel were concerned at the likely turnout if a Referendum was held during winter and that it should be made clear to St Neots Town Council as to their responsibilities in relation to the Plan process.

The Cabinet agreed that St Neots Town Council had been successful to progress the Neighbourhood Plan to this stage. Whereupon it was,

RESOLVED

that the Cabinet:

- i. agrees that the District Council should act upon the Examiner's report and recommended modifications, and progress St Neots Neighbourhood Plan to Referendum.
- ii. that St Neots Town Council be requested to consider holding the Referendum in May alongside the planned elections to enable better community engagement in the process through larger turnout.

51. FINDINGS AND RECOMMENDATIONS OF AFFORDABLE HOUSING WORKING GROUP

(Councillor R Fuller, Chairman of Working Group was in attendance for this item).

The Cabinet received a report at the request of the Overview and Scrutiny Panel (Social Well-being) from the Policy, Performance and Transformation Manager (Scrutiny) (a copy of which is appended in the Minute Book) to consider and respond to the findings and final recommendations of the Affordable Housing Working Group.

The Chairman of Working Group, Councillor R Fuller, having been invited to present the report to the Cabinet, explained that the Working Group had originally been established in March 2014 by the Overview and Scrutiny (Social Well-being) Panel to investigate the policies and procedures of Registered Providers. In July/August 2014 the Group's remit was amended to undertake a study on affordable housing.

It was noted that there had been incidences where a Town or Parish Council had not supported an affordable development on an exceptions site which had resulted in the non-delivery of affordable housing. The Cabinet agreed that early engagement with Town and Parish Councils was essential to prevent misinformation, to gain their support and to prevent pressure groups forming. It was hoped that Ward Members would assist in this role. However, in the event that a Town or Parish Council did not support a viable exceptions site, the Cabinet endorsed the view that the Council should take decisions that were in the best interests of the area and should fulfil its duty to meet identified affordable housing need.

The Cabinet supported that a systematic assessment should be conducted of all land to identify potential sites for affordable housing to then be matched to needs and noted that the Strategic Housing Land Availability Assessment was a significant task.

It was explained that the Working Group had considered Government initiatives and their impact on the supply of new affordable housing. The policy target of 40% affordable housing still applied to all developments but there was the availability of negotiation where this was not viable. The Cabinet noted that 40% affordable housing was being achieved on smaller developments.

During the discussions Councillor D Tysoe declared a non-statutory disclosable interest by virtue of being a Parish Council Clerk.

The Working Group had been informed that the Council could seek affordable housing contributions where there was a clear case of

disaggregation of the site, where a developer intended to build on separate parts of a larger site over a long period. The Council's current threshold was 15 homes on urban sites due to previous Government policy. The Cabinet supported the Working Group's recommendation that the threshold for developments on which on-site affordable housing could be sought should be lowered from 15 to 10.

Whilst referring to Community Land Trusts, the Cabinet noted that the Working Group had been acquainted with examples of Community Land Trusts in various areas, including in East Cambridgeshire. The Cabinet concurred with the opinion of the Working Group that the Council should not devote this level of resource to encouraging Community Land Trusts in Huntingdonshire but considered that they should be recognised, amongst the potential tools available to local communities for delivering affordable housing.

It was noted amongst the Cabinet that there was a need to prevent and allay fears that affordable housing on rural exception sites developed on charitable land could be purchased by a person without a local connection.

The Cabinet accepted that there was a will and appetite to deliver affordable housing but land owners would not offer land for minimal financial gain. Therefore the Council needed to consider what it could do to enable the development of dwellings that were affordable to allow local people of all ages to remain living where they wanted to. The Cabinet endorsed the recommendations made by the Affordable Housing Working Group and as a result of the discussions the Cabinet also resolved that the Council would take legal advice to explore options to protect local houses for local people on rural development schemes through, amongst other things, covenants, joint ventures and charitable mechanisms.

The Cabinet expressed congratulations to the Working Group for the comprehensive report, whereupon it was,

RESOLVED

that during the development of the Housing Strategy for 2016-19 and the Local Plan to 2036:

- i. the Council should actively promote the provision of affordable housing on exceptions sites to Town and Parish Councils;
- ii. where a Parish Council does not support an exceptions site, the Council should continue to fulfil its duty to meet identified affordable housing need;
- iii. a systematic assessment should be carried out of all land to identify potential sites for affordable housing to then be matched to needs (Strategic Housing Land Availability Assessment);
- iv. the threshold for developments on which on-site affordable housing can be sought should be lowered from 15 to 10; and
- v. agree to take legal advice to explore options to protect local houses for local people on rural development schemes through, amongst other things, covenants, joint ventures and charitable mechanisms.

52. LOCAL PLAN TO 2036 UPDATE

(Councillor T Sanderson, Chairman of Overview and Scrutiny Panel (Environmental Well-Being), was in attendance for this item).

The Cabinet received a report from the Head of Development (a copy of which is appended in the Minute Book) regarding the Government's new timescales for the plan preparation process and the progress on the preparation of the Huntingdonshire Local Plan to 2036.

Government had announced that it expected new Local Plans '... to be written ...' by early 2017. By the end of March 2017 Local Plans needed to be at least at the second statutory stage of the Local Plan Examination process – known as the Submission stage. This was the point at which the Local Plan could be deemed to be 'written' by the Local Planning Authority, although it would still be subject to an Examination in Public by an independent Planning Inspector. Where Local Planning Authorities were not making sufficient progress in preparing new Local Plans the Government had indicated that it would use sanctions if required to intervene.

The Local Plan was being prepared in the format of a single Local Plan document containing Huntingdonshire's Planning Strategy, Development Management Policies and Site Allocations. When adopted the Local Plan would be the District Council's most up to date statement of Planning Policy and form the statutory Development Plan for Huntingdonshire, along with any Neighbourhood Plans that were formally 'made' following a local Referendum, the Cambridgeshire County Council's Minerals and Waste Core Strategy (2011) and Site Specific Proposals Plan (2012). It would be compliant with national planning policy and replace the existing Huntingdonshire Development Plan Documents which were the Huntingdonshire Local Plan 1995, the Huntingdonshire Local Plan Alteration 2002, the Huntingdonshire Core Strategy (2009) and the Huntingdon West Area Action Plan (2011).

Over the years a series of Supplementary Planning Documents (SPDs) had been prepared to complement and provide relevant detail on the current Development Plan policies. It was permissible to maintain a suite of SPDs to complement Local Plan policies and there would need to be a process and programme for considering which SPDs should be removed or updated and whether new SPDs were required.

The next stage in the process was the formal statutory stages, known as the Proposed Submission, Submission, Examination and Adoption stages. The Examination stage was where the finalised and detailed Local Plan and its supporting evidence base was tested by an independent Planning Inspector. If it was found to be 'sound' the Plan could be adopted as part of the Development Plan for Huntingdonshire.

It was explained to the Cabinet that there were key pieces of supporting evidence for the Local Plan that needed to be completed such as the traffic modelling and an updated Strategic Flood Risk Assessment. In order to complete the Supporting Evidence the Cabinet was advised that the Council would need to commission

Consultants and that the Planning Policy budget included provision for this.

The Cabinet was advised that the National Planning Policy Framework requirement was to identify a supply of sites for years 1-10 and, where possible, for years 11-15. The District Council had developed the Local Plan with the intention of identifying a supply of specific, developable sites for years 1-15. The traffic modelling work still to be completed was in part required to consider whether and how the proposed allocation at Wyton Airfield could be delivered.

The Chairman of Overview and Scrutiny Panel (Environmental Well-Being), having been invited to address the Cabinet, explained that the Panel had welcomed the approach that the Council was taking in devising the Local Plan.

In endorsing the proposed way forward the Cabinet refined the recommendation contained within the Officer's report and endorsed that alongside the evidence referred to in paragraphs 3.5 and 3.6 of the Officer's report, the District Council explores the identification of a supply of sites for years 1-10 from the date of adoption only if it appears that identifying sites for years 11-15 will unduly delay the submission of the Local Plan.

In concluding the discussions the Cabinet agreed that in addition to the recommendations contained within the Officer's report that as a priority, infrastructure requirements for Wyton Airfield should be further scoped with a view they could be identified and fully costed, whereupon it was,

RESOLVED:

that the Cabinet:

- i. notes the Government's new timescales for the Plan preparation process;
- ii. notes the progress on preparation of the Huntingdonshire Local Plan to 2036;
- iii. endorses the proposed way forward that alongside the evidence referred to in paragraphs 3.5 and 3.6 of the Officer's report, the District Council explores the identification of a supply of sites for years 1-10 from the date of adoption only if it appears that identifying sites for years 11-15 will unduly delay the submission of the Local Plan;
- iv. that as a priority, infrastructure requirements for Wyton Airfield are further scoped with a view they can be identified and fully costed;
- v. that the Cabinet receives quarterly update reports.

At the conclusion of the above, at 8.45pm, item Councillor D Dew left the meeting.

53. TREASURY MANAGEMENT 6-MONTH PERFORMANCE REVIEW

By way of a report from the Head of Resources (a copy of which appended in the Minute Book) the Cabinet was updated on the

Council's treasury management activity for the first 6 months of the year, including investment and borrowing activity and treasury performance.

It was noted to the Cabinet that with the forthcoming Commercial Investment Strategy Business Plan it was anticipated that the Treasury Management report would evolve into a more substantial document.

At 8.48pm Councillor D Dew returned to the meeting.

Best practice and prescribed treasury management guidance required that Members were informed in respect of treasury management activity. As a result the Cabinet,

RESOLVED

to note the Treasury Management performance for the first 6 months of 2015/16; and

RECOMMENDS

the Treasury Management 6-month performance report to Council for consideration.

54. HINCHINGBROOKE COUNTRY PARK JOINT GROUP

RESOLVED

The notes of Hinchingsbrooke Country Park Joint Group meeting held on 16th October 2015 were received and noted.

55. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees.

56. ONE LEISURE NEGOTIATIONS

The Cabinet gave consideration to a confidential report by the One Leisure Business Manager - Development (a copy of which is appended in the Minute Book) requesting approval of delegated authority to the Corporate Director (Delivery) after consultation with the Executive Member for Commercial Activities, regarding negotiations relating to One Leisure, as contained within the confidential report.

Having considered the comments of the Overview and Scrutiny Panel (Economic Well-Being) the Cabinet were assured that there would be

no financial risk to the Council.

The Cabinet considered the additional recommendation from the Overview and Scrutiny Panel (Economic Well-Being) and concluded that it was more appropriate for the Panel to receive a report once negotiations had concluded. Subsequently the Cabinet,

RESOLVED

to approve delegated authority to the Corporate Director (Delivery) after consultation with the Executive Member for Commercial Activities, regarding negotiations relating to One Leisure, as contained within the confidential report.

Chairman

Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Procurement Policy

Meeting/Date: O&S Economic Well-being, 8 December 2015
Cabinet, 10 December 2015

Executive Portfolio: Councillor J A Gray (Resources)

Report by: Procurement Manager

Ward(s) affected: All

Executive Summary:

The purpose of this report is to consider and recommend to Council the approval of the Procurement Policy. The Procurement Policy outlines how the procurement function supports the Corporate Plan and Council's objectives, whilst minimising risks and seeking value for money.

The Policy describes how the Council will manage procurement risk, the overarching EU principles, our approach to delivering value for money, helping local businesses compete for public spend and the performance and governance of procurement.

The Policy provides for the structure and organisation of procurement and creates a foundation to develop detail plans and objectives for procurement.

Recommendation:

That the Cabinet consider and recommend to Council the approval of the Procurement Policy at Appendix 1.

1. PURPOSE

- 1.1 The purpose of this report is to consider and recommend to Council the approval of the Procurement Policy attached at Appendix 1.

2. BACKGROUND

- 2.1 Effective and efficient procurement supports the Corporate Plan through contributing to the best use of resources, assisting local businesses and, whilst operating in a regulated environment, minimising any attendant legal or reputational risks associated with non-compliance. The Procurement Policy sets out the operation of a procurement function in high level terms.

- 2.2 The Policy provides a definition of procurement; outlines the principal risks; lists the EU procurement principles; outlines how to improve value from procurement; engage with local businesses; summarizes performance targets, and procurement governance.

- 2.3 The Policy is underpinned by:

- the Code of Procurement which provides the regulatory and process necessary for compliance. This was approved by Council in May 2015.
- guidance for staff undertaking procurements in the form of written protocols, template documents, targeted training and ad-hoc advice. This is updated as needed.

3. SUMMARY OF THE POLICY

Definition

The acquisition of goods, services and works is defined and the scope of the organisations involved.

Risk Management

The Policy identifies the principle risks attached to procurement and how we ameliorate those risks.

Value for Money

Value for money is defined as fundamental to procurement and its basic guises are named.

Principles

All public procurement is subject to EU Treaty principles and these are listed.

Procurement Policy

The methods employed to deliver value are listed.

Business Engagement

Steps to support businesses in finding and competing for public procurement opportunities are outlined.

Performance Management

The basic performance and savings targets are listed.

Resources

The mechanism used to match process to cost and therefore, minimise the resource expended is presented.

Governance

The basic governance measures are explained.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Economic Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

5. KEY IMPACTS/RISKS

- 5.1 The key impact of the introduction of the Policy will be to support the pursuit of Value for Money through a structured approach to procurement with clearly identified objectives and constraints.

The risk of not having a policy is the absence of a fundamental definition of the role of procurement and a starting point for the development of a Procurement Business Plan.

6. LINK TO THE CORPORATE PLAN

- 6.1 The Policy will support the achievement of the Corporate Plan requirement of “becoming more business-like and efficient in the way we deliver services”.

7. CONSULTATION

- 7.1 None

8. LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications. Future legislative change may, however, effect the Policy.

9. RESOURCE IMPLICATIONS

- 9.1 The Policy itself will not have any direct resource implications. However, the operation of the Policy:

- will support the achievement of savings, cost avoidance and additional income.
- may lead to proposed changes in process and systems that could in future have resource implications. Such proposals would be subject to the approval of a suitable business case.

10 REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 The Policy is the keystone to the operation and function of procurement. It will underpin the development of more detailed objectives and targets in the form of a procurement business plan

11. LIST OF APPENDICES INCLUDED

Appendix 1 – Procurement Policy

CONTACT OFFICER

Nigel Arkle Procurement Manager

☎ (01480) 388104

Huntingdonshire District Council

PROCUREMENT

Policy 2015

Date Approved: xx/xx/2015

Review Date: xx/xx/2017

Version 7

Definition

The Council defines “procurement” as the process used to acquire goods, services or works and the letting of concessions. The acquisition may be from external providers such as contractors, third sector suppliers (voluntary organisations) or other public sector bodies.

Risk Management

Operating in a regulated environment there are risks to reputation and legal sanctions, including fines and litigation costs, resulting from poor procurement practice as well as business impacts due to inadequate quality, performance or delivery. Whilst responsibility for procurement resides in each Council service area, a Procurement Manager is established in the Resources Service to assist service areas with their procurement responsibilities and to provide training to ensure knowledge of compliant process and good practice.

Value for Money

Value for Money is at the heart of how the Council delivers its services; regardless of whether these are front-line or back-office. Effective procurement seeks to deliver value for money through lower whole life costs, cashable savings, cost avoidance and minimising the overhead required.

Fundamental Principles

All procurement processes will adhere to the EU procurement principles (Treaty of Rome 1957) of:

- Openness and transparency.
- Equal treatment of all suppliers.
- Proportionality; procurement processes will be proportionate to the risk and value of the requirement.
- Non-discrimination on the basis of EU member state.

Procurement Policy

To deliver value and savings through:

- compliant, competitive processes;
- adoption of innovative methods;
- simplified and streamlined documents and procedures;
- exploiting opportunities for joint working;
- improving commercial and market knowledge; and
- supporting local business participation.

Public and Business Engagement Considerations

- The Council's economic development team will be consulted to ensure that local business organisations and their members are aware of national and Council procurement policy and practice.
- The Council will publish a pipeline of forthcoming requirements to enhance local business engagement.

Performance Management

Savings targets are set and monitored by the Head of Resources. The key targets are:

- Zero legal challenges through compliant effective processes;
- Savings, cost avoidance or additional revenue of £50,000 per year;
- Delivery to relevant staff of up to 12 training sessions per year; and
- Engagement with local business through 2 events per year.

Resources

Annually reviewed financial thresholds determine the type of process required to ensure the appropriate level of effort for routine purchases.

Threshold Values	Process
Up to £5,000	A single written estimate or offers
£5,000 up to £25,000	Three written estimates or offers
£25,000 to £75,000	Three formal written quotes or offers
£75,000 to EU Threshold	Competitive Tenders
Over EU Threshold and above	EU compliant process

The resource implications (including Legal and Finance) for acquisitions with identified risk, complexity or high value (>£75k) are considered case by case. This contributes to deciding the most effective procurement process for that requirement.

Governance

The Council will have regard to all statutory and local procurement regulations, including the requirements of the Councils Constitution and relevant policies. The Code of Procurement will be updated to ensure that it is in line with prevailing legislation and Procurement Policy.

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**Public
Key Decision - Yes**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Fraud Workplan and Prosecution Policy

Meeting/Date: Corporate Governance Panel – 2 December 2015
Overview and Scrutiny (Economic Well-Being)
– 8 December 2015
Cabinet – 10 December 2015

Executive Portfolio: Executive Councillor for Customer Services

Report by: Benefits Manager

Ward(s) affected: All

Executive Summary:

This report sets out the Workplan for the Corporate Fraud Team following the transfer of Housing Benefit fraud investigations to the Department for Work and Pensions (DWP). It details the Council's approach to fraud prevention and detection and sets out the main focus of the Team's work. The accompanying Fraud Prosecution Policy has been amended to take account of this change of direction, and Cabinet should endorse these principles for Officers to act on.

The Fraud Working Group (a subset of the Corporate Governance Panel) has supported the work of the Fraud Team. Consideration was to be given to re-forming the Fraud Working Group once a Workplan based around the new priorities for the team had been determined. Dealing with fraud effectively remains important, but it is felt an annual report presented to Corporate Governance Panel together with the Executive Councillor for Customer Services overseeing the on-going work of the team is an appropriate level of focus – especially as the smaller team is focussed on more limited areas of work within HDC.

Recommendation(s):

It is recommended that the Cabinet:

1. Consider the reports of Corporate Governance Panel and Overview and Scrutiny (Economic Well-Being) Panel and approves the Workplan.
2. Approves the revised Prosecution Policy.
3. Endorse the recommendation that monitoring of the delivery of the Workplan is overseen by the Executive Councillor for Customer Services alongside annual reports to the Corporate Governance Panel.

1. WHAT IS THIS REPORT ABOUT?

- 1.1 This report sets out the proposed Workplan for the Corporate Fraud Team in its broader remit now that Housing Benefit fraud is no longer the main focus of its work. The Workplan takes account of the team having fewer resources, and identifies what areas of work currently present most risk to HDC and also refers to emerging fraud risks facing local authorities.
- 1.2 The Fraud Prosecution Policy has to be amended in light of Housing Benefit prosecutions no longer being carried out by HDC. It contains the process to be followed when dealing with any potential prosecution and the alternative actions that may be considered but also has regard to legislation that applies to specific service areas.
- 1.3 In addition, the report looks at whether the formation of a new Fraud Working Group should be considered to support the work of the Corporate Fraud Team as they continue to establish work priorities over the next few years.

2. BACKGROUND

- 2.1 In May 2015, the responsibility for investigating allegations of Housing Benefit fraud transferred to the DWP. Three Investigating Officers transferred to the DWP at the same time, leaving a smaller team at HDC comprising a Team Leader, one Investigating Officer and an Intelligence Officer.
- 2.2 Since then, the team has been completing the residual work left after the DWP transfer, including preparing a number of Housing Benefit cases for prosecution. In addition, HDC has been the lead Council in a CLG funded countywide initiative called the Cambridgeshire Anti-Fraud Network (CAFN).
- 2.3 This has been a period of transition for the team in establishing what areas of fraud to concentrate on now that the main focus is no longer Housing Benefit and determining the limits of the work it can deal with taking account of the fact that the service is very often demand led based on the number of allegations received.
- 2.4 The Workplan has been developed around the types of fraud that currently form the majority of the work for the team as well as new and emerging threats, specifically:
 - Council Tax Support fraud
 - Council Tax discount fraud
 - Housing Tenancy fraud – subletting/register/rent deposit applications
 - Business Rates
 - Right To Buy
 - No Discourse to Public Funds

Plans for the future include working with service areas across the Council and other partners to determine the level of risk from fraud they face in order to see how the Corporate Fraud Team can work with them to reduce risk and investigate allegations of fraud.

- 2.5 Investigating different types of fraud requires the Fraud Prosecution Policy to be amended to include reference to the legislation used in prosecuting these new areas.

- 2.6 The Policy sets out the legislation and process that Investigating Officers must adhere to when considering what action to take following a fraud investigation. Although committing fraud is a crime, there are various tests and processes to go through before determining if prosecution is the appropriate outcome for the investigation.
- 2.7 The Policy refers to the Evidential and Public Interest Tests set out in the Code for Crown Prosecutors which need to be applied taking into account the individual facts of a case.
- 2.8 The Policy also sets out what needs to be considered when dealing with fraud against specific services, i.e. the appropriate legislation and disposal methods.
- 2.9 The Fraud Working Group was established to support the work of the original Fraud Team and help raise its profile across the Council. The smaller format of the Corporate Fraud Team means that they now have to focus on the biggest areas of risk to the Council through a combination of pro-active and reactive work and leading the work of the CAFN project. The team is still in a period of transition and is concentrating resources on building relationships with teams across the Council and partners to determine what support can be offered.

3. ANALYSIS

- 3.1 Despite several staff changes, the team's performance during 2015/16 shows that it continues to be a valuable asset in HDC's fight against fraud.
- 3.2 370 of the 442 referrals received between April and October 2015 were selected for investigation and to date 43 of these cases have been proved.
- 3.3 The value of the fraud discovered for services provided by HDC equates to £171,876, broken down into the following areas:

Type of fraud	Value of fraudulent overpayments
Council Tax Benefit	£ 10,217
Council Tax Support	£ 18,094
Council Tax Discounts	£ 17,992
Housing Benefit*	£125,573

- In addition, five social housing properties have been recovered to be re-allocated to families in genuine need.
- Council Tax fines totalling £2k have been given to 11 people fraudulently claiming a Single Person Discount.
- Another £29k of fraud was identified in DWP administered benefits.
- A total of 14 Housing Benefit prosecutions have taken place from the residual work left after the transfer of work to the DWP in May 2015.

* Although the team no longer investigate Housing Benefit fraud, the discrepancies found during the course of investigating Council Tax Support/Council Tax Discount fraud, often lead to an overpayment of Housing Benefit, hence the figures included above. Details of the fraud are passed on to the DWP for them to take action as appropriate.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Economic Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

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

- 5.1 The Council will always be at risk of fraudulent activity but the work of the Corporate Fraud Team will help to reduce this risk by having robust processes in place to prevent, investigate and deal with fraudsters.

6. WHAT ACTIONS WILL BE TAKEN?

- 6.1 The Workplan is already in place to some degree but can be amended to include any further areas of work identified during the Member approval process.

7. LINK TO THE CORPORATE PLAN

- 7.1 Strategic priority and objective: Ensuring that we are a customer focused and service led council.

8. LEGAL IMPLICATIONS

- 8.1 None

9. RESOURCE IMPLICATIONS

- 9.1 Costs of staff within the CFT are currently included within the Council's budget. The revised work activity is aiming to more effectively prevent, detect and recover any losses related to fraud.

10. OTHER IMPLICATIONS

- 10.1 None

11. REASONS FOR THE RECOMMENDED DECISIONS

- 11.1 The Workplan will help HDC meet its requirements under the Council's Anti-Fraud and Corruption Strategy by protecting the Council from loss caused by fraudulent acts. The Workplan sets out the areas of the work that the team will initially concentrate on but it will continue to work with service areas to develop an understanding of the risks they face and work with them as needed.
- 11.2 It is important for HDC to have a document setting out its approach to dealing with fraudulent activity - both as a deterrent and setting out the consequences of committing crime against the Council. The Fraud Prosecution Policy clearly shows that HDC will not tolerate fraud and that anyone found to be committing fraud could face criminal action or a financial penalty.
- 11.3 The Corporate Fraud Team's remit focuses on Council services most at risk from fraud and loss and although the team has been in its new format since May 2015, it is still establishing priorities for the future. The work of the

Corporate Fraud Team is reported to the Corporate Governance Panel on an annual basis. In addition, ad hoc reports are presented during the year as necessary and the Portfolio Lead for Customer Service (Cllr Tysoe) continues to oversee workload in this area. It is felt this is sufficient and that the formation of the Fraud Working Group would not add further value at this time.

12. LIST OF APPENDICES INCLUDED

Appendix 1 – Corporate Fraud Team Workplan 2015/17
Appendix 2 – Fraud Prosecution Policy

BACKGROUND PAPERS

HDC's Anti-Fraud and Corruption Strategy


<http://applications.huntingdonshire.gov.uk/moderngov/documents/s70730/Anti%20Fraud%20and%20Corruption%20Strategy%20Report%20Appendix.pdf>

TEICCAF's Protecting the English Public Purse 2015

<http://www.teiccaf.com/wordpress/wp-content/uploads/2015/07/Protecting-the-English-Public-Purse-2015.pdf>

CONTACT OFFICER

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1. INTRODUCTION

- 1.1 Huntingdonshire District Council (HDC) aims to set and achieve the highest standards of service provision in all of its services. This is underpinned by the strategic objective in the Corporate Plan to:
- Ensure we are a customer focused and service led Council - we want to continue to deliver value for money services.
- 1.2 HDC is committed to actively safeguard public funds by preventing and detecting fraud and corruption. Maintaining high levels of probity, governance and ethics will ensure that HDC's resources can be focussed in providing services that matter to local residents.
- 1.3 HDC's commitment to dealing with fraud and error is demonstrated by having in place systems, resources and procedures designed to:
- limit the opportunities to commit fraudulent acts
 - enable such acts to be detected at the first opportunity
 - deal with investigations promptly, thoroughly, professionally and legally.
 - where appropriate use and publicise its sanction activity as a deterrent to future offending.
 - reduce the financial loss caused by fraudulent activity
- 1.4 To enable this, HDC retains a professional, fully trained Corporate Fraud Team (CFT). The work of this team is directly aligned to meet the priorities set out in the HDC's Anti-Fraud and Corruption Strategy approved by Members in June 2015.

2. RECENT DEVELOPMENTS AND BACKGROUND

- 2.1 The Fraud Team was originally established to combat benefit fraud but over recent years the remit of the Team has expanded considerably. The work of the Team has included investigations into all areas of services provided by HDC but in particular around Local Taxation and Housing but also matters relating to Employees, Elections, Planning and Environmental Health.
- 2.2 With the creation of the Single Fraud Investigation Service (SFIS) by the Government, all welfare benefit fraud, including Housing Benefit is now investigated by the Department for Work and Pensions (DWP).

- 2.3 From May 2015, with the transfer of three Investigating Officers to the DWP, the size and focus of the team has inevitably changed. It is important that a smaller team concentrates on preventing and investigating fraud that presents the highest risk to HDC. The retention of the CFT is against a national trend which has shown that nationally, less than half (45.7%) of councils have a corporate counter fraud team tackling non- benefit fraud. In London, 93.5 per cent of councils have a corporate fraud team. By comparison just 37.4 per cent of councils in the rest of the country have a corporate fraud team.
- 2.4 HDC was the lead authority for all of the Cambridgeshire Districts and a number of other partners in securing funding from DCLG to establish the Cambridgeshire Anti-Fraud Network (CAFN). The principle aim of the partnership has been the creation of a central data-sharing hub across Cambridgeshire to assist in the detection and investigation of tenancy fraud and other fraud identified/reported across the County.
- 2.5 Following the abolition of the Audit Commission in March 2015, The European Institute for Combatting Corruption and Fraud (TEICCAF) was formed to continue the counter-fraud work of the Audit Commission in supporting local authorities dealing with fraud and sharing information on trends in fraud detection, the dissemination of good practice and identifying current and emerging risk. *Protecting the English Public Purse 2015* was published earlier this year and has helped to form the focus of the CFT into the future, along with HDC's Anti-Fraud and Corruption Strategy.

3. WORK PRIORITIES FOR 2015/17

- 3.1 The team's substantive structure is currently:
- 1 Team Leader (TL)
 - 1 Investigating Officer (IO)
 - 1 Fraud Intelligence and Analyst Officer (AO)
- 3.2 Sifting of referrals: The AO will sift all reported fraud in line with current procedures and select those cases suitable for full investigation and those which can be dealt with in other ways. The sift will include an assessment of potential loss with those cases highlighted as producing larger or more immediate savings being prioritised.
- 3.3 Investigations: The IO will undertake investigations into all cases selected for full investigation.
- 3.4 Management: The TL will work to develop the CAFN project and continue working with partners to identify services at risk of fraud. The TL oversees all investigations, prepare files for disposal in line with the Fraud Prosecution Policy and produces reports for senior officers and Members.

3.5 The work priorities identified by the team are currently:

- Council Tax Discount Fraud
- Council Tax Support Fraud
- Housing Tenancy Fraud – subletting/register/rent deposit applications
- Business Rates
- Housing Benefit Matching Service referrals – initial sift and checks but this will change as new risks are identified.

Targets:

Council Tax Discount Fraud	15 penalties per annum 4 prosecutions per annum
Council Tax Support Fraud	5 penalties per annum
Housing Tenancy Fraud	8 properties recovered per annum

(These targets will be reviewed as the team becomes more established and works with other service areas.)

- 3.6 In addition, although the CFT no longer investigates Housing Benefit fraud, it has taken on the role of Single Point of Contact (SPoC) for dealing with enquiries received from the DWP in relation to Housing Benefit investigations in line with the requirements and deadlines set by the DWP.
- 3.7 The CFT is often called upon to provide expertise and mentoring for other enforcement services in collection of evidence and interview facilities. The CFT offers a wide variety of services including credit reference data, local intelligence, checking for previous convictions or even hands on interview specialism to other sections within the Council.
- 3.8 A number of new and emerging frauds have been identified by TEICCAF, some of which may affect HDC. These include Right To Buy (RTB) and No Recourse to Public Funds.
- 3.9 Proposed changes to legislation could mean that Housing Associations will become increasingly at risk from RTB fraud. In order to combat this, the CFT is working with Housing Association partners to establish whether their procedures for processing RTB applications are robust and how the CFT can help ensure that only genuine applications are accepted.
- 3.10 For securing the gateway to ensure that HDC services are only provided to people legitimately entitled to receive them, the CFT has purchased scanners that can identify whether documents such as passports, visas and driving licences are genuine.

- 3.11 The CFT will work with the HDC Audit Section and partners to determine whether there is a risk to HDC and take appropriate action.

4. PUBLICITY

- 4.1 The CFT encourages allegations of fraud to be reported to HDC through the following:
- a 24-hour telephone line (automated voicemail system) that is checked daily
 - a further phone line manned during office hours
 - an e-mail account linked directly to the CFT
 - on-line referral forms on the HDC website
 - Cambridgeshire Tenancy Fraud Forum/CAFN website with on-line referral forms
 - at any of the Council's offices or in writing
- 4.2 Prosecutions are regularly publicised in the local press as both a deterrent to prospective fraudsters and as a way of encouraging further referrals.



Fraud Prosecution Policy

1. Introduction

- 1.1 Huntingdonshire District Council (the Council) is committed to providing good quality services delivered by people who put the customer first and provide value for money services in accordance with its corporate plan.
- 1.2 The Council also has a duty to protect from abuse the public funds, resources and assets it administers and be aware of the risks within its financial and delivery systems for fraud, error or other irregularity. In carrying out this duty, the authority may use information provided to it for the purpose of the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.
- 1.3 The Council will wherever possible incorporate effective internal controls to minimise the risk of fraud occurring. However despite this, fraud can be perpetrated and appropriate procedures need to be in place.
- 1.4 The Council understands that some people (including customers, staff, elected Members or contractors) may attempt to obtain financial or some other advantage from Council services to which they are not entitled and sometimes this is done deliberately. Where an investigation has revealed this to be the case the Council will consider the individual circumstances of the case and where appropriate will consider whether a criminal prosecution, or alternative disposal such as financial penalties or caution, should be applied.
- 1.5 This policy outlines the procedures to be followed with regard to the prosecution of people who have committed fraud. It will serve as a policy statement that is supported by Members of the Council who have endorsed the Anti-Fraud and Corruption Strategy, and as an operational guide for Investigating Officers.
- 1.6 A range of sanctions are available to the Council. These include disciplinary action, civil proceedings, criminal proceedings, official cautions and penalties. In appropriate cases we will take more than one form of action. For example, where staff have defrauded the Council we may take disciplinary, prosecution and civil recovery action.
- 1.7 The Council will always have regard to the circumstances of the individual it is dealing with when considering any case of alleged fraud. Every case will be treated on its own merits and it will abide with its duties contained in the Equality Act 2010. The council will, however, have regard to any extenuating and relevant circumstances of the individual including age, disability, learning or language difficulties which may have contributed to the alleged offending.
- 1.8 The term Sanction refers to any penalty or criminal prosecution that can be imposed by the council, and allowed by legislation, where offending contrary to any of the following appears, in the Councils opinion, to have occurred:
 - Theft Acts 1968/ 1978 (TA)
 - Forgery and Counterfeiting Act 1987 (FCA)
 - Computer Misuse Act 1990 (CMA)
 - Local Government Finance Act 1992 (LFGA)
 - Data Protection Act 1998 (DPA)

- Identity Card Act 2006 (ICA)
- Fraud Act 2006 (FA)
- The Bribery Act 2010 (TBA)
- Welfare Reform Act 2012 (WRA)
- The Prevention of Social Housing Fraud Act 2013. (PSHFA)
- The Council Tax Reduction Scheme (Fraud & Enforcement) England 2013

2. The Policy

- 2.1 All investigations conducted by the Council must adhere, at all times, to the requirements of the Police and Criminal Evidence Act 1984, the Criminal Procedures and Investigations Act 1996, Human Rights Act, Regulatory Investigatory Powers Act 2000 and the relevant primary legislation listed in 1.8. All evidence gathering will comply with the Data Protection Act 1998.
- 2.2 Each case is unique and must be considered on its own facts and merits. Investigators must be fair, independent and objective. They must not let any political or personal views about ethnic or national origin, sex, religious beliefs, or the sexual orientation of the suspect, victim or witness influence their decisions. They must not be affected by improper or undue pressure from any source.
- 2.3 It is the duty of the Council to make sure that the right person is prosecuted for the right offence. In doing so, the Council must always act in the interests of justice and not solely for the purpose of obtaining a conviction.
- 2.4 Where necessary the Council will work in co-operation with other organisations such as the Police, Department for Work and Pensions, Home Office, Her Majesty's Revenue and Customs, other Local Authorities, Registered Social Landlords and departments within Huntingdonshire District Council.
- 2.5 Where any case is to be considered for prosecution or a penalty the Code for Crown Prosecutors requires that every case is considered fairly and objectively and that principles around the standard of evidence and the public interest are considered and that only where these tests are passed should a case be considered for prosecution

3. The Evidential Test

- 3.1 The Evidential Test must be applied in all cases regardless of the method of sanction chosen.
- 3.2 The Code for Crown Prosecutors, revised in January 2013, lays out how this test must be applied. Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. They must consider what the defence case may be, and how it is likely to affect the prospects of conviction. A case which does not pass the evidential stage must not proceed, no matter how serious or sensitive it may be.

4. The Public Interest Test

- 4.1 Where there is sufficient evidence to justify a prosecution or to offer an out-of-court disposal, prosecutors must go on to consider whether a prosecution is required in the public interest.
- 4.2 The Code for Crown Prosecutors lays out the public interest factors which can increase the need to prosecute or may suggest an alternative course of action. The factors will vary from case to

case. Not all the factors will apply to each case and there is no obligation to restrict consideration to the factors listed. In making a decision to prosecute, all available information must be carefully considered.

- 4.3 The Council's officers will refer to the latest Crown Prosecution Service guidance and Best Practice when considering the public interest test.
- 4.4 The more serious the offence, the more likely it is that prosecution will be required in the public interest.
- 4.5 Aggravating and mitigating factors will be taken into consideration when deciding on the appropriate sanction.

5. Officer Fraud and Corruption.

- 5.1 In all cases of fraud, theft, financial misconduct, serious and intentional breach of financial regulations and corruption committed by officers we will seek disciplinary action. The normal recommendation would be "gross Misconduct".
- 5.2 Where a financial loss has been identified the Council will always seek to recover this loss through civil or criminal process.
- 5.3 Where appropriate, we will refer cases to the relevant prosecuting authority for criminal prosecution.

6. Tenancy Fraud

- 6.1 The Council's Corporate Fraud Team support the work of the Council's Housing Needs and Options Team and registered Social Landlords and will investigate suspicions of Tenancy Fraud.
- 6.2 This includes:
 - Unauthorised sub-letting
 - Abandonment
 - False succession applications
 - Right to buy
 - General Tenancy breaches
- 6.3 In all cases of tenancy fraud the Council will seek repossession of the property and recovery of any financial losses. The Council's view is that one property lost to fraud is one less property available to use for genuine applicants.
- 6.4 Tenancy Fraud will also be considered for criminal prosecution. The factors that will affect our decision to prosecute will be based on the evidential and public interest test.
- 6.5 The Prevention of Social Housing Fraud Act is used to prosecute offenders.

7. Council Tax Support

- 7.1 The legislation governing the use of a financial penalty as an alternative to prosecution where a person has fraudulently claimed Council Tax Support is contained in section 14C of the Local

Government Finance Act 1992. The conditions by which a penalty might be used are described in regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

- 7.2 Penalties may be offered as an alternative to prosecution when a fraudulent claim has caused excess Council Tax Support to be awarded or could have caused excess Council Tax Support to be awarded.
- 7.3 In accordance with the legislation a penalty offered as an alternative to prosecution will be a minimum of £100.00 or 50% of the fraudulent excess Council Tax Support claimed by the offender (rounded down to the nearest penny) whichever figure is greater. A penalty should not exceed £1000.00. A person does not have to accept the penalty, however if they refuse consideration should be taken depending on the individual merits of the case and the public interest test to prosecute.

8. Single Person Discount

- 8.1 In all cases of this type of fraud the discount will be recovered and depending on the individual merits of each case a £70.00 per year penalty may be applied or the case may be considered for prosecution.

9. Other Fraud

- 9.1 In the event of “other Frauds” against the Council, not specifically mentioned above, the Council will also consider criminal prosecution. The factors that will affect our decision to prosecute will be based on the evidential and the public interest test. This will also include cases of attempted fraud i.e. false applications for services.
- 9.2 In cases where the Council suffers a financial loss, we will always seek recovery.
- 9.3 Where an organisation is involved in the fraud, the Council will also make referrals to the relevant governing body, i.e. Charities Commission, Registrar of Companies, Law Society.
- 9.4 For the purpose of this policy “Other fraud” includes, but is not limited to: Council Tax discounts, Business Rates, Renovation Grants, and any other areas of risk and fraud identified by the Council.

10. Warning letters

- 10.1 Encouraging people who use the Councils services to act honestly at all times should be paramount to any policy that considers criminal/civil penalties for those people that fail in their responsibilities.
- 10.2 In any cases where a minor failure/offence has occurred or there are serious mitigating circumstances, or even where to bring action might put the Council at risk of disrepute, a warning letter can be issued to a person to remind them of their duty/ responsibilities and the implications of a future failure to comply with Council policies/ procedures or relevant legislation.
- 10.3 Such a letter would not be recorded as a criminal disposal but would be kept on record for reference if further matters come to light about the same person in future.

11. Publicity

- 11.1 It is the Council's intention to positively promote this policy as well as the outcome of any prosecutions, which will deter others from fraudulent activity.

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Cambs Home Improvement Agency (CHIA) Shared Service Review & Disabled Facilities Grant Budget

Meeting/Date: Overview & Scrutiny Panel Social Wellbeing – 1 Dec 2015
Cabinet – 10 December 2015

Executive Portfolio: Strategic Planning and Housing

Report by: Housing Strategy Manager

Ward(s) affected: All

Executive Summary:

This report provides Members with:

1. A progress review of the Cambs Home Improvement Agency (CHIA) shared service following three years of operation.
2. An update on the position with regards to extending the shared service to include East Cambridgeshire District Council (ECDC).
3. A recommendation to extend the HIA shared service for a further two years, enabling a review of the HIA funding to be completed in light of pressures on the capital budget.
4. A review of the ongoing demand for Disabled Facilities Grants (DFGs) and the impact of the transfer of the Government DFG capital funding to the Better Care Fund.

1. 3 Year review of Cambs HIA

The Cambs HIA (CHIA) shared service was developed during 2011/12 in partnership with Cambridge City and South Cambridgeshire District Councils. CHIA went 'live' on 1st April 2012.

CHIA is a partnership based shared service with staff employed by Cambridge City Council, the main office located within South Cambridgeshire's offices in Cambourne (with hot desks at other locations) and IT systems and support provided by this Council.

The shared service HIA has been successful in meeting its initial aims and objectives and has the potential to achieve further efficiencies both internally and externally into the future. Performance data is at Appendix 1 and shows high volumes of work for the three years of operating the shared HIA. Performance targets have been met in 2014/15.

Performance in Q1 and Q2 of 2015/16 has dipped for a number of reasons including an increase in volumes of work, loss of a surveyor, and the necessary introduction of new procedures to ensure regulatory compliance. All the reasons for this, and the potential options, are being explored by the Management Board.

2. Update on extending the Cambs HIA to East Cambs

The scope for expanding the service to include other districts in Cambridgeshire has been considered. Having appraised the Business Case for service expansion, East Cambs DC has since decided not to join the shared service because they are content that their in-house service is fit for purpose and they do not foresee significant benefits from disrupting their current arrangement.

3. Extending the shared service contract

The original three-year Agreement was extended in 2014 and expires in March 2016. Broadly speaking the Partnership Agreement is fit for purpose and it is recommended that it is reviewed and refreshed by Officers and the Executive Member, ensuring consistency with other Shared Services, prior to commitment to a further two-year period of partnership working.

4. Review of DFG

DFGs are part funded through the Council's Capital fund. The remainder is Government funding (c£500k pa) which is now channelled through to this Council via the Better Care Fund. Officers continue to influence the strategic direction of the Better Care Fund towards preventative services, demonstrating the value of the DFG programme to the health and social care agenda.

Recommendation(s):

It is recommended that the Cabinet:

- Note the position following three years of the shared HIA service; and
- Agree to delegate authority to the Head of Development in consultation with the Executive Member to sign off the refreshed Partnership Agreement for a further two years.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report provides Members with:
1. A progress review of the Cambridgeshire Home Improvement Agency (CHIA) shared service following three years of operation.
 2. An update on the position with regards to extending the shared service to include ECDC.
 3. A recommendation to extend the HIA shared service for a further two years.
 4. A review of the ongoing demand for Disabled Facilities Grants (DFGs) and the impact of the transfer of the Government DFG capital funding to the Better Care Fund.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 Members have requested an annual report on performance of the shared service home improvement agency.
- 2.2 The CHIA shared service was developed during 2011/12 in partnership with Cambridge City and South Cambridgeshire District Councils, Cambs HIA went 'live' on 1st April 2012.
- 2.3 CHIA is a partnership based shared service with staff employed by Cambridge City Council, staff located within South Cambridgeshire's offices in Cambourne (with hot desks at other locations) and IT systems and support provided by this Council.
- 2.4 One of the main aims of CHIA is to help people live independently by helping them to access DFGs. The Housing Grants, Construction and Regeneration Act 1996 sets out the Council's duties to provide DFGs. The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an Occupational Therapist (OT) and fund aids and adaptations like ramps, stair lifts and level access showers. The maximum DFG is £30k and DFGs for adults are subject to a means test. DFGs for children are not means tested. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable. The responsibility for validating and approving DFGs sits with the Strategic Housing Service at this Council.
- 2.5 DFGs form part of a wider strategic approach to helping improve the health and wellbeing of people in Huntingdonshire. Along with other low level interventions, DFGs can enable elderly and disabled people to live independently and help to avoid costly emergency hospital admissions and inappropriate and expensive care placements. DFGs are therefore a 'preventative' service and help to implement the aims of the countywide Health and Well Being Strategy.

3. CAMBS HIA - REVIEW AFTER THREE YEARS OF OPERATION

- 3.1 Following a slow start to the shared service in 2012/13 due to the complexities of the service and the challenge of bringing together three very different operational teams, service delivery continued to improve in year three.
- 3.2 When CHIA was formed, a number of key objectives were agreed. Progress on each of these is set out below:

Deliver cost savings over time for both district and county commissioners.

- 3.3 The savings identified for the Council of moving to a shared service were anticipated to be minimal, if any, in the first two years. The Council had historically revenue funded the in-house HIA at levels ranging from £59k in 2006/07 to £73k in 2010/11. CHIA's Year 1 (2012/13) budget resulted in a deficit of £71k, and a contribution of £35k from HDC was made in line with the cost sharing agreement, as reported to this Panel, and Cabinet, in July 2013.
- 3.4 End of Year 2 (2013/14) figures showed that the shared service made a small surplus of £8k. However agreement was obtained for this amount to be rolled forward into 2014/15 in order to cover unforeseen costs following the HDC IT upgrade.
- 3.5 Year 3 has delivered another small surplus of £18k. While these sums are relatively small, the direction of travel is positive. CHIA is currently carrying out a major Contractor Procurement Project to ensure greater value for money from the DFG capital and additional procurement support costs of £18k have been identified. This surplus will be retained by CHIA in order to resource this project.
- 3.6 In summary, the anticipated cost savings for the district council have been met and opportunities identified for further savings for both district and County commissioners through smarter procurement and discussions about capital funding in future.

Improve operational resilience and opportunities for cross boundary working.

- 3.7 A drop of Occupational Therapy referrals in 2014/15 and staffing issues, including the need to recruit a Surveyor, contributed towards the dip in CHIA performance mid-year and the resulting reduction in number of DFGs completed. This also resulted in a reduction in capital budget from £1.7m to £1.4m. However, despite these issues CHIA has maintained operational resilience and financial stability.
- 3.8 The drop in OT referrals and increased waiting times for assessment was of concern and was in part due to a number of factors including the tendering of the older people's health care contract and the uncertainty for staff until Uniting Care Partners were appointed earlier this year. The subsequent TUPE of OT staff, and ongoing recruitment and retention issues within the Occupational Therapy profession have also contributed. However referrals have already picked up in 2015/16 and early indications are that these are approaching normal levels (for Huntingdonshire) of around 30 per month.
- 3.9 Discussions have been held with Fenland and East Cambridgeshire Councils about whether or not they wish to join the shared service. Fenland DC has initially decided to continue with the contract they have with Kings Lynn and West Norfolk Council, thereby excluding them from being part of the shared service. However, they are interested in seeing how CHIA develops and have not discounted joining in future.
- 3.10 With regard to East Cambridgeshire, in principle agreement to include ECDC in the shared service (subject to a detailed Business Case being developed)

was given by Members in July 2014. The benefits to Huntingdonshire from further expansion of CHIA into East Cambs and/or Fenland would be the potential for further improvements in efficiency and a more robust service.

- 3.11 In summary, the objective to improve resilience and work across boundaries has been met through the development of CHIA and there may be further opportunities to increase this through development of a County-wide service over time.

Provide a platform for improved performance and efficiency over time.

- 3.12 The CHIA Management Board, made up of senior officers from the three Councils, the County Council, and the HIA Manager, is keen to develop closer working with both district colleagues and partners in Health and Adult Social Care. These include proposals for closer working with OTs and other services i.e. Handyperson services, hospital discharge teams, etc.

- 3.13 Performance targets have been met in 2014/15 (Appendix 1). Performance in Q1 and Q2 of 2015/16 has however dipped for a number of reasons including an increase in volumes of work, loss of a surveyor, and the necessary introduction of new procedures to ensure regulatory compliance. All the reasons for this, and the potential options, are being explored by the Management Board.

4. EXPANSION OF CHIA TO INCLUDE EAST CAMBRIDGESHIRE

- 4.1 As mentioned earlier Members gave 'in principle' agreement in July 2014 for a detailed Business Case to be developed to explore whether or not it would be beneficial to join with East Cambridgeshire. East Cambs took their home improvement agency service back in-house following the closure of East Cambs Care & Repair who performed this function previously.

- 4.2 A Business Case was developed by CHIA in relation to this, however, having considered the options and associated costs East Cambs took the decision in September not to join the shared service but to remain independent.

5.0 EXTENSION OF THE HIA SHARED SERVICE CONTRACT

- 5.1 The shared service has been successful in terms of savings (paragraphs 3.3 to 3.5) and whilst performance in years 1-3 has improved, performance over the last 6 months has declined, as discussed in paragraph 3.13. It is therefore proposed that we should review and refresh the existing Partnership Agreement and go ahead with a further two year term with provision for an extension for a further three years by agreement. If agreed, this can be taken forward by officers and the Executive Councillor.

6.0 DFG BUDGET IMPLICATIONS AND BETTER CARE FUND

- 6.1 Demand for DFG remains strong in Huntingdonshire for a number of reasons, including people's aspirations to live at home for longer, an increase in DFGs for children, increased longevity, and an overall increase in the number of older people in the district. The Office for National Statistics projections show that the proportion of people aged over 65 in the district is predicted to increase from 16% of our population in 2011 (27,700 people) to 21% of our population by 2021 (38,300 people). Therefore long term demand for DFG and other services that support older people, is expected to continue to grow.

6.2 A review modelling demand for DFG has been carried out and it is estimated that 20 eligible new OT referrals will be received each month. The average DFG costs £7k. Therefore the demand for DFG in an average year is estimated to be £1.7M. Obviously if any of the variables stated above change, then demand for DFG could increase or decrease accordingly.

6.3 Due to the drop in OT referrals in 2014/15 the full budget of £1.7m was reduced to £1.4m. OT referrals fluctuate but at the current time it is considered that the current budget of £1.5m for 2015/16 is adequate.

6.4 Service delivery rates over recent years, plus a prediction for this year are shown below:

	2012/13	2013/14	2014/15	2015/16 Predicted DFGs generated in year
No. DFGs completed	189	238	203	215
Total spend on DFGs	£1.2m	£1.7m	£1.4m	£1.5m estimated

6.5 The DFG budget, in the Council's MTFS is as follows:

	2015/16 £m	2016/17
Assumption on contribution from central Government	0.5	0.5
HDC contribution	1.0	To be determined
Total DFG budget	1.5	

6.6 During 2014/15 the Government established the Better Care Fund (BCF). This is a pooled Health and Adult Social Care budget. All of the funding pooled together is already 'allocated' to services across the health and social care systems. The Government's contribution to DFG capital funding was also pooled within this new BCF 'pot'. The Government ring-fenced the DFG expenditure for 2015/16 but there has been no guidance on this for 2016/17.

6.7 The district councils are in discussions with the County Council to ensure that this DFG grant continues to be distributed at current levels to the districts. The aim of the BCF is to help transform services to enable a number of National outcomes to be achieved. These include 7 day services to support hospital discharge, more effective preventative services, better sharing of information between agencies, joint assessments etc.

6.8 The BCF for Cambridgeshire is £37.7m and a joint plan has been developed for how the money will be allocated in the future, and how the national outcomes will be achieved. CHIA is clearly well placed to support delivery of these aims and there may be opportunity for further development of the HIA service given the preventative outcomes they help to deliver.

7.0 RISKS AND HOW THEY WILL BE MANAGED

7.1 The inclusion of the Government element of DFG capital (c.£0.5m) within the Better Care Fund (BCF) from 2015/16 provides an element of risk. Whilst the

DFG capital was cascaded from the County Council to housing authorities in 2015/16 there has been no further Government guidance in respect of this.

7.2 There is also a risk that County Council and Health revenue funding may be withdrawn, or reduced due to ongoing budget cuts. Officers are actively engaged in discussions with the County Council to ensure this revenue funding is secured into the future or to consider the provision of capital instead (from which CHIA can generate revenue income).

7.3 There is a risk that if the Council's Capital budget is reduced significantly then the Council will fail to meet its Statutory duties towards vulnerable households. This will continue to be considered as part of the Council's Capital Programme going forward.

8. COMMENTS OF OVERVIEW & SCRUTINY PANEL

8.1 The comments of the Overview & Scrutiny (Social Well-Being) Panel following its meeting on the 1st December 2015 are attached as Appendix 2.

9.0 WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

9.1 The Partnership Agreement will be reviewed and renewed for a further two-year term from April 2016.

10. LINK TO THE CORPORATE PLAN

10.1 This proposal links with the following strategic themes and outcomes:

Working with our communities

- Improve health and wellbeing

Ensuring we are a customer focussed and service led council

- Becoming more business like and efficient in the way we deliver services
- Ensure customer engagement drives service priorities and improvement

11. CONSULTATION

11.1 Customer satisfaction remains high with the Council carrying out quarterly satisfaction surveys. These are monitored and reported to the Management Board regularly, and as part of this annual report.

12. LEGAL IMPLICATIONS

12.1 The Shared Service Partnership Agreement across the three existing Councils can be renewed for a further two years by formal minute and letter (subject to a refresh by the Head of Development in consultation with the Executive Councillor).

13. REASONS FOR THE RECOMMENDED DECISIONS

13.1 The shared service CHIA has been successful in meeting its aims and objectives after three years, with potential to achieve further efficiencies both internally and externally into the future. Performance data is at Appendix 1.

13.2 The opportunity to broaden the shared service to include the other districts within Cambridgeshire has been considered but it has been decided not to expand but to maintain the current arrangements at this time.

13.3 The current Partnership Agreement runs out in March 2016. This needs to be renewed by 1st April 2016 for a further two-year period.

13.4 Analysis of demand and costs would suggest that the Council's MTP budget for DFG is appropriate to manage the current demand placed upon it in 2015/16 and officers will continue to influence the strategic direction of the Better Care Fund to safeguard the contribution to DFG held within it.

14. LIST OF APPENDICES INCLUDED

14.1 Appendix 1 - Performance Data.

14.2 Appendix 2 - Comments of the Overview & Scrutiny (Social Well-Being) Panel Meeting - 1st December 2015.

BACKGROUND PAPERS

- Overview & Scrutiny Panel Report July 2014 – Shared HIA Service Review and DFG budget.
<http://applications.huntingdonshire.gov.uk/moderngov/ieListDocuments.aspx?Clid=10103&Mid=5307&Ver=4>
- The Housing, Grants, Construction and Regeneration Act 1996
<http://www.legislation.gov.uk/ukpga/1996/53/contents>
- Cambridgeshire Health and Well Being Strategy 2012-17
<http://www.cambridgeshire.gov.uk/NR/ronlyres/15D48C47-A6F7-4C35-B540-F0FA5168D988/0/CambridgeshireHealthWellbeingStrategy20122017.pdf>
- Cambridgeshire Better Care Fund Plan
<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=781>
- Developing Plans for the Better Care Fund – NHS England Planning Guidance
<http://www.local.gov.uk/documents/10180/12193/Developing+plans+for+better+care+fund+guidance.pdf/734c155e-7820-4761-976a-6c56053c0e78>

CONTACT OFFICER

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APPENDIX 1

Activity

The table below gives a summary of what Cambs HIA has delivered over the past three years.

Description	2012/13	2012/13 All	2013/14	2013/14 All	2014/15	2014/15 All
All enquiries	CC 195 SC 240 HD 434	869	CC 257 SC 289 HD 481	1027	CC 216 SC 309 HD 437	962
Completed DFG jobs	CC 68 SC 77 HD 189	334	CC 86 SC 75 HD 238	399	CC 64 SC 62 HD 203	329
% private tenure	CC 73 SC 90 HD 54	68%	CC 74 SC 86 HD 57	69%	CC 72 SC 85 HD 57	69%
DFG grant spend (nearest K)	CC 470K SC 507K HD 1,239K	£2,216K	CC 578K SC 663K HD 1,723K	£2,964K	CC 557K SC 641K HD 1,381K	£2,578K
Disc grants complete	CC 25 SC 29 HD 11	65	CC 34 SC 27 HD 18	79	CC 33 SC 23 HD 14	70
Disc grant spend (nearest K)	CC 103K SC 106K HD 54K	£ 263K	CC 81K SC 111K HD 113K	£ 305K	CC 163K SC 60K HD 92K	£ 315K

2014/15

Description	City	S Cambs	Hunts	All
DFG referrals	88	105	277	470
Caseload at year end	67	141	176	384
Discretionary grant applications	28	21	16	65

Overall there are high levels of satisfaction with all aspects of the work provided by the HIA and the contractors. Overall satisfaction shows 97% for Cambridge City, 100% for South Cambridgeshire DC and 89% for Huntingdonshire DC.

The time taken to complete works following a referral is measured as one of the key performance indicators for the HIA for cases <£10K and for those >£10K. For 2014/15 the time taken in weeks is as follows.

Description	Target	City	S Cambs	Hunts	All
Av time referral to completion (weeks) <£10K	26 wks	25.1	35	26.3	29.8
Av time referral to completion (weeks) >£10K	45 wks	64.5	69.2	69.6	72.0

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**COMMENTS FROM OVERVIEW AND SCRUTINY (SOCIAL WELL-BEING) PANEL
1ST DECEMBER 2015**

**CAMBRIDGESHIRE HOME IMPROVEMENT AGENCY (CHIA) SHARED SERVICE
REVIEW & DISABLED FACILITIES GRANT BUDGET**

The Overview and Scrutiny Panel (Social Well-Being) was informed of the following: the progress of the Cambridgeshire Home Improvement Agency (CHIA), the option to extend CHIA for a further two years and review the ongoing demand for Disabled Facilities Grants (DFGs). With regards to CHIA, Members noted the £18k surplus in 2014/15 and recognised the benefits of the shared service including cost savings, operational resilience and economies of scale.

The Panel identified that there was an opportunity with the Better Care Fund to alleviate pressure upon Social Care budgets however noted that the Fund can be difficult to access for social care and preventative treatments.

Members recognised the work of CHIA and agreed that the Cabinet should proceed with extending the shared service for a further two years. The Panel would like to see a greater use of the Better Care Fund for Social Care budgets however understand that it could be difficult to receive funding due to the demand on the limited budget of the Fund from a wide range of services.

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**Public
Key Decision - Yes**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Customer Service Strategy

Meeting/Date: Overview & Scrutiny (Economic) – 8th December 2015
Cabinet – 10th December
Council – 16th December

Executive Portfolio: Executive Councillor for Customer Services

Report by: Head of Customer Service

Ward(s) affected: All

Executive Summary:

Members provided feedback on a proposed revised Customer Service Strategy earlier in 2015. A summary 'on a page' was produced and this has been revised in light of feedback.

In addition, and as discussed with Members previously, this summary has been developed into a wider and more comprehensive document. This takes the foundation of the previous Strategy and has updated the content to reflect other Council Strategies and Policies. The summary also takes into account customer feedback – and has passed through a number of Officer groups.

Once approved by Members the new Strategy will be communicated to the organisation and delivery of actions will begin. Key to this is the mandatory inclusion of actions to deliver this Strategy in all Service Plans that will be produced by the Senior Management Team in 2016/17.

Recommendation(s):

It is recommended:

That the Cabinet, having assessed any feedback from the Overview & Scrutiny (Economic Well-Being) Panel, recommend to Council approval of the revised Customer Service Strategy.

1. PURPOSE

- 1.1 This paper is intended obtain the endorsement of the Cabinet, prior to the revised Customer Service Strategy being recommended for approval by Full Council.

2. BACKGROUND

- 2.1 The Customer Service Strategy is a key corporate document. It sets out how the Council will deliver customer service across the Council and underpins much of what the Council does. It is an important document for Officers, and allows the Council to look ahead and focus on what it needs to do to deliver good customer service.
- 2.2 The current version of the Customer Service Strategy was approved in 2013. Since that time considerable change has happened at the Council and it is prudent to ensure the document is fit for purpose and compliments other strategic plans.
- 2.3 Earlier in 2015 Overview and Scrutiny and Cabinet both reviewed and commented on a simple summary 'on a page' that would be developed in light of Member feedback. This summary was also to be expanded to provide a more comprehensive document suitable for Officer and Member use.

3. ANALYSIS

- 3.1 Officers reviewed the content and layout of the previous strategy. The document contained useful content and ideas, many of which remain relevant today.

- 3.2 However this assessment also identified that:

- The current plan is extremely ambitious and stretches to 36 pages in length. It is not easy to quickly grasp the key elements of the Strategy.
- The focus of many actions is on the Customer Service Team – rather than the Council as a whole. This focus has inevitably meant the delivery of the Customer Service Strategy has not 'reached out' into the organisation as intended.
- The number of actions is considerable and many are specific to certain services or tasks – and don't impact across the Council.

- 3.3 Officers have also examined a number of key documents, including the:

- Corporate Plan – to ensure its objectives are supported by the emerging Customer Service Strategy
- Council's Code of Conduct – to ensure the Core Values of the Council are woven into the emerging Customer Service Strategy
- 'Plan-on-a-page' – making sure the Customer Service Strategy compliments the strategic aims of the Council and the financial challenges faced.
- Latest feedback we have from Customers on what the Council does, and what the Council's priority services should be

- 3.4 Having completed the review it has become apparent a revised Customer Service Strategy should be shorter, simpler to understand and relevant to Officers and Members alike. This was confirmed in the feedback received on the draft summary 'on a page'.

- 3.5 The final Customer Service Strategy is attached, and contains:

- A one page introduction from Executive Councillor for Customer Service
- A single page showing the summary 'on a page'

- A page for each of the principles that expands and explains in more detail what each means
- Some pages explaining how achievement of the strategy will be monitored

3.6 The Strategy has developed since Members gave their feedback, and of particular note is:

- The specific inclusion of the wording for the Strategic Aims and Objectives from the Council's Corporate Plan. This will strengthen the links between this Strategy and the Council's key forward planning document.
- Simplification of the summary on a page, making it easier to understand.
- The inclusion of examples of good practice across the Council to make the document more 'real' for staff and encourage Officers to generate and deliver their own actions alongside other colleagues.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 Due to the date of the Overview and Scrutiny (Economic Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

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

5.1 Customer Service means many things to many people – including every comment and idea from consultation on the Strategy will not be possible. By involving key stakeholders and listening to their views the Strategy should meet the needs of most contributors.

5.2 The Strategy may be seen as owned by the Customer Service Team – not every Council service. The Senior Management Team and all Portfolio Holders will play a key role in ensuring this does not happen.

6. TIMETABLE FOR IMPLEMENTATION

6.1 The timetable for implementation of the strategy is shown below:

Date	Action	Notes
Dec -15	Approval of the Strategy by Members	Signs this off as a key corporate strategy
Jan -15	Communication of the Customer Service Strategy	Will require a detailed communications plan
Jan-Apr 16	Integration into Service Plans for 16/17	Senior Management Team to consider how their teams can contribute to the Strategy
Apr-16 onwards	Ongoing management & delivery becomes Business As Usual	Annual review and progress updates within monitoring of the Corporate Plan and Service Plans

7. LINK TO THE CORPORATE PLAN

7.1 This Strategy directly supports the Council Objective 'Ensure we are a customer focussed and service led Council' – but it also contributes to all the strategic priorities and objectives.

8. CONSULTATION

8.1 To date the summary has been developed in light of feedback from:

- Cabinet
 - Overview and Scrutiny (Economic)
 - The Customer Service Governance Board
 - The Senior Management Team
 - A number of operational staff – for example Call Centre and CSC staff
- 8.2 The Strategy also examined the findings from the most recent survey of customers. The ‘Balancing the budget - Have your say’ consultation was aimed at providing residents, businesses and the voluntary sector, with the opportunity to comment on service priorities. The process also raised awareness of what the council does and the financial pressures it faces. Over 700 responses were received.
- 8.3 The survey showed most customers are focussed on the delivery of high quality visible services such as Waste Collection, Parks & Open Spaces, Environmental Health etc. Services such as Markets, Street Rangers and Customer Service were scored as less relevant for Customers – but these services also scored highly as ‘don’t know’ indicating many customers do not fully understand what services these teams provide.
- 8.4 Alongside this assessment of the services provided by the Council the ‘free-text’ responses from customers were assessed. Findings in this area focussed on car parking, the local economy, areas outside of the Council’s control (e.g. Parish/County issues) and income generation.
- 8.5 This consultation exercise was useful in determining priorities for the budget setting process. Understanding what is important to customers gives the Council a clear focus on ensuring priority services (e.g. waste collection) continue to provide good quality service within the context of a revised Customer Service Strategy – something the Zero Based Budgeting exercise will help achieve.

9. LEGAL IMPLICATIONS

- 9.1 No Legal implications.

10. RESOURCE IMPLICATIONS

- 10.1 No Resource implications

11. OTHER IMPLICATIONS

- 11.1 None.

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The Customer Service Strategy is an important document, and is ready for a revisit.
- 12.2 A proposed summary of the new Strategy was produced and in the light of feedback has been developed. This fuller revised document is now ready for approval and delivery.
- 12.3 It is recommended:
- Overview & Scrutiny (Economic) provide any necessary feedback on the Strategy
 - Cabinet, having assessed any feedback from Overview & Scrutiny (Economic), recommend to Council approval of the revised Customer Service Strategy.

13. LIST OF APPENDICES INCLUDED

Appendix 1 – Customer Service Strategy

BACKGROUND PAPERS

None

CONTACT OFFICER

John Taylor, Head of Customer Service
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Customer Service Strategy

Introduction

I am pleased to introduce the Customer Service Strategy for Huntingdonshire District Council (HDC). It sets how we will deliver against the Council's Strategic Priority of ensuring we are a customer-focused and service-led Council.

The strategy sets out what we are working towards, the principles that underpin our work and some of the initiatives and projects we are delivering to make the strategy a reality. The document also contains the measurements we will use to prove we have delivered what we promise.

I recognise what our customers want from us is changing. At the same time the public sector continues to face challenges. These factors combine to allow us to be bold and innovative when we think about delivering customer service and this strategy presents some key ideas to the Council. The use of techniques to make the Council more efficient, working with other organisations for the benefit of customers and making sure we invest in our staff are strong elements of the strategy. We also know that increasing use of the Council's website allows customers to serve themselves whenever and wherever is convenient to them – as well as allowing us to focus on customers who really need to call or come to see us. We also recognise that value for money is crucial and the strategy contains a number of elements that show how we will continue to deliver services but also achieve the Council's financial plans.

This is a strategy for all parts of the Council. I am sure you will join with me in ensuring that Huntingdonshire District Council delivers this strategy. It is a challenging future, full of opportunities, and I think we can move towards it with real confidence.



Councillor Darren Tysoe – Executive Councillor for Customer Services

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How this document works

The Customer Service Strategy helps all services to contribute towards achieving one of the Strategic Priorities in the Council's Corporate Plan - to 'ensure we are a customer focussed and service-led Council'. It will also help all support the two objectives that underpin this – 'to become more business-like and efficient in the way we deliver services' and, 'to ensure customer engagement drives service priorities and improvement'.

We have adopted a set of six principles and defined what they mean to us. We have also provided examples of the type of key initiatives and projects the Council will deliver to make this strategy become a reality.

We have also included some good practice examples from all services across the Council, these are intended to help us all see what can be achieved and trigger our own ideas so that we can all help contribute to the success of this strategy.

Finally, we have agreed three outcomes and set ourselves a number of targets that will enable us to measure how successful we are.

Strategic Priority: Ensure we are a customer focussed and service led Council

Objectives

Ensure customer engagement drives service priorities and improvement

Become more business-like and efficient in the way we deliver services

Principles

Listen to customers

Find out what customers want and design services that enable them to help themselves

Get it right first time

Remove waste and make sure every contact with customers has value
Bring the response as close as possible to the customer

Provide value for money service

Know the cost of providing good customer service
Increased self-service, focus on customers who need our help and use technology to do things better

Act and behave in the right way

Work in the best interest of customers
Treat customers with dignity and respect

Make it matter to staff

Act as 'One Council'
Retain, recruit and train the best people

Work with partners for the benefit of customers

If working together gives a better outcome, we do it

Corporate Initiatives and Projects

Improve & relaunch the Customer Feedback process
Update our service standards
Report on our performance
Survey customers to assess how well we are doing

Improve the way we work using trained Officers from across the Council - we call this LEAN

Deliver a mobile friendly website focussed on customer need
Use the Zero Based Budgeting exercise to balance cost and service delivery

Deliver on the Code of Conduct and our 7 Core Values

Customer Service features in all Service Plans
Deliver the Organisational Workforce Development plan
Communication – Key Issues, Team Meetings, news stories etc

Shared services with our strategic partners and others
Develop multi-agency customer service at Pathfinder House

Outcomes

Customers are satisfied with the services we have provided to them

Services we provide are value for money

Staff are motivated to do their job, feel valued at work and deliver their best for customers

Principle: Listen to customers

Delivering good customer service involves understanding what customers want, and delivering services to meet that need. There are two main ways of gathering customer views; this can be through consultation exercises or through customer feedback (see Appendix 1). It can also come from simple day to day interactions with customers. The important thing is to involve and listen to customers - and act on what we hear.

Members represent their local community, they guide the development of local policies, set service standards and priorities, and they ensure the needs and interests of residents are fed back to the Council.

Our Customer Feedback process helps us listen to customers and allows them to inform service provision. It helps to improve customer satisfaction by allowing us to find out when we are getting things right and when we need to fix problems and prevent them from reoccurring. Many customer satisfaction surveys are carried out across the Council and they will continue to be used to ensure that services are tailored to the needs of customers. The Council produces and publishes a quarterly performance report; this key document contains a number of measures of customer satisfaction and our performance against them.

Working with Young People

Feedback from sixth formers at a local school indicated that young people wanted to try non-traditional sports; evidence indicated that water sports, specifically canoeing was a popular request.

As part of the DASH project, Sport & Active Lifestyles Team (SALT) was successful in obtaining funding from Sport England to purchase eight inflatable kayaks, paddles and helmets. Working with Canoe England, sessions, led by SALT, were introduced for local sixth form students

Health Walks

The Huntingdonshire Health Walks scheme is part of the national initiative "Walking for Health" and is delivered by the SALT team and supported by Cambridgeshire County Council's Public Health Team. The scheme currently runs in five towns and provides people with the opportunity to participate in organised health walks with trained leaders and volunteers.

Feedback from participants indicated that new Health Walk routes were required. As a result nine new walks were introduced during 2014/15.

Refuse & Recycling

This issue causing the most dissatisfaction with the Waste Service is when garden waste bins are rejected for being contaminated with other waste. This led to high volumes of calls from customers to the Call Centre to find out why. In response the current garden waste contamination policy has been fundamentally reviewed and involves the following changes:

- Crews taking a photograph of contaminated waste in a bin to be able to evidence to the customer the reason for rejection
- If it is clear that small items have been dropped into the bin overnight then the crews will now remove such items and tie them to the emptied bin in a small recycling sack.
- Other small items that are not recyclable and that are not easy to remove will be left in the bin but the bin will be emptied.

So far, the new approach has significantly reduced the volume of calls to the Call Centre and reduced the number of complaints from customers.

Principle: Get it right first time

Getting it right first time means resolving enquiries when we engage with a customer. It involves reducing customer contact that could have been avoided – for example when someone calls us because we sent them a poorly worded letter. To achieve this we need to resolve problems at the first point of contact, identify and remove wasteful processes and use customer feedback to improve customer experience. Sometimes a potential outcome could be that more telephone enquiries are dealt with by the Call Centre on behalf of back office departments ensuring customers experience a more consistent service

Officers from across the Council are working on this, and we use a technique called LEAN to remove waste and focus on actions which add value.

Elections

Electoral registration forms are sent out annually to 75,000 households in the district. All households are required by law to provide a response and have the ability to complete the form online, by text, or by phone. Although not obligatory, most local authorities offer an online registration service as part of the annual canvass in preparing the new register of electors to be published on 1st December each year. The Council offers both an online and text option.

So far 30% of registration forms have been completed online, resulting in less postage costs, less time spent by Document Centre opening and sorting returned postal forms and the Elections team spends less time inputting data and scanning returned forms.

Some people still want to register by returning a paper form and still want to talk to someone on the phone – generally because they do not have easy access to the Internet; telephone queries tend to focus on helping those people for which a query with their application has arisen. The Call Centre identified these calls as quite high volume and worked with the Elections Team to identify what they could do to avoid passing calls onto them. Working together, the teams created a 'mind map' of potential customer queries. With support and training along with access to the right system, Call Centre advisers would be able to resolve many customer issues themselves.

During 2015 Call Centre advisers felt confident to support customers and cut down on the calls they were passing onto the Elections Team and saving the number of call backs to customers. The new approach resulted in a higher number of queries being resolved during the customer's first point of contact with the Council.

Call Centre

Whenever a customer contacts the Council with a Notification of Change request (e.g. moving into/out of a property) advisors can now update Council Tax details, organise delivery of refuse/recycling bins, provide bin collection dates and advise on electoral registration.

Advisors have been proactive in identifying the key issues that customers need to be aware of and now, instead of making a number of calls many of these issues can be dealt with in one call reducing avoidable contact and increasing the number of first time resolutions.

Planning Enquiries

Teams within the Call Centre and Planning Services have worked together to improve the service offered to customers. Call Centre advisors highlighted that they did not have enough knowledge or experience to resolve some of the Planning enquiries. As a result Development Management First Contact Officers (i.e. Planning Duty Officers) are now available to take these calls.

This has resulted in an increase in the number of enquiries being resolved at the first point of contact with the Council.

Principle: Provide value for money service

This means continuing to generate money saving ideas and encouraging everyone to come forward with suggestions to improve how we work. The Council's new website focuses on customers completing tasks online rather than on the phone or face to face and allows 24/7 access to services; it also provides a starting point for Services to develop more on-line services for customers.

Every year each service will be challenged to look at the service it provides, and ensure it offers value for money – this is Zero Based Budgeting, and this step is a key element of making sure value for money is part of our long term plan for service delivery.

Council website

Development of the Council's website involved looking at the website from a customer's perspective and a rethink of the customer experience. It found that content was difficult to understand, the website was not mobile friendly and the content structure was inappropriate for customers.

Research found that 75% of all customer transactions are now carried out online, the top 100 pages served 85% of customers and 60%+ of visits are now from smartphones and tablets.

The project aimed to bring value and benefits to customers whilst also creating additional value for the Council e.g. support the Council "doing more with less".

A new website has been produced that is fit for purpose and designed for mobiles and tablets.

One Leisure

One Leisure introduced a mobile booking app enabling users to book activities and get accurate information on class timetables and availability on their phone or tablet.

This has improved customer contact as the information is more accurate and the booking process is quicker. The number of calls to One Leisure Direct has reduced – although telephone booking is still available for those that need it.

The Council no longer prints off swimming or fitness class timetables reducing design and print costs.

Housing Benefits

Customers who claim Housing Benefit now submit over 96% of new applications online. This new way of working offers 24/7 access to the service and has also saved the Council money. It allows Officers in Housing Benefits to spend time helping those who need the most help in getting the benefits they are entitled to.

Principle: Act and behave in the right way

Customers must be treated with dignity and respect and we should always act in their best interests. This means being polite and thoughtful, keeping customers informed and ensuring their privacy is respected. We need to be patient and tolerant when we interact with customers, and if we have to provide an answer a customer doesn't want to hear, then we do it in the right way.

The Council's Code of Conduct and 7 Core Values have been prepared to help us shape our working environment and guide, explain and support our understanding of the standards and behaviours we are required to exhibit and what we can expect from others.

Members communicate with local residents and employees on a wide range of issues and they too have a role in representing the Council – they are a very visible 'shop window' for the Council.

Group Exercise Classes

Group Exercise Classes offers a wide range of sport and health related activities to promote a healthy population within the district. One of these is the Right Start group exercise class, which is aimed at older people requiring additional support to exercise and prefer a class setting rather than a gym environment.

Many participants have never exercised before or are returning to exercise after a medical condition. A key skill for the instructor is to alleviate any nervousness or confidence issues that participants may have.

Feedback from two customers illustrate that although we know that all customers place a high importance on being treated with dignity and respect; but when supporting people with a health or medical condition this is even more important.

"The instructor has helped me to achieve my goals; there is a strong sense of comradeship amongst the group, helped in many ways by the instructor's constant encouragement for members to work at their own level but also to try new exercises".

"I have nothing but praise for the instructor; she is encouraging but does not make you do anything you really are not happy with".

Parks & Open Space

Amphill Lifelong Learning, a charity working with adults with learning disabilities began visiting Paxton Pits Nature Reserve regularly over four years ago. Initially their visits were self-guided, without any input from the HDC Rangers. They would eat their lunches in their minibus, assuming that they wouldn't be able to eat their own food in the Visitors' Centre café. The Senior Ranger noticed this happening and invited them into the Visitors' Centre and tried to make them feel very welcome.

The Ranger then began to work with the group to design some structured, self-led educational activities for their weekly visits so that they could get more from the sessions. The teachers are now leading the sessions with minimal or no input from Rangers.

Recently the teachers from Amphill and the Senior Ranger organised an Inclusivity Day at Paxton Pits Nature Reserve specifically for organisations working with children and adults with special needs. The aim was to encourage other groups to visit the reserve and lead educational and fun activities in the same way that Amphill Lifelong Learning do. Working in partnership, HDC and the charity are now developing resources for all groups to use and hope that this will result in more special needs groups benefiting from using the Reserve.

Principle: Make it matter to staff

Our employees ensure we are a customer-focussed Council by providing customers with good service and by representing the Council in all our interactions with customers. We know engaged and motivated employees are more likely to provide good customer service so we are committed to recruiting, retaining and training the best employees. The Employee Opinion Survey will continue to be used to gain a picture of strengths and weaknesses to ensure the Council is a great place to work.

Our Workforce Development Strategy reinforces the need for the Council to have a capable, confident and committed workforce and helps to ensure we have a skilled and motivated team. Supplying training and reinforcing this through Personal Development Plans will ensure we maintain the skills we need.

Every service will have actions in their annual Service Plan to make the link between this strategy and the everyday work we do. We all serve customers, and we should all be clear how we contribute.

Equality Training

Following a training review a gap was identified in attendance on equality & diversity awareness sessions from employees within Operations.

The timing and length of existing training options were not convenient for employees working set shift patterns. There were up to 130 employees working within this area of the Council including refuse & recycling and grounds maintenance; providing one of the most high profile services to customers.

A one hour bite size equality & diversity training session was developed and delivered over a number of weeks to enable all employees the opportunity to understand some basic principles around equality and diversity and to raise awareness of their own actions and behaviours in the workplace.

Principle: Work with partners for the benefit of customers

Partnership working is an increasingly important way in which the Council can deliver more efficient and effective services to local residents.

Effective partnership working between organisations can lead to improved access to services, better communication between services, and an improved customer experience.

Put simply, if working with others delivers a better outcome for customers, then we do it.

Shared Services

HDC, South Cambridgeshire District Council and Cambridge City Council are now working in partnership to deliver Building Control, Legal Services and ICT Shared Services.

Shared Services is one of the ways the Council is aiming to reduce reliance on central government funding. The Council also recognises that moving forward it is likely to be a smaller and more streamlined organisation; it also needs to find significant savings.

This new model of working with partners presents a great opportunity for all three councils to save money and build resilience across their current services, which often contain highly specialised roles. It also provides the opportunity to improve services to customers, by ensuring a focus on seamless service delivery.

Anti-Social Behaviour

In April 2015, in response to increasing complaints from residents to both Huntingdonshire District Council and Cambridgeshire Constabulary, the Council introduced controls to minimise the impact of street drinking within Huntingdon Town Centre. The Public Space Protection Order, the first of its kind within Cambridgeshire, was introduced by the Council and the Police working together for the benefit of our residents and visitors. Initial feedback from local residents was very positive, and included comments like '... I wanted to thank you for the work you have done over the last few months in establishing and enforcing the Protection order. The impact on the neighbourhood has been dramatic..... and the atmosphere is much better.'

Pathfinder House (PFH)

The Council's commitment to work with a variety of public and voluntary partners is an opportunity to improve customer experience by extending the range of services on offer in one location. Our partners can complement the housing and benefit advice already on offer at PFH, specifically for vulnerable customers or those facing financial difficulties.

Collaborating with others in this way can reduce costs by transforming the way services are delivered. As the Council moves towards more digital interaction or self-service with customers the Council is forecasting that it will use the customer service centre space less over the coming years. It makes sense to work with other organisations to use this space and generate income for the Council.

The Council is currently working with the Citizens Advice Bureau, Department for Work & Pensions (Jobcentre Plus) and Rainbow Saver Anglia Credit Union and over the next 12-18 months these organisations should have dedicated space at the PFH customer service centre.

Measuring Success

This section sets out how the Council will measure achievement of the outcomes this strategy is expected to deliver. For each outcome, a set of measures are documented, along with the targets we are setting and details of when we'll be measuring performance.

Outcome: Customers are satisfied with the services we provide to them			
Measure	Target	Frequency	Comments
Call Centre telephone satisfaction rates	95%	Twice yearly	Existing measure/target
Customer service centre satisfaction rates	95%	Twice yearly	Existing measure/target
Waste Collection - % of residents satisfied with the overall service	TBA	Annual November	New measure
One Leisure – Net Promoter Score based on likelihood of recommending service	Continual improvement	Monthly	Existing - cross-section of 1,000 members
Website satisfaction	75%	Monthly	Existing measure/target
Housing Benefits - % of customers satisfied with the service provided	90%	Annual September	New measure
Total number of complaints received	TBA	Quarterly	New measure
% of complaints resolved at Stage one	TBA	Quarterly	New measure
% of complaints resolved at Stage two	TBA	Quarterly	New measure
Number of enquiries to Local Government Ombudsman	TBA	Annual	New measure

Outcome: Services we provide are value for money			
Measure	Target	Frequency	Comments
% of Services that are subject to a Zero Based Budget review	100%	Annual	The final results of reviews are agreed by Council in February each year.
Achievement of the Council's medium term financial strategy	100%	Annual	This is audited by an external organisation each year
Change in Band D Council Tax	0%	Annual	The Council is aiming to continue to freeze its Council Tax charge
Lean - number of business process reviews	TBA	Quarterly	New measure of ongoing reviews

Outcome: Staff are motivated to do their job, feel valued at work and deliver their best for customers			
Measure	Target	Frequency	Comments
I feel valued for the work I do	TBA	Annual	2015: 35% agree
I feel motivated at work	TBA	Annual	2015: 42% agree
I am proud when I tell others I am part of the Council	TBA	Annual	2015: 37% agree
I have the skills I need to do my job effectively	TBA	Annual	2015: 88% agree
I have the tools I need to do my job effectively	TBA	Annual	2015: 74% agree

Tell Us What You Think

We want to provide you with a good service, but you might want to suggest improvements, or you might want to compliment us on getting it right. Sometimes things do go wrong and you may want to complain or just tell us about your concerns.

Compliments

A compliment can be about a service, a team or a member of staff. We would like to hear about it if you have received excellent customer service for example, staff have been professional, clear and helpful explanations have been provided, or if you have been treated with friendliness and respect.

"Your staff member was very efficient and helpful and explained everything thoroughly to us. Thank you."

"I appreciate the communication skills of your staff. They explained everything clearly & easily. Thank you."

Compliments will be shared as good practice and in the training of new staff.

You can provide feedback online or telephone us 01480 388388 or talk to any of our staff.

Complaints

We want to hear if you have had a poor service; did not get a service at all; or you have been treated unfairly or unprofessionally. We encourage any customer who has a concern to first speak to a member of staff in the relevant service area. If the problem can be solved on the spot then there is no need for the issue to go through the formal complaints process. However if the complaint cannot be dealt with immediately, or you would like a formal response, you can request this via our website: www.huntingdonshire.gov.uk, by email: complaints@huntingdonshire.gov.uk, by phone: 01480 388388, or in person at one of our Customer Service Centres.

Complaints will be used to help us improve our services

The outcome from a Planning complaint will be used as part of a training session for planning officers to better understand the council's duties with respect to protected species.

The outcome from a waste collection complaint has resulted in greater consideration now being given to the particular circumstances for customer requests to move from sack to bin collections and will allow a more flexible interpretation of the Council's policy.

There are some situations that we wouldn't take through the complaints process, for example a single incident of a service failure such as one missed bin collection as we should be given the opportunity to put this right; or where there is a disagreement with the result of a process that has its own appeal process such as planning or benefit decisions and parking fines; or the conduct of a Councillor, these will be dealt with by the Monitoring Officer; and finally, some complaints are expressions of dissatisfaction with the Council or Government policy as opposed to the Council's failure to live up to service standards. The Council will do its best to explain the policy and the reasons for it.

We aim to:

- acknowledge your complaint within 5 working days;
- fully investigate and respond within 20 working days. If we are unable to meet this timescale we will write to you again to tell you what action we are taking and when you can expect a response.

Your complaint will be dealt with in confidence and will only be discussed with those who need to know. We will contact you by email or letter.

If however you are still unhappy, the complaint will be passed onto the next stage where it will be investigated by a senior officer or independent officer.

If you are still not satisfied, you have the right to take your complaint to the Local Government Ombudsman. The Ombudsman will not usually investigate a complaint until the Council has had an opportunity to investigate and answer it first.

We will monitor trends and performance in our handling of complaints and report to our Standards Committee on an annual basis.

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Community Infrastructure Levy Governance Structure

Meeting/Date: Overview and Scrutiny Panel (Environmental Wellbeing) –
8th December 2015

Cabinet – 10th December 2015

Executive Portfolio: Strategic Planning and Housing (DD)

Report by: Head of Development (AM)

Ward(s) affected: All Wards

Executive Summary:

This report identifies a revised governance structure for the management and operation of the council's Community Infrastructure Levy, and seeks the confirmation of continued Community Infrastructure Levy funding towards the costs of the Huntingdon West Link Road.

Recommendation(s):

That Cabinet:

- 1) Approves the revised Community Infrastructure Levy governance structure and the revised Terms and Conditions and Membership of the Growth and Infrastructure Group.
- 2) Approves the further investment of Community Infrastructure Levy towards the Huntingdon West Link Road.

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1. WHAT IS THIS REPORT ABOUT / PURPOSE?

- 1.1 The Huntingdonshire Community Infrastructure Levy (CIL) was introduced on 1st May 2012. The CIL is a mandatory charge on specific types of new development within the district. In the period since its introduction some £3.360 million of CIL charge has been invoiced. Of this, £1.869 million has been received to date taking into account the HDC CIL instalment policy. It is estimated that the CIL may generate up to some £80 million¹ of developer contributions in the period to 2036.
- 1.2 It is important that CIL funding is invested wisely to ensure the timely delivery of community infrastructure projects that support the council's development and growth agenda. Given the scale of CIL funding that will be generated in future years, and the need to prioritise the investment of CIL funds into key projects, it is necessary to review the governance arrangements for the investment of CIL funds.
- 1.3 The report also recommends that Cabinet approves a funding profile for CIL expenditure related to the Huntingdon West Link Road (Edison Bell Way) which was forward funded and implemented to enable the regeneration and development of that area. The Link Road is currently the only CIL funded project that has been approved by Cabinet.

2. WHY IS THIS REPORT NECESSARY / BACKGROUND

- 2.1 The current CIL governance structure was approved by Cabinet on 18th October 2012 and is summarised in Figure 1. The governance structure is focused on updating the Huntingdonshire Infrastructure Business Plan 2013/14 which currently forms the basis for identifying and prioritising projects that could utilise CIL. The intention is to re-cast the Business Plan into a Delivery Plan at its next iteration. The decision to invest CIL into projects rests with Cabinet.

Figure 1: Current CIL Governance Structure	
Cabinet	Responsible for approving the Huntingdonshire Infrastructure Business Plan and decisions on CIL expenditure.
Overview and Scrutiny Panel (Economic) with other Panels invited to attend	Responsible for considering the draft Huntingdonshire Infrastructure Business Plan and making recommendations to Cabinet.
Huntingdonshire Strategic Partnership (HSP)	Responsible for endorsing the draft Huntingdonshire Infrastructure Business Plan and recommending it for approval to HDC Cabinet.
Growth and Infrastructure Group (reporting to the Huntingdonshire Strategic Partnership)	Responsible for directing the preparation of the draft Huntingdonshire Infrastructure Business Plan and project development for the delivery of major sites. Chaired by the Executive Councillor

¹ This is a high level estimation based on current evidence and before any exemptions or reliefs are applied. This figure is subject to monitoring and potential regulatory changes.

	for Strategic Planning and Housing. Includes the Chair of the Cambridgeshire County Council Environment and Economy Committee and a nominated town and parish council representative. Supported by members of the officer group led by HDC officers (Implementation Team in Planning Service). Also seeks to involve neighbouring authorities in Cambridgeshire and beyond.
Officer Working Group	Responsible for identifying projects to be included in the Huntingdonshire Infrastructure Business Plan. Involves a wide range of partners to consider the integration of a wide range of infrastructure themes including communities, health, utilities, education, highways and transport, green infrastructure.

- 2.2 Whilst the final decisions on CIL rest with Cabinet under the current structure, there is an extensive formal underlying process for engaging infrastructure project partners, Members and officers from other authorities, and the Huntingdonshire Strategic Partnership.
- 2.3 There are useful and efficient elements of the current governance structure, but experience over the past three years has demonstrated that it has been more complex than necessary.
- 2.4 The element of the existing governance structure that has not worked as effectively as initially envisaged is the link between the Growth and Infrastructure Group and the Huntingdonshire Strategic Partnership. In order to work effectively, the Growth and Infrastructure Group needs to meet regularly enough to make progress with its business, and to contribute appropriate management information to the council. Its current tie to the Huntingdonshire Strategic Partnership Board, which meets infrequently, mitigates against the level of progress and action that is likely to be required as the CIL fund grows in line with the amount of new development that commences in future years.
- 2.5 In addition, the local and strategic context for infrastructure planning and funding continues to change. The changes include:
- The need to respond to recent government announcements about the timing of development.
 - The need to cement more effective infrastructure project development and delivery arrangements and working relationships with key partners (particularly Cambridgeshire County Council and the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP)).
 - The potential for changes in the way that major infrastructure projects will need to be planned across local authority areas, along with impacts and opportunities related to any future devolution of powers and funding from central government.

- The need to ensure that town and parish councils are in a position to effectively utilise the 'meaningful proportion' of CIL funds that they receive under legislative requirements (15% to 25% of CIL receipts) as an incentive to accept and plan for new development in their areas.

2.6 It is considered that much of the existing governance structure should be retained but that some elements should be rationalised in order to create a revised CIL governance structure that is fit for purpose for future years. These are set out in section 3 of this report.

3. OPTIONS CONSIDERED / ANALYSIS

3.1 There is an opportunity to simplify the CIL governance structure by removing parts of it and strengthening other parts. It is clear, given the finances involved, that a robust and up to date CIL governance structure needs to be in place. The key elements of the CIL process that need to be subject to the governance structure are the policies, processes and mechanisms for collecting CIL from developers, the preparation and publication of statutory features of CIL (including the CIL Regulation 123 List) and the CIL Annual Monitoring Report, and the significant work that is required to develop prioritised projects and programmes that justify the investment of CIL into local and strategic infrastructure projects.

3.2 HDC is the 'collection authority' for CIL receipts and, with the exception of the proportion for administration purposes and a proportion that goes to eligible town and parish councils, the expenditure of all CIL funds generated from new development within the district is for the council to decide. In order to ensure sound investment decisions locally and strategically, other relevant authorities and organisations need to be involved in working with HDC. The ability to build and maintain good working relationships with relevant partners is an important factor in enabling the development of broader infrastructure priorities and related funding packages, which may include CIL along with other funds, and discussions about prioritising CIL expenditure on those projects.

3.3 From the council's perspective, the CIL governance structure needs to comply with corporate governance arrangements and so it must include a meaningful role for the Overview and Scrutiny process and a decision making role for Cabinet. The process of reporting CIL matters to the Overview and Scrutiny Panel (Economic Wellbeing) with representatives from the other Panels invited to attend remains appropriate as CIL issues are of cross-cutting interest to all Panels.

3.4 The Growth and Infrastructure Group process has worked effectively as a Member and officer group, with membership that represents all of the main infrastructure related organisations that operate in the district. The separate Officer Working Group has not been necessary as the officer representatives on the Growth and Infrastructure Group have effectively assumed this role. It is proposed that the Growth and Infrastructure Group should remain and be strengthened subject to three key changes:

- 1) The membership should be strengthened to enable the group to have more direct input from elected Members from both HDC and Cambridgeshire County Council. This would help to raise the profile and importance of infrastructure planning generally, and would build the working relationships between the District and County councils on these matters. This in turn would enable the development of a much more

effective discourse on strategic infrastructure matters (especially in relation to the planning and delivery of highways and transport infrastructure).

- 2) The officer membership and representation from infrastructure related bodies, in particular the importance of the representation from the LEP, should remain and be strengthened. The relationship with the LEP will become more important, especially through its role as conduit for government funding.
- 3) The group, in its re-ordered format, does not need to be linked to the Huntingdonshire Strategic Partnership to be successful. It can operate as a formally convened working group within the council's existing structures, reporting to the Overview and scrutiny processes and Cabinet.

3.5 With the changes proposed it will not be necessary to include the Huntingdonshire Strategic Partnership as part of the revised CIL governance structure. Sufficient safeguards and mechanisms to cover broader economic, environmental and social wellbeing issues will be built into the frameworks that support the CIL governance structure through the broader representation of elected Members on the Growth and Infrastructure Group and more regular reporting to the Overview and Scrutiny and Cabinet processes.

3.6 The changes will also provide a clearer reporting mechanism for the emerging Infrastructure Delivery Plan. It is proposed that the Infrastructure Delivery Plan replaces the current Infrastructure Business Plan. The change in title is to reflect the importance of infrastructure delivery whether funded by CIL or other sources. The plan will need to ensure that infrastructure projects that may utilise CIL funding are properly developed through effective partnership working to enable timely delivery. The Infrastructure Delivery Plan will have a key role as part of the supporting evidence base for the emerging Huntingdonshire Local Plan to 2036 (HLP2036) and its production timescale is necessarily linked to the Local Plan. This timescale would tie in with the anticipated adoption timescales for the emerging HLP2036 meaning that it would continue to be prepared up to the point at which the Local Plan is 'submitted' in the period up to March 2017. This timescale allows the revised CIL governance structure to fully inform the prioritisation of infrastructure projects as they are developed through wider dialogue with the members of the Growth and Infrastructure Group.

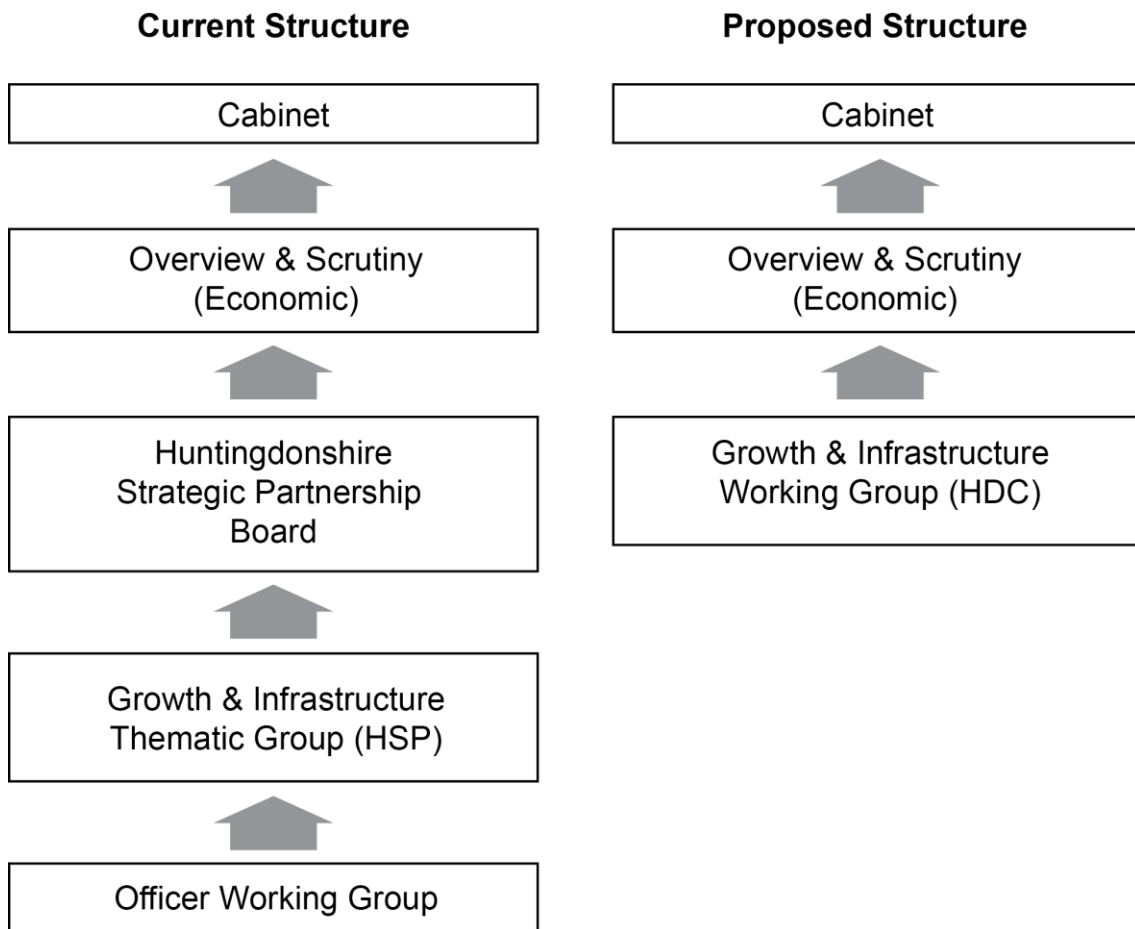
3.7 The nominated representation from the town and parish councils needs to be retained on the Growth and Infrastructure Group to maintain involvement in overall infrastructure project development but also, importantly, to inform discussions between the District Council and town and parish councils over how the proportion of CIL that goes to them may be allocated to infrastructure projects.

3.8 It is proposed that the Growth and Infrastructure Group should meet on a quarterly basis to develop the Infrastructure Delivery Plan and to consider CIL and other related issues, including strategic site delivery. This frequency of meeting enables progress reports to be prepared for management and business planning purposes, and also as required for information to be provided to Overview and Scrutiny processes, and for decisions on CIL expenditure to be planned and made for relevant Cabinet meetings.

3.9 The revised CIL governance structure proposal is summarised in Figure 2.

Figure 2: Proposed CIL Governance Structure	
Cabinet	Responsible for approving the Huntingdonshire Infrastructure Delivery Plan and decisions on CIL expenditure.
Overview and Scrutiny Panel (Economic) with other Panels invited to attend	Responsible for considering the draft Huntingdonshire Infrastructure Delivery Plan and making recommendations to Cabinet.
Growth and Infrastructure Group (reporting to the Overview and Scrutiny process and Cabinet)	<p>Responsible for directing the preparation of the draft Huntingdonshire Infrastructure Delivery Plan and project development for the delivery of major sites.</p> <p>Chaired by the Executive Councillor for Strategic Planning and Housing supported by three HDC councillors. Includes the Chair of the Cambridgeshire County Council Environment and Economy Committee supported by one CCC councillor. A nominated town and parish council representative will be involved. The elected Members will be supported by members of the officer group led by HDC officers (Implementation Team in Planning Service). The group will continue to seek to involve neighbouring authorities in Cambridgeshire and beyond. The workload involves a wide range of partners to consider the integration of a wide range of infrastructure themes including communities, health, utilities, education, highways and transport, green infrastructure.</p>

3.10 The change between the current structure and the proposed new structure is summarised at Figure 3.



3.11 The proposed revised Terms of Reference and Membership for the Growth and Infrastructure Group are attached at Appendix A.

3.12 These structures should be subject to regular review once it has been operational for a reasonable period, and it is suggested that the structure should be reviewed again in 2017/18 as part of a fundamental review of the council's CIL Charging schedule and underlying supporting policies.

Confirmation of CIL Funding Towards the Huntingdon West Link Road

3.13 The Huntingdon West Link Road (now known as Edison Bell Way) was implemented as part of the regeneration and development of an area to expand the role of Huntingdon town centre. The Link Road was opened in April 2014. The funding partners are Cambridgeshire County Council (CCC) and Huntingdonshire District Council (HDC). The estimated overall cost of the link road is £11.341 million (NB. this is estimated as compensation costs related to the Compulsory Purchase Order are still to be finalised). The outstanding balance to pay is £4.426 million, split equally between HDC and CCC, to be profiled over a period to be determined by the Head of Resources and funded by future CIL receipts. Approval is sought from Cabinet for the development of a future funding profile that enables the further drawdown of CIL funds towards the financial completion of the project.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Environmental Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

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

- 5.1 The adoption of a CIL governance structure that is fit for purpose should minimise the risk of the council failing to prioritise CIL expenditure through an open and transparent project development and prioritisation and decision making process.
- 5.2 A revised Growth and Infrastructure Group which includes additional elected Members from the District Council and the County Council, as well an enhanced representation from the LEP and continued representation on behalf of town and parish councils and supporting officers and partner organisations, will enable the building of more effective working relationships in the preparation of the Infrastructure Delivery Plan and its influence on the emerging Huntingdonshire Local Plan to 2036.

6. LINK TO THE CORPORATE PLAN

- 6.1 The recommendations of this report relate to the following element of the Huntingdonshire Corporate Plan 2015 - 2016 (page 6):
- A strong local economy: to remove infrastructure barriers to growth – develop Community Infrastructure Levy governance structure.

7. LEGAL IMPLICATIONS

- 7.1 The council needs to have a robust CIL governance process to ensure that decisions on the expenditure of CIL funds are taken in an open and transparent manner.

8. RESOURCE IMPLICATIONS

- 8.1 The meetings of the Growth and Infrastructure Group will continue to be facilitated by the Corporate team as part of the council's committee processes. The lead Head of Service will be the Head of Development who will continue to deploy the workload on CIL, other developer contributions, and infrastructure planning to the Implementation Team Leader. Support will be provided as required by the Implementation Team, other officers in the Planning Service and across the council as appropriate, as well as from partners organisations including the County Council.

9. REASON FOR THE RECOMMENDED DECISIONS

- 9.1 The recommendations will ensure that the council has a CIL governance structure that is fit for purpose by ensuring that CIL funding is allocated to prioritised infrastructure projects in an open and transparent manner.

10. RECOMMENDED DECISIONS

That Cabinet:

- 1) Approves the revised Community Infrastructure Levy governance structure and the revised Terms and Conditions and Membership of the Growth and Infrastructure Group.
- 2) Approves the further investment of Community Infrastructure Levy towards the Huntingdon West Link Road.

11. LIST OF APPENDICES INCLUDED

Appendix A: Terms of Reference for Revised Growth and Infrastructure Group.

CONTACT OFFICER

Paul Bland, Planning Service Manager (Policy)
Tel No. 01480 388430

Huntingdonshire District Council Growth and Infrastructure Thematic Group

Lead Head of Service: Head of Development

Lead Officer: Implementation Team Leader, Planning Service

Terms of Reference

1. To support and co-ordinate, as appropriate, the strategic growth and infrastructure development for Huntingdonshire, through the delivery of actions relating to key plans including the:
 - a) Huntingdonshire Development Plan (including the Core Strategy/ emerging Local Plan and associated planning documents strategies and site development briefs).
 - b) Cambridgeshire County Council's Local Transport Plan and associated highways and transport strategies.
 - c) Relevant Huntingdonshire District Council and related organisations' strategies for housing, economic development, and the environment.
 - d) Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership strategies and delivery and funding mechanisms.
2. To act as Project Board for the delivery and funding of the infrastructure needs for the District including all strategic sites to match projected planned growth as outlined in the existing and emerging Huntingdonshire Development Plan.
3. To develop an Infrastructure Delivery Plan for the district and with reference to strategic infrastructure priorities that may impact on the District.
4. To assess / review infrastructure priorities for the spending of Community Infrastructure Levy and other available funding through an agreed governance process.
5. To ensure the co-ordination and delivery of the growth and infrastructure elements of the Huntingdonshire Corporate Plan.
6. To ensure smooth working between Huntingdonshire District Council and partner organisations in relation to infrastructure delivery.
7. To ensure stakeholders have engaged in the process of strategy development and implementation on growth and infrastructure related issues.
8. To anticipate and co-ordinate the implementation of new legislation.
9. To provide performance management information.
10. To disseminate good practice.

Membership

Huntingdonshire District Council councillors: Executive Councillor for Strategic Planning and Housing (Chair); 3 x nominated District Councillors.

Cambridgeshire County Council councillors: Chair of the Environment and Economy Committee plus 1 x nominated County Councillor.

Town and Parish Councils nominated representative.

Relevant Huntingdonshire District Council officers.

Relevant Cambridgeshire County Council officers.

Relevant officers from the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership.

Representatives from the following infrastructure related organisations:

- Environment Agency.
- Highways England.
- NHS Property Services.
- Network Rail.
- Utilities providers (water, sewage, power).
- Any other infrastructure related organisation that the Group wishes to invite.

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Huntingdonshire Infrastructure Planning Update

Meeting/Date: Overview and Scrutiny Panel (Environmental Wellbeing) –
8th December 2015
Cabinet – 10th December 2015

Executive Portfolio: Strategic Planning and Housing (DD)

Report by: Head of Development (AM)

Ward(s) affected: All Wards

Executive Summary:

This report provides an update on the current position with infrastructure planning in Huntingdonshire.

Recommendation(s):

That the Cabinet:

receives an update on the current position with infrastructure planning in Huntingdonshire and notes that future update reports will be provided in June and December of each year.

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1. WHAT IS THIS REPORT ABOUT / PURPOSE?

- 1.1 This report updates Members on the current position with infrastructure planning across the Council. Given the importance of this issue, it is intended that further update reports will be provided in June and December of each year to keep Members fully informed of progress with emerging infrastructure strategies, projects, and delivery mechanisms.

2. WHY IS THIS REPORT NECESSARY / BACKGROUND

- 2.1 Huntingdonshire District Council needs to plan effectively for a range of new infrastructure that is required to support development and growth. The spatial strategy for the location and scale of new development across the district will be set by the Huntingdonshire Local Plan to 2036 (HLP2036) which is currently under preparation. This will be supported by a Huntingdonshire Infrastructure Delivery Plan that will form part of the evidence base at the examination of the HLP2036, and will also be the basis for identifying and prioritising infrastructure programmes, projects and delivery mechanisms.
- 2.2 Most of the infrastructure required to support growth (for example, local road and transport improvements, new or extended schools, and playing fields) will be located within and close to new developments in the district itself. However, Huntingdonshire sits within a broader context of growth with neighbouring Cambridgeshire authorities and other authorities in the East of England and the South East. Larger scale infrastructure projects (for example major new highways and transport infrastructure such as the new A14) bring wider impacts and opportunities, if properly planned. The Council recognises the need to work strategically with Cambridgeshire County Council and other authorities, the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP), national agencies and infrastructure providers, and government to plan for the delivery of all such projects.
- 2.3 Depending on their scale and nature, new infrastructure projects can be locally controversial, highly complex in design and planning terms, and expensive to deliver. They usually require a long term approach and commitment to project development, funding, and partnership working.
- 2.4 The main local funding sources for infrastructure to support development and growth are the Community Infrastructure Levy (for investment in projects across the District) and Section 106 Agreements (for site related infrastructure). Other funding and investment opportunities are available from time to time, including sources managed by the LEP, national agencies and the government. Infrastructure projects are usually required to be developed to a sufficiently detailed stage to be eligible for such funding and this can often require significant resources from the partners involved prior to any commitment from external investment sources.

3. OPTIONS CONSIDERED / ANALYSIS

- 3.1 There is a significant amount of Member and officer activity on a range of different types and scales of infrastructure planning at HDC. The main current areas of work are summarised below.
- 3.2 **Infrastructure Delivery Plan:** HDC is working with partners to prepare a detailed Infrastructure Delivery Plan to support planned growth related to the HLP2036. This will develop the approach established in the Infrastructure Business Plan 2013/14 and cover a full range of infrastructure types, from

highways and transport projects to green infrastructure. The Infrastructure Delivery Plan will be HDC's main tool for prioritising investment and deploying resources to deliver locally and strategically important infrastructure projects. It will be developed by the HDC Growth and Infrastructure Group (which is proposed to be strengthened by additional elected Member involvement), with regular progress reports to the Overview and Scrutiny Panel process and to Cabinet. It also has a key role as part of the supporting evidence base for the HLP2036.

3.3 Highways and transport infrastructure projects: The Council is actively involved with partners including the County Council, Highways England, and Network Rail in a range of major highways and transport infrastructure projects. These include:

- a) **A14 Trunk Road:** HDC has been pro-actively involved in the Development Consent Order process for the new £1.5 billion A14 project which, if approved in Spring 2016, will be the largest new road project in the country. Highways England intends to complete the construction of the A14 by 2019. The removal of the Huntingdon viaduct should be completed 18 months later.
- b) **A428:** HDC is involved with the County Council, South Cambridgeshire District Council and Cambridge City Council in lobbying Government for the dualling of the A428 between the A1 Black Cat roundabout and the Caxton Gibbet. This is a major strategic project that links growth areas, and it has been identified in Highways England's Route Based Strategy initiative.
- c) **A1:** HDC is involved with the Department for Transport (DfT) and Highways England in raising the profile of a major project to improve the route between Peterborough and the M25. Stakeholder briefings are being held, the next in January 2016 hosted by HDC. This will culminate in a range of recommendations by DfT at the end of 2016 to inform the next government spending review.
- d) **Oxford to Cambridge Expressway and East West Rail:** This is following the same process as the A1 and is running approximately one month later. Again, recommendations will come forward at the end of 2016 and the Council will remain pro-active on both projects. HDC was the lead council in producing a joint lobbying document for all council's that may benefit from the project along the route between Oxford and Cambridge. This was submitted to the Minister of State and has proved to be a useful tool for engaging MPs in particular. HDC has been lobbying to ensure that the A1 and expressway scheme fully dovetail where they cross at the Black Cat roundabout. It is pleasing to note that this is being fully taken on board and led by DfT. In tandem with the Oxford to Cambridge Expressway, a vital element will be to ensure that road and rail based projects entirely complement each other – Cambridgeshire County Council is a lead partner in the rail based elements.
- e) **A141 – Huntingdon / St Ives:** As part of the wider district-wide transport modelling now underway to support growth identified in the Huntingdonshire Local Plan to 2036, and supported by the County Council's Long Term Transport Strategy (LTTS), a range of potential intervention options (which take account of economic, social and environmental impacts and opportunities) will need to be tested to facilitate planned growth in this area. At this stage, it is considered unlikely that an agreed package (that will need to be designed following consideration of the modelling outcomes) can be funded by development alone. Therefore, it is considered that a partnership approach will

need to be developed to seek resources from government. This is likely to need a high level strategic lead by the partners at a political level.

- f) **Rail investment:** The Thameslink project will see services arrive on the East Coast Mainline in by 2019. This will deliver through services across London and represent a step change in accessibility to the District. This will be supported by early delivery of new rolling stock and with a potential new rail station at Alconbury Weald. The County Council's LTTS contains the option for this railway station and, if secured, this has the ability to significantly improve travel by rail to and from Huntingdonshire with associated economic and transport benefits across the District.
- 3.4 **County-wide infrastructure planning:** The Cambridgeshire and Peterborough Joint Strategic Planning Unit is, at the request of the Cambridgeshire Public Service Board and the County Council, leading on the development of a county-wide infrastructure planning framework involving all Cambridgeshire authorities. The work has initially been modelled on HDC's methodology for project identification, analysis and prioritisation, as expressed in the Infrastructure Business Plan 2013/14 as this has been recognised as good practice within the county. The aim is to provide a tool that informs and evidences the prioritisation of strategic growth related infrastructure projects that impact positively on more than one authority. The prioritisation process will then ensure that resources and funding are focused into the development and delivery of the 'big ticket' strategic infrastructure projects that create multiple benefits and do most to unlock growth potential. HDC officers are actively involved in this project.
- 3.5 **Growth and Infrastructure Group:** The preparation of the Huntingdonshire Infrastructure Delivery Plan and consideration of infrastructure funding, including CIL prioritisation towards projects, is guided by the HDC Growth and Infrastructure Group (chaired by the Executive Councillor for Strategic Planning and Housing Strategy). The Growth and Infrastructure Group involves a range of infrastructure partners, including the County Council and the LEP, and is recognised as a beneficial group by the partners involved. Current proposals to strengthen its role in infrastructure planning and as part of the CIL governance structure are being considered separately.
- 3.6 **District and County Council working relationship:** It is important that the District Council and the County Council continue to build a strong working relationship on infrastructure planning. Experience in recent years has shown that resources for effective infrastructure planning within both authorities have often been stretched. There is a strong inter-relationship between the District Council's role as local planning authority and the local responsible body for economic development, and the County Council's role as local highways authority and education authority, and its other responsibilities for sustainable drainage, libraries etc.
- 3.7 **District and LEP working relationship:** The LEP has an important role as the conduit for government funding into major economic development and infrastructure projects for the LEP area and Huntingdonshire. The importance of its role to Huntingdonshire is accentuated, but not limited, by the fact that the LEP is based at the Alconbury Enterprise Zone. Mechanisms are in place to ensure that that HDC has a key role in influencing the allocation of potential strategic infrastructure funding from government. For example, HDC co-ordinates the LEP working group for 'Strategic Economic Plan (SEP) Local Growth Deal' funding, and is currently working with other partners in developing projects for the SEP2 process. The LEP is also a member of the HDC Growth and Infrastructure Group and is therefore involved in the consideration of the

Huntingdonshire Infrastructure Delivery Plan and the prioritisation of CIL funding. This is a key relationship and it is important that it continues to be strengthened.

- 3.8 **Potential opportunities from Government Initiatives:** Under the government's drive to devolve powers and funding from 'the centre' to local areas there is a potential opportunity to explore new ways of working strategically across Cambridgeshire to deliver the infrastructure required to support growth. High level options are currently being developed by partner authorities to enable full consideration of a potential case to government for using appropriate devolved powers and funding, in combination with existing powers, to unlock development and growth by delivering strategic infrastructure.
- 3.9 **Community Infrastructure Levy (CIL):** The CIL process has been in place in Huntingdonshire since May 2012. The CIL fund continues to grow as new development that is liable to pay CIL comes forward across the District. The CIL process is managed by the Implementation Team within the Planning Service as part of the team's wider role in infrastructure planning. As the CIL fund grows it will be important to ensure that the use of CIL funds is prioritised towards the most appropriate local and strategic projects. A separate report on CIL governance structures identifies a proposal to refine the decision making processes related to the prioritisation of CIL funds. The only project currently receiving CIL funding is the Huntingdon West Link Road (Edison Bell Way) which was a joint regeneration and development venture by HDC and Cambridgeshire County Council. It is estimated that the CIL may generate up to some £80 million of developer contributions in the period to 2036¹. Of this, HDC is able to retain up to 5% for administering the CIL process; between 15% and 25% (the 'meaningful proportion', dependent on whether the town or parish has a Neighbourhood Plan in place) goes to town and parish councils where CIL liable development has taken place (a number of town and parish councils have begun to receive their proportions of CIL through this process); and the remainder is available to HDC to prioritise for local and strategic infrastructure projects. In the period since its introduction some £3.360 million of CIL charge has been invoiced. To date, £1.869 million of CIL funds have been received to date, taking account of the HDC instalment policy.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Environmental Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

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

- 5.1 Infrastructure planning will continue to be a major element of corporate workload, especially within the Development Service linked to planning, economic development and funding activities. This is complex work that needs to be programmed over realistic timescales, and the Director of Delivery and the Development Service Management Team, in conjunction with the Executive Councillor for Strategic Housing and Planning, continues to plan for the appropriate deployment of resources to facilitate the required tasks.

¹ This is a high level estimation based on current evidence and before any exemptions or reliefs are applied. The figure is subject to monitoring and potential regulatory changes.

6. WHAT ACTIONS WILL BE TAKEN / TIMETABLE FOR IMPLEMENTATION

- 6.1 The Head of Development will continue to ensure that Members are kept informed of progress with infrastructure planning issues that affect Huntingdonshire. It is proposed that future update reports are provided to the Overview and Scrutiny process and to Cabinet in June and December of each year.
- 6.2 The next update report will be brought to Overview and Scrutiny and Cabinet in June 2016. Additionally, it is intended that an update report on progress with the emerging Local Plan to 2036 will be brought to Overview and Scrutiny and Cabinet in March 2016. This will include an update on progress with the Infrastructure Delivery Plan, specific highways and transport modelling work to support the Local Plan which is being taken forward with Cambridgeshire County Council, and other infrastructure related Local Plan evidence base work.

7. LINK TO THE CORPORATE PLAN

- 7.1 The information in this report relates to the following elements of the Huntingdonshire Corporate Plan 2015 – 2016 (page 6):
- A strong local economy: to remove infrastructure barriers to growth.
 - Enabling sustainable growth: improve the supply of new and affordable housing to meet future needs; and develop sustainable growth opportunities in and around our market towns.

8. LEGAL IMPLICATIONS

- 8.1 None arising from this report.

9. RESOURCE IMPLICATIONS

- 9.1 Effective infrastructure planning requires the efficient use of HDC resources in conjunction with resources from partner organisations, often over long term timescales. Plans are being developed, for example through the strengthening of the HDC Growth and Infrastructure Group, to ensure that appropriate resources are in place to manage the infrastructure planning workload into the future.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 This report is provided to update Members on the current position with infrastructure planning in Huntingdonshire. Future update reports will be provided in June and December of each year.

CONTACT OFFICER

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Neighbourhood and Community Planning Guide

Meeting/Date: Overview and Scrutiny Panel (Environmental Well-Being) –
8th December 2015
Cabinet – 10th December 2015

Executive Portfolio: Strategic Planning and Housing (DD)

Report by: Head of Development (AM)

Ward(s) affected: All Wards

Executive Summary:

This report introduces a new 'Neighbourhood and Community Planning Guide' to clarify how the Council will support local communities that wish to embark on community planning initiatives.

Recommendation(s):

That Cabinet:

Approves the Neighbourhood and Community Planning Guide document attached as Appendix A of this report.

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1. WHAT IS THIS REPORT ABOUT / PURPOSE?

- 1.1 This report introduces a new guide that clarifies how the Council will interact with local communities and town and parish councils when they wish to pursue community planning initiatives. The purpose of this 'Neighbourhood and Community Planning Guide' (attached at Appendix A) is to manage the expectations of local communities and to enable the council to offer a consistent and deliverable level of service to those local communities.

2. WHY IS THIS REPORT NECESSARY / BACKGROUND

- 2.1 A number of local communities within Huntingdonshire have started to undertake formal Neighbourhood Plans. These include St Neots Town Council, Godmanchester Town Council, Huntingdon Town Council, Bury Parish Council, and Houghton and Wyton Parish Council. Brampton Parish Council moved to the first formal stage of the Neighbourhood Plan process but has since indicated that it does not currently wish to make further progress.
- 2.2 Once 'made' (approved) following a local referendum, a Neighbourhood Plan becomes part of the statutory Development Plan for the District, meaning that it is a material consideration with significant weight in the decision making process for planning applications.
- 2.3 Other options are available to local communities which seek to achieve different community planning objectives. These include the ability to promote local affordable housing projects through the 'rural exceptions' process; a range of community facilities and amenities (for example, new village halls and playing fields) through the 'enabled exceptions' process; and more general community action plans or parish plans that focus on specific community needs identified by the communities themselves.

3. OPTIONS CONSIDERED / ANALYSIS

- 3.1 The proposed 'Neighbourhood and Community Planning Guide' includes advice on processes and timescales for community planning initiatives, and links to external advice. In this, its first iteration, the guide focuses on the Neighbourhood Plan process, as that is the area where most local communities will initially wish to engage with the council.
- 3.2 The guide will be placed on Neighbourhood Planning page of the council's website, and it will be edited and added to as required in light of experience of using it and with regard to any future changes in the regulatory framework. Future amended versions will identify how the council will engage with local communities on community planning initiatives that do not form part of the formal Neighbourhood Plan process (see paragraph 2.3 above). Future amendments to the guide will be notified to town and parish councils by email as part of an ongoing communications strategy.
- 3.3 The guide is part of the Council's ongoing initiative to assist local communities and customers by providing easily accessible information that allows them to 'self-serve'. In addition, town and parish councils will be invited to a Neighbourhood and Community Planning seminar in March 2016 to raise awareness of the guide, relevant processes, and experiences to date with neighbourhood and community planning initiatives.
- 3.4 The format of the 'Neighbourhood and Community Planning Guide' document is based on the following sections:

- a) Introduction.
- b) Picking the right tool for the job: identifies the range of potential options available for community planning and includes a Community Planning Tools diagram.
- c) Introduction to Neighbourhood Plans, including a step by step guide:

Stage 1:

- Getting organised.
- Applying for a Neighbourhood Area.
- Consultation on the application.
- Designation of a Neighbourhood Area.

Stage 2:

- Community engagement and evidence.
- Developing plan content.
- Consulting on the draft plan.

Stage 3:

- Submitting the Neighbourhood Plan.
- Consultation on the submitted plan.
- The Examination.
- Progressing to referendum.
- The referendum.
- Adoption of the plan.

Stage 4:

- Delivering the Neighbourhood Plan.

- d) Support from HDC: a summary of the support measures identified throughout the document.
- e) Useful resources: links to external sources of information.
- f) Templates: standard letters and forms to help local communities to submit consistent information.
- g) Glossary of terms used in the neighbourhood and community planning process.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Environmental Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

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

- 5.1 The clarification provided by the Neighbourhood and Community Planning Offer document should have positive impacts by ensuring that local communities have appropriate guidance on how HDC will be able to assist them in the development of their plans. The document will be available on the Council's website and will be updated from time to time in light of experience of its use and to take account of relevant legislative changes. The appropriate HDC officers will also continue to be contactable by any interested community representatives to confirm how the council will interact with them on community planning matters.

6. LINK TO THE CORPORATE PLAN

6.1 The recommendation of this report relates to the following element of the Huntingdonshire Corporate Plan 2015 - 2016 (page 8):

- Working with our communities: to empower local communities – support community planning including working with parishes to complete parish plans.

7. LEGAL IMPLICATIONS

7.1 As part of its formal 'Duty to Support' town and parish councils in preparing Neighbourhood Plans, the Council needs to have robust processes and supportive advice in place to ensuring that Neighbourhood Plans and other community planning initiatives make satisfactory progress towards key decision making stages. A specific process has already been established to for making progress with Neighbourhood Plans once the independent Examiner's report has been received (approved at Cabinet, 19th November 2015).

8. RESOURCE IMPLICATIONS

8.1 The purpose of the Neighbourhood and Community Planning Guide document is to clarify the level of service available from HDC's officers, and to positively manage the expectations of local communities with regard to HDC's input and assistance with a range of community planning initiatives.

9. REASON FOR THE RECOMMENDED DECISIONS

9.1 The recommendations will ensure that the council meets its 'Duty to Support' obligations for the Neighbourhood Planning process.

10. RECOMMENDED DECISIONS

That Cabinet:

Approves the Neighbourhood and Community Planning Guide document attached as Appendix A of this report.

11. LIST OF APPENDICES INCLUDED

Appendix A: Neighbourhood and Community Planning Guide document

CONTACT OFFICER

Paul Bland, Planning Service Manager (Policy)
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Neighbourhood and Community Planning

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Introduction

What does this Neighbourhood and Community Planning in Huntingdonshire Guide do?

Helps you to identify the right community planning tool for your area

This guide first asks what you want to achieve in your community, and briefly sets out a range of community planning tools which can help you achieve your goals, it highlights the benefits and disadvantages of each tool.

Sets out Huntingdonshire District Council's support offer for a particular community planning tool: Neighbourhood Plans

A number of communities across Huntingdonshire and nationally are using neighbourhood plans to set out a shared vision for how they want to see their area develop. Huntingdonshire District Council (HDC) has a key role in providing support for this particular community planning tool. This guide sets out:

- An overview of the process for completing a neighbourhood plan in Huntingdonshire;
- How HDC can help you; and
- What town and parish councils preparing neighbourhood plans will be expected to do.

What does this guide not do?

There is a wide range of excellent community planning and neighbourhood planning resources freely available online. This guide is not intended to replicate existing online guidance but to focus on setting out the particular neighbourhood planning support offer for Huntingdonshire. Links are provided throughout to more detailed guidance.

Relationship with other Huntingdonshire community planning documents

This guide provides additional detail about neighbourhood planning to that provided in the 2013 Huntingdonshire Town & Parish Charter.

Document Information

For any queries about this document, please contact the planning policy team:

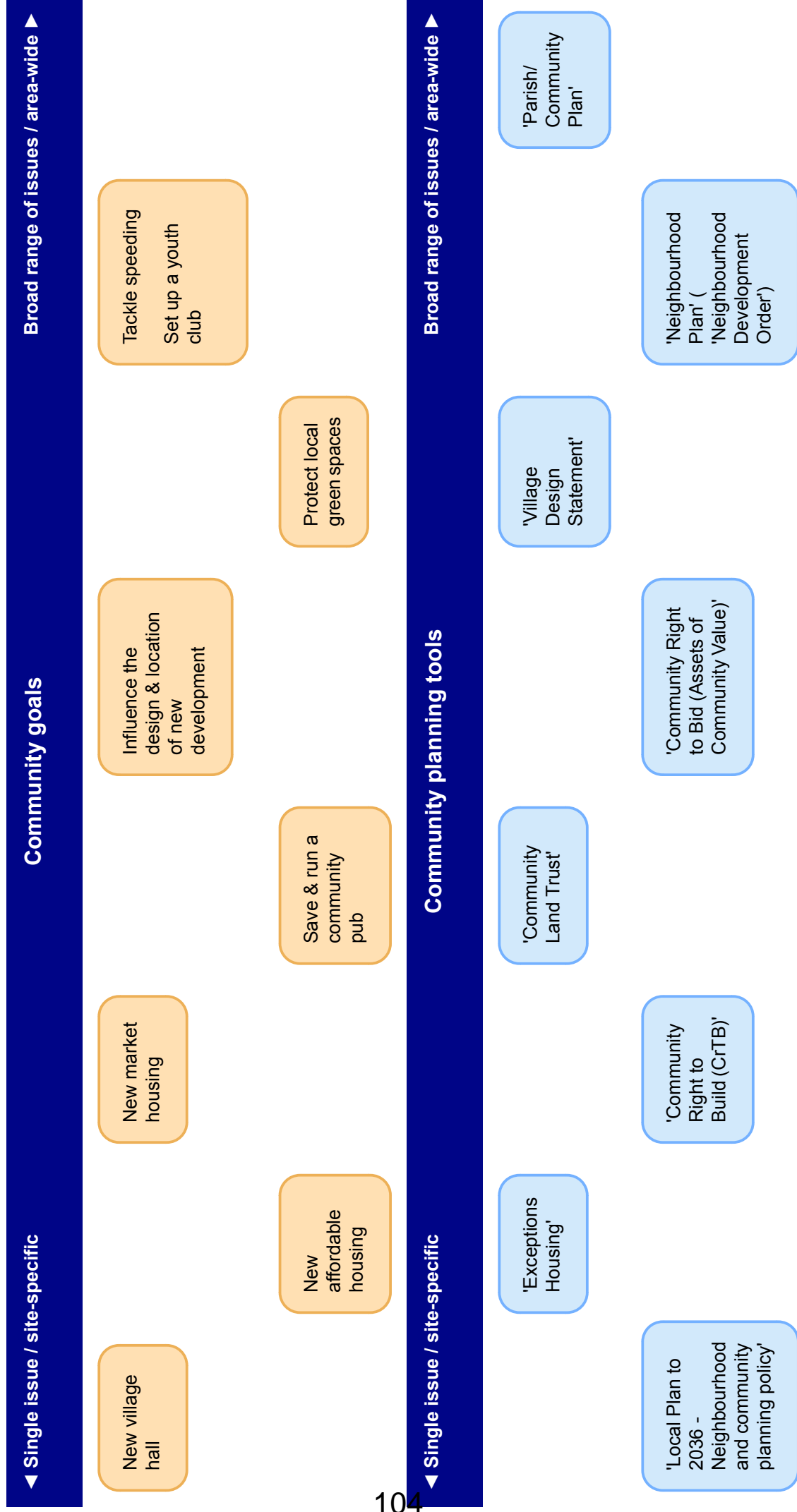
local.plan@huntingdonshire.gov.uk.

This guide includes a range of links to websites providing supporting information, data or guidance. Every effort has been made to ensure that these links are up to date. As websites change these links can become invalid. In circumstances where links have become invalid please use a suitable search term for an internet search. Alternatively please contact the Local Plans team at the email address above for guidance.

Cross references have been included in the text. Where these are underlined they provide a clickable internal link to the reference in electronic versions (pdf and web).

Picking the right tool for the job: community planning goals and tools

The diagram below sets out a range of possible community goals, and the range of community planning tools available to achieve them.



Community Planning Tools

Neighbourhood Plan

What is it?	A plan for the neighbourhood area (often the parish/town) including policies that inform planning decisions regarding development proposals.
Benefits	<p>Gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area.</p> <p>The plan has statutory status: providing influence over planning decisions; giving the opportunity to specify sites for development; and enabling communities to add detail to Local Plan policies to shape development in their area.</p> <p>Community consultation can also identify non-planning goals which communities can tackle themselves.</p> <p>Areas with a neighbourhood plan in place receive more infrastructure funding arising from development in their area than areas without a neighbourhood plan.</p>
Disadvantages	Time and resource intensive: before the neighbourhood plan comes into force, the community must follow a set process and meet a number of statutory tests, which lengthen the process, add costs, and require planning expertise.
Support organisations	Huntingdonshire District Council - Planning Policy team Locality
First step	Read this guide, then contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Local Plan to 2036 - Neighbourhood and community planning policy

What is it?	A policy in the draft Local Plan to 2036 which supports community-based development proposals, as an exception to the requirements of other relevant Local Plan policies, where there is identified community support or need.
Benefits	Community-led development proposals can be given planning permission without the need to go through the lengthy statutory process required for Neighbourhood Plans and Neighbourhood Development Orders.
Disadvantages	Site and proposal specific: doesn't enable communities to influence future planning decisions in their area.
Support organisations	Huntingdonshire District Council - Planning Policy team
First step	Contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Community Planning Tools

Exceptions Housing

What is it?	Housing development targeted at meeting the needs of local people at less than market cost, on land where development would not normally be granted. The site should be well related to the existing settlement and the houses should be occupied by people having a local connection to the settlement.
Benefits	Provides additional low-cost housing in areas where it is needed, targeted to local people. Less resource intensive for communities than a Neighbourhood Plan or Community Right to Build; process can be completed in partnership between the Council and a Registered Provider (Housing Association).
Disadvantages	Only delivers housing; can't be used for other community development proposals.
Support organisations	Huntingdonshire District Council - Housing Strategy team Cambridgeshire ACRE
First step	Contact the Housing Strategy team: housing.services@huntingdonshire.gov.uk

Neighbourhood Development Order

What is it?	Grants planning permission for specific types of development in a specific neighbourhood area. Created as a part of a neighbourhood plan.
Benefits	Enables communities to deliver small scale, site specific development within a neighbourhood plan without the need for a separate planning application (e.g. small scale rural exceptions affordable housing or a community building such as a village hall).
Disadvantages	See above for neighbourhood plans.
Support organisations	Huntingdonshire District Council - Planning Policy team
First step	Contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Community Right to Build (CrTB)

What is it?	A form of Neighbourhood Development Order that can be used to grant planning permission for small scale development for community benefit on a specific site or sites in a neighbourhood area.
Benefits	Enables communities to deliver small scale, site specific development without the need for a separate planning application (e.g. small scale rural exceptions affordable housing or a community building such as a village hall).
Disadvantages	Time and resource intensive: before the Right to Build Order comes into force, the community must follow a set process and meet a number of statutory tests, which lengthen the process, add costs, and require planning expertise. The process is similar to that required for Neighbourhood Plans, but is focused on a single site.
Support organisations	Huntingdonshire District Council - Planning Policy team Locality
First step	Read the My Community Guide: Understanding the Community Right to Build

Community Planning Tools

Community Land Trust

What is it?	Community Land Trusts (CLTs) are local organisations set up and run by ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces.
Benefits	A helpful organisational structure enables communities to deliver their own services, housing, pubs or community enterprises. CLTs can be used in combination with another of the community planning tools set out here (e.g. rural exception site or Community Right to Build). Potentially beneficial for land/organisations having charitable status. A way for communities to deliver their own services
Disadvantages	Can be complex to set up and resource intensive over a long period. Some parish councils may not be sufficiently resourced. Replicates what Registered Providers (housing associations) do.
Support organisations	Huntingdonshire District Council - Planning Policy team; Housing Strategy team Community Land Trust East
First step	Contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Community Right to Bid (Assets of Community Value)

What is it?	Enables communities to nominate public or private community assets of value to their community (e.g. a village pub). Once the community has nominated them they will be identified by the Local Planning Authority on a list of 'Assets of Community Value'. Once on the list, if an asset comes up for sale or lease, a community group has a period of time in which they can register their interest as a potential bidder, delaying a sale on the open market.
Benefits	Gives some protection to valued community facilities, by providing an extended window of opportunity for the community to organise if such an asset is put up for sale.
Disadvantages	Just because an Asset is added to the list does not mean that the community will definitely be able to buy it for community use; they will need to be able to meet the asking price. Not all nominated Assets will be added to the formal list: to be added to the list, the Asset must meet certain tests relating to community value.
Support organisations	Huntingdonshire District Council - Corporate team: acv@huntingdonshire.gov.uk
First step	Read the Community Right to Bid page on the HDC website .

Village Design Statement

What is it?	A document created by the community informing the design of new development in an area.
Benefits	When adopted, it can become supplementary planning guidance. This means that they are a consideration which the council must take into account when determining planning applications.
Disadvantages	Unlike neighbourhood plans, village design statements do not become part of the statutory development plan, and therefore do not have much weight in determining planning applications.

Community Planning Tools

Support organisations	Huntingdonshire District Council - Planning Policy team
First step	Contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Parish/ Community Plan

What is it?	A comprehensive plan for the area identifying community priorities and actions to address these.
Benefits	<p>Enables communities to produce a comprehensive vision for their area, addressing all issues of interest to the community.</p> <p>Identifies non-planning goals which communities can tackle themselves.</p> <p>Non-development-focused community goals can be achieved more quickly than development-focused goals, which must follow a statutory process.</p> <p>No formal process to follow.</p>
Disadvantages	<p>No influence over planning decisions.</p> <p>Time intensive: although there is no formal process to follow, most parish plans still take well over a year to produce, including getting started, consulting the community, and identifying priorities and actions.</p> <p>Non-development-focused actions can also be identified and addressed alongside the neighbourhood planning process.</p>
Support organisations	Cambridgeshire and Peterborough Association of Local Councils
First step	Contact the Planning Policy team: local.plan@huntingdonshire.gov.uk

Introduction to Neighbourhood Plans

Introduction to Neighbourhood Plans

This guide seeks to explain Huntingdonshire District Council's approach to neighbourhood plans and how they can fit with the existing Development Plan and the emerging Local Plan. The advice is intended for town and parish councils that are contemplating drawing up a Neighbourhood Plan.

Neighbourhood Plan Process Overview

Stage	Steps	Time required	Responsibility of:	
Stage 1: 'Getting started'	'Step 1: Getting organised'	4 weeks⁽¹⁾	Town/ Parish Council	
	'Step 2: Applying for a Neighbourhood Area'			
	'Step 3: Consultation on the Application'		HDC	
	'Step 4: Designation of the Neighbourhood Area'			
Stage 2: 'Preparing the Neighbourhood Plan'	'Step 5: Community engagement and evidence'	6 weeks	Town/ Parish Council	
	'Step 6: Developing Plan Content'			
	'Step 7: Consulting on the Draft Plan'			
Stage 3: 'Getting the Plan in place'	'Step 8: Submitting the Neighbourhood Plan'	6 weeks	HDC	
	'Step 9: Consultation on the Submitted Plan'			
	'Step 10: The Examination'	Appoint Examiner	28 working days notice	HDC + Town/ Parish Council jointly
		Independent examination		Examiner
		Examiner reports		
	'Step 11: Progressing to Referendum'	28 working days notice	HDC	
	'Step 12: The Referendum'			
'Step 13: Adoption of the Plan' If a majority vote 'Yes', the plan is 'made' by Full Council and comes into force as part of the Development Plan				
Stage 4: 'Delivering the Neighbourhood Plan'	Implementation of the Neighbourhood Plan		Town/ Parish Council	

1. Depends on the area being applied for. 4 weeks is for the whole of a town/ parish council area

Stage 1: Getting started

Stage 1: Getting started

The first stage of producing a Neighbourhood Plan is to get an area designated for it. There are four steps in this stage:

'Step 1: Getting organised'

'Step 2: Applying for a Neighbourhood Area'

'Step 3: Consultation on the Application'

'Step 4: Designation of the Neighbourhood Area'

Step 1: Getting organised

Who leads neighbourhood planning in Huntingdonshire?

In nearly all areas of Huntingdonshire, town and parish councils are responsible for neighbourhood planning⁽¹⁾. However, guidance recommends that such councils get involvement from the wider community so that interested community members can play an active role in shaping the plan. The relationship between any group and the formal functions of the town/ parish council should be clear to the wider public.

Creating the best neighbourhood plan possible

Before getting started it is worth considering why you want to do a neighbourhood plan, and what you could achieve through the plan, and through the plan-making process.

The best Neighbourhood Plans are:

- Based upon strong community engagement, and are owned by the wider community
- Uniquely local
- Complementary to Local Plan policies- providing additional policy detail
- Not just about creating a nice-looking document, but have a focus on the implementation of community projects and ideas

The Neighbourhood Planning process can:

- **Inform communities:** developing a neighbourhood plan can educate and inform the steering group and wider community about planning and the process of planning for the local community.

How can HDC help?

The Council will offer to meet you to help you consider how to get started on your neighbourhood plan. This meeting might cover matters such as:

- a run through of the process for preparing a neighbourhood plan
- the requirements to fit in with national planning policy
- what neighbourhood plans can cover, but also what they can't
- what may be involved in terms of technical work
- expectations of effective community engagement
- the requirements to fit in with the Core Strategy and the emerging Local Plan and how this might shape the content of the neighbourhood plan
- possible resource and capacity considerations

¹ Areas with a parish meeting as opposed to a parish council will need to go through an extra step of applying to be designated as a [neighbourhood forum](#). This designation is subject to certain tests. If you live in an area with a parish meeting please contact HDC in the first instance.

The best Neighbourhood Plans are:

- **Tackle non-planning issues:** community consultation often flags up issues of importance to the community that are not related to the planning system, such as speeding or the need for new community groups. These should not be lost, and can be addressed separately to the creation of the planning-focused document.
- **Bring people together:** working with others over a period of time can in the steering group can connect people, and if done well, community consultation events can be enjoyable social events.

Some of these matters are considered in more detail in other parts of this guide. The initial meeting may not need to cover all of these items, but it is suggested that you make some preparation for the meeting and inform us if you will want to discuss other matters so that we can do any research or other work in order to be prepared to deal with your questions.

To create the best neighbourhood plan possible, it is important to get organised.

Project planning

Given the length of time the neighbourhood plan will take to produce, good project management is essential (expected timescales are set out throughout this guide). This will enable you to manage the workload, and the wider community's expectations if things get delayed. It may therefore be useful to draw up a simple project plan to help you get organised. The project plan could:

- Set out when you think you will be able to take the different steps in the process
- Who will work on different parts of the plan
- Who will be the main point of contact with HDC
- Who will be responsible for taking actions at specific points
- Who you could get to help you draw up the plan

The project plan doesn't have to be particularly detailed and you can leave parts that you will decide on later. The project plan can, and probably will, change as you go through the process.

You should also remember that you will mostly be relying on the time of volunteers so you will have to work within the limited time that they have. This means it may not be possible to make progress as quickly as you might like.

Further tips for getting organised

- **Get help:** use available online resources referenced in this document, and take advantage of the support on offer.
- **Learn from the best:** read other neighbourhood plans to work out what you think works, and what doesn't. You can ask us for contacts from other neighbourhood planning groups that are further ahead in the process to learn from their experience.
- **Gather as broad a steering group as possible:** members of a diverse steering group will provide different perspectives, and their backgrounds will also help the group engage with different sections of the wider community.
- **Think about how to recruit and manage volunteers:** consider targeting people in your community with specific skills to help with particular tasks,

Guidance and Regulations

[NPPG: Neighbourhood Planning](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 1 and 2

Time needed

No time constraints: take as long as you need.

Stage 1: Getting started

and parcel up tasks into manageable chunks that might attract volunteers more than an undefined role which could last years.

- **Be creative, and have fun:** if you're going to put significant time and effort into this process, make it fun for all involved. Celebrate getting to milestones, and if you get bogged down in the process, remember why you are doing this!

Legal Requirements for Neighbourhood Plans

The Basic Conditions

To be successful at examination, a neighbourhood plan must meet a number of tests, known as Basic Conditions. At submission, a statement about how the plan meets the Basic Conditions should accompany the plan. In summary, the neighbourhood plan must demonstrate that it is consistent with:

- **national planning policy:** as set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG);
- **Statutory protections for listed buildings and conservation areas;**
- **Sustainable development:** contributing to improvements in environmental, economic and social conditions, or showing how consideration has been given to how any potential adverse effects arising from the proposals may be prevented, reduced or offset;
- **Strategic policies set out in the adopted and emerging Local Plan;**
- **EU obligations:** see below for more detail; and
- A number of other basic conditions.

More information about some of the Basic Conditions is provided below.

How can HDC help?

We can advise you at the start of the process about how to meet the basic conditions.

Guidance and Regulations

[National Planning Policy Framework](#)

[NPPG: The basic conditions](#)

Sustainable development

Your neighbourhood plan must demonstrate how it contributes to sustainable development, using sufficient and proportionate evidence. You may be able to use the Council's Local Plan Sustainability Appraisal to provide some of this evidence.

Sustainability Appraisal

A sustainability appraisal is a systematic process which can help you select the most sustainable options in your neighbourhood plan policies. It assesses the extent to which your emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives. While sustainability appraisal is not required for neighbourhood plans, and involves a significant amount of work, it can help you make evidence-based decisions when writing your plan, particularly if you are choosing between sites for allocating development.

How can HDC help?

We can discuss with you the options for evidencing how your plan delivers sustainable development.

Guidance and Regulations

[NPPG: Meeting the Basic Conditions - Sustainable development](#)

Other Resources

[Local Plan to 2036: Stage 3 - Sustainability Appraisal Consultation](#)

Stage 1: Getting started

Strategic policies in the local plan

Neighbourhood plans need to be in "general conformity with the strategic policies contained in the development plan for the area".

Huntingdonshire Core Strategy 2009

- The adopted Core Strategy is the current development plan for the area. It sets the context for development in the district and provides the basis for local and neighbourhood planning.
- The Core Strategy has a strategic focus. For the purposes of neighbourhood planning, all policies in the Core Strategy should be considered to be strategic.

Huntingdonshire Local Plan to 2036

- The Council is in the process of producing a Local Plan to cover the period up to 2036. Once adopted the Local Plan will replace all existing parts of the development plan, including the Core Strategy.
- The draft Local Plan includes both strategic and non-strategic policies. For the purposes of neighbourhood planning, policies in Section B: The Strategy for Sustainable Development should be considered to be strategic. The policies that allocate land for development in Section D: 'Allocations' should also be considered as strategic as they are required to achieve the strategy as set out in Section B.

EU obligations

Your neighbourhood plan must be compatible with EU obligations in order to be legally compliant. The main relevant obligations relate to the environmental impacts of your plan.

Strategic Environmental Assessment

Strategic Environmental Assessment (SEA) integrates environmental considerations into the process of preparing a plan. You will need to explicitly screen your draft plan to check whether or not it will have certain impacts that trigger the need for a full SEA.

Other EU obligations may also be triggered, depending on:

- the presence of protected species or habitats in or close to your area, and
- what your neighbourhood plan contains

EU obligations are complex, and if triggered, could require a substantial amount of work in order to address. It is important to discuss with us early in the process whether your plan is likely to trigger the need for a full SEA and assessments relating to other EU obligations.

How can HDC help?

We can discuss with you at the start what the requirement for general conformity with the development plan's strategic policies means. We will check your draft and submitted plan to assess how it meets the requirement for general conformity.

Guidance and Regulations

[NPPG: Conformity with strategic policies](#)

Other Resources

[Adopted Development Plans on HDC website](#)
[Emerging Local Plan to 2036 on HDC website](#)

How can HDC help?

We will discuss with you the steps that you need to take, and what evidence needs to be produced in order to comply with the EU obligations.

We can also provide an SEA screening template.

Guidance and Regulations

[NPPG: EU obligations](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheets 1 and 2

Support for Neighbourhood Planning

Overview of support from Huntingdonshire District Council

The Council has a statutory requirement to provide support for neighbourhood planning. This includes two specific roles:

- taking decisions at key stages in the neighbourhood planning process; and
- providing advice and assistance to the town and parish councils preparing neighbourhood plans. The advice and assistance we provide comprises a number of roles as set out below:

Advice	Assistance
<ul style="list-style-type: none">• Technical expertise (e.g. explaining how you can meet the legal requirements for neighbourhood plans; providing advice in policy writing)• Critical friend (e.g. commenting on draft questionnaires, reviewing the draft plan)	<ul style="list-style-type: none">• Process guidance (e.g. explaining the timescales and processes for examination and referendum)• Provide and point to evidence (e.g. population and housing evidence sources and data)• Point you towards further support and funding (e.g. connecting you with groups that are further ahead in the process)

Our support for neighbourhood planning is set out at each stage of the process in this guide, and is summarised at Appendix 1: 'Support from HDC'.

Keep talking to us!

Setting aside the detail of our neighbourhood planning support offer, it's important to remember that the best neighbourhood plans which make a real impact to development in their area, are the result of a constructive and ongoing conversation with the council. Keeping in touch with the Council, and in particular at key points in the process will ensure that your neighbourhood plan:

- is based upon the most relevant evidence;
- is additional and complementary to local plan policies; and
- has teeth, in terms of influencing planning decisions.

A caveat

The Council is required to provide the neighbourhood planning assistance it considers appropriate. The planning policy team is responsible both for the preparation of the local plan, and for neighbourhood planning support.

Neighbourhood planning by definition is led by the community; we cannot and should not write your plan for you. The support offer set out below is therefore focused on providing specific support at key points in the neighbourhood planning process.

Stage 1: Getting started

Other support and funding

Online guidance

There is a wealth of excellent neighbourhood planning guidance available online. The following list provides links to some of these (N.B. this is not intended to be exhaustive):

My Community: Neighbourhood Planning Key Resources Kit	Includes in particular: <ul style="list-style-type: none">• Neighbourhood Planning Roadmap (very clear and comprehensive; see in particular the worksheets at the back)• Writing Planning Policies guide• RTPI resources on a range of topics
Planning Practice Guidance: Neighbourhood Planning	Sets out the national rules governing the neighbourhood planning system including key stages and decisions (e.g. deciding neighbourhood areas, the legal tests for neighbourhood plans, and the process of independent examination and referendum).
Planning Aid: Forum for Neighbourhood Planning	This site is especially helpful for learning from others' experiences, and for posting questions on a forum.
Department of Communities & Local Government: Notes on neighbourhood planning	Update bulletins on neighbourhood plan progress nationally, including links to new resources as they become available.
Twitter #neighbourhoodplanning	Good for getting inspiration and following links to other's activities.

Funding

There is a significant amount of funding available to support neighbourhood planning:

- All groups writing a neighbourhood plan or neighbourhood development order will be eligible to apply for up to £8,000 in a neighbourhood planning grant (as at November 2015).
- Groups facing more complex issues can apply for specific packages of technical support where needed, and may also be eligible for further £6,000 in grant.

Visit the [My Community](#) web-pages to find out more, and to fill in an Expression of Interest form.

In addition, the Council also receives funding from government for each neighbourhood plan produced. The funding pays for the examiner and referendum, as well as for some of the support we provide. This means that these formal stages of the neighbourhood planning process are free to groups preparing their plans.

Further practical support

As noted above, producing a successful neighbourhood plan requires some planning expertise. While the Council can provide a range of support as set out in this guide, you may feel that you would value more intensive planning support for specific parts of the process. The [My Community grants and support web-page](#) highlights that the grant funding available could be used to engage an independent planning expert.

Step 2: Applying for a Neighbourhood Area

The first step towards preparing a neighbourhood plan is for the town or parish council to apply for an area to be designated as a neighbourhood area.

Deciding on the 'Neighbourhood Area'

The neighbourhood area does not have to follow existing administrative boundaries. There are advantages to choosing the same area as the town or parish making the application:

- A shorter period for consultation on the application is required (See Consultation on the Application).
- It is more likely to be supported by people responding to the consultation.

There are other alternatives. An area can either be smaller or larger than the area of the town or parish:

- **Alternative Scenario 1 - smaller area:**
A town council may decide that one particular area of their town is particularly cohesive and has its own identity so might consider drawing the area smaller than the area of the town council.
- **Alternative Scenario 2 - larger area:**
Two adjacent parish councils for villages that are close together may decide that drawing up a neighbourhood plan for both parishes would have benefits because the plan could tackle issues shared by both villages.

If you decide that a larger area would make sense you will need to have the agreement of the town or parish council whose area you are extending into.

You should check whether there are other neighbourhood areas nearby. If you think that part of an area that is already designated as a neighbourhood area should be part of your area you will need to talk to us about how to proceed.

Whatever area you decide upon you will need to say why you have chosen it when you make your application to HDC.

Making an application

To make an application for the designation of a neighbourhood area the town or parish council needs to write a letter to Huntingdonshire District Council. We have set up a 'Template Area Application Letter' to get you started.

The letter needs to include:

1. a statement explaining why the proposed neighbourhood area is considered to be an appropriate area; and
2. a statement that the organisation or body making the area application is a relevant body for the purposes of section 61G of the 1990 Act. Town and parish councils are relevant bodies⁽¹⁾.

How can HDC help?

We can advise you on things to consider when deciding upon the area for the neighbourhood plan.

Guidance and Regulations

[NPPG: Designating a neighbourhood area](#)

Other Resources

[Neighbourhood Planning on HDC website](#),
[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 2

Time needed

There are no constraints on how long this has to take so take as long as you need.

How can HDC help?

We can provide the map needed for the application

Guidance and Regulations

[Regulation 5](#)

Stage 1: Getting started

A map showing the area that the application is for will need to be included with the letter.

If the area being applied for is the same as the town or parish then all you need to do is tell us and we will provide the map. If you decide on a different area you can talk to us about producing a map.

Other Resources

'Template Area Application Letter'
[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 2

Time needed

There are no constraints on how long this has to take so take as long as you need.

Step 3: Consultation on the Application

HDC is required to consult on applications for new neighbourhood areas. An application will be subject to public consultation for at least:

- 4 weeks, If the neighbourhood area is the same as the town or parish council area
- 6 weeks, in all other circumstances

Consultation events will be held online on the Council's [Consultation Portal](#).

We will tell you before hand when the consultation will start and finish. You should publicise and promote the consultation locally.

How can HDC help?

This step is our responsibility.

Guidance and Regulations

[Regulation 6](#) as amended by [2015 amendments](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 2

Time needed

We aim to set up and start the consultation within 2 weeks of receiving a complete application. The consultation takes at least 4 weeks and in some circumstances 6 weeks.

Step 4: Designation of the Neighbourhood Area

After consultation the responses will be considered. A report detailing the main issues raised in responses will be prepared for the Strategic Planning and Housing Portfolio Holder. In most circumstances this report will have a recommendation for the area to be designated.

Where the application is for a neighbourhood area that will be the same as the area of the town or parish council making the application the Council has a total of 8 weeks to determine the application from the date that the consultation started. For other areas we have 13 weeks. If the area extends outside Huntingdonshire we have 21 weeks to determine the application.

How can HDC help?

This step is our responsibility.

Guidance and Regulations

[Regulation 6A](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 2

Time needed

We have 8 or 13 weeks to determine the application.

Stage 2: Preparing the Neighbourhood Plan

Stage 2: Preparing the Neighbourhood Plan

The second stage of producing a neighbourhood plan is to draw up a draft plan. There are three main steps in this stage:

'Step 5: Community engagement and evidence'

'Step 6: Developing Plan Content'

'Step 7: Consulting on the Draft Plan'

Step 5: Community engagement and evidence

This is possibly the single most important step; the content of the neighbourhood plan depends on finding out what is needed for your area, from both community views and secondary evidence.

Community engagement

What is community engagement for neighbourhood planning?

Community engagement is the range of activities aimed at involving everyone in the community in the development of your neighbourhood plan. Your aim is that all members of your community have the opportunity to shape what your neighbourhood plan says, and that they feel ownership over the final document.

Who to involve?

Community engagement should aim to involve everyone who might be affected by the neighbourhood plan. This will mainly be residents but it will also include anyone who travels into the area to work and visitors to the area. It should also seek to include landowners or their agents if land is going to be designated for any reason or if development is proposed anywhere.

Community engagement process

There are no hard and fast rules about how, or how many times, to ask for community views when developing a neighbourhood plan. However, before going ahead to write your plan, it may be helpful:

- At the start, to focus on informing people about what a neighbourhood plan is, that a neighbourhood plan is being prepared for their area, and how they can get involved;
- Early on in the process, to ask open questions, enabling everyone to say what is important to them, rather than limiting views to specified issues;
- Building on that initial engagement, to delve deeper into the issues people have highlighted as being important.

Community engagement methods

How can HDC help?

We can help you decide how best to involve the community and get their views. We can help you design a questionnaire, or could comment on one you have prepared.

Guidance and Regulations

NPPG: Consulting on, and publicising, a neighbourhood plan

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 4 [Hunts Forum of Voluntary Services](#) (for engagement and consultation advice and training)

Time needed

No time constraints: take as long as you need.

Stage 2: Preparing the Neighbourhood Plan

What engagement methods to use is up to you. Be creative to engage people's interest and imagination. Research methods set out in other community planning guides. Methods could include:

- Polls or surveys (paper and/or online)
- Online discussion forums, social media comments
- Market/ street stalls/ stalls at community events
- Open workshops
- A walk round your area, with people taking pictures of what they like or don't like
- Making a 3D model of your area, using approaches like [Planning for Real](#)

Evidence

There are a wide range of sources of evidence that might be useful, including:

Strategies relating to your area

- the [Core Strategy](#) and emerging [emerging Local Plan](#) and the [background evidence](#) that supports them
- other Huntingdonshire District Council plans and strategies
- Cambridgeshire County Council strategies (e.g. Market Town Transport Strategies)
- information gathered by other town/ parish councils who are working on their own neighbourhood plans
- existing plans for an area, such as a parish plan or village design statement

Sources of evidence and data

- socio-economic data for for Huntingdonshire or your ward (census and other data- see 'Socio-economic evidence sources')
- Cambridge sub-region [Strategic Housing Market Assessment](#)
- Huntingdonshire Environmental Capacity Study and the Housing and Economic Land Availability Assessment
- [Conservation Area appraisals](#), [buildings-at-risk surveys](#) and [landscape character studies](#)
- statutory lists (listed buildings and scheduled ancient monuments)
- details of other environmental protection designations, such as tree preservation orders and sites of special scientific interest
- plans or data from other public bodies or utilities companies
- local libraries, archives and web sites
- Information from Environmental Health such as land contamination and air quality

How can HDC help?

We can point you to relevant evidence sources for your plan.

We can provide a set of initial maps to help you consider the planning issues in your area

Guidance and Regulations

[NPPG: Evidence](#)

Other Resources

Appendix 2: 'Useful Resources'

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheets 4, 5 and 6

Time needed

No time constraints: take as long as you need.

Stage 2: Preparing the Neighbourhood Plan

Striking a balance between community engagement and secondary evidence

The best neighbourhood plans are built upon a balance of community views and secondary evidence:

Don't go overboard on community engagement:

Secondary evidence can help inform community discussion, moving the debate beyond one based solely upon personal opinion. Particular issues to consider include:

- Don't ask people questions you could find the answer to elsewhere: are there other sources of information providing answers to the questions you're asking, perhaps in existing evidence?
- Be aware of consultation fatigue: has community engagement happened recently in your area which might mean people are less willing to spend the time providing their views again? Can you use responses from other recent community engagement to inform your plan?

On the other hand, don't get swamped by evidence and data:

There is a huge amount of fascinating data available and it's easy to get a bit overwhelmed by it and/or to explore it in great detail. When looking through what evidence to use to inform your plan, it may be helpful to:

- Consider what story the data is telling you and why you're using it. In particular, it's important not to overwhelm the wider community with loads of figures and statistics that are not 100% relevant to the plan you're developing;
- Remember that informing your plan with this type of evidence is only one part of the story: making sure that the community is fully involved in shaping the plan is just as important.

Step 6: Developing Plan Content

What to consider when writing your plan

Once you have gathered community views and evidence, there is a wide range of things to think about when drawing up the draft plan:

- **Identify key issues/ themes for the plan to address -**
This should be based on the engagement and consultation you have done and the evidence that you have collected.
- **Identify the strategic local plan policies -**
The strategic policies are currently those in the Core Strategy. You should also refer to the emerging Local Plan for information about which of its policies are considered to be strategic.
- **Develop clear aims for the Neighbourhood Plan -**
These should seek to tackle the issues and themes bearing in mind that the policies with which to achieve these aims can only deal with planning matters.
- **Write planning policies and guidance -**
Policies should clearly identify the circumstances in which they apply.
- **Identify any projects or proposals for the neighbourhood area -**
Do the projects you have in mind need to be enabled by policies?
- **Consider allocating specific sites for different uses -**
If there are different options for where the development you want can go you should think about which is best. If you identify one option as

How can HDC help?

We will run a workshop, covering issues such as:

- Making best use of the evidence
- What makes a good policy
- The role of supporting text

We can advise about:

- the potential need to gather more evidence to support your plan.
- whether you need to take additional work to address E U obligations.
- the use of monitoring indicators.

Stage 2: Preparing the Neighbourhood Plan

better than the alternatives it is probably worth specifically identifying that in the plan.

The content of your neighbourhood plan will influence whether there is a need to think about SA, SEA and other EU obligations (see 'Legal Requirements for Neighbourhood Plans').

Considering the implementation of your neighbourhood plan early on

When drafting your neighbourhood plan it is important to ensure that the priorities in it have a realistic chance of being delivered. To achieve this, you may wish to consider setting SMART (Specific, Measurable, Achievable, Realistic, Time-set) indicators to monitor the priorities in your plan. On the other hand, it may be more manageable to measure the implementation of your plan's priorities using indicators already included within the Council's Annual Monitoring Report, which provides information on things such as housing delivery and a range of environmental measures.

Guidance and Regulations

[NPPG: Preparing a neighbourhood plan](#)

Other Resources

[Locality: Writing Planning Policies](#)
[Planning Aid: How to structure your neighbourhood plan](#)
[Locality Neighbourhood Plans Roadmap Guide](#), Worksheets 4, 5 and 6

[HDC Annual Monitoring Report](#)

Time needed

No time constraints: take as long as you need.

Step 7: Consulting on the Draft Plan

Pre-submission consultation

The town/ parish council is required to undertake consultation for a period of at least 6 weeks on the draft neighbourhood plan.

You should try to publicise the consultation as widely as possible. You should specifically contact:

- HDC - all departments including Community Services regarding environmental impact
- key consultees, based on the content of the plan (e.g. Natural England, the Environment Agency, English Heritage)
- neighbouring district, town or parish councils, as applicable
- significant land-owners, particularly if you are proposing to allocate their land for any reason
- local community organisations

For everyone that comments you should record contact details (an email address is usually enough) so that you can inform them of any changes you make in order to address their comments, but also to send to HDC as part of the Consultation Statement when you submit the neighbourhood plan (See Stage 3: 'Step 8: Submitting the Neighbourhood Plan').

Other things to think about:

How can HDC help?

We can help you publicise the consultation by providing contact details for key consultees. We can also use our social media and other online tools to help publicise the consultation.

Guidance and Regulations

[Regulation 14](#), [Regulation 21](#) and [Schedule 1](#).
[NPPG: Consulting on, and publicising, a neighbourhood plan](#)

Other Resources

Stage 2: Preparing the Neighbourhood Plan

- Would a comment form help make sure you collect all the details you need?
- Where will you have copies of the plan available?
- Would it make sense to have a longer consultation period?

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

Responding to the consultation: are changes needed?

You should identify the main issues raised in comments on the draft plan. You should then decide whether you want to change the plan to try to address these issues. You may find that people raise issues that are not related to anything that is in the plan, in which case it is OK to decide that you will not change the plan to address that issue.

You will need to set out all of this information in the Consultation Statement (see Stage 3: 'Step 8: Submitting the Neighbourhood Plan'). You may find it beneficial to look at how other town/ parish councils have done this or how we have done it for the [emerging Local Plan](#) or our Supplementary Planning Documents.

Time needed

The consultation has to last at least 6 weeks. There are no time constraints on how long responding to issues raised in the consultation should take.

Stage 3: Getting the Plan in place

This stage of producing a Neighbourhood Plan is the boring official bit where most of the actions are taken by HDC. There are six steps to this stage:

'Step 8: Submitting the Neighbourhood Plan'

'Step 9: Consultation on the Submitted Plan'

'Step 10: The Examination'

'Step 11: Progressing to Referendum'

'Step 12: The Referendum'

'Step 13: Adoption of the Plan'

Step 8: Submitting the Neighbourhood Plan

This step is when the town/ parish council passes over the neighbourhood plan to HDC.

What's required at submission?

You will need to send us a:

- **Basic Conditions Statement** - a statement setting out how the neighbourhood plan meets the [Basic Conditions](#). Please note that some of the Basic Conditions apply only to Neighbourhood Development Orders.
- **Consultation Statement** - a statement setting out who and how you consulted on the neighbourhood plan, the main issues raised and how you have addressed them in the final version of the plan. This should include a list of all the people/ organisations that made comments on the draft plan (See 'Pre-submission consultation') and their contact details, usually an email address - this is important as we need this information when we consult on the submitted plan.
- **Copy of the Neighbourhood Plan** - It is advisable to send us a printed copy and an electronic version. It may also be useful to send an 'editable' version to facilitate making modifications should they be necessary (See 'Step 10: The Examination').

The submission documents also need to include a map of the neighbourhood area but we can provide this.

How can HDC help?

We can advise on what needs to be included in each of the submission documents. We can provide the map of the neighbourhood area. Once submitted, we will check that the submission documents include everything that is required.

Guidance and Regulations

[NPPG: Submitting a neighbourhood plan](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7
[My Community: basic conditions statement](#)
[My Community: consultation statement](#)

Time needed

Stage 3: Getting the Plan in place

There are no constraints on how long this should take so take as long as you need.
It will take us about 2 weeks to check the submission documents.

Step 9: Consultation on the Submitted Plan

HDC will publicise the neighbourhood plan and consult on it for a period of at least 6 weeks. We will run an online consultation event on our [Consultation Portal](#).

You can help us by publicising the consultation locally.

How can HDC help?

This step is our responsibility.

Guidance and Regulations

[NPPG: Submitting a neighbourhood plan](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

Time needed

The consultation must be open for at least 6 weeks

Step 10: The Examination

Choosing an Examiner

We will discuss the appointment of the examiner with you. There are two main options:

1. NPIERS (Neighbourhood Planning Independent Examiner Referral Service), who will send us the details of 3 examiners, based on any specialisms we specify. We will then discuss with you who we think is best.
2. We can contact anyone we think would be a good examiner, for example someone who has examined other plans in Huntingdonshire.

The decision is the responsibility of HDC but we will decide jointly with you.

How can HDC help?

We will discuss appointing the examiner with you
We will jointly decide who to appoint

Guidance and Regulations

[NPPG: The Independent Examination](#)

Stage 3: Getting the Plan in place

Send items to the Examiner

HDC will send all the comments received during the submission consultation to the examiner along with all the submission documents.

Other Resources

[NPIERS](#)

Time needed

There are no constraints on how long this should take.

The Examination

The examination will probably be conducted by what is known as 'written representations' but could include hearings. The examiner will decide if hearings are necessary based on the complexity of the issues raised and the impact on whether the plan will meet the 'The Basic Conditions'.

How can HDC help?

We will check through the examiner's 'fact check' report and provide or correct any factual information

The Examiner's Report

The examiner writes a report that sets out whether:

- the plan meets the Basic Conditions as it stands;
- modifications will be necessary for the plan to meet the Basic Conditions; or
- modifications can't be made to enable the plan to meet the basic conditions

Guidance and Regulations

[NPPG: The independent examination](#)

If the plan meets the Basic Conditions as it stands or if modifications are needed the recommendation is that the plan can proceed to a referendum.

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

However, if the examiner concludes that it is not possible to modify the plan to enable it to meet the Basic Conditions the recommendation will be that the plan cannot proceed to a referendum.

Time needed

The report will be sent to the town/ parish council and to HDC in draft for 'fact checking', when basic information in the report can be corrected and clarification can be sought from the examiner.

The examiner will take as long as they need to properly examine the plan. The examiner will ask us to check their draft report within 1 or 2 weeks.

Stage 3: Getting the Plan in place

Step 11: Progressing to Referendum

The Council has a procedure in place for when an examiner's report is received.

At this stage we have limited options. We can:

- Act upon the examiner's report and progress the neighbourhood plan to referendum:**
This option should be taken when the Examiner either recommends that the plan meets the Basic Conditions as it stands or can meet the basic conditions subject to modifications.
- Propose to take a substantially different decision from the examiner's recommendation:**
This option can only be taken as a result of new evidence or a different view taken by the Council about a particular fact. In this case the Council must notify all those identified in the consultation statement (see 'Step 8: Submitting the Neighbourhood Plan') and invite representations on the alternative decision and where necessary as a result of these representations the local planning authority must reopen the examination.
- Decide not to progress the neighbourhood plan in light of the Examiner's report:**
This is only permissible where the examiner has recommended that the plan does not proceed to referendum as it fails to meet the basic conditions or legislative requirements and cannot be modified to do so.

There are currently no requirements in place for how long we have in order to decide whether or not a neighbourhood plan will proceed to referendum. However we will aim to complete this process in 9 weeks.

How can HDC help?

This step is our responsibility.

Guidance and Regulations

[NPPG: The referendum](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

Time needed

We will aim to complete this process in 9 weeks

Step 12: The Referendum

Setting up the Referendum

We will do all the necessary administration for setting up the referendum. We will work with you to decide on a date for the referendum. We have to give at least 28 working days notice that a referendum is going to take place. Once we have decided when the referendum will be we will publicise the details.

The examiner may advise that the area for the referendum should be enlarged from the neighbourhood area. If this is the case those residents living outside the neighbourhood area would be eligible to vote in the referendum in the same way as those living within the neighbourhood area.

If more than 50% of those voting vote in favour of the plan it can then be 'made'. You will be responsible for campaigning for a 'Yes' vote.

Gaining Support in the Referendum

Factors that will make a 'Yes' vote more likely include:

- publicity at all stages, so that the voting population know about the plan
- involvement of a range of partner organisations

How can HDC help?

We will discuss with you when the referendum should be held. We can advise on the limitations on campaign expenditure.

Guidance and Regulations

[NPPG: The referendum](#)

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

Stage 3: Getting the Plan in place

- robust community involvement and engagement from the beginning and throughout the plan-making process
- involving and engaging with as many people as possible, including minority groups
- basing the content of the plan on firm evidence and on the outcomes of the community engagement programme and explaining how this has been done
- explaining key decisions made in producing the plan
- openness and transparency in the plan-making process
- clearly explaining the choices and compromises made in the plan
- addressing the diverse range of local needs and wants

Time needed

We have to give at least 28 working days notice that a referendum is going to take place. The result of the referendum should be available within 1 week.

There are limitations on things like campaign expenditure. We will be able to advise on this.

Step 13: Adoption of the Plan

If more than 50% of those voting vote in favour of the plan it can then be 'made' by Full Council.

How can HDC help?

This step is our responsibility.

Following a successful referendum, Full Council will formally adopt the plan at one of their regular meetings. This formal stage is known as 'making' the plan. To enable this stage to happen, we will programme a report for the next Council committee cycle after the referendum.

Guidance and Regulations

[NPPG: Majority 'Yes' vote](#)

Once the neighbourhood plan is 'made' it becomes a part of the 'development plan' for Huntingdonshire. This means that it is a statutory material consideration in guiding future development and in the determination of planning applications within the neighbourhood plan area.

Other Resources

[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 7

Time needed

This will usually take up to 2 months as Council meets every 2 months

Stage 4: Delivering the Neighbourhood Plan

Stage 4: Delivering the Neighbourhood Plan

Your neighbourhood plan has been 'made'- well done! This is a great achievement, so remember to make a point of celebrating this milestone.

However, the neighbourhood plan being 'made' is not the end of the story; the final neighbourhood plan stage is about delivering the priorities identified in your plan. See below a number of things to consider to ensure that your neighbourhood plan creates positive change on the ground, as opposed to just being a nice-looking document.

Implementation of policies

Development management decisions

The Council will determine planning applications in your area in accordance with the development plan for the area, which will include the Local Plan and your neighbourhood plan.

Allocations of land for development

Allocating land for development in a neighbourhood plan does not automatically mean that the housing, shop or community building you want to see developed will magically pop up next week. Even as you write your neighbourhood plan you could start thinking about how you will ensure that the development you want to see happens. This could involve talking to landowners, talking to the Council about how affordable housing could be delivered, or starting to consider how a project might be funded.

How can HDC help?

We can discuss with you how to ensure that neighbourhood plan priorities result in development (e.g. working with you to deliver exceptions housing).

Community Infrastructure Levy

Under the requirements of the Community Infrastructure Levy Regulations 2010 (as amended), 15% of the Community Infrastructure Levy (CIL) collected as a result of development in a given parish area will be passed to the relevant town/ parish council, this is commonly known as the 'meaningful proportion'.

Payments will be capped to £100 per council tax dwelling per year, for example, a town/ parish with 500 dwellings cannot receive more than £50,000 of CIL receipts per year.

For areas with an adopted neighbourhood plan the amount to be passed to the town/ parish council will be 25% with no cap.

The 'meaningful proportion' is required to be used to support the development of the local area by funding the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing the demands that development places on an area.

How can HDC help?

We can advise on how and when you should spend the meaningful CIL proportion. We can also advise on what is required for the financial reporting.

Guidance and Regulations

[NPPG: Spending CIL receipts](#)

Other Resources

[CIL on HDC website](#)
[Locality Neighbourhood Plans Roadmap Guide](#), Worksheet 8

Stage 4: Delivering the Neighbourhood Plan

If a town/ parish council has failed to spend CIL funds transferred to them within 5 years from receipt, or has not applied the funds in accordance with the Regulations then HDC can serve a notice on the town/ parish council requiring it to repay some or all of the receipts that had been transferred to them.

Time needed

Financial reporting needs to be done at the end of each financial year

The current arrangements for payment of the meaningful proportion is that:

- CIL received from 1 April to 30 September will be transferred to the town/ parish council by 28 October of that financial year; and
- CIL received from 1 October to 31 March will be transferred to the town/ parish council by 28 April of the following financial year.

To ensure transparency town/ parish councils must publish for each financial year their:

- total CIL receipts;
- total expenditure;
- a summary of what the CIL was spent on; and
- the total amount of receipts retained at the end of the reported year from that year and previous years.

Reports can be combined with other reports already being produced and should be placed on your website and a copy sent to the HDC.

Where a town/ parish council does not have a website we can, if requested, publish the information on our website on your behalf.

The CIL report must be published and sent to us by 31 December following the end of the reported year.

Addressing community priorities which don't relate to planning

As noted earlier, neighbourhood plans often identify community priorities that don't relate to the planning system. Such priorities might include things like tackling speeding, addressing anti-social behaviour, or setting up a community group. These can often be addressed more quickly than those linked to the planning system. You can start to work on these actions even before your plan is 'made'.

Consider setting up a new working group to take forward community-based actions. The neighbourhood plan working group may feel in need of a rest!

How can HDC help?

We can point you to sources of help in addressing community priorities which don't relate to planning, both within the Council and in other organisations.

Time needed

No time constraints: take as much time as you need.

Stage 4: Delivering the Neighbourhood Plan

Monitoring and reviewing your neighbourhood plan

Monitoring

Keeping track of the progress of any 'What to consider when writing your plan' included in your plan, monitored either by you or in the Council's Annual Monitoring Report, will help you assess whether your plan's aims are being achieved, and if not, whether you need to do anything different to achieve them.

How can HDC help?

We can discuss with you whether there is a need to refresh or review your plan.

Reviewing/refreshing your neighbourhood plan

After a few years conditions in your area may change, and you may wish to review or refresh your neighbourhood plan to bring it up to date. Any neighbourhood plan review will have to involve at least the formal processes of consultation, examination and referendum.

Appendix 1: Support from HDC

HDC support at each stage of the process

Table 1

Stage/Step	HDC support	
	Taking key decisions/formal process	Advice and assistance
Stage 1: 'Getting started'		
'Step 1: Getting organised'		<ul style="list-style-type: none"> 1 meeting, providing advice and information about: <ul style="list-style-type: none"> Neighbourhood Area options The legal requirements that neighbourhood plans must meet The neighbourhood planning process Initial evidence sources Sources of additional support and funding
'Step 2: Applying for a Neighbourhood Area'		<ul style="list-style-type: none"> Provide a template Neighbourhood Area application letter (see 'Template Area Application Letter') Provide a map for Neighbourhood Area application
'Step 3: Consultation on the Application'	<ul style="list-style-type: none"> Run consultation on Neighbourhood Area application 	
'Step 4: Designation of the Neighbourhood Area'	<ul style="list-style-type: none"> Assess responses to the consultation on Neighbourhood Area application, and Formally designate the Neighbourhood Area 	
Stage 2: 'Preparing the Neighbourhood Plan'		
'Step 5: Community engagement and evidence'		<ul style="list-style-type: none"> Provide a set of initial maps to help you consider the planning issues in your area Comment on a draft survey before it is used with the community
'Step 6: Developing Plan Content'		<ul style="list-style-type: none"> 1 workshop, covering issues such as: <ul style="list-style-type: none"> Making best use of the evidence <ul style="list-style-type: none"> What makes a good policy The role of supporting text

Appendix 1: Support from HDC

Stage/Step	HDC support	
	Taking key decisions/formal process	Advice and assistance
		<p>Targeted advice about:</p> <ul style="list-style-type: none"> the potential need to gather more evidence to support your plan. whether you need to take additional work to address EU obligations. the use of monitoring indicators. Provide all mapping required for the draft plan
'Step 7: Consulting on the Draft Plan'		<ul style="list-style-type: none"> Provide a 'health-check' of your plan before you consult on it, or pay for an independent planning expert to provide this. Provide contact details for key consultees. Help publicise the consultation using our social media and other online tools
Stage 3: 'Getting the Plan in place'		
'Step 8: Submitting the Neighbourhood Plan'		<ul style="list-style-type: none"> Advise on what needs to be included in each of the submission documents before you submit. Provide the map of the neighbourhood area. Provide all mapping required for the submission draft plan Once submitted, check the submission documents include everything that is required.
'Step 9: Consultation on the Submitted Plan'	<ul style="list-style-type: none"> Run consultation on the submitted plan Collate comments from the examination consultation and submit them to the examiner 	
'Step 10: The Examination'	<ul style="list-style-type: none"> Formally appoint the neighbourhood plan examiner Complete a 'fact check' of the examiner's report 	<ul style="list-style-type: none"> Discuss and decide jointly with you which examiner to appoint.
'Step 11: Progressing to Referendum'	<ul style="list-style-type: none"> Formally recommend that the plan progresses to referendum (depending on the outcome of the examination) 	
'Step 12: The Referendum'	<ul style="list-style-type: none"> Organise and publicise the referendum 	

Appendix 1: Support from HDC

Stage/Step	HDC support	
	Taking key decisions/formal process	Advice and assistance
'Step 13: Adoption of the Plan'	<ul style="list-style-type: none"> Formally 'make' (adopt) the plan 	
Stage 4: 'Delivering the Neighbourhood Plan'		
	<ul style="list-style-type: none"> Decide planning applications in your area in accordance with the Local Plan and your neighbourhood plan, as the development plan for the area. 	<ul style="list-style-type: none"> Discuss with you how to ensure that neighbourhood plan priorities result in development (e.g. working with you to deliver exceptions housing). Advise on how and when you should spend the meaningful CIL proportion. We can also advise on what is required for the financial reporting. Point you to sources of help in addressing community priorities which don't relate to planning, both within the Council and in other organisations. Discuss with you whether there is a need to refresh or review your plan.

Appendix 2: Useful Resources

Appendix 2: Useful Resources

Socio-economic evidence sources

General evidence sources	
Census 2011	The Census 2011 provides the most wide ranging, small area, and robust (ie they actually asked everyone rather than doing a sample survey) dataset available for socio-economic statistics. The parish profile linked here is a good place to start when thinking about your parish.
Cambridgeshire Insight	Cambridgeshire County Council Research Group's evidence website provides lots of useful data in various formats including reports, spreadsheets and interactive data atlases. Many of the links below are from this website.
Topic specific evidence sources	
Population	
Census 2011 parish profiles	Provides data by age, ethnicity, and employment status by town and parish. N.B. These characteristics aren't linked together in the profile so you can't really interrogate them.
www.nomisweb.co.uk Census 2011 ward profile	If you want to dig further and are confident with statistics then most Census 2011 outputs are available from the NOMIS website. The 2011 ward profile is a good place to start, as you can click on 'query dataset' to get more detail such as data by age. N.B. Census wards may not match your neighbourhood plan area.
County Council population and dwelling estimates and forecasts	Available by parish/ward for estimates and wards by age bands; single year of age is available on request.
Deprivation	
Index of Multiple Deprivation 2015: England IMD Explorer Cambridgeshire data atlas	Seven indices of deprivation are combined to form the composite Index of Multiple Deprivation 2015 (IMD2015). The indices include: income, employment, education, skills and training, health deprivation and disability, crime, barriers to housing and services and living environment. N.B. IMD 2015 is provided at Lower Super Output Area level, which is smaller than a ward. These areas do not neatly match parish boundaries.
Housing	
Cambridge sub-region Housing Data Atlas	A wide range of housing information at parish and ward level.
Traffic and travel	
Census Travel to Work data	The Census parish profiles referred to above show how people travelled to work in 2011.
Bus services	County Council bus timetable- search for your area.

Appendix 2: Useful Resources

County Council traffic count data	Search for 'traffic count'. Download the data and check by road name for traffic monitors in your area. Look at changes between the years for which data is provided. You can exactly see where the traffic monitors were by using the Eastings/Northings in the spreadsheet and putting these into a web map such as http://gridreferencefinder.com/gmap.php
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Crime

Cambridgeshire interactive crime atlas	A wide range of crime information at ward level.
Police.uk	Local crime map. Use the 'Find your neighbourhood' button to see information on crime in your area.

Economy

Economy data atlas	Includes ward-level data on employees and employment (which includes self-employed workers).
Businesses	We are not aware of any organisation holding this information at a parish or small area level. This may be an area where you will need to use local knowledge.

Appendix 2: Useful Resources

Template Area Application Letter

The following text can be used as a template for letters applying for designation of a neighbourhood area. Text marked ~text~ should be replaced with appropriate information.

Andy Moffat
Head of Development
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
PE29 3TN

~Date~

Dear Mr Moffat,

~town/ parish council name~ : application for designation of a neighbourhood area

~town/ parish council name~ has resolved to produce a neighbourhood plan and formally applies for designation of a neighbourhood area as set out in Part 2, paragraph 5 of the Neighbourhood Planning (General) Regulations 2012 (as amended).

Attached is a map showing the area to which this application relates. This follows the parish boundary. This area is considered appropriate to be designated as a neighbourhood area because it is a properly constituted parish within the planning area of Huntingdonshire.

I confirm that ~town/ parish council name~ is the relevant body authorised to act in relation to this proposed neighbourhood area, as defined by Schedule 9, Part 1, paragraph 61(3), 2(a) of the Localism Act 2011.

Yours sincerely

~signed by town/ parish council chairman~

Chairman of ~town/ parish council name~

Appendix 3: Glossary

Affordable housing

A range of housing types provided at below market rates in order to meet the needs of those who can't afford housing on the open market.

Annual Monitoring Report

A document produced each year to report on progress in producing the development plan and implementing its policies.

Community Infrastructure Levy (CIL)

Allows local authorities to raise funds from developers undertaking new building projects in their areas. Money can be used to fund a wide range of infrastructure such as transport schemes, schools and leisure centres.

Community Right to Bid

Aims to give community groups the time to develop bids and raise money to buy public assets that come onto the open market.

Community Right to Build

Allows local people to drive forward new developments in their area where the benefits (e.g. profits from letting homes) could stay within the community. These developments must meet minimum criteria and have local support demonstrated through a referendum.

Conformity

One of the basic conditions for neighbourhood plans is that they be in general conformity with strategic local policy.

Conservation Area

An area of special architectural or historic interest the character and appearance of which are preserved and enhanced by local planning policies and guidance.

Consultation

A communication process with the local community that informs planning decision-making.

Core Strategy

A development plan document forming part of a local authority's Local Plan, which sets out a vision and core policies for the development of an area.

Development Management

The process of administering and making decisions on different kinds of planning application.

Development Plan

A document setting out the local planning authority's policies and proposals for the development and use of land in the area.

Evidence Base

The evidence upon which a development plan is based, principally the background facts and statistics about an area, and the views of stakeholders.

Green Infrastructure

Landscape, biodiversity, trees, allotments, parks, open spaces and other natural assets.

Green Space

Those parts of an area which are occupied by natural, designed or agricultural landscape as opposed to built development; open space, parkland, woodland, sports fields, gardens, allotments, and the like.

Housing Associations

See Registered Providers

Independent Examination

An examination of a proposed Neighbourhood Plan, carried out by an independent person, set up to consider whether a Neighbourhood Plan meets the basic conditions required.

Infrastructure

Basic services necessary for development to take place e.g. roads, electricity, water, education and health facilities.

Appendix 3: Glossary

Legislation

The Acts of Parliament, regulations, and statutory instruments which provide the legal framework within which public law is administered.

Listed Buildings

Any building or structure which is included in the statutory list of buildings of special architectural or historic interest.

Local Plan

The name for the collection of documents prepared by your local planning authority for the use and development of land and for changes to the transport system. Can contain documents such as development plans and statements of community involvement.

Local Planning Authority

Local government body responsible for formulating planning policies and controlling development; a district council, metropolitan council, a county council, a unitary authority or national park authority.

Material Considerations

Factors which are relevant in the making of planning decisions, such as sustainability, impact on residential amenity, design and traffic impacts.

National Planning Policy Framework (NPPF)

The government policy document adopted in March 2012 intended to make national planning policy and guidance less complex and more accessible. The National Planning Policy Framework introduces a presumption in favour of sustainable development. It gives five guiding principles of sustainable development: living within the planet's means; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; and using sound science responsibly.

National Planning Practice Guidance (NPPG)

An online resource giving guidance on planning practice in support of the NPPF.

Policy

A concise statement of the principles that a particular kind of development proposal should satisfy in order to obtain planning permission.

Planning Permission

Formal approval granted by a council allowing a proposed development to proceed.

Qualifying Body

Either a parish/town council or neighbourhood forum, which can initiate the process of Neighbourhood Planning.

Referendum

A vote by the eligible population of an electoral area may decide on a matter of public policy. Neighbourhood Plans and Neighbourhood Development Orders are made by a referendum of the eligible voters within a neighbourhood area.

Registered Providers

These are independent housing organisations registered with the Housing Corporation under the Housing Act 1996. Most are housing associations, but there are also trusts, co-operatives and companies.

Site Of Special Scientific Interest (SSSI)

A protected area designated as being of special interest by virtue of its flora, fauna, geological or geomorphological features. SSSIs are designated under the Wildlife and Countryside Act 1981 by the official nature conservation body for the particular part of the UK in question.

Stakeholders

People who have an interest in an organisation or process including residents, business owners and government.

Strategic Environmental Assessment (SEA)

Environmental assessment as applied to policies, plans and programmes. Has been in place since the European SEA directive (2001/42/EC).

Sustainability Appraisal (SA)

An assessment of the environmental, social and economic impacts of a Local Plan from the outset of the preparation process to check that the plan accords with the principles of sustainable development.

Appendix 3: Glossary

Strategic Policy

A policy that is essential for the delivery of a strategy, for example, the overall scale and distribution of housing and employment in an area.

Supplementary Planning Document (SPD)

Provides detailed thematic or site-specific guidance explaining or supporting the policies in the Local Plan.

Sustainable Development

Contributing to improvements in environmental, economic and social conditions, or showing how consideration has been given to how any potential adverse effects arising from the proposals may be prevented, reduced or offset

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Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Commercial Investment Strategy: Business Plan
Meeting/Date:	Overview & Scrutiny Panel (Economic Well-Being) – 8 th December 2015 Cabinet – 10 th December 2015
Executive Portfolio:	Resources – Cllr Jonathan A Gray
Report by:	Head of Resources – Clive Mason
Ward(s) affected:	All Wards

Executive Summary:

The Government's austerity programme continues and the Council is aiming to still provide cost effective services to its local population. However, with the potential for increased cuts in Government funding, the Council is endeavouring to meet this challenge by undertaking a number of innovative approaches to service delivery. One of the key approaches to supporting Council services is the development of new sources of income generation and the introduction of the Commercial Investment Strategy (CIS) is such an approach. The CIS itself was approved in October 2015; it is now necessary to approve the CIS Business Plan (BP) (**Appendix 2**). Although the CIS covers a period of 9 years and has three distinct phases of development, the Business Plan being recommended here will be for Phase 1 and cover the period from now until the 31st March 2019.

The Council currently has existing investment assets (property) totalling £20.9m and it is proposing to invest a further £50.0m in commercial assets. The primary aim of the CIS is to generate a future income stream with a secondary objective of capital growth. After the payment of £2.2m in asset completion costs, the Councils total commercial asset portfolio at the end of the BP period will be £68.7m and split as follows:

Type 1: Existing Assets:	£20.9m
Type 2 and 3: Investment Fund and Property Shares:	£14.7m
Type 4: Direct Assets (Local Acquisitions):	£18.9m
Type 4: Direct Assets (National Acquisitions):	£14.2m

For the investments:

- up to the end of this financial year, it is proposed that these investments should not be financed from external borrowing, so a transfer is required from the Councils General Fund of £6.8m to the Capital Investment Earmarked Reserve. By making investments directly from in-house resources will mean that the Council can maximise returns and will not have to set-aside revenue funding in respect of the Minimum Revenue Provision.

- in subsequent years the Council will plan to externally borrow up to £35.0m. As the Council will be externally borrowing there will be the requirement to set-aside an amount for Minimum Revenue Provision (MRP); this will be equal to the annual loan repayment and a specific MRP policy is required (which will need to be approved by Council).

Where assets are being effectively managed, there will be occasions when assets will be sold and proceeds reinvested, it is proposed that capital receipts are ring-fenced in line with the Reserves Strategy (elsewhere on the agenda).

Recommendation(s):

That Cabinet approve the:

1. CIS Business Plan (**Appendix 2**).
2. Transfer of £6.8m from the Councils General Fund balance to the Capital Investment Earmarked Reserve.
3. Potential to borrow up to £35.0m from 2016/17 onwards to support the CIS. However, there will still be “head-room” to borrow a further £25.0m if commercial opportunities arise.
4. MRP policy noted below and refer this to Council for approval:

“For each capital investment undertaken under the requirements of the Councils Commercial Investment Strategy, Minimum Revenue Provision will be made that is equal to the principal repayment for any loan finance supporting the investment.”

1. WHAT IS THIS REPORT ABOUT?

- 1.1 The Council, along with all of local government, continues to face ongoing cuts in direct government grant as part of the government's austerity programme. However the pressure on services continues, and in some areas is increasing, so the Council is following a programme of service change to ensure that it is providing its services in the most cost-effective way possible.
- 1.2 Members will be aware that the Council is currently forecasting reductions of 37.6% by 2019/20, as detailed in the "Plan on a Page" (copy attached at **Appendix 1**). The "Plan on a Page" shows 6 strands that are being followed across the Council to assist in achieving the required budget reductions. One of these strands relates to "Income Generation" and a key constituent of this strand is the development of a Commercial Investment Strategy (CIS). The CIS itself was approved by Cabinet on the 17th September 2015 (Minute 35). What is now required is the approval of a Business Plan (BP) that will support the CIS.

2. BACKGROUND

- 2.1 Early in 2015 the Council started working with an external consultancy, EC Harris, in the development of the CIS, and then the BP. The CIS will incorporate the BP so the Strategy is one coherent document.
- 2.2 In the development of both the CIS and the BP, the Leader, Deputy Leader and the Executive Portfolio Holder for Resources have been consulted, including a meeting of the Treasury & Capital Management Group (TCMG) in mid-November and follow-up communications with the Executive Portfolio Holder for Resources. With regard to the development of the BP, at the TCMG meeting the following was undertaken:
- the BP model was reviewed so the investment schedule could be examined as well as both the revenue and capital propositions,
 - potential investment opportunities were discussed to gauge member appetite; these included both commercial assets and property funds.

Further, TCMG also discussed proposals for the reallocation of the General Fund balance.

3. THE BUSINESS PLAN

- 3.1 The BP itself is shown at **Appendix 2**, in addition to the Councils existing investment portfolio (£20.9m) the Council will aim to invest up to £50.0m between Quarter 3 of 2015/16 and the end of 2019, a summarised profile of investments is shown at **Appendix 3** and estimated revenue returns are shown in **Table 1** below.

Estimated Revenue Returns from the Commercial Investment Strategy					Table 1	
	2015/16	2016/17	2017/18	2018/19	Increase in Investments (2015/16 to 2018/19)	
	£000	£000	£000	£000	£000	
EXISTING INVESTMENTS						
Costs	371	379	386	394		
Income	(1,869)	(2,047)	(2,241)	(2,454)		
Net Income	(1,498)	(1,668)	(1,855)	(2,060)	562	38%
NEW PROPOSITIONS						
Revenue Propositions						
Costs	0	0	0	0		
Income	(27)	(114)	(236)	(265)		
Net Income	(27)	(114)	(236)	(265)		
Capital Propositions						
Costs	1	14	40	51		
Income	(56)	(875)	(2,120)	(2,825)		
Income before debt charges	(55)	(860)	(2,081)	(2,774)		
Debt Service/MRP	69	885	1,949	2,369		
Net Income	14	25	(132)	(405)		
CIS OVERHEADS	103	130	182	238		
TOTAL NET REVENUE	(1,408)	(1,627)	(2,041)	(2,492)	1,084	77%
Revenue Contribution to Equity (*1)	6.1%	7.1%	7.8%	9.0%		
Key: Equity – the difference between total asset values and debt						

Existing Investment Portfolio

- 3.2 The BP includes the Councils current commercial estate, valued at £20.9m and for 2014/15 gave a return of 7.2%.

Revenue Propositions

- 3.3 Local government is only permitted to invest in one revenue property investment fund; this is operated by CCLA Investment Management Limited and the BP proposes investing a total of £4.7m by the end of 2016/17.

Capital Propositions

- 3.4 The Capital Propositions include the following investment opportunities (amounts shown are net of completion costs):
- i. Property Shares
These are investments in property funds, similar in nature to Unit Trusts. The BP proposes investing £10.0m by mid-2016/17. Further property funds and shares (such as Real Estate Investment Trusts) are being investigated and their suitability is being assessed,

- ii. **Direct Assets (Local Area)**
These are investments in commercial property assets that are within the Councils local area. The BP proposes investing £18.9m by mid-2017/18. The “local area” is deemed to be Cambridgeshire and the area covered by the Local Enterprise Partnership.
- iii. **Direct Assets (Regional Cities)**
These are investments in commercial property assets that are outside of the Councils local area. The BP proposes investing £14.2m by the end of 2017/18.

Governance and Reporting

- 3.7 The BP includes a number of key performance indicators (KPI’s). It is proposed that these KPI’s are included within the Councils overall Treasury Management Strategy and reported to management in line with that key Strategy.
- 3.8 In addition, the performance of the BP and proposed investment opportunities and future borrowing requirements will be reported on a quarterly basis to the Treasury and Capital Management Group (TCMS). The TCMS included the Leader, Deputy Leader and the Executive Portfolio Holder for Resources along with the Head of Resources (as the Councils S.151 officer).

4. FINANCING

- 4.1 In total, the Council is looking to have a commercial asset portfolio of £71.0m; £68.7m once completion costs are excluded (based on current values). This is shown in **Table 2** below:

Funding of CIS Portfolio			Table 2
Funding	Asset £m	Completion Costs £m	Total £m
Existing Assets	20.9	0.0	20.9
Revenue Funding (2015/16)	12.1	0.4	12.5
Revenue Funding (2016/17)	2.4	0.1	2.5
Borrowing	33.3	1.8	35.1
Total	68.7	2.3	71.0

Reserves

- 4.2 The forecast:
 - General Fund (GF) balance will have increased to £9.8m by the end of 2015/16 (**Appendix 4**). At the Cabinet meeting held in February 2015, the minimum level of GF Reserves was set at £3.0m. At this time, this is contributing to a short-term investment income return of 0.2% which is considerably less than the Revenue Returns noted in **Table 1** (3.1). Therefore, to maximise the return from our balances it is proposed that £6.8m is transferred from the GF Reserve to the Capital Investment Earmarked Reserve (CIER).

- CIER balance will have increased to £5.7m by the end of 2015/16 (**Appendix 4**). With the inclusion of the £6.8m from the GF, this would give a total of £12.5m available for immediate investment. A significant advantage of transferring this balance is that by using internal resources this will mitigate the need to borrow; thus the need to finance a Minimum Revenue Provision.

Borrowing

- 4.3 Borrowing is expected to be from the Public Works Loans Board (PWLB). For the investments within the BP, repayment loans are expected to be the preferred form of loan finance.
- 4.4 If however, loan rates are found to be cheaper at other financial institutions then the Council will take appropriate advantage, providing that the institutions are included within the Councils Treasury Management Strategy.

Minimum Revenue Provision (MRP)

- 4.5 Where the Council externally “borrows” for capital purposes, the Council is required:
- to set aside an amount in respect of MRP.
 - have in place an approved MPR policy.

- 4.7 The capital propositions included within the BP that are to be financed from external borrowing are modelled on being financed by repayment loans (4.4), consequently the annual principal repayment will equate to the MRP requirement. As this is a new approach to MRP a new Policy is required to be approved by Full Council. Therefore the proposed MRP Policy for the CIS is shown below:

“For each capital investment undertaken under the requirements of the Councils Commercial Investment Strategy, Minimum Revenue Provision will be made that is equal to the principal repayment for any loan finance supporting the investment.”

- 4.8 Through the operation of the CIS, there may be occasions when investment assets are sold; it is recommended in the Reserve Review report elsewhere on the agenda, such capital receipts will be ringfenced for future CIS reinvestment in line with the Reserves Strategy.

5 RISKS AND BUSINESS PLAN ASSUMPTIONS

- 5.1 The Council has a very good track record of managing commercial assets; however what is proposed by the CIS is a step change in approach and therefore will attract a unique set of risks. A detailed analysis of the risks and mitigations is shown in **Appendix 5** along with the key assumptions of the Business Plan.

6. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 6.1 Due to the date of the Overview and Scrutiny (Economic Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

7. TIMETABLE FOR IMPLEMENTATION

7.1 The CIS Business Plan (Appendix 2) illustrates the proposed investment plan.

8. LINK TO THE CORPORATE PLAN

8.1 Supports “ensuring we are a customer focused and service led council” by delivering value for money services.

9. CONSULTATION

9.1 Detailed discussions with the Leader and Executive Portfolio Holder for Resources as key members of the Treasury & Capital Management Group.

10. LEGAL IMPLICATIONS

10.1 The Council has the relevant broad legal powers to undertake the activities proposed. Each specific decision taken will need to be assessed for any legal implications and requirements to ensure the Council acts lawfully and in accordance with the decision making process set out in the Constitution. As such, regard will need to be given to the Constitution and the scheme of delegations which may require amendments to allow this process to be workable.

11. RESOURCE IMPLICATIONS

11.1 The direct resource implications are noted within the report.

12. REASONS FOR THE RECOMMENDED DECISIONS

12.1 The recommended decisions will enable the Council to commence the acquisition of commercial assets, this in turn will generate revenue funding that will assist the Council in devliering cost effective services.

13. LIST OF APPENDICES INCLUDED

Appendix 1 – Plan on a Page.

Appendix 2 – Commercial Investment Strategy: Business Plan.

Appendix 3 – Summarised Profile of Investments

Appendix 4 – Extract of Forecast Outturn and General Fund Reserve
as at September 2015 (reported to Cabinet, November 2015)

Appendix 5 – CIS Risks, Mitigations and Key Assumptions

BACKGROUND PAPERS

If stated need to be made available for publication for Cabinet meetings.

CONTACT OFFICER

Clive Mason; Head of Resources
Tel No. ext 8157

VISION

To improve the quality of life for the people of Huntingdonshire and work towards sustainable economic growth whilst providing value for money services

STRATEGIC PRIORITIES

A strong local economy

Enabling sustainable growth

Working with our communities

Ensuring we are customer focused and service led council

CURRENT SERVICES

Customer Service Strategy / Service Standards

Lean

Shared Services

Zero Basing

Income Generation

Facing the Future



FINANCIAL

Financial ambitions

To reduce the Council's reliance on Central Government Funding and in so doing create a sustainable financial platform

Approved MTFS

% cut from MTFS

Modified budget

	2015/16	2016/17	2017/18	2018/19	2019/20
Approved MTFS	£18.881m	£19.870m	£20.671m	£21.259m	£21.721m
% cut from MTFS	0% (-£0m)	19.2% (-£3.8m)	28.6% (-£5.9m)	35.1% (-£7.5m)	37.6% (-£8.2m)
Modified budget	£18.881m	£16.059m	£14.750m	£13.805m	£13.553m

**Commercial Investment Strategy
Resources - Estates**

**BUSINESS PLAN
(Q3 2015/16 TO Q4 2018/19))**

Author: Clive Mason

Owner: Clive Mason Head of Resources

Client: HDC

Revision History:-

Version	Date	Status	Summary of Changes	Author
1	23/11/2015	Current	CIS Business Plan reviewed by Corporate Management Team	Clive Mason
1	08/12/2015	Current	CIS Business Plan reviewed by Overview & Scrutiny (Economic Well-Being) Panel	Clive Mason
1	10/12/2015	Current	CIS Business Plan reviewed/approved by Cabinet	Clive Mason

Distribution:-

This document has been distributed to:

Name	Role	S/R/I*
Cllr Jonathan Gray	Executive Portfolio Holder for Resources	S & R
CMT	Corporate	S & R

* S = SIGN-OFF, R = REVIEW, I = Information

1. Business Rationale

1.1. Description and Objectives

The Council faces considerable “revenue” financial challenges over the medium term; as shown in the Medium Term Financial Strategy (MTFS) the Council will have a budget gap of £2.4m by 2019/20 and between the end of 2016 and 2020 there will be a general reduction in general fund balances of £6.3m; such use of reserves does not represent financial sustainability.

To achieve financial sustainability, the Council is required to bridge a funding gap of £8.2m, as shown on the “Plan on a Page” and a key business activity to meet this gap is “income generation”, with the generation of revenue income via investment in Commercial Assets being a key component. The Council approved the Commercial Investment Strategy (CIS) in September 2015 and the CIS covers a 9 year period. This Business Plan is the vehicle through which the Council will aim to achieve additional revenue income between now and the end of 2019.

This approach will be a key thread in securing a sustainable financial future for the Council, as endorsed by Cllr Jonathan Gray, Executive Portfolio Holder for Resources:

“The Council faces an unprecedented decline in government funding and consequently, the Council needs to deliver services and generate income in new and innovative ways. The Commercial Investment Strategy will be a key driver to ensuring that the Council will have a sustainable financial future in the medium to long term. By investing in commercial assets, the Council aims to generate a revenue stream that will, over the medium term, support the delivery of cost effective services to the local community and over the next 10 years, to develop a healthy growth in invested capital resources”.

1.2 Strategic Objectives

The overall objective of the CIS is to undertake commercial activity to support the Council’s General Fund in the cost effective delivery of services.

Consequently, the strategic objectives of the CIS are as follows, to:

- i. generate sustainable revenue returns from investments in commercial assets that will support the general fund over the medium term.
- ii. develop a long-term commercial asset portfolio that will generate capital returns for immediate reinvestment.

1.3 Business Background

1.3.1 CIS

The CIS portfolio model covers a 9 year period, broken down into 3 distinct, but not equal phases:

- Phase 1 – this will focus on the development of revenue returns.
- Phase 2 – this will consolidate Phase 1 and commence pool funding to invest in capital assets that will generate future capital growth.
- Phase 3 – this will be an extension of Phase 2 so there is further investment in capital generating assets with a concentration on ensuring that the developed capital assets continue to develop revenue returns.

This approach to the commercial investment portfolio will aim to appropriately balance risk and reward with flexibility and the over-riding objective of revenue generation.

This first business plan will cover Phase 1, from now until 31st March 2019. The delivery options that the business plan will concentrate on include:

- Existing assets,
- Property Shares and Investment Funds
- Direct Assets (local and national)

1.3.2 Existing Asset

The Councils existing asset portfolio, as reported in the Councils Annual Financial Report 2014/15 is shown in **Table 1** below:

Current Investment Assets (31 st March 2015)		Table 1
		£m
Revenue	Rental Income	(1.9)
	Direct Costs	0.4
	Net revenue	1.5
Capital	Valuation	20.9

The current portfolio generates a net return of 7.2%.

1.3.3 CIS Investments

It is intended that by the end 2017/18 the Council will seek to invest a further £50.1m, with the Councils existing asset portfolio this gives a total commercial estate of £71.0m.

The capital investment will permit the purchase of new assets totalling £47.8m with associated completion costs of £2.3m (see **Table 2** below). When the existing portfolio is included, this would give a total commercial investment portfolio of £68.7m. The completion costs of £2.3m are allowable capital expenditure and as such capital resources can be used to finance these costs.

CIS Investment Portfolio			Table 2
Funding	Asset £m	Completion Costs £m	Total £m
Existing Assets	20.9	0.0	20.9
Revenue Proposition			
• Investment Fund	4.7	0.3	5.0
Capital Proposition:			
• Property Shares	10.0	0.1	10.1
• Direct Assets (Local Area)	18.9	1.0	20.0
• Direct Assets (Regional Cities)	14.2	0.8	15.0
Total	68.7	2.2	71.0

1.3.4 Funding of CIS

The business plan proposes that the £71.0m CIS portfolio is to be funded as shown in **Table 3** below:

Funding of CIS Portfolio			Table 3
Funding	Asset £m	Completion Costs £m	Total £m
Existing Assets	20.9	0.0	20.9
Revenue Funding (2015/16)	12.1	0.4	12.5
Revenue Funding (2016/17)	2.4	0.1	2.5
Borrowing	33.3	1.8	35.1
Total	68.7	2.3	71.0

1.3.5 Revenue Funding

The CIS is not a “capital only” investment strategy; to spread risk and maximise investment opportunities it is beneficial for the investment portfolio to be as broad as possible. Therefore, by investing in revenue only investments (1.3.3) as well as using revenue funds to finance capital investment, the Council is able to maximise its portfolio but in the most cost effective way possible.

As at the 31st March 2015, the Council’s General Fund Balance stood at £9.3m and had earmarked £4.7m in a Capital Investment Earmarked Reserve (CIER).

The September 2015 Budget Monitoring information, as reported to Cabinet in November 2015, forecast that by the end of 2015/16 a further contribution to the:

- General Fund balance of £0.5m would be made, giving a balance of £9.8m.
- CIER of £1.0m would be made, giving a balance of £5.7m.

Considering that the Council has approved a minimum level of General Fund reserves of £3.0m, it is proposed that the Council will transfer £6.8m from the General Fund balance to the CIER, thereby giving the Council £12.5m to invest in its Commercial portfolio. The benefits of utilising the General Fund balance in this way will be to:

- i. Minimise the need to borrow, and therefore reduce statutory costs relating to the Minimum Revenue Provision, and
- ii. Maximise returns from amounts invested.

1.3.6 Treasury Management Strategy - borrowing

The current Treasury Management Strategy (TMS), approved by Council in February 2015, permits the Council to long-term borrowing of up to £60.0m for “capital investments delivering a commercial yield”. With the investment portfolio proposed within the BP (Phase 1 of the CIS) a total of £35.1m is estimated to be borrowed by 2018/19, the profile of borrowing is shown in **Table 3** below:

Estimated Borrowing Profile for CIS	Table 3 £m
Now until 31 st March 2016	0.0
2016/17	20.0
2017/18	15.1
2018/19	0.0
Total	35.1

However, this leaves the Council with a further £24.9m available to borrow and invest in commercial activity. If an opportunity presents itself, the Council will be free to invest further within the CIS governance arrangements and the thresholds allowed within the TMS.

1.3.7 Use of Debt

Debt will be used to both increase the size of the CIS portfolio and to enhance returns. It is imperative that the use of debt as a form of financing is carefully monitored to ensure that the Council is not overly leveraged and the credit liability inherent in debt financing, and the cost of financing, is managed within the permitted limits of the Councils Treasury Management Strategy.

The overall amount of debt used in the CIS will be monitored in two ways:

i. Interest Cover Ratio (ICR)

This ratio determines the amount of total net income from property investments (after operating costs and any applicable taxes) compared with the interest expense of the debt. This is important so the amount of interest payable compared to income generated is proportionate.

Because debt commences later in the Phase 1 cycle, the profile of the ICR is shown in **Table 4** below. It is suggested that these are initial indices reflecting the maximum debt interest to revenue at the commencement of the BP. If investments profiles change, the ICR ratio will change.

Initial Interest Cover Ratio (at start of CIS Business Plan)			Table 4
Year	Estimated		ICR
	Revenue cash flow £000	Cost of Interest £000	
2015/16	183	11	16.6
2016/17	292	55	5.3
2017/18	403	87	4.6
2018/19	463	95	4.9

ii. Loan to Value Ratio (LTV)

This ratio determines the amount of total debt (compared to the total value of the underlying property assets as valued from time to time. Debt in this respect is both internal and external debt, i.e. revenue financing and borrowing from the market that is used to finance the capital propositions. Although it is recognised that the primary form of finance for the CIS portfolio is debt, it is important to ensure that the proportion of debt to asset value is actively managed to ensure that the debt burden is within acceptable limits

In a similar way to the ICR, the LTV ratios, as shown in **Table 5** below reflect that debt commences later in the BP cycle. It is suggested that these are initial indices reflecting the maximum debt asset value at the commencement of the BP. If investments profiles change, the ICR ratio will change.

Loan to Value Ratio (at start of CIS Business Plan)			Table 5
Year	Estimated		ICR
	Loan Value £000	Asset Value £000	
2015/16	10.0	32.9	30
2016/17	29.5	52.3	56
2017/18	43.5	69.5	63
2018/19	42.3	70.1	60

It is recognised that while the LTV is an important indices when having regard to debt repayment obligations, the ICR is the more important indices when monitoring the CIS on an on-going basis because it provides performance information that will enable the Council to determine its ability to:

- Make revenue contributions that will support the delivery of Council services.
- Meet its interest payments commitments on the debt within the CIS.

1.4. Portfolio Approach

The CIS will be viewed on a portfolio basis, in that the CIS's performance will be monitored "as a whole". This reflects the fact that the portfolio is made up of different investment propositions that themselves have different risks and rewards.

The current Estates team will be restructured so it will be able to proactively monitor and report to management on individual assets, relevant subsets or sectors of assets also the total portfolio; this shall include the Council's current commercial portfolio. In addition, the CIS will be actively reported to the Treasury & Capital Management Group.

In this way the Council will be able to:

- Make decisions about and review the CIS on an integrated and holistic basis
- Target and achieve diversification of investments and risk styles
- Benchmark performance
- Better manage risk

1.5. Delivery Options

There are a variety of ways in which the Council can invest in property; these are detailed in **Annex 1** and summarised below:

1. Type 1: Existing Assets
2. Type 2: Investment Funds
3. Type 3: Listed Property Shares
4. Type 4.1: Direct Asset (Local Area)
5. Type 4.2: Direct Asset (Regional Cities)
6. Type 5.1: Risk Share Development – Forward Purchase/Funding
7. Type 5.2: Risk Share Development – Joint Venture
8. Type 6: Self Develop

The approach to all these options at the start of the investment programme should be to start the CIS investment approach with a lower risk activity that can evolve over time as more experience is gained. Whilst the CIS would permit the delivery of all six delivery options, only Types 1 to 4 will be considered over the Phase 1 period of the BP.

With regard to a definition for “Direct Asset (Local Area)”, this is seen as anywhere within Cambridgeshire and the Local Enterprise Partnership area that the Council resides.

The capital value options (Types 5 & 6) are recognised as having higher risk and will be developed over Phase 2 and 3 (2019/20 onwards). It is recognised that risk may in fact be lower for Types 5-6 where they are within the Councils boundary given the specific knowledge that the Council may have in relation to those projects, the planning context, tenant requirements and general market knowledge. However, these investments are more complicated by their nature and consequently at this time will be left to a later period of the CIS.

1.6. Progressive Approach

It is understood that the desired portfolio mix, income profile and risk profile of the CIS is unlikely to be achieved in the first year of the business plan, and should be viewed as an evolutionary process that will take time to mature. Indeed, actual investments may not follow that indicated as such investments will be dependent on a host of variables, including but not limited to when the actual opportunity arises.

An indicative approach to the build-up of the portfolio, the appropriate delivery options over time and the reinvestment of capital is set out in the chart in **Annex 2**.

1.7. Approach to Risk

The strategic objectives of the CIS are designed to mitigate risk by:

- Having the fundamental aim of an income rather than capital return (although the latter is part of the strategy)
- Adopting a portfolio approach so as to avoid concentration of risk in any one property, tenant or risk type

In addition, CIS risk will be managed having regard to the following factors:

1. A robust acquisition due diligence process and subsequent approvals.
2. Asset management plans and on-going reviews.
3. Liability management (reviews of debt levels and terms).
4. Tenants (financial exposures, potential defaults, changing business plans).
5. Portfolio factors including occupancy levels, operating costs, etc.
6. Delivery partners (suitability, performance levels and financial stability).
7. Market factors (with periodic advice from appropriate professionals).
8. State Aid considerations.
9. Professional advisors.

1.8. Role of the Business Plan

The role of the Business Plan is to review on a periodic basis:

1. The strategic objectives of the CIS
2. The target income returns of the CIS
3. The target amount of capital invested in the CIS
4. The debt levels to be utilised in the CIS
5. The target portfolio composition of the CIS
6. The delivery models for achieving the CIS
7. The appropriate risk profile for the CIS

1.9 Key Assumptions

The key investment assumptions included with the BP are:

- Maximum Debt: £60.0m
 - The limit on Commercial Investments as approved in Treasury Management Strategy.
- PWLB Loan Rate: 2.75%, loans with a life of 20 years
 - The prevailing loan rate.
- Cost of funding capital propositions: a margin of 2% per annum and a management fee of 0.75% per annum.
 - The inherent cost of financing capital investments on an ongoing basis.
- CPI/General Inflation: 2.5%
 - Inflation on costs and income.
- Completion fees ranging from 0.50% to 5.75%
 - Each investment will incur costs to acquire. Such costs can be charged to capital.
- Revenue indexation/growth ranging from 2% and 3%
 - Estimates for revenue growth from the portfolio and capital value.

2. Financial Objectives

2.1. Target Income Returns

The primary indices for measuring returns on investment is the “return on equity” (ROE) indices. This is effectively the:

$$\text{Net Revenue Contribution (*1) / Equity (*2)}$$

*1 Revenue contributions shall be calculated as net i.e. income returns after taking into account all operating and management costs, interest expense, minimum revenue provision and relevant taxes.

*2 Equity being the difference between the value of assets and borrowing.

Following extensive modelling of the proposed investment opportunities, the expected revenue contribution to the Council will be £2.5m by the end of 2018/19; this gives a ROE of **9%**.

However, reflecting the income expected to be generated from the CIS will grow over time, it is best to have an ROE range for the period of the BP, this will be set between **6%** and **9%** per annum.

It is accepted that individual investments will contribute different levels of income return and that the target revenue contribution is an average across the CIS portfolio (1.4).

2.2. Allocations to Delivery Options (see 1.5 for definitions)

Immediate

At inception the CIS will consist of the Councils current Commercial Portfolio (Type 1: Existing Assets).

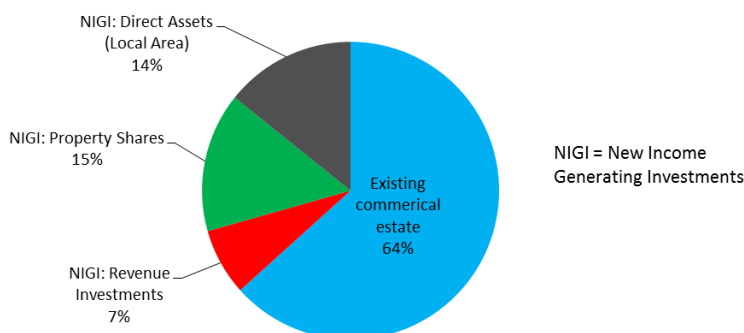
Year 1: Now until 31st March 2016

As well as the existing commercial estate, the Council will contribute £12.5m from in house resources to finance new commercial acquisitions, there will be no additional debt financing to the CIS. However, the £12.5m will be used to meet estimated £12.1 in asset purchase costs and £0.4m in completion costs.

This additional investment will be allocated to immediate income generating investments:

- i. Investment Funds (Type 2)
- ii. Property Shares (Type 3)
- iii. Direct Assets (Local Assets) (Type 4)

As a result it is intended that at the end of year 1 the capital invested (purchase price) in the CIS will be split as follows:



The net value of the Portfolio:	£32.9m
Debt within the Portfolio:	£10.1m

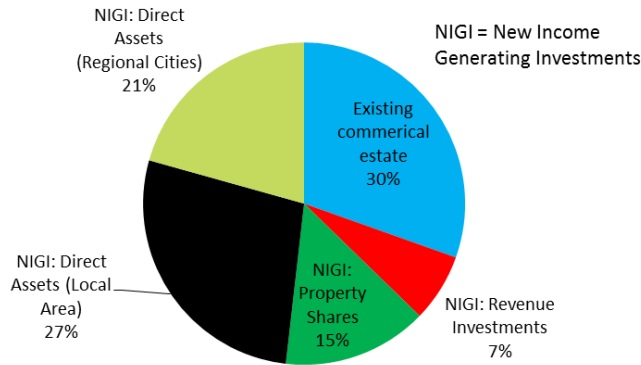
The net estimated revenue return by the 31st March 2016 is £1.4m, this is made-up of: £1.5m from the existing commercial estate, a marginal contribution from new investments of £27,000 and portfolio management costs of £100,000.

In this way the CIS can accommodate a blend of investments in year one between those that are immediately income producing and those that create capital returns and/or future income. As shown in the aforementioned paragraph, it should be noted that net returns are reduced in

the initial period of investment as a consequence of initial purchase/sales fees – but as these fees are met, future year’s returns start to increase.

Target Year 3: By 31st March 2019

By the end of the BP period, the value of the CIS portfolio will be £68.7m and split as follows



Some of the assets within the portfolio, such as revenue investments and property shares could be part of a wider asset product, similar to unit trusts. Consequently their liquidity is limited as the Council will not be able, on its own, to realise an investment quickly. However, such investments are not made for short-term capital gain and in reality the Council will be expected to invest in such assets for a minimum of 4 to 5 years. Because of the poor-liquidity of these investments, it is proposed that such assets will not exceed 25% of the CIS portfolio at any one time (the Illiquid Asset Ratio).

It is envisaged that investments made in future income producing investments (i.e. Direct Assets, either Local Area or Regional Cities i.e. delivery types 5 & 6) will either be sold and reinvested, or held as income producing assets. As such there will be a natural shift in the portfolio balance over time.

2.3. Borrowings

Borrowings will be the primary source of funding for the expansion of the CIS. As referred to in paragraph 1.3.7, there are two metrics that shall be used to monitor the debt position in the CIS, the Loan to Value ratio (LTV) and the Interest Coverage Ratio (ICR). As previously shown in **Tables 4** and **5**, there will be a range of indices as the BP matures up to the 31st March 2019, and the proposed range is shown below:

- LTV range shall be between of 5 and 17.
- ICR range shall be a between 30 and 65.

2.4 Future Capital Receipts

As the CIS develops, there may be occasions when assets are sold. All capital receipts will be ring-fenced to the CIS. Capital receipts will only be used for non-CIS investment when there has been separate agreement by Cabinet.

2.5. Section 151

As a consequence of the government's austerity programme, as well as the Council having to review both its direct and indirect service provision, it is also required to review the ways in which it manages and generates its corporate income. The current MTFs is forecasting savings required of in excess of £2.4m by 2019/20; however, with the continued pressure of ongoing austerity the Council is seeking to reduce its reliance on New Homes Bonus thereby becoming non-reliant on central government support. At this time this equates to savings of around 37.6% (£8.2m) by 2019/20.

Investing in commercial assets to generate an income stream is a relatively new and innovative way in which some Councils are seeking to bridge the gap in their budgets. This Council's Commercial Investment Strategy (and this Business Plan) is an ambitious plan to develop such a revenue stream. Expert advice has been sought from EC Harris, including the development of a financial business case which has allowed the Council to appropriately scenario plan different investment opportunities.

As mentioned, this Business Plan is ambitious but it is considered achievable. Obviously, returns are dependent on the market and the market remains "uncertain" even 7 years after the crash of 2008. However, the Council has not lost sight of the statutory requirement in respect of Treasury Management activity in that the primary driver must be to maintain the capital sum; consequently this plan represents a mix of investments and therefore a mix of risk to ensure the capital sum is fairly protected but allows for the generation of revenue income.

Firstly, the plan aims to invest in long-established property related investment funds (£15.0m), both of which are acceptable to the Council's Treasury Management advisors. Secondly, the plan then proposes to invest £35.0m in property assets; £20.0m in its local area (thereby clearly demonstrating the Council's commitment to its local area) and £15.0m on a wider geographical basis. It is therefore fair to say that the Plan takes a balanced view on risk, seeking to safeguard the capital invested but also to maximise the opportunity to generate fair revenue income returns.

2.6. Portfolio & Risk Metrics

A series of metrics will be used to examine the current performance and assist in planning the future profile of the CIS. The primary performance indices highlighted earlier in the BP include:

- Interest Cover Ratio (1.3.7i)
- Loan to Value Ratio (1.3.7ii)
- Return on Equity (2.1)
- Illiquid Asset Ratio (2.2)

Over-and-above these indices, there are other indicators that would be useful to monitor the CIS, however most of these will come into play as the CIS matures. These include:

- Historic and forecast income and total returns
As the CIS matures, different assets will be purchased within the same asset type. It will be useful to monitor the performance of the assets to assist in informing future assets acquisitions.
- Benchmarking of returns (IPD)
It would be useful to benchmark returns against the market and against other Councils.
- Gross & net income
Gross and Net income of the CIS itself will be useful to determine the overall cost envelope and the efficiency of the portfolio.
- Operating costs
This indices will be useful to determine the cost efficiency of the overheads within the Portfolio.

- Vacancy levels and Tenant exposures
These two indices will be useful to determine how effectively tenancies within the property investments are being managed. Would also be useful to review the types of tenant and their relevant industry to see if certain industries are better tenants.

3. Reporting

3.1 Reporting to Council

The CIS will be an intrinsic part of the Councils Treasury Management Strategy (TMS) and as such will be reported to Council in line with the TMS and the other TMS related reports.

The performance reporting specifically related to the CIS will include the basket of indicators noted within the business plan.

3.2 In-year Performance Reporting

The Cabinet has established a “Treasury and Capital Management Group” (TCMG), its purpose to meet on a quarterly basis to review the Councils Treasury Management activity and the performance and approval of the Councils capital programme. As the CIS will become a key element of the Councils TMS, the TCMG will take a member lead in supporting and guiding the operation of the CIS.

4. Risk Management

Risk will be managed as envisaged in section 1.7 above and having regard to the portfolio and risk metrics referred to in section 2.5 above.

Appropriate reporting formats will be developed and reviewed in line with 5.

5. Other Matters for Consideration

5.1 Governance

The CIS is intended to be managed within the Councils current governance structures. Day-to-day management will be within the Resources Team with quarterly review by the Treasury and Capital Management Group, including relevant performance reporting as noted in 3.2 above. In addition, as the CIS will be a key element of the Councils TMS, it will be included within the TMS statutory reporting requirements.

5.2 Resourcing Plan

The current Estates Team will be reviewed following approval of the CIS Business Plan to ensure that the Council will have in place appropriate resources to ensure the effective and successful operation of the business plan.

5.3 Audit Requirements

The CIS and the Business Plane will be subject to both Internal and External Audit as agreed by the Corporate Governance Panel and the External Auditors Code of Audit Practice respectively.

5.4 Timescales for the Commencement of the Business Plan

Target Start Date	Cabinet – December 2015
Target End Date	31/03/2019
Business Plan review due	Annually, or more frequently if required.

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1. Existing Assets

WHAT IS IT?

- This is the Council's current commercial portfolio.

HOW DOES IT WORK?

- The Council will continue to manage the estate based.
- After deciding on price and clearing appropriate internal approvals, bid for assets.
- Using appropriate advisors (legal, surveying, valuation) undertake due diligence and complete legal acquisition documentation.
- Ongoing management arrangements (internal).
- Regular asset reviews to determine business plan and exit strategy.
- Process required on an asset by asset basis.

BENEFITS

Financial Objective	Depending on property type, is capable of delivering market level income return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Low risk option with the appropriate due diligence
Control	High level of control
Liquidity	Reasonable liquidity, subject to usual property market timings
Management Oversight	Assuming management is outsourced - relatively light requirement - high involvement at key decision points (buying and selling)

LIMITATIONS

Performance	Low return option and no competition in the market for the Council.
Diversification	Maintain and develop as required.

2. Investment Funds

WHAT IS IT?

- The Council invests in an unlisted property fund which owns a range of diversified property investments.

HOW DOES IT WORK?

- The Council will undertake a process of reviewing available fund options and the track record of the fund managers.
- Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager.
- The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly.
- The fund documentation will set out the rights of the Council to redeem its investment and/or to sell it on the secondary market. The nature of these rights will vary depending on the type of fund.

BENEFITS

Financial Objective	Depending on property type, is capable of delivering market level of income return
Revenue Delivery	Generates revenue from the time of the fund investment - generally a shorter time than investing in direct property
Risk	Risk is determined by the nature of the fund. Additional risks relate to the fund structure, principally the performance of the fund manager
Performance	Returns are related to the specific investment strategy of the fund and manager performance.
Diversification	Fund investment can spread risk over a large number of underlying assets.
Control	High level of control of fund interest
Management Oversight	Very light requirement

LIMITATIONS

Liquidity	Unlisted investment funds generally have a low level of liquidity, particularly in market downturns.
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3. Listed Property Shares

WHAT IS IT?

- The Council invests in listed property shares in a fund or a separate account mandate managed by a specialist fund manager.

HOW DOES IT WORK?

- The Council will undertake a process of reviewing managers and available fund options and selecting an appropriate investment strategy.
- Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager.
- The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly.
- The mandate with the fund manager can be structured to allow an immediate liquidation of the investment portfolio if required.

BENEFITS

Revenue Delivery	Generates revenue from the day the property shares are acquired - share transactions can be effected in a short time period
Liquidity	The highest level of liquidity
Risk	The risk and return level is flexible and can be altered over time by reference to the agreed investment strategy
Diversification	Risk can be spread over a large number of underlying property companies/assets.
Control	High level of control
Management Oversight	Very light requirement

LIMITATIONS

Performance	Higher volatility than direct property. Longer term performance correlates to property but short term can correlate to general equity markets
Financial Objective	Dividend yields generally lower than direct property yields.

4.1 and 4.2 Direct Assets – Local and National Acquisitions

WHAT IS IT?

- The Council acquires and manages freehold or leasehold properties in either the Local area (defined as within Cambridgeshire and the Local Enterprise area) or Nationally.

HOW DOES IT WORK?

- The Council uses property professionals to identify market opportunities.
- After deciding on price and clearing appropriate internal approvals, bid for assets.
- Using appropriate advisors (legal, surveying, valuation) undertake due diligence and complete legal acquisition documentation.
- Establish ongoing management arrangements (internal or outsourced).
- Regular asset reviews to determine business plan and exit strategy.
- Process required on an asset by asset basis.

BENEFITS

Financial Objective	Depending on property type, is capable of delivering market level income return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Low risk option with the appropriate due diligence
Control	High level of control
Liquidity	Reasonable liquidity, subject to usual property market timings
Management Oversight	Assuming management is outsourced - relatively light requirement - high involvement at key decision points (buying and selling)

LIMITATIONS

Performance	Low return option and no competitive market position for HOC
Diversification	Circa 20 investments required to deliver portfolio diversification

5.1 Risk Share Development - Forward Purchase / Funding

WHAT IS IT?

- The Council enters into an agreement with a developer to fund part of the development cost and/or acquire a development on completion.

HOW DOES IT WORK?

- The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions
- The Council will be able to determine the risk profile it wishes to take on in entering the arrangement with the developer (e.g. after planning permission has been secured and construction packages have been tendered).
- During the construction stage the Council will likely require monitoring rights.
- Post development completion (as per direct investment):
 - Establish ongoing management arrangements (internal or outsourced).
 - Regular asset reviews to determine business plan and exit strategy.

BENEFITS

Financial Objective	Should deliver a premium to pure investment activity, so at least a market level income return dependent on property type
Performance	A higher level of performance than investment activity
Risk	The risk of development is highly mitigated by the forward purchase/funding arrangements
Control	High level of control
Management Oversight	Moderate level once the transaction is agreed

LIMITATIONS

Revenue Generation	Revenue can accrue to the investment when funded, but this will only occur during or at the end of the development period
Diversification	Circa 20 investments required to deliver portfolio diversification
Liquidity	Low liquidity during the development period, thereafter as per the general property market

5.2 Risk Share Development - Joint Venture

WHAT IS IT?

- The Council enters into a JV agreement with a developer to carry out a specific development

HOW DOES IT WORK?

- The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions.
- The risk of the development will be shared 50/50 between the Council and the Developer.
- The Council will be involved in key decisions during the development period.
- Post development completion (as per direct investment):
 - Establish ongoing management arrangements (internal or outsourced).
 - Regular asset reviews to determine business plan and exit strategy.

BENEFITS

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a market level return dependent on property type
Performance	A higher level of performance than investment and forward purchase/fund development activity
Risk	The risk of development is mitigated by careful partner selection and development stage oversight
Control	Strong level of control through JV documentation
Management Oversight	Meaningful level of oversight required

LIMITATIONS

Revenue Generation	Revenue will only accrue once the development is completed and leased (or sold).
Diversification	Diversification improved given Developer 50% capital contribution. Circa 20 investments required to deliver portfolio diversification
Liquidity	low liquidity during the development period, thereafter as per the general property market

6. Self Development

WHAT IS IT?

- The Council undertakes a development itself, appointing a development manager.

HOW DOES IT WORK?

- The Development Manager will identify a market opportunity (although it may come from the Council) and carry out the development functions.
- The risk of the development will be taken 100% by the Council.
- The Council will be involved in key decisions during the development period.
- Post development completion (as per direct investment):
 - Establish ongoing management arrangements (internal or outsourced).
 - Regular asset reviews to determine business plan and exit strategy.

BENEFITS

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a market level return dependent on property type
Performance	The highest level of performance- the Council retains all development profit
Risk	The risk of development is mitigated by appointment of expert development manager and adoption of thorough risk management strategy
Control	Complete control with the Council

LIMITATIONS

Management Oversight	Complete control with the Council
Revenue Generation	High level of oversight required
Diversification	Revenue will only accrue once the development is completed and leased (or sold).
Liquidity	Circa 20 investments required to deliver portfolio diversification low liquidity during the development period, thereafter as per the general property market

Developing a Portfolio Model

It is understood that HDC is intending to plan for a growing shortfall in Central Government resulting in a desire to achieve a growing revenue return over time. This can potentially be achieved in two ways. First by increasing the amount of CIS investment and secondly by taking greater risk in the investment strategy.

A potential model for taking progressively, and measured, increased risk over time is shown below. The intention is that a blend of risk profiles are employed and that the proceeds of higher risk (and shorter term) activities are partly redeployed back into the lower risk, long term sustainable “core” investment strategy.



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**Forecast Outturn and General Fund Reserve as at September 2015
(as reported to Cabinet, November 2015)**

Appendix 4

Revenue Forecast Outturn September 2015	2014/15		2015/16		Forecast Variation Compared to :-				
	Provisional Outturn	Original Budget	Updated Budget	Forecast	Original Budget		Updated Budget		
	£'000	£'000	£'000	£'000	£'000	%	£'000	%	
Revenue by Service:									
Community	2,487	2,130	2,136	2,033	(97)	-4.6	(103)	-4.8	1
Customer Services	4,160	4,488	4,719	4,377	(111)	-2.5	(342)	-7.2	2
Development	1,268	1,691	1,700	1,388	(303)	-17.9	(312)	-18.4	3
Leisure & Health	320	58	60	(27)	(85)	-146.6	(87)	-145	4
Operations	4,546	4,593	4,593	4,587	(6)	-0.1	(6)	-0.1	5
Resources	2,997	3,930	3,929	3,901	(29)	-0.7	(28)	-0.7	
Directors and Corporate	2,845	2,377	2,392	2,265	(112)	-4.7	(127)	-5.3	6
Technical Adjustments	(452)	(386)	(386)	0	386	-100	386	-100	
Net Revenue Expenditure	18,171	18,881	19,143	18,524	(357)	-1.9	(619)	-3.2	
Contribution to Reserves	1,693	797	535	1,154	357	44.8	619	115.7	
Budget Requirement (Services)	19,864	19,678	19,678	19,678					
Financing:-									
NDR & Council Tax surplus	(6,222)	(4,242)	(4,242)	(4,902)	(660)	15.6	(660)	15.6	7
Government Grant (Non-specific)	(8,022)	(7,668)	(7,668)	(7,668)	0	0	0	0	
Contribution to Reserves (additional Funding)	2,018	0	0	660					
Council Tax for Huntingdonshire DC	7,638	7,768	7,768	7,768					
General Fund Reserve									
Balance as at 1st April	8,684	8,537	8,537	9,287 A	750	8.8	750	8.8	
Contribution to Service Expenditure	603	797	535	535	(262)	-32.9	0	0	
Outturn forecast as at 31 March	9,287	9,334	9,072	9,822	488	5.2	750	8.3	
Earmarked Reserves					Movement in Earmarked Reserves				
S106 agreements	1,141			1,141					
Commuted S106 payments	1,762			1,762					
Repairs and Renewals Funds	1,300			1,300					
Delayed Projects	262			262					
Collection Fund	2,768			2,768					
Capital Investment	4,737			5,716	979				Additional saving in excess of the contribution to General Fund Reserves
NDR Reliefs				300	300				S31 New Burdens grant - Forecast repayment to DCLG
Special Reserve	2,500			2,500					
Other Reserves	1,227			1,227					
Total Earmarked Reserves	15,697			16,976	1,279				

Definitions

Original Budget
Updated Budget
Provisional Outturn
(A)

As approved by Council, February 2015
The Original Budget including approved carry forwards from 2014/15
Provisional Outturn reported to Cabinet in June 2015.
Actual General Fund Balance as at 31st March 2015

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RISK	COMMENTARY	MITIGATION
Management		
<ul style="list-style-type: none"> Unable to recruit necessary internal expertise to manage portfolio. 	The current Estates service is not structured to be able to support the requirements of the CIS.	Skills analysis and recruitment planning, including visiting other Councils undertaking a similar CIS approach to establish skills needed. Then a full restructure of the Estates service will be undertaken.
<ul style="list-style-type: none"> Internal support structure does not meet service requirements 	Although the current estate is commercial centric in approach, the introduction of the CIS will require a faster approval process for investment decisions.	A Disposals & Acquisitions Policy (and a related Code of Practice) has been approved. Further the performance of the CIS is a key reporting requirement of the Treasury and Capital Management Group. Further, with a restructure of the Estates service will embed the structures needed to support the CIS.
Funding		
<ul style="list-style-type: none"> Funds at 31 March 2016 not as high as currently estimated, therefore have to borrow earlier. 	Possibility that the forecast underspend changes from that predicted, thereby reducing the amount available to be spent on asset acquisition from internal resources.	Ongoing monitoring of 2015/16 service delivery, ensuring that the ZBB programme and in-year savings are secured. Also, identifying as early as possible cost pressures so alternative action can be undertaken.
Investment		
<ul style="list-style-type: none"> Reduced revenue streams because profile of investments changes due to investment opportunities not identified as quickly as possible. 	No comment.	<p>Early intervention with local and national estate agents (and similar brokerages) to identify opportunities as early as possible.</p> <p>Robust but pragmatic due diligence processes to review investment opportunities.</p>

<ul style="list-style-type: none"> Loss of capital investment 	<p>This could be the result of reduce asset values due to various forms of impairment (i.e. catastrophic disaster or local/national economy).</p>	<p>Pre-acquisition due diligence of assets and the market the assets are in. Ongoing monitoring of capital values and asset market to quickly identify and action where stresses are identified so asset disposal actions can be followed as quickly as possible.</p>
<ul style="list-style-type: none"> Investments in unfamiliar sector or regions may be time consuming with poor advice and low returns. 	<p>This would be the result of poor market research or over ambitious acquisitions.</p>	<p>Preservation of capital is paramount, thereby Council would need to follow appropriate due diligence of investment opportunities, to ensure that asset particulars are robust.</p>
<ul style="list-style-type: none"> Pressure to constrain investment to District only leading to limited opportunities and over reliance on local market conditions. 	<p>This could result to non-adherence to the CIS Business Case or political pressure to invest local rather than national.</p>	<p>The CIS Business Case clearly demonstrates the balance between investment types. The portfolio is balanced and shows that early property investment will centre on the local area, with a broadening in due course.</p>
<ul style="list-style-type: none"> Non-commercial activity within HDC slows investment progress 	<p>Due to poor management and or governance.</p>	<p>The CIS and its development is a key constituent of the "Income Generation" thread within the "Plan on a Page" and a service priority within the Resources service. An Estates service restructures will be undertaken and the CIS will be a centre of this services delivery plans.</p>
<p>Governance and Economics</p>		
<ul style="list-style-type: none"> Change in government regulations/legislation 	<p>The 2011 Act allows a Council to undertake "what an individual" would do; consequently investing activity of the sort included within the CIS is permissible; providing any borrowing is prudent and meets the requirements of the Prudential Code and relevant capital regulations.</p>	<p>By acting within current legislation requirements, the actions of the Council are not "ultra-vires". Any future changes in government and or legislation would have to be dealt with as they occur. The worse that could happen is that the Council was required to sell its investments and repay supporting borrowing. Providing capital values are maintained at or above acquisition values, and as borrowings will be on a repayment</p>

		basis, the Council should be able to meet any potential future obligations.
<ul style="list-style-type: none"> • Downturn in the National and Local economy. 	This could affect capital values and rental incomes if tenant businesses fail.	Ongoing monitoring of the national and local economy and remedial action to protect capital investments (including sales/moth balling etc) and proactive reviews of rents.
<ul style="list-style-type: none"> • Procurement regulations make property development uneconomic without a JV and shared profit 	Procurement regulations change that make current governance structures uneconomic.	Ongoing review of governance structures to ensure that tax and other economic factors are mitigated so the Council can maximise its returns.
Political Commitment		
<ul style="list-style-type: none"> • Political change forces change in direction. 	CIS is no longer seen as a key deliverable to support ongoing service delivery.	The CIS is not a political vehicle; it is a means by which the Council can support ongoing service delivery.

CIS Financial Modelling Assumptions

The key investment assumptions included with the BP are:

- Maximum Debt: £60.0m
 - The limit on Commercial Investments as approved in Treasury Management Strategy.
- PWLB Loan Rate: 2.75%, loans with a life of 20 years
 - The prevailing loan rate
- Cost of funding capital propositions: a margin of 2% per annum and a management fee of 0.75% per annum.
 - The inherent cost of financing capital investments on an ongoing basis.
- CPI/General Inflation: 2.5%
 - Inflation on costs and income.
- Completion fees ranging from 0.50% to 5.75%
 - Each investment will incur costs to acquire. Such costs can be charged to capital.
- Revenue indexation/growth ranging from 2% and 3%
 - Estimates for revenue growth from the portfolio and capital value.

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Public/Confidential*
Key Decision - Yes/No*
* Delete as applicable

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Zero Based Budgeting Update: Preparation for the 2016/17 Budget and Medium Term Financial Strategy
Meeting/Date:	Overview & Scrutiny Panel (Economic Well-Being) – 8 th December 2015 Cabinet – 10 th December 2015
Executive Portfolio:	Councillor Jonathan Gray Executive Portfolio Holder for Resources
Report by:	Head of Resources
Ward(s) affected:	All

Executive Summary:

As part of the budget setting cycle for 2016/17, the Council is continuing the Zero Based Budgeting exercise that started during the last financial year in preparation for the 2015/16 budget. The ZBB process is split into a number of Tranches, with Tranche 1 having been undertaken during the Autumn of 2014 (in which £1.8m was removed from the Councils 2015/16 budget) and Tranches 2 and 3 being undertaken during 2015/16.

In preparation for 2016/17 budget setting, Tranche 2 commenced in April 2015 and concluded with a Cabinet led Star Chamber in mid-July 2015 and reported to this committee and Cabinet in September 2015. Tranche 3 commenced in August and concluded with a Cabinet led Star Chamber in late November 2015; the estimated savings totalled in excess of £2.6m and the detailed service changes are shown in **Appendix 1**.

In addition to the above ZBB reviews a series of ZBB “Light” reviews for those services that were “heavy” reviewed (Tranche 1) in the last financial year.

Recommendation(s):

That the Cabinet:

- i. Comments on the progress of the ZBB programme to date;
- ii. Reviews the Tranche 3 savings proposals noted in **Appendix 1** and agrees their inclusion in the forthcoming 2016/17 budget and MTFS.

1. PURPOSE

- 1.1 To provide members with an update on the Zero Based Budgeting (ZBB) process in preparation for the 2016/17 Budget and Medium Term Financial Strategy (MTFS).

2. BACKGROUND

- 2.1 As a result of:

- an external audit recommendation following the audit of the 2013/14 Annual Financial Report,
- the new management team's focus on ensuring that the Council has effective control and understanding of cost base,
- a past trend of excessive budget under spending over a number of years,
- a need to deliver significant budget savings over the medium term,
- a wish by members to have a more engaged and transparent budget process,

it was agreed by Cabinet that by the time that the 2016/17 Council Tax was to be set, all Council services would have been subject to a ZBB review. During the late summer of 2014 a comprehensive ZBB programme was developed that would involve all services being split into three Tranches and subject to a "Heavy" review process. Therefore for the:

- 2015/16 Budget, the Tranche 1 "Heavy" review was completed along with a "Light" review of all other services.
- 2016/17 Budget, Tranche 2 and 3 "Heavy" reviews will have been completed along with a "Light" review for all other services.

ZBB Tranche 1

- 2.2 Tranche 1 commenced in early Autumn 2014 and the services included were:

- Leisure & Health: One Leisure
- Community: Health Protection and Animal Welfare/Pest Control
- Operations: Greens Spaces and Car Parking
- Resources: All teams except Estates.

- 2.3 Along with the "Light" reviews; the total net ZBB related saving that was included within the 2015/16 budget was £1.8m.

3. 2016/17 BUDGET SETTING AND MTFS

- 3.1 In February 2016, Full Council will be presented with the proposed budget for 2016/17 and the MTFS, Council will then set the Council Tax for the forthcoming year. By this time Tranche 2 and 3 of the ZBB process will have been completed.

ZBB Tranche 2

- 3.2 Tranche 2 itself commenced in April 2015 and was completed in July 2015, with the outcomes reported to Cabinet in September 2015. The recommendations from this review accepted by the Star Chamber will be incorporated into the Council's budget that will culminate in reports to Cabinet

and Full Council in February 2016. The Tranche 2 reviews recommended savings totalling £1.4m over a four year period to 2019/20. The services that were subject to a “Heavy” review in Tranche 2 were:

- Development (including Housing Strategy and Economic Development)
- Community: Licensing and Projects & Assets
- Customer Services (including Housing Needs and Document Centre)
- Resources: Estates

ZBB Tranche 3

3.3 Tranche 3 commenced in August 2015 with the Star Chamber taking place in November 2015. The services that have been subject to a “Heavy” review are:

- Community: CCTV
- Customer Services: Local Taxation and Benefits
- Operations: all services
- Leisure & Health: Sports and Active Lifestyle Team
- Corporate Team and Directors

3.4 By the conclusion of Tranche 3, all services will have been subject to the ZBB “Heavy” process.

3.5 As last year:

- an external “on-site” specialist has been appointed who is leading the day-to-day ZBB programme; this includes ongoing project management, service liaison and critical friend challenge. The appointee is a long-serving local government finance specialist who has expertise in technical, financial and budget management.
- Pixel Financial Consulting have been appointed to provide strategic benchmarking, forecasting and budgeting advice.

3.6 Members will recall that a key milestone in the ZBB process is the presentation of service change options to a Star Chamber. The Tranche 3 Star Chamber was held on the 23rd and 24th November and the Cabinet members who attended the Star Chamber were the Leader and the Executive Portfolio Holder for Resources (Chairman). For each service, various options for service change were presented by the respective Executive Portfolio Holder, with support from the relevant Head of Service and a summary of the savings that were accepted by the Star Chamber is shown at **Appendix 1**. At this time, the confirmed savings that can be included in the MTFS 2016/17 – 2019/20 are £2.7m.

3.6 As well as the savings proposals being accepted, that are shown in **Appendix 1**, the CCTV and Sports and Active Lifestyle Team services were asked to investigate a number of additional opportunities for savings. If any additional savings are identified as a result of this further work it will be reported as part of the overall Budget Setting 2016/17 report, no later than February 2016

Impact on Resources

3.7 The current MTFS modelled a total draw-down from General Reserves of £6.3m between 2016/17 and 2019/20. As summarised in **Table 1** below, after the savings from Tranche 2 and Tranche 3 are achieved, by 2019/20 (the last year of the current MTFS) the:

- forecast net saving to the budget is 18.7%, and the
- total contribution to reserves over the 4-years will be £6.7m, a movement of £13m. This will assist the Council in meeting potential future grant and funding reductions from Central Government which are currently being modelled, it is expected that the Government will announce the 2016/17 settlement in mid to late December. Further it should be noted that in each year of the MTFS there are no contributions from reserves required.

Table 1	Impact of ZBB Tranche 2 savings on the 2015/16 Budget and MTFS (Reserves & Net Expenditure)				
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
RESERVES					
2015/16 MTFS: Planned Reserves Used to balance budget	298	1,537	2,073	2,355	6,263
Tranche 2 Savings	(966)	(1,164)	(1,314)	(1,384)	(4,828)
Tranche 3 Savings	(1,331)	(1,883)	(2,217)	(2,677)	(8,108)
Revised Contribution to Reserves	(1,999)	(1,510)	(1,458)	(1,706)	(6,673)
NET EXPENDITURE					
Approved 2015/16 MTFS Net Expenditure:	19,870	20,671	21,259	21,721	
Post Tranche 2 & 3 2015/16 MTFS Net Expenditure	17,573	17,624	17,727	17,660	
Tranche 2 Savings	(966)	(1,164)	(1,314)	(1,384)	
Tranche 3 Savings	(1,331)	(1,883)	(2,217)	(2,677)	
Reduction in Net Expenditure	11.6%	14.7%	16.6%	18.7%	

Other Budget work currently being undertaken

3.8 ZBB Light

During the late Summer/Autumn of 2015, further “Light” reviews will be undertaken of those services that were in Tranche 1.

3.9 Cross-Cutting Review

The ZBB process currently being undertaken has followed a traditional “bottom-up” approach. However, it is considered that there may be some advantage in undertaking two cross-cutting reviews, namely Administrative Support and Design Services. Such an approach may allow some cross-service efficiencies to be achieved but also allow for a practical evaluation of the cross-cutting ZBB approach for future budget setting cycles. These reviews will take place during 2016/17 and any outcomes will be fed into the 2017/18 budget setting process

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Due to the date of the Overview and Scrutiny (Economic Well-Being) Panel meeting and the date of the agenda dispatch of the Cabinet Agenda the comments will be circulated subsequent to the Panel meeting on the 8th December 2015.

5. LINK TO THE CORPORATE PLAN

- 5.1 Zero Based Budgeting is a key action within the Corporate Plan Strategic Theme “Ensuring we are a customer focused and service led council” by “becoming more business-like and efficient in the way we deliver services”.

6. LEGAL IMPLICATIONS

- 6.1 There are no direct legal implications arising from this report.

7. RESOURCE IMPLICATIONS

- 7.1 The implications in respect of ZBB are detailed within the report.

8 REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 To ensure that there is continued strategic support of the ZBB process and that Cabinet fully support the Tranche 3 proposed savings following the November Star Chamber.

9. LIST OF APPENDICES INCLUDED


Appendix 1 – ZBB Tranche 3 Savings

BACKGROUND PAPERS

Enclosed

CONTACT OFFICER

Clive Mason, Head of Resources

 01480 388157

Star Chamber Confirmed Service Change Proposals & Budget Implication					
Service	Recommendation	2016/17 (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Operational Services					
Waste Management	Reconfiguration of rounds for residual waste, green waste & recycling to bring about more efficient collection	207	276	276	276
Whole Service	Staff Restructuring	300	300	400	400
Whole Service	Income Generation and full cost recovery - Parking Services - Trade Waste - Grounds Maintenance - Street Cleansing - Countryside Service	300	400	440	560
Grounds Maintenance	Operational efficiencies in the provision of the grounds maintenance service	50	80	130	180
Parking Facilities	Car Park rationalisation programme	0	8	8	8
	Additional income from external lettings at PFH and EFH	3	24	24	124
One Leisure	Utilities from energy management measures at One Leisure sites (Saving will be from One Leisure, included here as within Operational ZBB review)	0	33	69	109
		860	1,121	1,347	1,657
Customer Services					
Local Taxation	Changes to billing - single bills with HB and e-billing	2	7	12	12
	Online self-service for customers	21	42	42	42
	Changes to telephone answering standards	21	21	21	21
Housing Benefits & Fraud	Online self-service for customers	55	55	55	55
	Send single annual bill and benefit entitlement	12	12	12	12
	Staff savings following introduction of Universal Credit	0	0	0	100
	Review of benefits surgery in St Ives	5	10	10	10
	Increased recovery of HB Overpayments	7	17	17	17
Local Taxation & Housing Benefits	Restructure to form a single team	0	100	100	100
	Shared Service with Strategic Partners	0	0	50	100
		123	264	319	469
Leisure & Health	Budget realignment of prior year budget error	51	51	51	51
Sports & Leisure	Income generation from activities	8	9	9	9

	Staffing efficiencies through better balance of permanent and casual staffing	21	28	28	28
	general efficiency savings and savings following ending of DAS project	22	35	35	35
		102	123	123	123
Community Services					
CCTV	Final Savings as a result of shared service	0	3	5	5
	Wireless CCTV cameras	25	50	50	50
		25	53	55	55
Corporate Services					
	Improved efficiencies within team, through deleting vacant posts and realignment of duties.	127	127	127	127
	Miscellaneous savings across supplies and services	30	30	30	30
	Restructure of Management team	0	0	50	50
	Review of LGSS Contract	4	79	79	79
	Communications team shared service	0	17	17	17
	Efficiencies through the centralisation of training across the Council.	60	60	60	60
	Additional income from provision of training to town and parish councils	0	10	10	10
		221	323	373	373
Savings - ZBB Tranche 3		1,331	1,883	2,217	2,677

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**Public
Key Decision – No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Reserves Review
Meeting/Date:	Overview & Scrutiny (Economic Well-Being) Panel – 8 th December 2015 Cabinet – 10 th December 2015
Executive Portfolio:	Executive Councillor for Resources: Jonathan Gray
Report by:	Head of Resources: Clive Mason
Ward(s) affected:	All

Executive Summary:

The main purpose of this review is to establish a Reserves Strategy (see Appendix 1) is to provide a framework through which the Council will be able to effectively manage and govern its use of Reserves.

At the end of 2014/15 the Council had nearly £25.0m in usable revenue reserves (forecast to increase to £26.8m by the end of 2015/16) and £4.0m in capital reserves.

With the:

- Pending introduction of the Commercial Investment Strategy, where the use of in-house funds (reserves) will negate the need to externally borrow and therefore increase the revenue yield,
- Near completion of the Zero Based Budgeting programme, with Tranches 2 and 3's expecting to generate savings of £4.1m; this will assist in meeting 50% of the £8.2m savings required as shown in the "Plan on a Page". This will at least negate the need for the Council to use General Fund Balances to support the Medium Term Financial Strategy (MTFS), and the,
- Continuation of the government's austerity programme,

it is anticipated that the Councils reserves will become an ever more strategic and scarce resource. Consequently, a clear strategy stating the principles for the Councils reserves and appropriate governance arrangements is essential for the effective management of the Councils MTFS and future financial sustainability.

Resources

The Strategy itself will not have any direct financial or legal implications. However, the operation of the Strategy will seek to ensure that Reserves are operated in an open and transparent way.

Recommendation(s):

That Cabinet approves the Reserves Strategy (**Appendix 1**), specifically endorsing:

1. A minimum level of Reserves at 15% of the Councils "Net Expenditure".
2. The governance arrangements pertaining to each reserve, specifically the ring-fencing of capital receipts that are generated from either "general service activity" or from the "Commercial Investment Strategy".

1. WHAT IS THIS REPORT ABOUT?

- 1.1 Seeking approval for a Reserves Strategy (**Appendix 1**) and associated governance arrangements that will allow the Council to effectively manage its reserves in a more commercial environment.

2. BACKGROUND

- 2.1 Members will recall, as reported to Council in February 2015, that over the medium term the Council faces considerable “revenue” financial challenges. Currently the Medium Term Financial Strategy (MTFS) is showing a revenue gap of £2.4m by 2019/20 and a general reduction in its reserves to £3.0m. However, as shown on the “Plan on a Page” (Appendix 2) if, as the Council is aiming to do, it removes its reliance on the use of Reserves and New Homes Bonus, the funding gap is actually £8.2m.

- 2.2 One of the key elements of the “Plan-on-a-Page” is Zero Based Budgeting; as highlighted elsewhere on the agenda, the total Tranche 2 and 3 savings are £4.1m, consequently:

- i. this will have reduced the aforementioned funding gap from £8.2m to £4.1m.
- ii. there will not be any expected draw-down in General Fund Balances by the end of the MTFS period.

- 2.3 As well as considering 2.2 (ii) above, but also that the Council:

- has a track record of providing services for less than the approved budget, there is therefore a possibility that the General Fund Balance may continue to increase. Indeed, the September 2015 forecast (as reported to Cabinet in November) is showing an increase of £0.5m to £9.8m by the end of March 2016. In such a scenario, it is necessary that the Council has in place a strategy that clearly defines the operation of its Reserves (this Strategy is attached at Appendix 1), and
- is about to embark on an ambitious Commercial Investment Strategy that will require the use of significant reserves to provide an ongoing revenue stream.

The Councils reserves are expected to become an ever more significant strategic resource that will require active management and governance to ensure medium financial sustainability.

3. SUMMARY PROPOSALS WITHIN THE STRATEGY

3.1 Principles for Maintaining Reserves

There are four principles that the Council will adhere to in the operation of Reserves, this include:

- Risk
- Prudential Financial Management
- Medium-Term Financial Planning
- Funding Source of Last Resort

3.2 Level of Reserves

In January 2015, the Cabinet agreed that the minimum level of General Fund Reserves should be £3.0m. However, as the Council is expecting to have a reducing, or near static, Net Expenditure over the forthcoming years it would be more practical to have a level of reserves that was a percentage of any years' "Net Expenditure". For 2015/16, the £3.0m equated to marginally over 15% of the Net Expenditure, it is therefore proposed that 15% is set as the minimum level of reserves.

3.3 Governance

The management of reserves has to be transparent so all stakeholders can see how they are being managed. With regard to each type of reserve, the following is proposed:

- **General Fund Balance**

Proposals for the application of forecast service under or over spends against the General Fund Balance will be reported to Cabinet on a quarterly basis. Cabinet will confirm if they accept the reported forecasts. If however, if there is a need for a specific contribution to/from the General Fund Balance outside of routine service spend this will only be approved by Cabinet.

- **Earmarked Reserves**

Earmarked Reserves will be established or deleted in line with the principles for reserves noted at 3.1. However, there will be predetermined controls around Earmarked Reserves as follows:

- The Section 151 officer will be able to create reserves, following consultation with the Executive Portfolio Holder for Resources (with retrospective reporting to Cabinet).
- Earmarked Reserves will only be able to be removed with the agreement of Cabinet.
- Contributions to/from Earmarked Reserves will:
 - either be in line with statutory requirements or service need, and
 - only be made when agreed with the Section 151 officer.

- **Capital Receipts Reserve**

The Council will receive capital receipts as a consequence of the sale of capital assets that support either General service activity or the Commercial Investment Strategy.

Considering that assets that support general service activity have, primarily, been financed without external borrowing it is fair to say that in the interests of equity that such assets should finance either new future capital spend of a similar nature or reduce the Councils internal debt burden. In contrast, those assets that have been acquired as part of the Commercial Investment Strategy will have been financed from a mix of either direct revenue financing or external borrowing. It is therefore considered that when assets are sold that the associated capital receipt is ringfenced so if a capital receipt results from the sale of an asset from:

- general service activity; then the related capital receipt is applied to acquire/enhance other general service activity assets or pay down related debt.
- the Commercial Investment Strategy, then the related capital receipt is applied to acquire/enhance other CIS assets or pay down CIS related debt.

Where it is considered that capital receipts should pass over the ringfence, this will only occur when approved by Cabinet.

- **Capital Grants Unapplied Reserves**

This reserve will only hold capital grants that will have been acquired by the Council for a specific purpose. The use of these grants will be in line with prescribed grant regulations/conditions.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Comments from the Overview & Scrutiny (Economic Well-Being) Panel to be held on the 8th November will be verbally updated at Cabinet

5. KEY IMPACTS/RISKS?

- 5.1 The key impact of the introduction of the Strategy will be to allow the Council to be more transparent in the operation of its Reserves; especially as Reserves are expected to be maintained at a relatively constant level following the Zero Based Budgeting process and their practical application to support the Commercial Investment Strategy.

6. LINK TO THE CORPORATE PLAN

- 6.1 The Strategy will support the achievement of the Corporate Plan requirement of “Ensuring we are a customer focused and service led council” by “becoming more business-like and efficient in the way we deliver services”.

7. CONSULTATION

- 7.1 None

8. LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications arising from this report.

9. RESOURCE IMPLICATIONS

- 9.1 The Strategy itself will not have any direct resource implications. However, the operation of the Strategy will support the governance framework around the management of reserves as the Council moves into a more commercial operating environment.

10 REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 To put in place a “fit for purpose” approach to the management of the Council Reserves that support the MTFs and the CIS. This will then in turn assist the Council in generating additional revenue income through the development of a

commercial asset portfolio or supporting the development of new or enhance service related assets.

11. LIST OF APPENDICES INCLUDED

Appendix 1 – Reserves Strategy.
Appendix 2 – Plan on a Page.

BACKGROUND PAPERS

Held with Resources.

CONTACT OFFICER

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Huntingdonshire District Council

RESERVES STRATEGY

2015

Date Approved: xx/xx/2015

Review Date: xx/xx/2017

Version 1

Definition

Reserves within local government are split between:

- **Usable**
Usable reserves are those that represent “real” cash and can be used to directly support services or the development of assets.
- General Fund Balance** The General Fund is the statutory fund into which all receipts of a Council are required to be paid and all liabilities are to be met (subject to statutory override).

The General Fund Balance is therefore the net surplus of the Council's general resources at the end of any financial year.
- Earmarked Reserves** These are reserves held for a defined purpose.

However, they do represent immediately available resources and are therefore considered as part of the wider General Fund Balance.
- Capital Receipts Reserve** This reserve holds the proceeds from the disposal of land or other (capital) assets which are restricted by statute from being used other than to fund new capital expenditure (or to be set aside to finance historical capital expenditure).
- Capital Grants Unapplied Reserve** This reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure.
- **Unusable**
Unusable reserves are “technical accounting” reserves that support the Council's balance sheet. These reserves can involve contributions of real cash but this is mainly to support capital related income or expenditure. As contributions to /from these reserves are strictly controlled by statutory regulation they will not be addressed within this strategy.

Principles for Maintaining Reserves

- **Risk**
Reserves will be maintained based upon the risks that the Council faces and its plans for the medium-term. They will be viewed as an effective means by which the Council can address one-off costs of transformation, future local and national funding & policy, environmental impacts and unforeseen service pressures.

- **Prudential Financial Management**
Reserves are to be an essential part of the Councils prudential financial management framework, including its ongoing ability to meet the statutory requirement for a balanced budget.
- **Medium-Term Financial Planning**
Reserves are built up over the long term and their level and use will be a key part of effective medium-term financial planning.
- **Funding Source of Last Resort**
Although reserves can be viewed as an effective means by which to support the contraction in public expenditure. The Council will view its use of Reserves as the “funding source of last resort” by which the Council will deliver the progressive reductions in government support over the medium term.

Level of Reserves

- **General Fund Balance**
There is no statutory minimum level of reserves that the Council has to have available in the General Fund.

In January 2015, Cabinet confirmed that the minimum level of the General Fund Balance should be £3.0m; this represents 15% of the 2015/16 “Budget Requirement”. This percentage is therefore the minimum level that the Council will maintain relative to the Councils “Budget Requirement”.
- **Earmarked Reserves**
There is no minimum or maximum level for Earmarked Reserves, what will be held is based on prudent estimates of future need.
- **Capital Receipts Reserve/Capital Grants Unapplied Reserve**
These reserves will be reactive to what capital receipts or grants have been received in the year and remain uncommitted at the year-end.

Governance of:

- **the General Fund Balance**
Estimated contributions to/from the General Fund Balance will be reported and approved by Council when the budget is set in the February prior to the start of the financial year.

Variations in service spend throughout the year will either a positive or negative impact on the forecast General Fund Balance. This will be actively monitored as part of the Councils routine budget monitoring process with appropriate reporting of forecast General Fund Balances.

Where there are to be specific contributions to/from the General Fund Balance outside of routine service spend, these will only be made when approved by Cabinet.

➤ **Earmarked Reserves**

New earmarked reserves will be established and old reserves deleted in line with the principles noted above. The Section 151 officer will be able to create reserves, following consultation with the Executive Portfolio Holder for Resources (with retrospective reporting to Cabinet). However, Earmarked Reserves will only be able to be removed with the agreement of Cabinet.

Contributions to/from Earmarked Reserves will:

- either be in line with statutory requirements or service need
- be only be made when agreed with the Section 151 officer.

➤ **Capital Receipts Reserve**

The Council will primarily receive capital receipts as a consequence of the sale of capital assets that support either:

- General service activity, or the
- Commercial Investment Strategy

General service activity

Where capital receipts are generated following the sale of assets that previously supported general service activity, these receipts will only be applied for similar such activity.

The first call for the application of such receipts will be to finance in-year capital expenditure, this will have the effect of minimising the Councils statutory obligations in respect of Minimum Revenue Provision.

The only time that such capital receipts can be applied to the Commercial Investment Strategy is following specific approval by Cabinet.

Commercial Investment Strategy

Where capital receipts are generated following the sale of assets that previously were purchased within the auspices of the Commercial Investment Strategy, these receipts will only be applied against other investments permitted within the Commercial Investment Strategy. The only time that such capital receipts can be applied to General service activity is following specific approval by Cabinet.

➤ **Capital Grants Unapplied Reserve**

This reserve will only hold capital grants that will have been acquired by the Council for a specific purpose. The use of these grants will be in line with prescribed grant regulations/conditions.

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VISION

To improve the quality of life for the people of Huntingdonshire and work towards sustainable economic growth whilst providing value for money services

STRATEGIC PRIORITIES

A strong local economy

Enabling sustainable growth

Working with our communities

Ensuring we are customer focused and service led council

CURRENT SERVICES

Customer Service Strategy / Service Standards

Lean

Shared Services

Zero Basing

Income Generation

Facing the Future



FINANCIAL

Financial ambitions

To reduce the Council's reliance on Central Government Funding and in so doing create a sustainable financial platform

Approved MTFs

% cut from MTFs

Modified budget

	2015/16	2016/17	2017/18	2018/19	2019/20
Approved MTFs	£18.881m	£19.870m	£20.671m	£21.259m	£21.721m
% cut from MTFs	0% (-£0m)	19.2% (-£3.8m)	28.6% (-£5.9m)	35.1% (-£7.5m)	37.6% (-£8.2m)
Modified budget	£18.881m	£16.059m	£14.750m	£13.805m	£13.553m

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