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Version 2  
10 February  
2026

# Budget Setting Report

## Incorporating Medium-Term Financial Strategy and HRA 30-Year Business Plan

**2026/27**



# Version control

| Version no. | Revised version / updates for:                                                        | Items for consideration                                                                                                                                                                                                                                                                                                           |
|-------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1           | Performance, Assets and Strategy Overview and Scrutiny Committee<br>(27 January 2026) | <b>Draft</b> budget proposals for scrutiny                                                                                                                                                                                                                                                                                        |
| 2           | Cabinet<br>(10 February 2026)                                                         | <b>Final</b> budget proposals, incorporating updates relating to housing rent convergence<br><br>Proposals of the Cabinet                                                                                                                                                                                                         |
| 3           | Council<br>(26 February 2026)                                                         | <b>Final</b> proposals to Full Council, incorporating updates relating to: <ul style="list-style-type: none"> <li>- final local government finance settlement 2026/27;</li> <li>- business rates; and</li> <li>- Council Tax setting following receipt of county council, police, fire and combined authority precepts</li> </ul> |
| 3           | Council<br>(Final – if required)                                                      | Approved Budget Setting Report incorporating: <ul style="list-style-type: none"> <li>- decisions of Full Council; and</li> <li>- any other final amendments</li> </ul>                                                                                                                                                            |

## Key member decision-making dates

| Date             | Task                                                                                                                                                             |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 January 2026  | Performance, Assets and Strategy Overview and Scrutiny Committee considers the budget context and budget proposals                                               |
| 10 February 2026 | Cabinet reviews the Budget Setting Report (BSR), including the results and implications of the budget consultation, and recommends the final BSR to Full Council |
| 26 February 2026 | Full Council approves the budget and sets the Council Tax and the rent increase for 2026/27                                                                      |

# Anticipated precept setting dates

| <b>Police and Crime<br/>Commissioner<br/>Cambridgeshire and<br/>Peterborough</b> | <b>Cambridgeshire and<br/>Peterborough Fire<br/>Authority</b> | <b>Cambridgeshire<br/>County Council</b> | <b>Cambridgeshire and<br/>Peterborough<br/>Combined Authority</b> |
|----------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------|
| 28 January 2026                                                                  | 12 February 2026                                              | 10 February 2026                         | 28 January 2026                                                   |

# Contents

| Section | Title                                                    | Page |
|---------|----------------------------------------------------------|------|
|         | Foreword by the Cabinet Member for Finance and Resources | 6    |
|         | Foreword by the Cabinet Member for Housing               | 13   |
| 1       | Introduction                                             | 16   |
| 2       | National and local policy context                        | 20   |
| 3       | Budget consultation                                      | 39   |
| 4       | General Fund revenue budgets                             | 43   |
| 5       | General Fund capital budgets                             | 46   |
| 6       | Housing Revenue Account revenue budgets                  | 50   |
| 7       | Housing Revenue Account capital budgets                  | 55   |
| 8       | Risks and reserves                                       | 63   |
| 9       | Medium Term Financial Strategy                           | 72   |
| 10      | Council Tax and rent setting                             | 78   |
| 11      | Section 25 report                                        | 85   |

# Appendices

| Appendix | Title                                            |
|----------|--------------------------------------------------|
| A(a)     | Calculation of Council Tax base 2026/27          |
| A(b)     | Council Tax setting 2026/27 (Full Council Only)  |
| B        | Budget 2026/27 consultation responses            |
| C        | Key assumptions                                  |
| D        | General Fund expenditure and funding projection  |
| E        | General Fund budget proposals – Revenue          |
| F(a)     | General Fund budget proposals – Capital          |
| F(b)     | General Fund capital approvals since BSR 2025/26 |

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| Appendix | Title                                                            |
|----------|------------------------------------------------------------------|
| F(c)     | General Fund capital plan                                        |
| G        | Housing Revenue Account income and expenditure projection        |
| H        | Housing Revenue Account budget proposals – Revenue               |
| I(a)     | Housing Revenue Account budget proposals – Capital               |
| I(b)     | Housing Revenue Account capital plan                             |
| J        | Housing Revenue Account sensitivity analysis                     |
| K        | Service charges                                                  |
| L        | Reserves policy                                                  |
| M        | Prudent minimum balances                                         |
| N        | Earmarked reserves                                               |
| O        | Capital Strategy 2026/27                                         |
| P        | Treasury Management Strategy 2026/27                             |
| Q        | MUFG interest rate forecast update                               |
| R        | Savills Housing Revenue Account 30-Year Business Plan commentary |
| S(a)     | Equality Impact Assessment – General Fund                        |
| S(b)     | Equality Impact Assessment – Housing Revenue Account             |
| T(a)     | Fees and charges 2026/27                                         |
| T(b)     | CONFIDENTIAL – Fees and charges 2026/27                          |

# Foreword by the Cabinet Member for Finance and Resources

## Introduction

This budget confirms the city council remains on a sustainable financial footing. It also demonstrates the value of having an innovative and effective council that is ambitious for the quality of life of its residents, local economy, and enhancement of the environment.

The council's solid finances provide the means to realise our progressive vision for 'One Cambridge, Fair for all,' by delivering Cambridge Labour's pledges to:

- Protect and enhance local services
- Support residents in need and prevent homelessness
- Tackle the climate and biodiversity emergencies
- Build council homes and invest in community spaces
- Be a strong voice for the people of Cambridge

In the face of 14 years of local government defunding, initiated in 2010 by the Conservative / Liberal Democrat Coalition Government, your Labour Council has worked to balance the budget, accommodate new pressures and deliver continuous improvements in the efficiency and effectiveness of services for residents.

To deliver and build on these achievements, the council invests to change the ways services are delivered; empower partnerships with the public, private, voluntary sectors and local communities; and, when things go wrong, deliver solutions. To improve oversight and accountability, the council's new governance model has strengthened the role of evidence-based non-partisan scrutiny of pre- and post-decision making.

This foreword highlights the background to and implications of the interim local government finance settlement, responses to the consultation on budget-making principles, highlights from the current budget and an overview of the budget proposals for 2026/27.

## Local government finance settlement

Governments require local authorities to set a balanced budget within the context of a five-year Medium-Term Financial Strategy (MTFS). The Budget Setting Report for 2025/26 identified a requirement for

cumulative annual savings of £7.2 million by 2030/31.

The Council had anticipated this challenge by investing in a service transformation programme to make best value recommendations for service purposes, design and related new ways of working. The recommendations informed decisions last year to reduce recurring dependence on government funding by £4.9 million per year. The results of these decisions coupled with a more favourable than expected local government finance settlement (LGFS) has reduced the budget gap by £5.7 million to £1.5 million by 2030/31. Of this sum, a reduction of £0.4 million will be needed by 2027/28 after which it is proposed a new unitary council will be established.

The main points arising from the interim LGFS are:

- the introduction of a three-year LGFS to provide greater certainty for local government decision making;
- a funding allocation around £1.3 million per year better than anticipated by 2028/29;
- an allocation of £8.4 million in business rates transitional funding over three years which was not previously assumed;
- provision for a 2.99% increase in Council Tax; and
- the prospect of further income from a share of future business rates.

## Public consultation

The council thanks those 512 people who responded to the budget consultation on the MTFS which was held between 7 October and 16 November 2025. The consultation invited respondents to answer the following three questions:

*1. How should the council approach its six priorities: spend less, spend more, spend the same?*

- The priority for 'residents enjoy a high quality of life and exemplar services,' was supported by over 62% of respondents. Respondents gave justified criticism of the priorities as lacking in clarity and measurability.

*2. How important is it for the council to spend money on 12 services: very important, slightly important, not very important, not all important?*

- Respondents ranked the following priorities as very important: public safety (74%), waste and recycling (68%), and streets and open spaces (66%).

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- In the long answer option 119 respondents referred to a county council matter: the poor condition of the roads, pavements and cycle lanes and made repeated calls for urgent repairs, resurfacing and potholes.
  - Turning to city council matters, there was a call to focus on the basics that benefit all residents: clean streets, open spaces, public toilets and visible environmental upkeep.
  - Housing and homelessness were identified as top priorities with calls for more affordable housing, quicker planning and support for the most vulnerable.
  - There is then some consistencies with last year's consultation respondents who identified their:
    - most important priorities for Cambridge as: affordable housing (112); congestion, greener transport, and buses (112); and address poverty and inequality (85);
    - most valued services as: parks, open spaces, trees and nature reserves (156); waste services (99); and community safety including prevention of anti-social behaviour (92).
3. *Bearing in mind the council's share of Council Tax of £232.13 per year per household, how would you rate the council in terms of value for money for Council Tax payers: excellent, good, acceptable, poor, very poor and no answer?*
- 497 respondents considered the value for money the council delivers to be either excellent/good (41.6%), acceptable (29.9%) or poor/very poor (25.6%).

Residents' responses to budget consultations and comments on the doorstep have informed our previous and current budget proposals:

- **Public safety:** Measures for safer street lighting and for those young people known to the criminal justice system support into employment.
- **Basic services:** New investment to accelerate weed clearance, continued funding for enhanced highway verges and shrub maintenance.
- **Public toilets:** Planned opening of Silver Street toilets, reopening of Quayside toilets and first steps towards renewing Jesus Green toilets.
- **Governance:** A new governance model that is transparent, evidence based and democratic with decision-making processes that are transparent, and subject to effective scrutiny and challenge.
- **Value for money:** The Council works to maximise progressive social, economic and

environmental impacts for the city through prudent stewardship of its budgets and assets and innovative collaborations with public, private, voluntary sector and community partnerships.

## **General Fund budget 2025/26 highlights**

This year's budget is largely business as usual, with the Cambridge Labour council continuing to deliver its five manifesto pledges.

### **Protecting and enhancing services**

- Shared Waste Service: 99.9% bin collection rate.
- Shared Planning Service: an early adopter of AI, winner of the Royal Town Planning Institute Planning Authority of the Year.
- Benefit and Council Tax relief: claims processed on average in two working days.

### **Supporting residents in need and preventing homelessness**

- Discretionary Council Tax relief: provides over £9 million of relief to over 9,000 households in receipt of benefits.
- Discretionary Housing Payments: made 357 awards in 2024/25 with an average value of £471 to help people impacted by welfare reforms (benefit cap, spare room rule and delayed PIP claims) and moving out of temporary accommodation into private rented homes.
- Strategic partnerships: provide three-year unrestricted funding for anchor voluntary organisations, includes Cambridge Sustainable Food which supports community food hubs around the city and Citizens Advice provider of benefits and debt advice and resolution services.

### **Tackling the climate emergency**

- Reduced council's CO2 emissions by 8% in 2025, 52% since 2014.
- Improved air quality through Smoke Control Areas.
- Large scale council homes retrofit programme to reduce emission and heating bills, improve health and quality of life.

### **Tackling the biodiversity emergency**

- Logans' Meadow new nature reserves and nature and urban forest project to increase tree cover and mitigate urban warming.

- Water quality: bathing water designation requires Anglian Water to monitor and improve quality of River Cam.
- Chalk streams: dedicated Chalk Streams Officer, planned restoration of Sheep's Green streams.

### **Building council homes and investing in community spaces**

- Bid for Homes England strategic partnership for 1,340 more new affordable, low energy council homes with secure tenancies as part of ten-year 2,300 homes programme.
- Powering delivery of 304 new homes through £62 million in land acquisition and development finance loans and equity investments.
- Abbey ward: new 3G pitch opened and new community rooms for Abbey People, library, nursery under construction.

### **Being a strong voice for Cambridge**

- Local government reform: Worked with authorities across Cambridgeshire and Peterborough and made a compelling case for a new unitary authority for Cambridge and South Cambridgeshire.
- Greater Cambridge Impact, a social enterprise investor, seeded by the council's £1 million equity investment, has raised £6 million to invest in services to prevent lifelong deprivation among society's most vulnerable, for example, looked after children and those with care experience.
- Infrastructure schemes:
  - Cambridge Heat Network: council leads multi-institution partnership to decarbonise city centre buildings and Parkside Poll
  - Baits Bite and Jesus Green locks: council has brought together stakeholders and provided professional support for Cam Conservators to bring forward proposals to repair the locks.

## **General Fund budget 2026/27 proposals**

This year's budget proposals account for losses and gains in income, new unavoidable pressures and areas of new spending.

- Government policies:** New responsibilities attached to: the Renters' Rights Act which will help 17,000 households; food waste collections (additional staff, nine grant-funded vehicles and expansion of Waterbeach Depot); and increasing regulatory demands, including procurement

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along with loss of the Rural Payment Agency grant.

- ii. **Business and consumer environments:** Loss of crematorium income from new providers and online-direct cremation services; decline in retail rents at Lion Yard; inflation in cleaning contract and electoral registration postage costs; changes to the Folk Festival model; and falling business sponsorship for city events.

The council's existing services, operational and property assets are subject to:

- iii. **Additional cost pressures:** New Operational Hub running costs.
- iv. **Continuous improvement:** IT upgrades including cloud computing and cyber security, playgrounds repairs and maintenance, asset management, contract management and performance.
- v. **Fixed and vehicle assets:** On the operational side, renewal and population-driven expansion of the city council and Shared Waste Services fleets and replacement of the car park entry and exit systems.

The improved budget position enables this Labour Council to respond to residents' priorities to:

- i. **Improve the city's appearance and public safety**
  - Funding to enhance the basic statutory standards provided by the Liberal Democrat-controlled county council for highway verges and shrub beds maintenance and street lamp brightness from 10.00pm to 2.00am.
    - Additional resources to accelerate weed clearance across streets and open spaces following the first year of the herbicide free weed clearance programme.
- ii. **Improve public toilets and leisure facilities**
  - Reopening the Quayside toilets in response to representations from residents and Cambridge BID on behalf of neighbouring businesses. This will coincide with the reopening of the Sliver Street toilets.
  - The Jesus Green Lido, phase 1 scheme, to build a coalition of community and funding partners to bring forward proposals that will protect the special setting and character of the lido and provide updated facilities, including replacement of the Jesus Green toilets, for consultation and pre-planning.

iii. **Support residents in need**

- The Skill Mill partnership to improve the employability of vulnerable young people who are known to the criminal justice system and not in work, education, employment and training.
- To reinstate the Taxi Card scheme which provides transport for residents who are elderly, have severe disabilities as positive discussions for the CPCA to assume responsibility were not followed through after the Mayoral election.

iv. **Invest to save**

- Funding to enable homeless charities to transition to Registered Provider status which would enable the Council to recover DWP housing benefit subsidies (up to £469,000 pa) and hence sustain provision of housing benefit payments.

## Conclusion

Your Cambridge Labour council privileges prudent stewardship of its funds and assets to ensure continuity of statutory services and discretionary services and funding to meet new pressures.

Through this stewardship role, the council works to maximise revenue and capital receipts from fees and charges alongside generous concessions, commercial property assets and external funding.

To maximise available resources for delivering services and meeting residents' wider needs, the council works with the private, public and voluntary sector and communities to build and sustain innovative partnerships.

In turn these partnerships work to maximise progressive social, economic and environmental impacts for the city.

This budget powers this service model, and I recommend it to the council.

**Councillor Simon Smith, Cabinet Member for Finance and Resources**

# Foreword by the Cabinet Member for Housing

The provision of decent, safe and affordable housing to our tenants is of the utmost importance to this council, particularly in the face of continuing cost of living pressures affecting many of those who live within the city.

The Housing Revenue Account, like others up and down the country, continues to face significant financial challenges as a result of increasing regulation, cost inflation and high interest rates.

However, due to our history of strong financial management, we are able to commit in this budget to significant further investment in our housing stock. This will allow us to continue to provide high quality homes to our existing tenants, whilst also undertaking to deliver over 1,300 new council homes within the next 10 years – making us one of the largest housebuilding councils in the country.

## New homes

The council recently completed the 1,000<sup>th</sup> home built through its equal development partnership with Hill, the Cambridge Investment Partnership (CIP). During 2025/26, 126 council flats have been handed over at Aylesborough Court and the Meadows.

Housing regeneration schemes have started on site at Fanshawe Road (84 homes including 45 council homes), East Barnwell (120 council homes), Newbury Farm (150 homes including 60 council homes) and ATS Murketts (70 homes including 28 council homes). Meanwhile further schemes at Hanover and Princess Courts (165 homes including 72 council homes) and Ekin Road (134 homes including 78 council homes) have now been submitted for planning consideration.

The majority of homes in development are designed to CamStandard (a building standard similar to Passivhaus that focusses on excellent insulation and airtight construction so homes stay warm and comfortable using very little energy), showing our commitment to sustainable development. Additionally, at least 5% of new council homes are wheelchair adapted (M4(2)) and every single home is wheelchair accessible (M4(3)).

The new build development programme has contributed to a significant increase in new lettings this year, with 382 homes let in the year-to-date compared to around 300 in a typical year.

## Maintenance and repairs

We are committed to improving the delivery of our housing repairs service so that tenants receive a timely and effective response, and this has seen an improvement in productivity and tenant satisfaction. We work closely across the service to identify opportunities to strengthen how repairs are managed, and ensure staff are properly supported and equipped to carry out their roles. This includes ongoing review of our operating systems and processes to improve efficiency and service performance.

This budget provides sustained investment in housing repairs. It will expand the capacity of our in-house repairs service, strengthen contract management to secure best value for tenants, and further improve asset management and compliance performance. It also includes an additional £750,000 per year to address damp, condensation and mould, supporting full compliance with Awaab's Law.

We are proud of the council's reputation and track record on social housing. We will continue to work hard to delivery more affordable, sustainable and attractive homes for all our tenants, to support homeless people and get them into good housing, and to maintain our properties to the highest standards.

## Regulatory inspection

We were inspected by the Regulator of Social Housing in the summer of 2025 and were pleased to receive a C2 grading. The Regulator highlighted our fair and respectful approach to tenants, our strong commitment to working with tenants and partners, the strengthening of our compliance function, and the effectiveness of leadership at both officer and member level. The inspection also noted a positive organisational culture, characterised by openness, transparency, and good self-awareness.

The assessment also recognised the significant progress made over the past two years following our self-referral on rent regulation matters. We continue to work constructively with the Regulator to address any identified areas for improvement and to further strengthen our arrangements.

## Rent

Setting rent levels for our tenants is one of the most important elements of the budget process. Last year we raised rents by 2.7%. For 2026/27, rents will rise by 4.8%, equivalent to Consumer Price Index inflation plus 1%, in line with the new Rent Standard issued by the Regulator of Social Housing this year.

In line with recent government announcements on Social Rent, we are also setting out our intention to implement a programme of rent convergence for council tenants who are currently paying below formula rent due to historic below-inflation cost capping, to commence in April 2027.

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Increasing rents is always a difficult decision, and we are mindful of the financial pressures facing our tenants. However, this action is necessary in order to make rents fairer across all our homes and to continue to invest in high quality housing within the city.

Around 65% of our tenants receive some form of support with their housing costs, and the majority of these will see the full amount of any increase covered through either increased housing benefit or universal credit.

### **Tenant satisfaction**

It was great to see 11 out of 12 of our customer satisfaction scores increase in the annual Tenant Satisfaction Measures with the overall satisfaction score and satisfaction with a well-maintained home seeing the greatest improvements.

I would like to take this opportunity to thank council officers and our tenant and leaseholder representatives for their continued commitment and support.

### **Councillor Gerri Bird, Cabinet Member for Housing**

# Section 1

## Introduction

### Purpose

The Budget Setting Report (BSR) is designed to provide an integrated view of the whole of the council's finances and outlook, covering General Fund and Housing Revenue Account (HRA) revenue and capital spending. It now incorporates the Medium-Term Financial Strategy (MTFS), which sets out the financial strategy for the council in light of local context and external factors and the outlook for public sector funding. The Our Cambridge Transformation Programme has integrated the Housing Finance function within the wider council Finance Team. As part of this integration and to reduce duplication, the HRA budget and 30-Year Business Plan is now also included in this single report.

The Budget Setting Context Report to Cabinet in July 2025 reviewed key assumptions and risks, confirming the framework for detailed budget work for 2026/27 and beyond. The final version of the BSR brings together the detailed budget proposals and context scrutinised at Performance, Assets and Strategy Scrutiny Committee on 27 January 2026, consultation outcomes, business rates and Council Tax calculations and any final adjustments. It sets out detailed recommendations and proposes a budget for the next financial year and indicative budget projections for the following four years. These projections will form the basis for integrating into a new unitary authority following the planned local government reorganisation in Cambridgeshire and Peterborough.

### Background

#### General Fund

The Budget Setting Context Report identified a total net savings requirement for the General Fund of around £3.6 million for the five-year period to 2030/31. This budget gap is significant in the context of the council's current net spending requirement of £27.9 million, and is primarily driven by the following key factors:

- Historic real terms cuts in central government funding over a number of years.

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- Changes to local government funding arrangements which will see the council's core spending power reduce by a further 4.1% in cash terms between 2025/26 and 2027/28, with more reductions likely after the next Comprehensive Spending Review.
- New statutory requirements to deliver food waste collection, without full funding from central government for this new burden.
- An expectation that current high levels of income from the council's treasury management investments will significantly reduce over the next two years as the council's excess cash is invested in capital projects, and interest rates continue to fall.

It should also be noted that the council relies heavily upon its own income generation ability to fund services. The 2025/26 budget includes £53.4 million of fees, charges, commercial and investment income, without which the council's net spending requirement would be £81.3 million rather than the current £27.9 million. Whilst this strong income base is a key financial strength of the council, it is often a challenge to increase these income streams in line with inflation. For example, many fees and charges are subject to government regulation and/or market forces, whilst investment and property income is often reliant upon external economic factors.

Against this backdrop, the Budget Setting Context report set revised savings targets with the aim of closing the budget gap on the General Fund by the end of the five-year period, beginning with a target to implement £1.5 million of recurring savings by 2027/28.

## Housing Revenue Account

The HRA is the landlord account for the council, operating in the context of a 30-Year Business Plan. The 30-Year Business Plan makes assumptions regarding the level of income available and key risks facing housing service delivery within this timeframe. It shows when current borrowing will be repaid or refinanced whilst delivering the required level of service and is a key tool to assess how much additional borrowing is affordable and sustainable.

The HRA self-financing regime was introduced in April 2012. The council had to take on a significant amount of debt (£213.6 million) in exchange for the right to keep future rental income, replacing the old housing subsidy system. The HRA is now funded through the income received from rents and service charges in relation to its council homes, leasehold properties, garages and a small number of commercial properties. The money is ringfenced to provide all services required by tenants and leaseholders including repairs and maintenance and tenancy management, as well as funding new homes.

The HRA can borrow to invest in housing, but the borrowing must be fully supported by future income

generated, for example rent from new council homes. The HRA must be able to meet the need to service a significant level of housing debt whilst also ensuring the ongoing delivery of housing services. On 1 April 2025, the council's net HRA debt stood at £230.4 million, including £213.6 million of external debt relating to self-financing, and the remaining £16.8 million borrowed internally from council cash balances (on which notional interest is paid).

The outturn position for 2024/25 and budget monitoring during 2025/26 showed that there were significant variances between allocated budgets and actual expenditure within the HRA, with an operating overspend of £2.3 million reported in 2024/25, and a further overspend of £3.1 million forecast for 2025/26. These overspends are reflective of wider national pressures within the housing sector, for example increasing regulatory requirements, and a recent focus on a variety of asset compliance issues including fire safety and damp, condensation and mould. Whilst the council's operational performance in these areas has been satisfactory, as evidenced by a recent inspection by the Regulator of Social Housing, this additional focus has brought with it increased costs which are likely to persist in the longer-term. As part of setting the HRA budget for 2026/27, the council therefore decided to conduct a zero-based budgeting exercise with the assistance of external consultants to completely refresh the HRA budget and 30-Year Business Plan. This budget therefore includes significant ongoing investment in a number of areas, which will ensure the council's ability to continue to provide high quality housing in a sustainable manner.

## Summary

### General Fund

This Budget Setting Report sets out the council's significant progress to date in meeting the ambitious savings targets it has set.

At the outset, the council set a net savings target of £1.5 million by 2027/28. The measures set out in this BSR will contribute £1.1 million, or 75%, of this target in the first year. The five-year budget gap has now been reduced by £2.1 million, from £3.6 million to £1.5 million, as set out in the table below:-

| General Fund savings target (£m)           | 2026/27    | 2027/28    | 2028/29    | 2029/30    | 2030/31    |
|--------------------------------------------|------------|------------|------------|------------|------------|
| <b>Net savings requirement – July 2025</b> | <b>0.8</b> | <b>1.5</b> | <b>2.2</b> | <b>2.9</b> | <b>3.6</b> |
| Impact of BSR 2026                         | (0.8)      | (1.1)      | (1.4)      | (1.8)      | (2.1)      |
| <b>Remaining net savings requirement</b>   | <b>-</b>   | <b>0.4</b> | <b>0.8</b> | <b>1.1</b> | <b>1.5</b> |

It is proposed that the council's band D Council Tax amount increase by 2.99%, from £232.13 in 2025/26,

to £239.07 in 2026/27. This is equivalent to an increase of 13p per week.

## **Housing Revenue Account**

For the HRA, the zero-based budgeting exercise and review of the 30-Year Business Plan has resulted in the identification of ongoing bids and pressures totalling £2.2 million. Whilst these will lead to some efficiency savings of around £0.2 million, the primary purpose of this ongoing investment is to ensure that the council has sufficient revenue budget to continue to deliver high quality housing services in the face of increasing costs and regulatory requirements and a development programme which will see the size of the council's housing stock increase significantly over the next decade.

Much of this investment will be funded through rent convergence, which is expected to generate an additional £1.4 million per year by 2030/31. This will see the rents of households who currently pay less than social formula rent gradually increase (over a number of years) until the correct level is met. Further information is set out in section 2.

From April 2026, it is proposed that Social and Affordable Rents increase by 4.8%, which is equivalent to September 2025 CPI plus 1%, in line with the Rent Standard laid out by the Regulator of Social Housing.

# Section 2

## National and local policy context

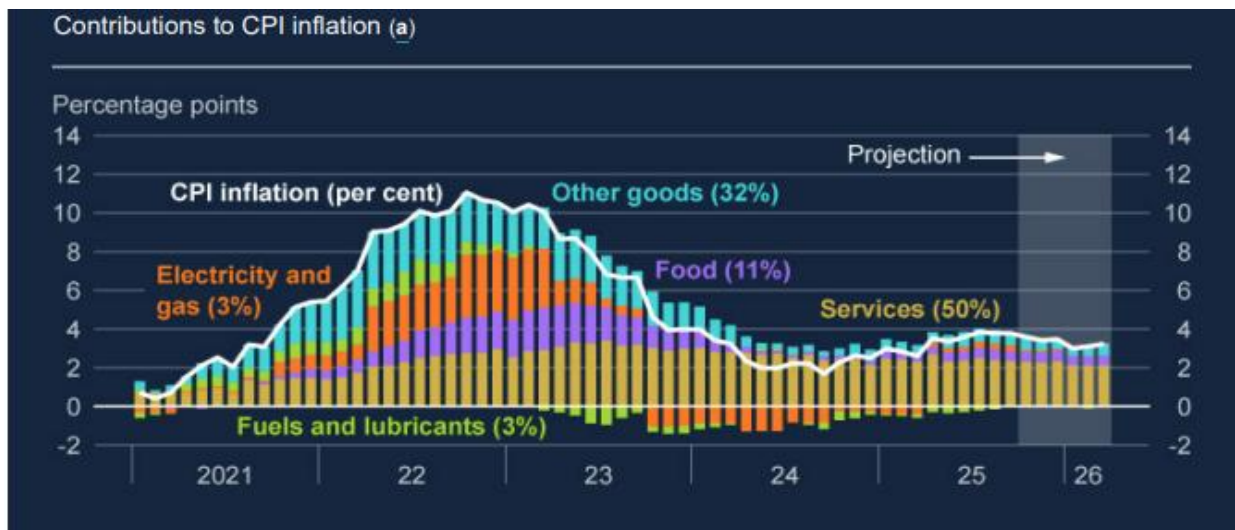
### National policy framework

#### Economic factors

##### Inflation

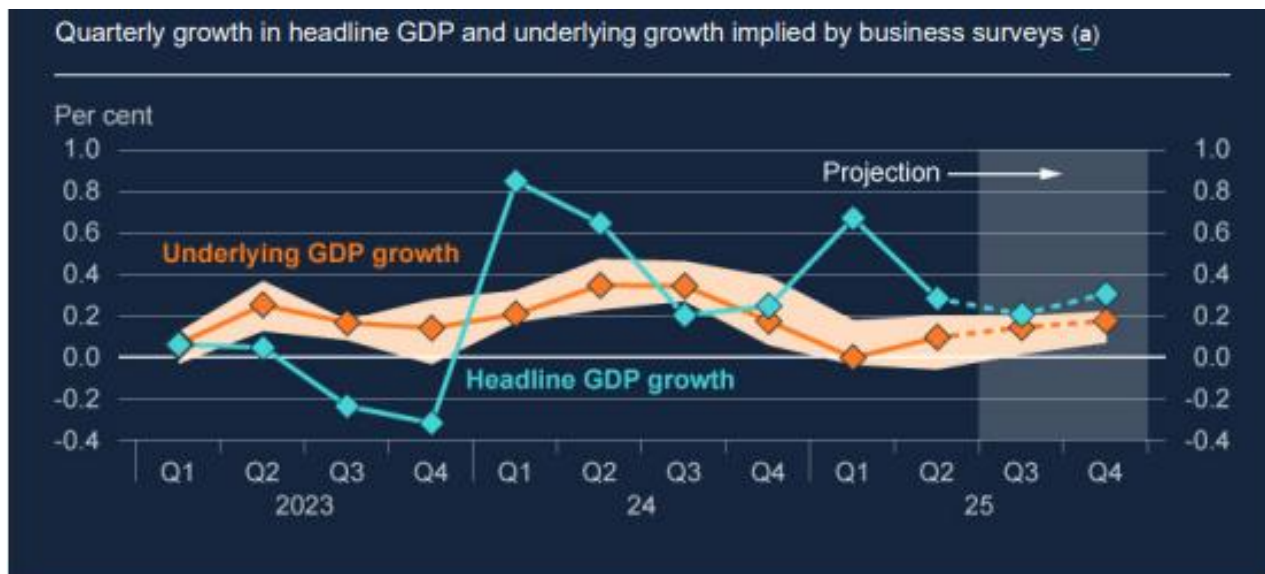
Inflation, as measured by the Consumer Price Index (CPI), has fallen significantly from its October 2022 peak of 11.1%, to a low of 1.7% in September 2024, before increasing to 3.8% by September 2025. Since then, it has been on a new downward trend, falling to 3.2% in November 2025. Domestic inflationary pressures mean that inflation remains above the Bank of England's 2% target.

In its November 2025 Monetary Policy Report, the Bank of England forecast that CPI will continue to decrease. Underlying price and wage pressures have eased, so inflation is likely to fall to close to 3% early in 2026 before gradually returning towards the 2% target over the subsequent year. Some measures announced in the government's Budget, in particular one-off reductions to regulatory costs levied on households' energy bills, and changes to fuel duty, were likely to lower CPI inflation in April 2026 by around 0.5%. The main driver for inflation is now the services sector and pressures in this sector have begun to subside due to lower wage growth. Council budgets are no longer expected to be negatively impacted by substantial energy price rises, which created a severe cost pressure in recent years.



## Economic growth

UK gross domestic product (GDP) is projected to have grown by 0.1% in the third quarter of 2025. This reflects weaker-than-expected growth in exports to the US, as well as disruption linked to the Jaguar Land Rover cyberattack. The Bank of England's November 2024 Monetary Policy Report forecast that headline GDP growth is expected to pick up to 0.3% in the fourth quarter of 2025. GDP was flat in October and grew by 0.1% in November, so the economy will need to have grown faster in the final month of 2025. Recent growth has been slow as shown in the chart below:-



The Bank of England's judgement is that activity in the economy is below its potential. This is clear in the UK labour market, where the number of job vacancies has fallen and employment growth has stalled. There is a risk that households and businesses remain cautious about spending and investment, holding back demand and weighing on job prospects further. That could lead to inflation falling below the Bank's target.

## Interest rates

The Bank of England has continued slowly to reduce the base rate, from 4.50% in February 2025 to 3.75% in December 2025. The Bank remains clear that its primary concern is meeting its 2% inflation target, and it will not cut interest rates too quickly or too much.

Nevertheless, it is anticipated that interest rates have a little further to fall. The council's treasury advisers, Mitsubishi UFG, are now projecting a Bank of England base rate of 3.25% by the end of 2026, and that this will be the low point for the base rate for the foreseeable future, remaining at this level for the medium term. MUFG forecasts up to March 2029, so the timing of the first eventual increase in rates is expected to be beyond that period and heavily influenced by whether the Bank of England manages to keep to its inflation target.

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The Bank of England base rate is only one factor in determining the cost of council borrowing. Local authorities undertake most of their borrowing from the Public Works Loan Board (PWLB), which sets its rates by reference to daily gilt yields. UK gilt yields have remained high throughout 2025 in response to a number of factors, including persistent inflation, government fiscal policy, and US tariffs. The result is that, by September 2025, PWLB lending rates had hit their highest point since 2007, with the interest rate on a 25-year maturity loan peaking at 6.57%. Rates have since declined slightly, but remain much higher than usual, still over 6% for a 25-year loan.

It is expected that gilt yields will fall throughout 2026, and for the purposes of setting this budget we have assumed average borrowing costs for new lending of 5.55% for 2026/27, falling gradually to 5.20% from 2029/30 onwards, based upon projections provided by Mitsubishi UFG. However, should actual rates remain higher for longer, this is likely to result in the council incurring higher borrowing costs to support its capital plan.

As at 1 April 2025, the Housing Revenue Account (HRA) held external borrowing of £213.6 million in 20 maturity loans from the PWLB, with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10.7 million due to be repaid on 28 March 2038, and the last payment on 28 March 2057.

Whilst current forecasts assume future borrowing from the PWLB, alternative borrowing routes are also being explored, as the council is required to borrow significantly greater sums from 2025/26 onwards, particularly to fund its HRA new build development programme. Consideration will be given to internal borrowing, inter-authority borrowing, market borrowing and institutional investment.

## Local government reorganisation

In December 2024, the government set out plans to reorganise local government, by abolishing all 'two-tier' areas in England. Locally, this means that this council, and all other local authorities in Cambridgeshire and Peterborough, will be replaced by two or three unitary authorities from April 2028. These new unitary authorities will cover the full range of council services currently delivered by both tiers of local government, from road maintenance and bin collections to education, planning, social housing, social care, and support with benefits.

The government invited councils locally to submit proposals for local government reorganisation (LGR) in November 2025. In total, four proposals were submitted for the Cambridgeshire and Peterborough area. Three of these four options ('options B, D, and E') have put forward a new unitary authority for Greater Cambridge, across the area currently administered by Cambridge City Council and South Cambridgeshire District Council. These options have the support of six of the seven local councils, including this council.

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Cambridgeshire County Council has put forward an alternative option for two unitary councils ('option A'). The southern unitary would include the Greater Cambridge area as well as the area currently administered by East Cambridgeshire District Council. That option is not supported by East Cambridgeshire District Council.

The government will decide which options to take forward to a public consultation in early February 2026. A formal decision about the government's preferred option is expected in the summer. Parliamentary legislation will be required to implement the decision. Based on the current timetable the first elections for the new authorities, in shadow form, are expected in May 2027. The new unitary authorities will 'go live', or become vested, from 1 April 2028, and all existing authorities will be dissolved.

LGR represents the biggest change to local government in Cambridgeshire and Peterborough for over 50 years. However, implementing reorganisation while continuing to deliver vital services will be challenging. There will also be opportunities to improve and integrate services which can deliver better outcomes for our residents, businesses and voluntary sector, and improve the financial sustainability of the local government sector as a whole.

The proposal supported by this council ('option B') is estimated to deliver around £42.8 million of annual savings by 2032/33, achieved through reduced duplication, digital transformation, and preventative approaches that reduce demand.

In the short-term there will be significant one-off transitional costs. For option B, these are estimated to be around £57.4 million across the whole of Cambridgeshire and Peterborough. Of this, initial estimates suggest around £19.0 million would need to be spent by the predecessor councils prior to vesting day, for example on the costs of setting up the shadow authority, programme management and planning, including ICT integration and other costs. These costs will need to be shared across all seven authorities, and the method for doing this has yet to be agreed. As an early prudent estimate of this council's likely required contribution, this BSR sets aside £2.5 million into an earmarked reserve for local government reorganisation.

Further information about LGR is available on the council's website (<https://www.cambridge.gov.uk/local-government-reorganisation>). This will be updated as new developments come to light.

In the meantime, in the absence of legislation prescribing the dissolution of Cambridge City Council, it is necessary to continue to prepare a balanced budget and Medium-Term Financial Strategy (MTFS) on a going concern basis. This is important to ensure the financial sustainability of a new unitary authority from day one, and also to ensure that this council can continue to provide services on an ongoing basis should LGR for any reason be delayed or aborted.

## 2026/27 local government finance settlement

The provisional local government finance settlement was published on 17 December 2025. This was the most consequential settlement for many years, as the government have now finally implemented Fair Funding reforms that were first mooted back in 2016, with an emphasis on directing funding to those parts of the country that are most deprived. It also reset the business rates system for the first time since it was introduced back in 2013. The settlement set funding for councils for 2026/27 and indicative funding levels for the following two years, which will help with financial planning. Following consultation, the final finance settlement will be published in February 2026.

Nationally, core spending power (CSP) will increase by 5.7% in 2026/27, an increase of £4.2 billion compared to 2025/26, and is then set to increase by 4.3% and 4.4.% in 2027/28 and 2028/29 respectively. However, the additional funding has been highly targeted at higher-needs councils and those with social care responsibilities.

The settlement broadly follows the approach set out by the government in the two consultations which were held during 2025. Firstly, each council's 'relative need' is calculated by reference to seven individual funding formulae covering the full range of council services. This informs the council's total funding requirement. Then, a deduction is made for the amount of money which can reasonably be generated through Council Tax, recognising that councils in areas with high property values will be able to generate more income in this way.

Through this formula, the council has benefitted from significant population growth since the last funding review, together with the inclusion of 'daytime population' (commuters and visitors) in the formula, and for the first time a separate formula recognising temporary accommodation costs. However, it has lost out through a refresh of national deprivation data (which saw the council move from the 205<sup>th</sup> most deprived authority in 2019 to the 255<sup>th</sup> most deprived in 2025), and a resetting of the business rates system which means significant local business rates growth accumulated since 2013 has now been lost.

The net effect of these factors is that Cambridge has seen its fair funding share decrease from 0.0653% of the national total to 0.0476%, representing a reduction in funding of 27%. However, the government has put significant transitional protections in place for councils most affected by funding reform, including phasing the new fair funding allocations in over three years, and applying a 95% cash floor to the council's 2025/26 CSP (excluding ringfenced grants). These measures mean that the actual change in CSP the council will see is -2.5% in 2026/27, -1.6% in 2027/28, then +0.1% in 2028/29. Note that these figures are in cash terms – this represents a real term cut in CSP of around 11.3% over the next three years. However, funding reform has been on the agenda for a number of years now, and the council has planned for this eventuality through

## OFFICIAL

delivering significant savings in recent years, and maintaining healthy reserve balances.

Note that the government has significantly widened the scope of which funding is included within the definition of CSP to include a restructuring of many of the council's ringfenced grants (including those relating to homelessness), and to build historic accumulated business rates growth into the 2025/26 baseline for the purposes of calculating transitional protections. Care should therefore be taken in comparisons with figures quoted in previous reports. The table below compares the CSP in the settlement with the previous year on a like-for-like basis:-

| Core spending power (CSP) (£m) | 2025/26<br>Actual | 2026/27<br>Provisional | 2027/28<br>Indicative | 2028/29<br>Indicative |
|--------------------------------|-------------------|------------------------|-----------------------|-----------------------|
| Business rates                 | 15.637            | 7.144                  | 7.308                 | 7.455                 |
| Core government grants         | 4.374             | 12.148                 | 10.270                | 8.309                 |
| Ringfenced government grants   | 2.626             | 2.064                  | 2.112                 | 2.154                 |
| Council Tax                    | 10.615            | 11.069                 | 11.543                | 12.036                |
| Transitional protection        | -                 | -                      | 0.665                 | 1.986                 |
| <b>Total funding</b>           | <b>33.252</b>     | <b>32.425</b>          | <b>31.898</b>         | <b>31.940</b>         |
| Change from previous year      | 11.0%             | (2.5%)                 | (1.6%)                | 0.1%                  |

The figures in the CSP calculation above are based upon government projections. In setting the budget and the MTFS, we undertake a detailed exercise to forecast future growth in Council Tax base and business rates, therefore the funding figures in the final budget as set out in this report will differ from the above. Any income additional to the above arises from local growth, rather than additional government funding.

Essentially, the reset of business rates has had the effect of converting some of the council's historic business rates growth into future government grant. In the medium term this provides more certainty, although clearly this income remains subject to future government decisions, particularly beyond the current spending review period.

As expected, 2025/26 was the final year of New Homes Bonus payments, though the funding for this scheme has remained within the overall funding allocated to local government (included within 'core government grants' in the table above).

## Business rates

As part of the reset of the business rates retention scheme, the council has been given a new business rates

baseline of £7.144 million. This is the amount that the government would expect the council to retain based upon rateable values set by the Valuation Office Agency for all existing business premises as at 1 April 2026. This means that all historic business rates growth has now been reset (and incorporated into the local government finance settlement as set out above), but the council can still benefit for future growth which takes place after 1 April 2026.

However, whilst future growth can be observed and independently verified, the nature of the business rates system means that there can be delays between when a property is first occupied and when it is formally valued for the purpose of determining its liability for business rates. Moreover, the new valuations will result in a large volume of challenges and appeals and the council will need to provide for the impact of successful appeals on its income.

As such, and in the context of the significant uncertainty in the system at present, a decision has been taken not to rely upon anticipated future business rates growth in setting the council's balanced budget or MTFS. Any growth received will be transferred to General Fund reserves, and be subject to future member decisions as to its use.

## **Collection fund**

The business rates collected by the council are distributed between itself, central government, the county council and the fire authority. The council is therefore required to pay all business rates receipts initially into a separate collection fund. Payments are then made out of the collection fund to each of the relevant bodies (including the council's own General Fund), based upon estimates of the amounts due to be received. Surpluses or deficits can arise on the collection fund if the actual business rates receipts are higher or lower than anticipated, and these are again shared proportionally amongst the participating bodies.

As at 31 March 2026, the council's share of the deficit on the business rates collection fund is estimated to be £6.613 million. This comprises £3.756 million brought forward from 2024/25, and a further £2.857 million arising in 2025/26. In the past couple of years, the council has seen significant loss from rating appeals, particularly following the government's deadline for appeals against the 2023 rating list. In anticipation, the council put aside £3.871 million in an earmarked reserve in 2025/26 which will contribute towards meeting this deficit. Going forwards, the provision for business rate appeals has been increased from 2026/27, to around 5% of rateable value, in light of recent experience and the additional uncertainty generated by the 2026 revaluation. This is a relatively prudent position to take, but this will reduce the risk of significant deficits arising again in the future. The position will be kept under constant review as appeals start to come through and get settled, and the provision adjusted again should evidence emerge that this is necessary.

## Council Tax

### Tax base

Each January, the council is required to estimate its tax base for the following year for the purposes of setting Council Tax. The tax base reflects the number of domestic properties in the city expressed as an equivalent number of band D properties, adjusted for various discounts, exemptions and reliefs. Allowances are made for projected growth in the number of dwellings and an estimated deduction for non-collection.

The tax base for 2026/27 has been calculated as 46,562.0. The calculation is presented at Appendix A(a).

### Collection fund

Similar to business rates, the council is required to keep a separate collection fund into which income from Council Tax is received, and out of which the relevant precept amounts set for the year are paid to the council and precepting bodies. The council's share of the deficit on the collection fund in respect of Council Tax as at 31 March 2026 is forecast to be £27,000, which will need to be repaid from the General Fund in 2026/27.

### Council Tax thresholds

Under the Localism Act 2011, local authorities are required to hold a local referendum if they propose to increase Council Tax above the relevant limit set by the Secretary of State. For 2026/27, the limit for district councils will be set at 2.99%, or £5 for a band D property, whichever is greater.

It is important to note that the local government finance settlement assumes that all councils will increase their Council Tax level by the maximum permissible amount in each of the next three years. Any decision to apply a lower than maximum increase will result in a further reduction in the council's CSP.

### Council Tax level

Financial projections of the Council Tax level made for the July 2025 Budget Setting Context Report assumed a Council Tax income of £11.050 million based on the projected Council Tax base at that time and an increase in Council Tax of 2.99%. Having updated the Council Tax base as part of the budget-setting process, the income from Council Tax in 2026/27 is now estimated at £11.132 million.

Given the financial pressures the council still faces, including a five-year unfunded budget gap of £1.492 million, it is proposed that the council's band D Council Tax level should increase by 2.99%, from £232.13 in 2025/26, to £239.07 in 2026/27. This is equivalent to around 13p per week. Other Council Tax bands will increase in proportion. The full impact on each Council Tax band is set out in detail at section 11.

## Housing policy

### Rent Standard

Local authority rents, alongside those of housing associations and other registered providers, are regulated by the Regulator of Social Housing. The amount the council can increase rents by is governed by the Rent Standard which is published by the government to ensure all social housing is affordable and a consistent approach is taken.

Rent increases have been limited to an increase of up to CPI plus 1% each year since April 2020 (based upon CPI at the preceding September). This was originally intended to be for a period of five years but was subsequently extended to cover 2025/26.

Following consultation, the government has directed the Regulator of Social Housing to issue a new rent standard to take effect from 1 April 2026. This will once again provide for annual rent increases of up to CPI plus 1% for at least the next five years. For the purposes of the HRA 30-Year Business Plan, it is assumed that this cap will continue for ten years, as is the stated policy intention of government, before reverting to CPI only from 2036/37 onwards.

It is important to remember that, as a statutory ringfenced account, all rent income collected in the HRA can only be used for the provision of services to tenants and leaseholders, including repairs and maintenance, housing management, energy efficiency works and the development of new build housing. It is not possible to use income from outside of the HRA (for example Council Tax) to fund these vital services. As set out elsewhere in this BSR and in the council's Quarterly Performance Report July to September 2025, the HRA is currently experiencing significant pressure as a result of wider sector challenges, including a national focus on asset compliance, fire safety, and damp, condensation and mould. It is therefore essential that the council seeks to raise rents in a responsible manner, balancing the financial impact on individual tenants against the need to ensure that the city's demand for safe and decent social and affordable housing continues to be met.

The HRA 30-Year Business Plan therefore assumes that rents will continue to rise in line with the cap of CPI plus 1% for the next 10 years. This means that the increase for 2026/27 will be 4.8% (as CPI in September 2025 was 3.8%). This follows an increase of 2.7% last year.

Note that for properties let at Affordable Rent, the council is required to rebase (revalue) the Affordable Rent on each occasion that a new tenancy is issued (or renewed) for a particular property, and ensure that the rent remains at no more than 80% of gross market rent (inclusive of service charges) as of the date the property is relet. However, for the purposes of annual rent uplifts for continuing tenancies, the same cap of CPI plus 1% applies.

## Rent convergence

Social Rents for any particular property are calculated using a formula set by the Regulator of Social Housing. This is known as 'formula rent', and for Cambridge is generally set at around 40% of market rent. Whenever a Social Rent property is relet, it should be done at this formula rent level (with an additional flexibility of up to 5% on general stock and 10% on supported housing – this council currently applies these flexibilities in full).

However, the application of annual rent caps has created a situation where many social tenants, particularly those who have been in the same home for a long period of time, are paying rent which is below formula rent, as a result of historic decisions taken by the government and/or the council. For example, CPI inflation in September 2022 was 10.1%. This means that formula rent increased by 11.1% in 2023/24. However, the actual impact on tenants was capped by the government at 7%, and then further capped by the council at 5%, in recognition of the significant cost of living pressures faced by households at the time.

This creates two significant issues. Firstly, it leads to a structural underfunding of the HRA, whereby the income it can generate is less than what the Regulator of Social Housing deems necessary for the provision of safe and decent homes. It is currently estimated that there are around 5,600 social tenants within the city paying less than formula rent, with an average difference of £10.53 per week. This represents a loss of income to the HRA of around £3.1 million per year. Secondly, it creates inequality amongst tenants, whereby identical households living in identical homes could be paying vastly different rents depending solely on the date they moved in.

As a solution to this issue, the government have announced a period of 'rent convergence'. This will allow the council to increase rents by an additional annual amount for those currently paying below the formula rent. This amount will be £1 per week from April 2027, then £2 per week from April 2028 onwards. These additional increases will be applied over and above the core increase of CPI plus 1% allowable each year, until formula rent is reached. Note that convergence will only allow rents to be increased to formula rent – the additional 5% rent flexibility (or 10% for supported housing) can still only be applied upon reletting.

The income generated from rent convergence will be of vital importance over the coming years to fund the ongoing maintenance and improvement of the council's existing housing stock, including delivery of energy efficiency measures which will reduce energy bills for tenants. It will also support the council's ambitious new homes programme, which will see over 1,300 desperately-needed council homes built in the city over the next 10 years.

It should be noted that currently 65% of council tenants receive some form of benefit support, with 55% receiving maximum housing benefit or universal credit housing costs. For most of these households, any rent

increase will be fully covered from their benefits, meaning that there will be no net additional cost to the household.

## **Consumer standards**

The Social Housing Regulation Act 2023 significantly enhanced the role of the Regulator of Social Housing and introduced new consumer standards, which came into force on 1 April 2024. The council was inspected by the Regulator during 2025/26 and was given a C2 grading. This is the second highest consumer grade (with C1 being the highest and C4 the lowest), and means that there are some weaknesses in the council delivering the outcomes of the consumer standards and improvement is needed.

Areas for improvement, which the regulator acknowledged have action plans already in place, include:-

- Stock condition surveys: These are property inspections of homes to check their overall condition, identify repairs needed, and plan future maintenance or improvements. The council has already begun to address the backlog and in July 2025, Cabinet approved an acceleration programme to speed up inspections.
- Fire risk assessment remedial actions: The council has been working to further decrease fire risks. The regulator noted the excellent progress the council has made in this area of work to keep tenants safe. Outstanding risks still being addressed are things like clutter in communal areas which can affect fire escape routes, and where there may be missing fire safety signage.
- Data management systems: Some of the technical systems for managing data are slightly outdated. The regulator noted that over the past 18 months these systems have been strengthened. The council has committed to carry out further improvements that will allow data to be managed more efficiently.

The HRA proposals within this BSR have been developed with the above areas in mind and will support the council in ensuring that the necessary improvements are fully delivered.

## **Awaab's Law**

Awaab's Law placed new duties on social landlords with effect from 27 October 2025. The law aims to protect tenants from health risks associated with disrepair issues in social housing, for example relating to damp, condensation and mould. It requires that the council as landlord must:

- complete emergency repairs within 24 hours of them being reported; and
- investigate significant hazards such as damp and mould within 10 working days and start

remedial work within 12 weeks.

This BSR includes extensive investment in the council's housing repairs service which will ensure compliance with this new legislation.

## **Decent Homes Standard**

Following a public consultation in 2025, the government has published a new Decent Homes Standard which will apply to the social rented sector from 2035. However, the sector is still awaiting detailed guidance from the government, and therefore it is still too early to assess the impact which this may have on the HRA 30-Year Business Plan in the future. This will be kept under review, and future iterations of the 30-Year Business Plan updated as further information becomes available.

## **Right to Buy**

The Right to Buy (RTB) scheme allows social housing tenants in England to buy their social homes at a discounted price. In the three years from 2021/22 to 2023/24, an average of 26 homes per year were sold by the council through this scheme.

However, in November 2024 the government announced significant changes to RTB, including a reduction in the maximum discount allowed in Cambridge from £102,400 to £34,000. This resulted in a huge spike in applications immediately prior to the changes, with 167 applications received in 2024/25 (compared with 42 in the previous year). Of these, 48 have now completed, with a further 24 still in the legal process. Note that it is common for over half of applications received to be withdrawn or rejected prior to completion.

As at 31 December 2025, 42 RTB completions have taken place during the 2025/26 year to date, of which 24 relate to applications received in 2024/25 as the backlog is cleared. There are a further 10 new applications currently in the legal process.

Going forward, with discounts back at a level last seen in 2012, it is likely RTB applications will slow considerably in future years. As such, the assumption in the HRA Business Plan has been reduced to 15 sales per year from 2026/27 onwards. However, future sales volumes are uncertain and may continue to fluctuate depending upon government policy, changes in house prices, and also the availability and affordability of mortgages for prospective buyers.

The table on the following page highlights the RTB activity over the last 5 years, detailing the mix of houses, flats and bedsits sold through this process:-

## OFFICIAL

| Status   | Year    | Houses | Flats | Bedsits | Total     |
|----------|---------|--------|-------|---------|-----------|
| Actual   | 2022/23 | 12     | 15    | 1       | <b>28</b> |
|          | 2023/24 | 12     | 3     | 0       | <b>15</b> |
|          | 2024/25 | 17     | 7     | 0       | <b>24</b> |
| Estimate | 2025/26 | 33     | 18    | 0       | <b>51</b> |
|          | 2026/27 | 8      | 7     | 0       | <b>15</b> |
|          | 2027/28 | 8      | 7     | 0       | <b>15</b> |
|          | 2028/29 | 8      | 7     | 0       | <b>15</b> |

The receipts generated from RTB sales can only be used for the provision of new homes, either for Social or Affordable Rent, for shared ownership sale, or for sale under the First Homes scheme. Previously, there have been significant restrictions on how RTB receipts can be used, for example it was not possible to combine RTB receipts with Homes England grants. The government has announced that all such restrictions will be lifted with effect from 2026/27, meaning that the council will be free to retain 100% of its receipts, provided that they are spent within five years, and can choose the most effective way to combine these with other funding sources to maximise delivery of new housing.

### Welfare reforms

The majority of working age benefit claimants have now transitioned to universal credit in line with government policy. Most working age tenants seeking assistance with their rent for the first time, or currently in receipt of housing benefit but experiencing a relevant change in circumstance, will now need to apply for universal credit through the Department for Work and Pensions (DWP). There are, however, exceptions for tenants placed in temporary accommodation. Furthermore, tenants who have reached state pension age will continue to be entitled to housing benefit for the foreseeable future.

The removal of the spare room subsidy by the previous government (known as the 'bedroom tax') continues to impact residents, with some claimants receiving short-term Discretionary Housing Payments (DHPs) from the council to support them until they are able to gain employment, improve their financial circumstances or move to more suitable accommodation.

# Local policy priorities

## Council vision

In July 2024, the council adopted a new vision for “**One Cambridge, Fair for All**”. The council is committed to working cooperatively with residents and partner organisations to deliver this vision, which includes the following key objectives:-

|                                                                            |                                                            |
|----------------------------------------------------------------------------|------------------------------------------------------------|
| <b>Residents enjoy a high quality of life and exemplar public services</b> | <b>Development is sustainable and inclusive</b>            |
| <b>Decarbonisation and sustainability are central to prosperity</b>        | <b>Arts, sports, and culture are thriving</b>              |
| <b>Innovation benefits people and planet</b>                               | <b>Democratic accountability is genuine and accessible</b> |

Further information is available on the council's website (<https://www.cambridge.gov.uk/our-vision>).

## Corporate Plan 2022-27

The local policy priorities for the council are set out in the Corporate Plan and expanded on in the suite of strategies and policies the council has adopted in recent years. The Corporate Plan, available on the council's website (<https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>) sets out the key themes and strategic objectives for Cambridge City Council for the five years from 2022-27. It contains the council's vision and describes how the council is working to deliver these priorities and to transform the council to deliver quality services within a challenging financial context.

The corporate plan sets out four priorities:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030.
- Tackling poverty and inequality and helping people in the greatest need.
- Building a new generation of council and affordable homes and reducing homelessness.
- Modernising the council to lead a greener city that is fair for all.

## Review of local factors

Local demographic factors impact on the council's financial strategy in terms of their effect on the level of

demand for services, the specific type and nature of services, and the income available to the council through Council Tax, business rates, and fees and charges.

Cambridge had the fastest growing population of any local authority in England between the last two censuses, increasing by 17.6% from around 123,900 in 2011 to 145,700 in 2021. The Office for National Statistics predicts that the population of the city will further increase to around 165,900 by 2032, which will represent an increase of 33.9% over 21 years.

Whilst new homes generate new Council Tax income for providing services, the increase in student accommodation (with Council Tax exemptions) and the number of inward commuters, plus the particular needs of new residents as they settle into new communities, can present additional service demands and financial pressure. This comes at a time of ongoing financial pressure facing council budgets.

The council is already focused on meeting the needs of new communities and residents through better use of technology, joint services with other local authorities and partnership working (through the Greater Cambridge Partnership (GCP) and the Cambridgeshire and Peterborough Combined Authority) in order to lever in funding for infrastructure improvements.

The council will continue to explore ways to make better use of resources and new technologies (for example, for managing and maintaining new open spaces being created as part of new neighbourhoods), and to enable new communities to become established and thrive on their own.

## **Climate and biodiversity emergencies**

The council recognises the need to act now on the climate and biodiversity emergencies. The importance placed on this is demonstrated by the fact that it is one of the four main priorities within the council's Corporate Plan. The council wants to play a community leadership role on these critical issues and will work to ensure that environmentally friendly choices are available to everyone, not just the more affluent.

The council will work together with the whole city and its partners across Cambridgeshire to deliver a just transition towards its vision of a net zero Cambridge. Working with South Cambridgeshire District Council, the council has recently jointly consulted with communities to help shape its approach for future years, and an updated Climate Change Strategy will be presented for Cabinet approval in March 2026.

## **Housing Strategy**

The Greater Cambridge Housing Strategy 2024-2029 identifies four key objectives with seven priority actions for housing in the Greater Cambridge area:-

| <b>Building the right homes in the right places that people need and can afford to live in</b>                                                                                                                                                                        | <b>Settled lives</b>                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Priority 1: Increasing the supply of new homes, including affordable housing, contributing to healthy and sustainable communities</p> <p>Priority 2: Enabling the housing market to meet a wide range of local housing needs and to support sustainable growth</p> | <p>Priority 5: Promoting health and wellbeing, tackling poverty, and promoting equality and social inclusion.</p> <p>Priority 6: Preventing Homelessness.</p> |
| <b>High quality, low carbon, energy and water efficient homes</b>                                                                                                                                                                                                     | <b>Building strong partnerships</b>                                                                                                                           |
| <p>Priority 3: Mitigating and adapting to climate change through good design and quality of new homes.</p> <p>Priority 4: Improving housing conditions, management, safety and environmental sustainability of homes, and making best use of existing homes.</p>      | <p>Priority 7: Working with key partners to innovate and maximise resources.</p>                                                                              |

## Housing demand

The council's HRA, alongside other registered providers of social housing, provides accommodation for those on the housing register. As at January 2026, the housing register recorded the following applicants by both bedroom need and priority banding:-

| <b>Bedroom need</b> | <b>Band A / Emergency</b> | <b>Band B</b> | <b>Band C</b> | <b>Band D</b> | <b>Band D*</b> | <b>Total</b> |
|---------------------|---------------------------|---------------|---------------|---------------|----------------|--------------|
| 1 bedroom           | 98                        | 191           | 705           | 167           | 190            | <b>1,351</b> |
| 2 bedrooms          | 32                        | 128           | 108           | 90            | 50             | <b>408</b>   |
| 3 bedrooms          | 69                        | 231           | 25            | 53            | 24             | <b>402</b>   |
| 4 bedrooms          | 41                        | 43            | 4             | 7             | 5              | <b>100</b>   |
| 5+ bedrooms         | 3                         | 1             | 0             | 0             | 0              | <b>4</b>     |
| <b>Total</b>        | <b>243</b>                | <b>594</b>    | <b>842</b>    | <b>317</b>    | <b>269</b>     | <b>2,265</b> |

The table shows that the greatest demand for housing remains 1- and 2-bedroom properties, with these representing 78% of the register.

An update to the council's Housing Strategy approved in June 2024 adopted a revised target affordable housing size mix. Council housing delivery is designed according to this overriding target while being informed by housing register data to ensure it meets core needs. Current metrics are noted below as

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identified in the adopted housing delivery portfolio:-

| <b>Affordable housing mix across 10-year development programme</b> | <b>1 bedroom</b> | <b>2 bedrooms</b> | <b>3 bedrooms</b> | <b>4 bedrooms</b> |
|--------------------------------------------------------------------|------------------|-------------------|-------------------|-------------------|
| Housing Strategy target                                            | 35-45%           | 30-40%            | 15-25%            | 0-10%             |
| Current programme with planning permission                         | 45.7%            | 39.3%             | 13.6%             | 1.4%              |

### Council housing stock

The table below shows the housing stock currently managed within the council's HRA:-

| <b>Housing Category</b>              | <b>1 April 2025<br/>Actual</b> | <b>1 April 2026<br/>Estimate</b> |
|--------------------------------------|--------------------------------|----------------------------------|
| General housing – Social Rent        | 5,980                          | 5,731                            |
| General housing – Affordable Rent    | 966                            | 1,052                            |
| Sheltered housing                    | 522                            | 489                              |
| Supported housing                    | 14                             | 17                               |
| Temporary housing (individual units) | 118                            | 123                              |
| Temporary housing (HMO's / EA)       | 21                             | 21                               |
| Miscellaneous leased dwellings       | 18                             | 18                               |
| <b>Total rented dwellings</b>        | <b>7,639</b>                   | <b>7,451</b>                     |
| Shared ownership dwellings           | 80                             | 80                               |
| <b>Total dwellings</b>               | <b>7,719</b>                   | <b>7,531</b>                     |

The number of properties anticipated to be held by 1 April 2026 is lower than the number held at 1 April 2025, due primarily to a number of ongoing redevelopment schemes which will see a temporary reduction as older homes are demolished to eventually be replaced by new builds.

A breakdown of the housing stock by property type is shown in the table on the following page:-

| Property Type          | 1 April 2025<br>Actual | 1 April 2026<br>Estimate |
|------------------------|------------------------|--------------------------|
| Bedsits                | 100                    | 91                       |
| 1 bedroom              | 2,019                  | 2,016                    |
| 2 bedrooms             | 2,709                  | 2,600                    |
| 3 bedrooms             | 2,244                  | 2,211                    |
| 4 bedrooms             | 114                    | 113                      |
| 5 bedrooms             | 8                      | 8                        |
| 6-7 bedrooms           | 3                      | 3                        |
| Sheltered housing      | 522                    | 489                      |
| <b>Total dwellings</b> | <b>7,719</b>           | <b>7,531</b>             |

## Transformation

The "Our Cambridge" transformation programme formally concluded in the summer of 2025 after the implementation of the whole council design process, which built on the purpose led approach of the whole programme to create a more efficient, effective and sustainable internal structure.

Our medium-term financial strategy in October 2021 said:

*"The Our Cambridge programme will make 'One Cambridge - Fair for all' the reality that underpins all of the council's work, by building on the assets that exist and what already works well; but also ensuring that, as the council adapts to the severe challenges that face us, we consistently put people at the heart of what we do. The council's ambition is to create a prosperous and sustainable future where people are able to get the help and support they need, when they need it; our teams feel valued and part of a council that is investing in the future; and where our financial position enables our ambitions as a council and does not hold them back."*

In that 2021 strategy, the target revenue saving had been identified as £4.7 million by 2025/26, and the need to make those savings was the main driver for releasing the one-off funding to run the Our Cambridge programme. As part of that process members agreed that they didn't just want to 'salami slice' to achieve the savings but to use the process to help us modernise and change our culture.

The programme successfully met its core goals of reviewing and updating our internal culture and ways of working, and making a significant contribution to the overall savings target set out at the beginning of the

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programme. As part of the updated council ways of working a strengthened permanent change capacity has been included in the new structure, which is supporting an ongoing programme of improvement. In this way, the investment in the Our Cambridge programme has not only delivered on its goals, but left the council in a better place to manage ongoing change. This will become increasingly important over the coming years as the council moves towards local government reorganisation.

In last year's BSR, the council set aside £3.149 million into a Transformation and Reinvestment Fund to support further transformation and modernisation activity. As at January 2026, £2.712 million of this fund has been allocated. Roughly half of this has been spent on one-off restructuring costs arising from the legacy Our Cambridge programme, whilst the remainder has been allocated to new transformation initiatives including £310,000 on asset compliance and management, £300,000 for initial work on LGR, and £215,000 on a review of the council's homelessness services. Full details on how the fund is being used were set out in a report to Cabinet in January 2026.

In December 2025, the council published its first integrated Quarterly Performance Report, bringing together information about finance, performance and risk. Going forward this report will be presented to Cabinet every quarter, supporting effective strategic oversight, considered decision-making, effective scrutiny and public visibility and accountability.

# Section 3

## Budget consultation

### Public consultation

This Budget Setting Report (BSR) has been informed and shaped by the council's public consultation on Priorities and Budget 2026-27, which was carried out between 7 October and 16 November 2025. Public consultation took place earlier in the budget-setting process this year, to ensure that the results of the consultation could contribute meaningfully towards the strategic direction and individual budget proposals set out within the BSR. This meant a slightly different approach to last year, whereby the public were asked more general questions about the council's vision and where it should prioritise its resources, rather than being asked for their opinion on specific pre-determined budget proposals.

#### Promotion and participation

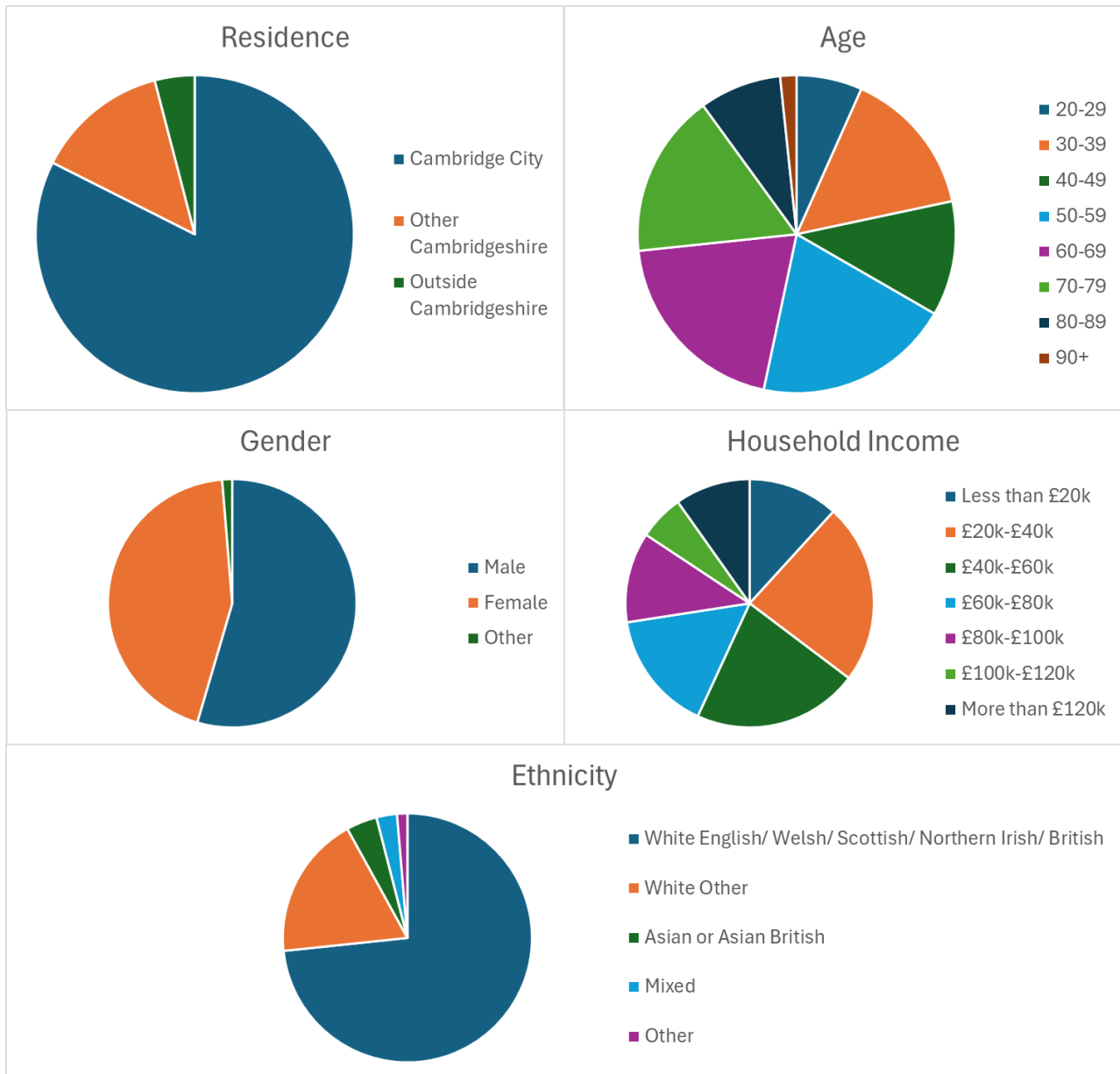
The consultation was run on the council's online engagement platform, in accordance with the Code of Best Practice on Consultation and Community Engagement. However, paper copies of the survey were available upon request.

The consultation was promoted heavily in order to encourage wide participation from a diverse range of stakeholders, including residents and local businesses. Examples of ways in which the consultation was promoted include:-

- Emails were sent to all registered subscribers of the council's online engagement platform (over 7,300 individuals), and a further 57 individual business and voluntary sector stakeholders.
- The consultation was promoted at the top of the council website homepage, and on street-facing digital screens at the front of Mandela House, for three weeks.
- An article on the consultation was included in the autumn 2025 issue of Cambridge Matters, which is delivered to every home in Cambridge.
- Social media posts on the consultation were 'boosted' at a cost of £200, achieving a reach of 89,000 individuals.

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In total, 512 responses to the consultation were received. The demographic profile of respondents is set out in the following charts:-



Note in each of the above charts, those who opted not to provide the relevant demographic data are excluded.

The above represents a reasonably broad mix of respondents, although it is recognised that there remains a bias towards older age groups, particularly in the context of the city's relatively young population. This will be taken into consideration in planning next year's budget consultation.

## Results

The detailed results of the consultation are set out at Appendix B, with key highlights summarised below.

## Council vision and services

Participants were asked, for each of the six key objectives in the council vision, whether the council should spend more, less, or the same as other objectives. The results were as follows:-

| Key objective                                                       | Spend more | Spend the same | Spend less |
|---------------------------------------------------------------------|------------|----------------|------------|
| Residents enjoy a high quality of life and exemplar public services | 62%        | 32%            | 6%         |
| Decarbonisation and sustainability are central to prosperity        | 34%        | 34%            | 32%        |
| Innovation benefits people and planet                               | 20%        | 47%            | 33%        |
| Development is sustainable and inclusive                            | 28%        | 44%            | 28%        |
| Arts, sports, and culture are thriving                              | 34%        | 50%            | 16%        |
| Democratic accountability is genuine and accessible                 | 26%        | 54%            | 20%        |

The consultation shows a clear preference for the council to prioritise its resources towards the first objective, “residents enjoy a high quality of life and exemplar public services”.

In addition, participants were asked for their views on the importance of the council spending money on a variety of its services. The three services with the highest percentage of respondents which rated them as ‘very important’ were:-

- Public safety (75%)
- Waste and recycling (68%)
- Streets and open spaces (67%)

These results have been reflected in this BSR through budget bids to invest in a number of core services, with a clear focus on those of most importance to the public, for example:-

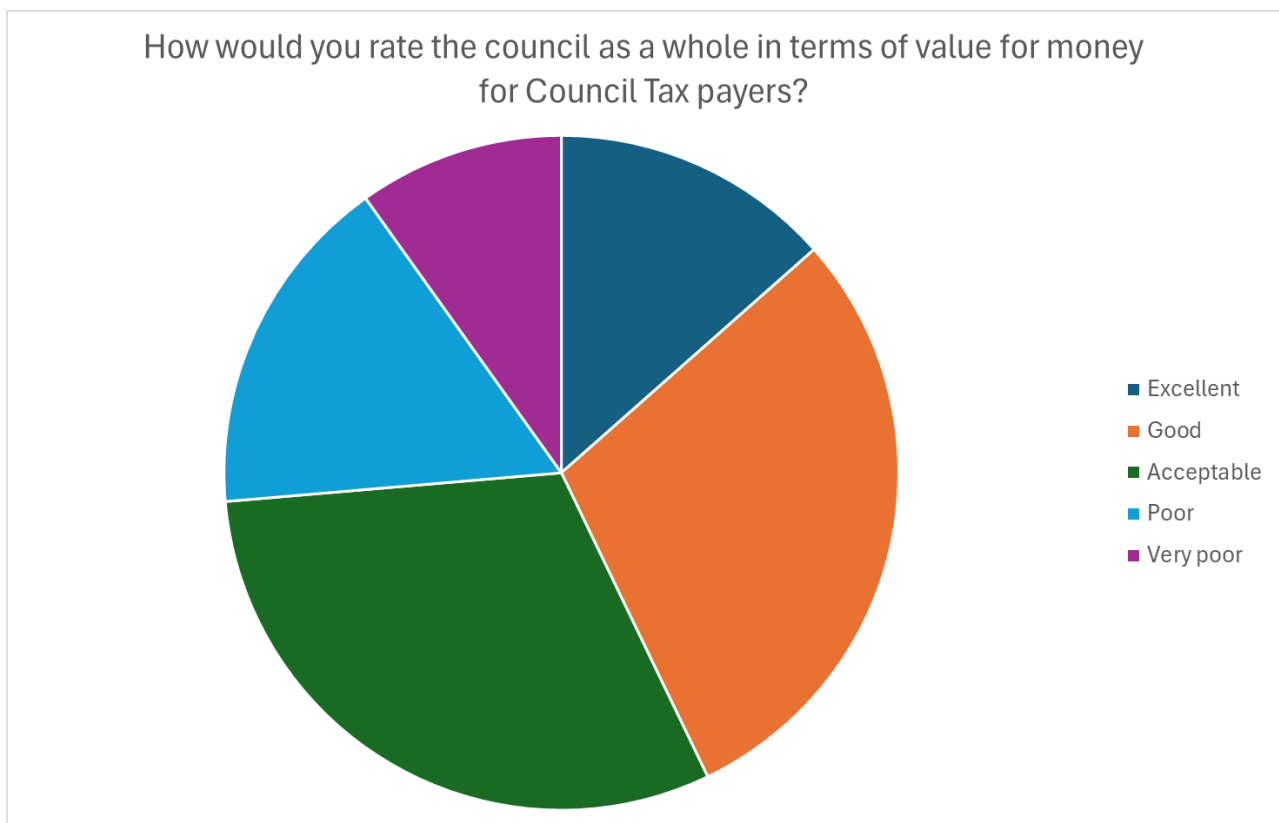
- An ongoing commitment to maintain city street lighting at 80% brightness between 10:00pm and 2:00am, rather than the 60% funded by the county council as the responsible body for street lighting.
- Ongoing investment of £1.387 million per year in the Shared Waste Service, including the introduction of a new food waste collection service.

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- An additional £50,000 per year (bringing the total budget to £253,000 per year) towards day-to-day playground maintenance, including the repair or replacement of damaged equipment.
- An additional £80,000 over two years to fund additional seasonal resource to support weed clearance in the city's streets and open spaces during peak growth periods.
- An additional £165,000 per year commitment to maintaining high cleaning standards for key city assets, such as public toilets and the market square.

### Value for money

Overall, 42% of respondents rated the council as 'good' or 'excellent' value for money for Council Tax payers, with a further 30% rating the council 'acceptable':-



# Section 4

## General Fund revenue budgets

### 2025/26 outturn

As at the end of September 2025, the forecast outturn for the General Fund in 2025/26 is that we will spend £1.742 million more than planned. This includes a £1.076 million shortfall of income on one of the council's commercial properties (Lion Yard), of which £726,000 is a one-off adjustment. It also includes £640,000 of lost housing benefit subsidy as a result of government restrictions on the subsidy that can be claimed in respect of charitable accommodation. Further information is included in the council's Quarterly Performance Report July to September 2025, and budget bids have been included within this Budget Setting Report (BSR) to address both of these issues going forward.

### 2026/27 budget setting

Amidst rising cost pressures and decreasing government funding, the Budget Setting Context Report approved in July 2025 identified a budget gap of £3.573 million per year by 2030/31, and set out a plan to address this starting with delivery of £1.5 million of recurring savings over the next two years (2026/27 and 2027/28). These savings are to be delivered through a combination of expenditure reductions, efficiencies and increased income from fees and charges.

Given the council's challenging financial situation and need to make savings, budget proposals with a net cost to the council were only considered this year where they were unavoidable (e.g. due to new statutory responsibilities or statutory demand pressures) or met an important policy objective (e.g. support for vulnerable individuals). Where applicable, proposals are supported by business cases. All proposals have been examined and challenged by the Leadership Team and are subject to scrutiny by the Performance, Assets and Strategy Scrutiny Committee. The impact of each individual budget proposal is set out in detail at Appendix E.

The total net impact of all of the measures in this BSR on the council's five-year savings target is set out in the table on the following page:-

## OFFICIAL

| General Fund savings requirements (£m)                                           | 2026/27        | 2027/28        | 2028/29        | 2029/30        | 2030/31        |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Net savings requirement – new each year (July 2025)</b>                       | <b>0.750</b>   | <b>0.750</b>   | <b>0.700</b>   | <b>0.700</b>   | <b>0.673</b>   |
| <b>Net savings requirement – cumulative (July 2025)</b>                          | <b>0.750</b>   | <b>1.500</b>   | <b>2.200</b>   | <b>2.900</b>   | <b>3.573</b>   |
|                                                                                  |                |                |                |                |                |
| Reverse proposed contributions (to) / from reserves to smooth old savings target | (1.458)        | 0.062          | (0.843)        | (0.667)        | -              |
|                                                                                  |                |                |                |                |                |
| Remove indicative savings and pressures (employer pensions and food waste)       | (0.733)        | (0.755)        | (0.773)        | (0.791)        | (0.815)        |
| New savings and increased income                                                 | (4.808)        | (4.442)        | (4.150)        | (3.916)        | (3.728)        |
| New revenue bids and pressures                                                   | 4.488          | 4.115          | 3.603          | 3.475          | 3.469          |
| Review of capital programme and financing                                        | 2.622          | 4.605          | 2.061          | (0.030)        | (0.486)        |
| <b>Total net pressure/(savings)</b>                                              | <b>1.569</b>   | <b>3.523</b>   | <b>0.741</b>   | <b>(1.262)</b> | <b>(1.560)</b> |
|                                                                                  |                |                |                |                |                |
| Collection fund deficit (net of funding already set aside)                       | 2.856          | -              | -              | -              | -              |
| Changes to core funding assumptions per provisional settlement                   | (1.356)        | (1.363)        | (1.264)        | (1.304)        | (1.476)        |
| Transitional funding                                                             | (3.795)        | (2.583)        | (1.985)        | -              | -              |
| Changes to business rate growth policy                                           | 0.403          | 1.016          | 1.500          | 1.500          | 1.469          |
| Changes to Council Tax assumptions                                               | (0.082)        | (0.100)        | (0.101)        | (0.100)        | (0.099)        |
| <b>Total funding changes</b>                                                     | <b>(1.974)</b> | <b>(3.030)</b> | <b>(1.850)</b> | <b>0.096</b>   | <b>(0.106)</b> |
|                                                                                  |                |                |                |                |                |
| Other adjustments and changes to assumptions                                     | (0.491)        | (0.961)        | 0.113          | 0.086          | (0.415)        |
|                                                                                  |                |                |                |                |                |
| Contributions to / (from) reserves to smooth current savings target              | 1.604          | (0.719)        | 0.389          | (0.028)        | -              |
|                                                                                  |                |                |                |                |                |
| <b>Total changes to savings requirements</b>                                     | <b>(0.750)</b> | <b>(1.125)</b> | <b>(1.450)</b> | <b>(1.775)</b> | <b>(2.081)</b> |
|                                                                                  |                |                |                |                |                |
| <b>Revised net savings requirement – cumulative</b>                              | <b>-</b>       | <b>0.375</b>   | <b>0.750</b>   | <b>1.125</b>   | <b>1.492</b>   |
| <b>Revised net savings requirement – new each year</b>                           | <b>-</b>       | <b>0.375</b>   | <b>0.375</b>   | <b>0.375</b>   | <b>0.367</b>   |

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As set out at section 2, the provisional local government finance settlement sees the council around £1.5 million better off than expected in terms of annual core funding by 2030/31, with additional transitional funding of £8.363 million being made available over the current three-year settlement period. The council has been able to apply this transitional funding, together with some historic excess reserve balances, to review its approach to financing its future capital programme. Whilst the previous Medium-Term Financial Strategy (MTFS) anticipated significant borrowing to fund capital expenditure in the future, it is now possible to meet immediate operational commitments over the next few years from revenue reserves. This does result in an increase in the revenue costs associated with the capital programme in the next three years, but over the long term the council will benefit from a reduction in financing costs which can be seen to take effect from 2029/30 onwards.

The net pressures for the years 2026/27 to 2028/29 should therefore been seen in the context of a deliberate approach to reset the council's approach to capital financing, ensuring future borrowing is only undertaken in a targeted way for specific projects where there is a supporting revenue stream (as was the case for the Park Street redevelopment), rather than assuming that borrowing will be required for immediate operational requirements such as asset compliance work or fleet replacement. This is a more sustainable approach to capital financing which will ensure the council continues to live within its means.

The council continues to contribute additional funding for services that are the responsibility of other authorities, e.g. highways grass verge cutting and shrub bed maintenance or street lighting. In this way it can enhance those services for Cambridge residents and visitors beyond the statutory minimum.

As in previous years, the council will use its unallocated General Fund reserves to smooth the delivery of savings targets over time, with a total net contribution to reserves of £1.246 million over the next four years, before allocations for specific projects as set out in section 8 of this report.

# Section 5

## General Fund capital budgets

### Capital strategy

In line with guidance, the council has prepared a separate Capital Strategy for the approval of Full Council alongside the BSR and the Treasury Management Strategy (see Appendix P).

### Capital plan

The council's capital plan shows approved expenditure for the next five years, where relevant, for each programme or scheme.

### Capital proposals

New capital proposals totalling £11.231 million over the next five years have been put forward as part of this BSR, as summarised in the table below and set out in full detail at Appendix F(a):-

| General Fund capital plan spending (£m)            | 2025/26        | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | Total          |
|----------------------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>Approved per BSR 2025</b>                       | <b>22.725</b>  | <b>3.003</b> | <b>2.223</b> | <b>0.865</b> | <b>0.865</b> | <b>0.865</b> | <b>30.546</b>  |
| Carried forward as part of 2024/25 Outturn Report  | 55.172         | -            | -            | -            | -            | -            | <b>55.172</b>  |
| Approved or amended since BSR 2025 – Appendix F(b) | 30.030         | 0.024        | 0.112        | -            | -            | -            | <b>30.166</b>  |
| New proposals – Appendix F(a)                      | -              | 5.770        | 3.394        | 0.350        | 0.200        | 1.517        | <b>11.231</b>  |
| <b>Total capital plan</b>                          | <b>107.927</b> | <b>8.797</b> | <b>5.729</b> | <b>1.215</b> | <b>1.065</b> | <b>2.382</b> | <b>127.115</b> |

The full current capital plan, updated for schemes approved since BSR 2025 and proposals for new schemes, is shown in detail at Appendix F(c).

## Capital financing

Capital schemes are funded by a variety of internal and external funding sources. The use of certain funding types is restricted, for example developer and other contributions, grants, and earmarked and specific funds.

Internal funding includes:

- Earmarked and specific funds (e.g. asset replacement reserve)
- Capital receipts
- Internal borrowing (use of council cash balances)
- Prudential (external) borrowing
- Revenue resources

External funding includes:

- Developer and other contributions
- Grants

Where capital expenditure is funded from internal or external borrowing, a Minimum Revenue Provision (MRP) is charged annually in line with the council's MRP policy. This effectively means that the expenditure is financed from revenue resources over the life of the relevant asset. The MRP policy is presented to Council for approval annually in the Treasury Management Strategy Statement (Appendix P). Where external borrowing is undertaken, interest costs will also be incurred which are charged to revenue.

The table on the following page sets out how the capital plan, including the capital proposals listed in Appendix F(a), is planned to be financed. In addition, in 2025/26 it is proposed to make use of £5.837 million in transitional revenue funding to repay historic unfinanced capital expenditure on the Meadows Community Centre, which will avoid the need to borrow for and therefore reduce future interest and repayment costs.

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| General Fund capital plan funding (£m)                            | 2025/26          | 2026/27        | 2027/28        | 2028/29        | 2029/30        | 2030/31        | Total            |
|-------------------------------------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Developer contributions                                           | (2.102)          | -              | -              | -              | -              | -              | <b>(2.102)</b>   |
| Other sources                                                     | (10.496)         | (1.174)        | (1.163)        | -              | -              | -              | <b>(12.833)</b>  |
| <b>Total – External support</b>                                   | <b>(12.598)</b>  | <b>(1.174)</b> | <b>(1.163)</b> | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>(14.935)</b>  |
| Direct Revenue Financing                                          | (2.161)          | (3.341)        | (2.766)        | (1.065)        | (1.065)        | (1.065)        | <b>(11.463)</b>  |
| Appropriations from General Fund reserves                         | (6.417)          | -              | -              | -              | -              | -              | <b>(6.417)</b>   |
| Earmarked reserves – Capital contributions                        | (0.146)          | -              | -              | -              | -              | -              | <b>(0.146)</b>   |
| Capital receipts and development surpluses                        | (17.104)         | (4.282)        | (1.800)        | (0.150)        | -              | (1.317)        | <b>(24.653)</b>  |
| External borrowing – Park Street redevelopment                    | (32.797)         | -              | -              | -              | -              | -              | <b>(32.797)</b>  |
| Internal and external borrowing – on-lending for capital purposes | (36.704)         | -              | -              | -              | -              | -              | <b>(36.704)</b>  |
| <b>Total – Council resources</b>                                  | <b>(95.329)</b>  | <b>(7.623)</b> | <b>(4.566)</b> | <b>(1.215)</b> | <b>(1.065)</b> | <b>(2.382)</b> | <b>(112.180)</b> |
| <b>Total funding</b>                                              | <b>(107.927)</b> | <b>(8.797)</b> | <b>(5.729)</b> | <b>(1.215)</b> | <b>(1.065)</b> | <b>(2.382)</b> | <b>(127.115)</b> |
| <b>Capital plan</b>                                               | <b>107.927</b>   | <b>8.797</b>   | <b>5.729</b>   | <b>1.215</b>   | <b>1.065</b>   | <b>2.382</b>   | <b>127.115</b>   |

Where restricted funding is not available, capital receipts are used as the first option to fund capital schemes. The following table shows the availability of this source of funding going forward to meet planned capital expenditure. However, there is a risk that receipts may not be achieved as forecast and that more or less borrowing will be necessary as a result. Note that the figures include both statutory capital receipts from the sale of assets and development surpluses (for example from CIP) which the council has chosen to apply to fund the forward capital plan.

The table on the following page sets out the forecast balance of capital receipts and development surpluses over the next five years:-

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| <b>General Fund<br/>capital receipts and development<br/>surpluses available (£m)</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>2030/31</b> |
|---------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Brought forward at 1 April</b>                                                     | <b>14.883</b>  | <b>4.282</b>   | <b>-</b>       | <b>-</b>       | <b>3.450</b>   | <b>3.450</b>   |
| Forecast capital receipts and development surpluses                                   | 6.503          | -              | 1.800          | 3.600          | -              | -              |
| Used for financing of in-year capital plan expenditure                                | (17.104)       | (4.282)        | (1.800)        | (0.150)        | -              | (1.317)        |
| <b>Carried forward at 31 March</b>                                                    | <b>4.282</b>   | <b>-</b>       | <b>-</b>       | <b>3.450</b>   | <b>3.450</b>   | <b>2.133</b>   |

# Section 6

## Housing Revenue Account revenue budgets

### 2025/26 outturn

At the end of September 2025, the forecast outturn for the Housing Revenue Account (HRA) in 2025/26 is that we will spend £2.165 million more than planned. Of this, £1.180 million is for higher than budgeted expenditure on housing repairs, including damp, condensation and mould, and £846,000 is for rectifications of damage caused by fire and other incidents, as set out in council's the Quarterly Performance Report July to September 2025.

The original budget for 2025/26 included a contribution of £1.012 million to the HRA balance. The forecast overspend would mean, without further action, that the HRA balance would decrease by £1.153 million, which would take the balance below its target level. This is due to the way in which the HRA is managed, with unallocated reserves deliberately kept as close as possible to the target level, and any excess used to finance capital investment and therefore reduce the need to borrow. In reality, at year-end, any shortfall in the HRA reserve from its target level will be met by reducing the contribution to capital in-year, and this is taken into account within the projections set out in this Budget Setting Report (BSR) and the HRA 30-Year Business Plan.

### 2026/27 budget setting

Due to the significant recurring overspends and ongoing pressures in the HRA, together with high projected future borrowing to support the council's ambitious new build programme, in 2026/27 we commissioned an external review of the 30-Year Business Plan with the help of external consultants, Savills. This included a review of key assumptions, and benchmarking against other local authorities.

Benchmarking was carried out based upon 2024/25 outturn data, and showed that the average cost per unit of housing management and maintenance (net of service charges) was £2,509, compared with a national average of £2,886. Despite spend per unit which is 13% lower than the national average, the council has continued to provide high quality housing services, as evidenced by the recent inspection by the Regulator of Social Housing which awarded a 'C2' grade against the consumer standards (the second highest grade in

a possible range of C1 to C4).

Nevertheless, the relatively low cost per unit may also explain some of the reason for recent overspends, as the council tries to deliver against increasing regulatory requirements with insufficient revenue budget to do so.

In this context, budget managers were this year encouraged to take a 'zero-based' approach to budgeting, considering the level of resource actually required to continue to provide quality services to tenants and leaseholders. This has seen a substantial level of budget proposals come through this year, with ongoing bids and pressures totalling £2.222 million having been identified. All proposals have been examined and challenged by the council's Leadership Team and are subject to scrutiny by the Performance, Assets and Strategy Scrutiny Committee. Business cases have been prepared where applicable.

The main purpose of this investment is to bring future budgets in line with the council's spending need on statutory requirements, and its ambitions on level and quality of service, therefore reducing the risk of overspends in the future. However, some of this investment will drive future efficiency savings, and this year's BSR identifies £208,000 of ongoing savings in the HRA, against a savings target set in last year's BSR of £218,000 per year for each of the next five years.

A significant portion of the cost of these proposals will be met through the additional income generated by rent convergence, which is expected to reach £1.419 million per year by 2030/31, with further increases in following years. Further information about rent convergence is set out at section 2 of this BSR. The HRA budget proposals are set out in detail at Appendix H.

Following the investment in this BSR, the council's new budgeted management and maintenance cost per unit will be £3,044. This will fall much closer to the national average, which will be around £3,062 in 2026/27 if the 2024/25 figure is inflated using the council's core budget CPI assumptions.

Following the zero-based budgeting exercise, the previous savings target of £218,000 per year has now been removed, and replaced with more specific phased savings linked to the new investment as set out at Appendix H.

The table on the following page shows the HRA financial position over the next five years. The table demonstrates that the HRA revenue budget will be balanced over the medium term and will accommodate the impact of HRA borrowing and support the capital programme:-

| HRA revenue budget (£m)                   | 2026/27         | 2027/28         | 2028/29         | 2029/30         | 2030/31         |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Dwelling rents                            | (55.606)        | (59.645)        | (64.411)        | (69.332)        | (73.870)        |
| Other income                              | (5.819)         | (6.035)         | (6.397)         | (6.612)         | (6.786)         |
| <b>Total income</b>                       | <b>(61.425)</b> | <b>(65.680)</b> | <b>(70.808)</b> | <b>(75.944)</b> | <b>(80.656)</b> |
| Repairs and maintenance                   | 15.301          | 15.658          | 16.630          | 17.291          | 17.865          |
| Management costs                          | 12.865          | 13.546          | 13.820          | 14.443          | 14.711          |
| Depreciation                              | 12.254          | 12.563          | 13.172          | 13.655          | 14.079          |
| Bad debt provision                        | 0.561           | 0.600           | 0.588           | 0.573           | 0.615           |
| <b>Total operating expenditure</b>        | <b>40.981</b>   | <b>42.367</b>   | <b>44.210</b>   | <b>45.962</b>   | <b>47.270</b>   |
| <b>Net operating surplus</b>              | <b>(20.444)</b> | <b>(23.313)</b> | <b>(26.598)</b> | <b>(29.982)</b> | <b>(33.386)</b> |
| Net interest cost                         | 12.309          | 14.934          | 17.763          | 20.920          | 24.130          |
| Revenue contribution to capital financing | 8.266           | 8.128           | 8.477           | 8.865           | 9.073           |
| <b>HRA (surplus) / deficit</b>            | <b>0.131</b>    | <b>(0.251)</b>  | <b>(0.358)</b>  | <b>(0.197)</b>  | <b>(0.183)</b>  |

A more detailed ten-year projection of HRA income and expenditure is set out at Appendix G.

## Rent income

The approach to setting HRA rents is set out in section 10. The 30-Year Business Plan also takes account of the council's historic and anticipated performance on rent arrears, bad debts and voids.

### Rent arrears

Rent collection performance was broadly maintained during 2024/25 despite the challenging economic climate, with a collection rate of 98.9%, consistent with the previous year. As a result of rent not collected, total arrears increased during 2024/25, with current tenant arrears of £1.807 million and former tenant arrears of £1.676 million by 31 March 2025. The position in respect of current arrears has worsened in both monetary and percentage terms during 2025/26, and as at 31 December 2025 current tenant arrears stood at £2.360 million and former tenant arrears at £2.060 million. This increase is largely due to ongoing work on resolving

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historic rent regulation errors which is taking up significant time and resource. Refunds in relation to the historic rent correction have now started to be processed (funded from a provision put aside when the issue was first identified), and thus efforts can be made to bring tenant arrears back down again. The position in respect of rent arrears is summarised in the table below:-

| Date             | Current tenant arrears | Current tenant arrears as a percentage of gross rent for the year | Former tenant arrears |
|------------------|------------------------|-------------------------------------------------------------------|-----------------------|
| 31 March 2024    | £1,688,582             | 3.37%                                                             | £1,269,270            |
| 31 March 2025    | £1,807,318             | 4.24%                                                             | £1,676,461            |
| 31 December 2025 | £2,360,474             | 5.59%                                                             | £2,060,175            |

The Income Management Team works proactively with tenants and financial support providers to mitigate the impact of rent arrears for both tenants and the council. The team use both the Income Analytics and LIFT software systems, which facilitate improved arrears management and access to financial data sets to maximise receipt of financial assistance for the tenants. Proposed investment in these systems, including the implementation of Voicescape which will replace Income Analytics, is expected to result in a lower level of arrears and bad debts in future years.

## Bad debt

Debt that is not realistically collectable is recommended for write-off and provision is currently made in the HRA to write off 89.13% of former tenant debt. Any decision to do this is not taken until all avenues for collection have been exhausted. The annual contribution to the bad debt provision for 2025/26, based on 1% of rent due, was set at £527,000 in the HRA budget approved in February 2025.

The annual contribution to the bad debt provision for 2026/27 is proposed to be set at £566,000 (again c. 1% of rent due) based on previous levels of defaults and write-offs. Rent and service charges are handled proactively by the council, but non-recoverable arrears decrease income, impacting upon important services for residents and the council's ability to deliver new housing. This bad debt provision position will be reviewed periodically, as more tenants transition to Universal Credit and the longer-term impact of pressures on household incomes becomes clearer.

Over time, the investment in housing management set out in this BSR is anticipated to lead to improved performance, therefore within the 30-Year Business Plan it has been assumed that bad debt will be at around 0.9% in 2028/29, then around 0.8% from 2029/30 onwards.

## Void levels

Empty properties provide no rental income for the council yet still incur costs to secure and maintain. An increase in void properties will decrease income and resources available for service delivery to council residents.

The council has been working hard to improve its void performance, and last year's 30-Year Business Plan included a reduction in the void loss assumption from 1.1% to 1.0% in 2025/26, then to 0.8% from 2027/28.

Following more detailed modelling, the current 30-Year Business Plan now includes a void assumption of 1.08% for 2026/27 but still anticipates an improvement in performance to 0.8% from 2027/28 onwards. This will be supported by the investment proposed within this BSR in both housing management and repairs.

## Interest income

The HRA is entitled to claim a proportion of interest earned on cash balances invested by the council. The average rate of interest assumed for 2026/27 is 3.6%. This is based upon the HRA clawing back interest from the General Fund on investments with minimal risk. This recognises that the General Fund bears the risk, but also benefits from the reward, of the higher risk investments made by the Council.

# Section 7

## Housing Revenue Account capital budgets

### Capital strategy

In line with guidance, the council has prepared a Capital Strategy to be presented to Performance, Assets and Strategy Scrutiny Committee and Full Council alongside the Budget Setting Report (BSR) and the Treasury Management Strategy (see Appendix P).

### Capital plan

The Housing Revenue Account (HRA) capital plan is designed to maintain and improve existing stock, as well as to deliver new housing within the city. The plan is funded through a combination of capital grants, capital receipts, reserves, contributions from revenue and borrowing.

The total capital investment over the next ten years is expected to be £866.9 million. As part of the review of the 30-Year Business Plan, the capital plan has been updated taking into account actual expenditure for the current year-to-date, and up-to-date forecasts of spend in future years (including any anticipated over- and underspends where appropriate).

The table below sets out the forecast capital spend in the HRA over the next ten years:-

| HRA capital plan spending (£m) | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31       | 2031/32-2035/36 | Total          |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|----------------|
| Investment in existing stock   | 26.269        | 25.920        | 28.428        | 33.481        | 31.565        | 133.157         | <b>278.820</b> |
| Development                    | 59.662        | 64.939        | 68.939        | 65.049        | 66.968        | 258.468         | <b>584.025</b> |
| Other capital spend            | 0.399         | 0.366         | 0.375         | 0.385         | 0.395         | 2.131           | <b>4.051</b>   |
| <b>Total capital plan</b>      | <b>86.330</b> | <b>91.225</b> | <b>97.742</b> | <b>98.915</b> | <b>98.928</b> | <b>393.756</b>  | <b>866.896</b> |

The table on the following page shows how this capital expenditure will be financed:-

| HRA capital plan funding (£m) | 2026/27         | 2027/28         | 2028/29         | 2029/30         | 2030/31         | 2031/32-2035/36  | Total            |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Major Repairs Reserve         | (12.254)        | (12.563)        | (13.172)        | (13.655)        | (14.079)        | (79.474)         | <b>(145.197)</b> |
| Capital receipts              | (5.063)         | (4.650)         | (1.291)         | (1.308)         | (1.328)         | (32.236)         | <b>(45.876)</b>  |
| Capital grants                | (13.665)        | (16.464)        | (11.999)        | (11.227)        | (9.315)         | (36.865)         | <b>(99.535)</b>  |
| Revenue contributions         | (8.266)         | (8.128)         | (8.477)         | (8.865)         | (9.073)         | (50.848)         | <b>(93.657)</b>  |
| Borrowing                     | (47.082)        | (49.420)        | (62.803)        | (63.860)        | (65.133)        | (194.333)        | <b>(482.631)</b> |
| <b>Total funding</b>          | <b>(86.330)</b> | <b>(91.225)</b> | <b>(97.742)</b> | <b>(98.915)</b> | <b>(98.928)</b> | <b>(393.756)</b> | <b>(866.896)</b> |

## Capital proposals

New capital proposals totalling £42,500 are set out at Appendix I(a), while the updated capital investment plan is set out in detail at Appendix I(b). This updated plan takes into account rephasing and updating of budgets for approved projects where required.

## Existing stock

### Stock condition and Decent Homes Standard

Stock condition surveys ensure the council holds the right information on its homes to inform strategic decision making. This had already been recognised as an area for improvement for the council, and this was also highlighted by the Regulator of Social Housing during our recent inspection.

The council is currently running a procurement process for a contractor to complete both the backlog in stock condition surveys and an ongoing programme of surveys to ensure they are completed every five years.

The Decent Homes Standard ensures that council homes meet the current standards for housing, are safe to live in, are in good repair, have modern facilities and are warm. This standard is being reviewed currently by central government, but under the current standard, 99.5% of the council's homes met the Decent Homes Standard as at 31 March 2025.

### Stock investment

Development of an updated HRA five-year Asset Management Strategy has been delayed to allow for both the review of the 30-Year Business Plan and additional data from the stock condition survey programme. It is now the intention to revisit this strategy within the next 12-18 months.

However, the council is continuing to invest in its stock and has a rolling five-year programme of works

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ensuring kitchens, bathrooms, windows and doors, boilers, and roofs are replaced in a timely manner. This is typically informed by the age of the item to be replaced but also by stock condition surveys.

The other aspects of the council's stock investment are informed by:

- compliance inspections on the 'big six' areas of fire safety, asbestos, electrical, gas, lifts and water safety;
- damp and mould cases under Awaab's Law; and
- energy efficiency.

## Development and acquisitions

### New homes programme

The 30-Year Business Plan includes capital expenditure of £584.025 million over the next 10 years on delivering the council's ambitious plans for building new council homes in the city. The council has a strong track record of delivery in this area through its development partnership with Hill – the Cambridge Investment Partnership (CIP). During 2025/26, CIP handed over 56 council flats at the Meadows and 70 more at Aylesborough Court, which included the partnership's 1,000<sup>th</sup> home.

Housing regeneration schemes have started on site at Fanshawe Road (84 homes including 45 council homes), East Barnwell (120 council homes), Newbury Farm (150 homes including 60 council homes) and ATS Murketts (70 homes including 28 council homes).

Further schemes at Hanover and Princess Courts (165 homes including 72 council homes) and Ekin Rd (134 homes including 78 council homes) have now been submitted for planning consideration. The majority of the homes in development are designed to CamStandard (a building standard similar to Passivhaus that focusses on excellent insulation and airtight construction so homes stay warm and comfortable using very little energy), showing the council's commitment to sustainable development. At least 5% of new council homes are wheelchair adapted with all homes wheelchair accessible.

The council is working with It Takes a City to develop a further four modular homes as part of the council's commitment to dealing with homelessness. There will another bid this year for refugee housing when the new programme opens.

### Delivery approach

The council's Housing Development Agency (HDA) manage the delivery of all new homes in the HRA, with a commitment to deliver affordable, sustainable homes which meet tenant expectations. The fees charged by

the HDA are reviewed annually. The proposed level of HDA fees for schemes approved from April 2026 onwards are:

- HRA housing schemes delivered using the Cambridge Investment Partnership – 2%
- HRA housing schemes delivered by the HDA directly – 3%
- HRA S106 or other acquisitions – 1.5%
- An optional 1% can be added to each of the above if the scheme includes community or commercial aspects

Fees are reconciled against actual staffing costs at financial year end and any changes attributed to schemes on a pro rata basis.

When a potential new build scheme is identified, initial feasibility work is carried out, the site is formally identified as a scheme for consideration, detailed feasibility work and formal consultation is carried out and then if applicable a costed scheme is presented to Cabinet for formal consideration and approval. Schemes are then incorporated into the Housing Capital Investment Plan at the next approval opportunity. As the scheme design and planning application progresses, more accurate scheme costs are available, culminating ultimately in a build contract value or affordable housing agreement, which along with any fees and costs to secure vacant possession form the final budget for each scheme. Revised scheme costs are incorporated into the Housing Capital Investment Plan as part of the HRA 30-Year Business Plan updates as each scheme progresses.

## **Financing**

The HRA finances its capital programme from a number of sources, including grants, capital receipts, revenue resources and borrowing.

### **Homes England funding**

The council is currently planning to apply for Social and Affordable Housing Programme (SAHP) partnership status with Homes England. A successful bid would unlock Homes England funding that would enable the council to deliver on its significant ambition to build more council homes between now and 2036.

To be eligible for partnership status, a local authority strategic partnership must deliver a minimum of 800 homes by 31 March 2036 with an initial funding cap of £250 million. Strategic partnership bidding is likely to open in February 2026 and will last for 6 weeks.

The council's Development Team has already identified 535 of the 800 homes that could be eligible, and on this basis this 30-Year Business Plan assumes Homes England funding of £96 million towards the programme. Subject to ongoing financial due diligence, the additional funding would mean the council could deliver a further c. 1,300 council homes which would mean 52% affordable homes on new developments in line with previous commitments.

As set out above, the council has a strong track record of delivering affordable homes. According to Inside Housing, the council was in the top ten of council house builders in the country in 2023 and 2024, and CIP has delivered nearly 75% of all affordable homes in the city of Cambridge in the last few years. Discussions with Homes England have been positive and the Homes England Board have visited Cambridge on a tour of council sites. The council is well positioned to make a strong case for a strategic partnership.

Whilst there is a risk of not securing strategic partnership status, there is a fallback position of applying for funding through other established routes. This would provide less financial certainty and developments would have to progress on a site-by-site basis with no guarantee of grant funding. Should the council not be successful in securing a strategic partnership, the 30-Year Business Plan and new homes programme would need to be reviewed in light of funding constraints.

## **Other grants and contributions**

The council receives other grants and contributions for specific projects. For example, section 106 (S106) monies from developer contributions through the planning system. Unless there are service specific conditions on the use of these contributions, they should be used to support existing council priorities and commitments rather than be allocated to new schemes. Any S106 monies received without a service- or scheme-specific allocation within the planning agreement will be allocated in line with the council's capital scheme priorities.

## **Capital receipts**

Receipts from the sale of HRA dwellings and other assets, including under the Right to Buy (RTB) scheme, can only be used to fund future capital expenditure within the HRA. As explained in section 2, recent government changes to RTB are likely to result in fewer receipts in the future, although this is positive in that it reduces the level of stock lost to RTB. In addition, the government has removed many of the previous restrictions around how RTB receipts could be spent, for example the council is now permitted to utilise these to fund the full cost of building new homes, and from April 2026 will be able to combine them with other funding sources such as Homes England grant which was previously prohibited.

## Major Repairs Reserve

The HRA is required to set aside a statutory minimum level of revenue funding for capital expenditure, known as the Major Repairs Reserves (MRR). This must be committed to the upkeep of the existing housing stock and is therefore allocated to fund the planned maintenance programme. The amount required to be allocated to MRR is based on the depreciation calculation for HRA stock. It effectively ensures that a minimum level of investment is made in the existing stock to keep assets fit-for-purpose. If the value of planned maintenance activity is lower than the MRR requirement then the council is permitted to carry forward the balance in the Major Repairs Reserve to fund future works. Over the next 10 years, an average of £14.520 million per annum is estimated to be available for this purpose, but this is subject to updated annual depreciation calculations, which are affected by any changes in asset valuations when they are revalued at the end of each financial year. Note that, where previously the statutory contribution to the MRR was sufficient to cover routine capital works on existing stock, this is no longer the case as a result of recent pressures, sustained high inflation and a need to carry out significant backlog works. Going forward, the shortfall will need to be met from revenue contributions, which will reduce the amount available to support new build development and energy efficiency works.

## Revenue contributions

The HRA generates a healthy net revenue surplus each year, budgeted at £8.135 million in 2026/27 (before capital financing). Whilst some of this surplus may be retained in the HRA to ensure the revenue reserve remains above its target level, or earmarked for specific future revenue purposes, the majority is put towards capital expenditure, thus reducing the HRA's need to borrow in the future (and therefore reducing future interest costs).

Over the next 10 years, an average of £9.366 million per annum is estimated to be available for this purpose, but this is subject to future income and expenditure, including rent increases, being in line with the model assumptions.

## Borrowing

The HRA can borrow to finance its capital programme and not for any other reason. Any capital expenditure not covered through any of the funding streams mentioned above will require borrowing. Borrowing should be undertaken in a sustainable way, with consideration of the HRA's ability to service future interest costs. It stands to reason, therefore, that borrowing should be used primarily for the financing of new housing delivery, where there is an associated additional future rental income stream.

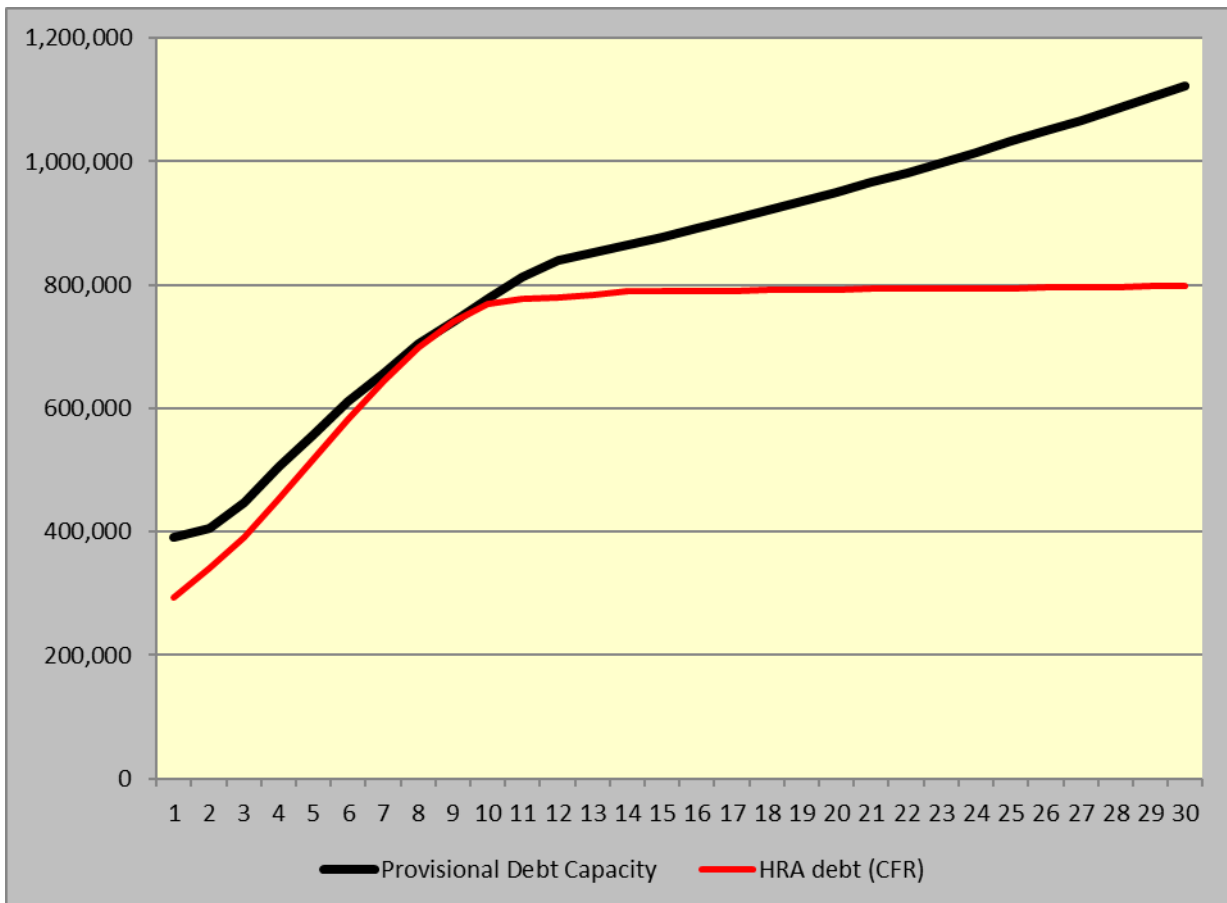
The 30-Year Business Plan currently assumes new borrowing of £482.631 million over the next 10 years, primarily to support the council's £584.025 million development and acquisition programme, but also to

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meet the energy improvements required in the existing housing stock. This would result in the HRA having total debt of £798.544 million outstanding by 31 March 2036. Whilst this is a significant amount, modelling by the council's external consultants, Savills, has shown that this level of debt is affordable. However, it is not without risk, which will need to be carefully managed.

Debt affordability is measured by reference to the interest cover ratio, or ICR. This compares the future forecast operating surplus on the HRA (before interest and revenue financing of capital expenditure) with the future forecast interest costs. An ICR of 1 or greater indicates that the council would have sufficient income to cover future interest costs – however in order to generate some prudent headroom a target ICR of 1.25 has been recommended by Savills, which is broadly in line with the wider social housing sector.

The chart below shows the council's projected level of HRA debt over the life of the 30-Year Business Plan (in red), as plotted against the maximum debt permitted to remain above the target ICR of 1.25. This provides assurance that the council's capital plan is affordable – although as above this remains subject to securing the assumed level of external funding through a strategic partnership with Homes England:-



Under the current plans and assumptions, the council's ICR will reach a low point of 1.25 in 2033/34, at which point total debt will be £739.277 million against a calculated maximum debt of £740.979 million, leaving headroom of £1.402 million. After this point, both ICR and headroom will begin to increase again.

## OFFICIAL

Recent government announcements in respect of the delay and gradual phasing in of rent convergence have significantly reduced the headroom from the earlier forecast of £22.155 million, which was based upon an assumption of £2 per week rent convergence commencing in April 2026. The reduced headroom does increase the inherent risk that the ICR target of 1.25 may be breached in the future. However, the programme is still considered affordable because:-

- The use of a target ICR of 1.25, rather than 1, means there is a reasonable degree of prudence already built in to the affordability assessment. For comparison, the borrowing headroom against an ICR of 1 would not drop below £143 million over the life of the 30-Year Business Plan.
- Commitments of future capital expenditure for new build development and energy efficiency works will be made over a number of years, and the 30-Year Business Plan will be refreshed on at least an annual basis to support the decisions made. Should economic conditions become unfavourable to the extent that the ICR target was likely to be breached, it would be possible to take mitigating actions for example by reducing or slowing future discretionary capital spend.

# Section 8

## Risks and reserves

### Risks and mitigation

The table below summarises the main external risks to the financial standing and sustainability of the council, using a High-Medium-Low assessment:-

| Risk                                                                                                                                                                                                                                                                                                                               | Probability | Impact | Overall | Mitigations                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Following receipt of local proposals, the government is consulting on options for local government reorganisation (LGR) in two-tier council areas like Cambridgeshire. The council is supporting the option to establish a Greater Cambridge Council. Costs will need to be incurred in preparing for the proposed reorganisation. | High        | High   | High    | Reserve set aside to cover estimated pre-transition costs, monitor developments, maintain prudent reserve balances to cover short-term pressures                                                                                        |
| The combined effects of inflation, high interest rates and economic stresses may give rise to cost pressures, income reductions, recruitment difficulties, supply issues and other issues that will impact on the demand for and delivery of services                                                                              | High        | High   | High    | Monitor developments and financial and operational performance, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures                                                         |
| Assumptions and estimates, such as inflation, pay increases, interest rates, and future growth in Council Tax and business rates, may prove incorrect.                                                                                                                                                                             | High        | High   | High    | Monitor developments including regular review of Medium-Term Financial Strategy (MTFS) with reference to external data, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures |

| Risk                                                                                                                                                                                                                                                                                                                                                                                                              | Probability | Impact | Overall | Mitigations                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The financial impact of forthcoming waste reforms, including the introduction of food waste collections, is significant. Whilst best estimates have been made, it is possible that actual costs may exceed budget or that further budget bids will be needed in future years. There is also significant uncertainty around the future level of income from Packaging Extended Producer Responsibility payments.   | High        | High   | High    | Monitor developments and financial and operational performance, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures                                     |
| Future government policy in respect of setting Social and Affordable Rents may differ from the assumptions made.                                                                                                                                                                                                                                                                                                  | High        | High   | High    | Monitor developments, annual refresh of HRA 30-Year Business Plan, operate within target interest cover ratio of 1.25 to provide some headroom                                                                      |
| The council holds a significant property portfolio including operational and commercial properties and a large stock of council housing. This could give risk to unforeseen expenditure for example due to regulatory changes or the need for major repairs. Despite the rebasing of the housing repairs budget, there is a significant risk that the service continues to overspend to meet statutory pressures. | High        | High   | High    | Senior oversight of asset compliance functions, robust cost control, development of strategic asset plan, monitor developments, hold appropriate level of external insurance                                        |
| The council may be unable to identify the additional net savings required to meet its savings targets over the next five-years.                                                                                                                                                                                                                                                                                   | High        | Medium | High    | Robust budget setting process with senior officer challenge and member scrutiny, plan for over-delivery of savings to allow for some new pressures, maintain prudent reserve balances to cover short-term pressures |

| Risk                                                                                                                                                                                                                                                                                                                                                                                                              | Probability | Impact | Overall | Mitigations                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Savings plans may not deliver projected savings and/or additional income to expected timescales.                                                                                                                                                                                                                                                                                                                  | Medium      | High   | Medium  | Proactive budget management, detailed monitoring of financial and operational performance and regular reporting to Cabinet                                       |
| The council is exposed to several ongoing and potential high-value development projects including the Civic Quarter, district heat network and new homes programme. This comes with inherent risks including cost overruns and project slippage.                                                                                                                                                                  | Medium      | High   | Medium  | Strong project governance including oversight by Development Board and scrutiny by members, monitoring of financial performance and regular reporting to Cabinet |
| Despite the three-year local government finance settlement, grants are awarded on an annual basis and there remains a risk that the government could make further funding changes within the settlement period. There is also a high risk of further funding reductions at the end of the three-year period, due to the end of transitional support, and the likelihood of further government efficiency targets. | High        | Medium | Medium  | Monitor developments, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures                            |
| The government has published a new Decent Homes Standard to apply to social landlords from 2035, but until detailed guidance is published the financial impact of this cannot be reliably estimated.                                                                                                                                                                                                              | High        | Medium | Medium  | Monitor developments, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures                            |
| New legislation, changes to existing legislation, and/or increased demand for services as a result of a fast-growing population may have budgetary impacts.                                                                                                                                                                                                                                                       | Medium      | Medium | Medium  | Monitor developments, maintain prudent reserve balances to cover short-term pressures                                                                            |

| Risk                                                                                                                                                                                                                                                                                                      | Probability | Impact | Overall | Mitigations                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The council is subject to the decisions of the National Joint Council (NJC) in respect of pay and conditions, including the level of future pay awards. Employee costs make up a significant proportion of the council's total expenditure, yet this process is largely outside of the council's control. | Medium      | Medium | Medium  | Monitor developments, engage with employer side, plan delivery of savings and additional income, maintain prudent reserve balances to cover short-term pressures |
| The council may be impacted by spending cuts implemented by other agencies.                                                                                                                                                                                                                               | Medium      | Medium | Medium  | Monitor developments, engagement with partners, maintain prudent reserve balances to cover short-term pressures                                                  |

## Sensitivity analysis

The budget process addresses these risks by applying the principles of prudence and sustainability throughout. The sensitivity of the budget to estimates and assumptions has been assessed in the Medium-Term Financial Strategy (MTFS) at section 9.

## Equality Impact Assessment

As a key element of considering the changes proposed in this Budget Setting Report (BSR), an Equality Impact Assessment has been undertaken covering all budget proposal (see Appendices S(a) and S(b)). Assessing the potential equalities impact of proposed changes to policies, procedures and practices is one of the key ways in which the council can show that it has treated everyone fairly and without discrimination. In addition, all proposals are given climate change ratings, so that the overall climate impact of the proposals can be understood.

## Section 25 Report

Section 25 of the Local Government Act 2003 requires that the Chief Finance Officer (CFO) reports to the council, when it is making the statutory calculations required to determine its Council Tax or precept, on the following:

- The robustness of the estimates made for the purposes of the calculations.
- The adequacy of the proposed levels of financial reserves.

This report is presented at section 11.

# Reserves

## General Fund

The General Fund is a working balance to cushion the impact of uneven cash flows. It acts as a contingency for unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or within the council's control. The reserve also provides cover for grant and income risk.

The minimum level of the General Fund depends upon the financial risks facing the council, which will vary over time. The prudent minimum balance (PMB) and target level of General Fund reserves have been reviewed and increased this year in the context of the risks currently faced by the council, primarily the uncertainty surrounding local government reorganisation (LGR). The detailed calculations are set out at Appendix M. The proposed levels are set out in the table below:-

| General Fund reserve target (£m) | 2025/26 | 2026/27 |
|----------------------------------|---------|---------|
| Prudent minimum balance (PMB)    | 6.541   | 8.059   |
| Target level                     | 7.849   | 9.671   |

The table on the following page sets out the projected levels of the General Fund for the next five years, assuming that all net savings requirements for 2027/28 and later years are delivered in the year identified:

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| <b>General Fund reserve projection (£m)</b>                       | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>2030/31</b> |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Balance at 1 April</b>                                         | <b>18.863</b>  | <b>14.381</b>  | <b>12.485</b>  | <b>11.765</b>  | <b>12.154</b>  | <b>12.125</b>  |
| Net transfer to Transformation and Reinvestment Fund              | (1.754)        | -              | -              | -              | -              | -              |
| Transfer to Greater Cambridge Impact Fund Reserve                 | (0.800)        | -              | -              | -              | -              | -              |
| Planned use of reserve to fund one-off Folk Festival proposal     | (0.075)        | -              | -              | -              | -              | -              |
| Forecast use of reserve to balance budget in-year                 | (5.531)        | 1.604          | (0.720)        | 0.389          | (0.029)        | -              |
| Use of reserve to finance historic capital expenditure            | (5.837)        | -              | -              | -              | -              | -              |
| Transfer to Local Government Reorganisation Reserve               | -              | (2.500)        | -              | -              | -              | -              |
| Transfer to Civic Quarter Development Reserve                     | -              | (1.000)        | -              | -              | -              | -              |
| Current year business rates growth                                | 9.515          | -              | -              | -              | -              | -              |
| <b>Balance at 31 March before future business rates growth</b>    | <b>14.381</b>  | <b>12.485</b>  | <b>11.765</b>  | <b>12.154</b>  | <b>12.125</b>  | <b>12.125</b>  |
| Indicative future business rates growth (at risk)                 | -              | 0.329          | 1.195          | 2.033          | 0.335          | 1.260          |
| <b>Balance at 31 March including future business rates growth</b> | <b>14.381</b>  | <b>12.814</b>  | <b>13.289</b>  | <b>15.711</b>  | <b>16.017</b>  | <b>17.277</b>  |

The table shows that the General Fund balance is forecast to remain above the target level for the next five years, although the headroom has reduced significantly from the previous year's BSR, due largely to allocations made from the General Fund over the next two years, including £5.837 million to be applied from the reserve in 2025/26 to fund historic capital expenditure (currently financed from internal borrowing) associated with the construction of the Meadows Community Centre.

## Earmarked reserves

The following allocations are proposed to earmarked reserves in 2026/27:-

- It is proposed to allocate £2.5 million to a new Local Government Reorganisation Reserve. This will support the council's share of the costs which are likely to arise prior to the vesting of a new

unitary authority, as the council prepares to transfer its services. This initial amount has been set aside on the basis that other councils within the Cambridgeshire and Peterborough area will also need to contribute to this process, and there are expected to be significant additional set up and transitional costs arising in the new authority after vesting day.

- It is proposed to allocate a further £1.0 million to the Civic Quarter Development Reserve, with the specific aim of funding revenue costs associated with the temporary closure of the Corn Exchange and/or the provision of alternative facilities should the council decide to do so.

A breakdown of the council's earmarked reserves is provided at Appendix N.

## Housing Revenue Account

The Housing Revenue Account (HRA) also has a minimum working reserve balance which is held to help it cover in-year risks. These risks include changes in legislative, statutory and regulatory requirements or inflation and interest rates, unanticipated service needs, rent or other income shortfalls, and emergencies such as uninsured damage to the housing stock. In addition, the reserve may be used to support capital investment and, in the short term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

Like the General Fund, a prudent minimum balance (PMB) and target level are set for the HRA in light of the risks the council faces, and detailed calculations are set out at Appendix M. The levels set for 2026/27 are set out in the table below – note that the increase this year is largely due to the significant ongoing investment in the HRA (since the reserve targets are significantly dependent upon the level of planned income and expenditure):-

| Housing Revenue Account reserve target (£m) | 2025/26 | 2026/27 |
|---------------------------------------------|---------|---------|
| Prudent minimum balance (PMB)               | 6.161   | 6.801   |
| Target level                                | 7.393   | 8.161   |

Note that within the HRA the working balance is held deliberately close to the target level, so that any excess balances can be used to reduce the council's need to borrow for future capital expenditure. In the event of a revenue shortfall in any given year, the council would have the option to reduce the contribution to capital in that year in order to maintain the HRA balance at or above the target level. The table on the following page summarises the projected movements on the HRA working balance over the next five years:-

| Housing Revenue Account<br>reserve projection (£m)                    | 2025/26      | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      |
|-----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Balance at 1 April</b>                                             | <b>7.560</b> | <b>8.615</b> | <b>8.484</b> | <b>8.735</b> | <b>9.093</b> | <b>9.290</b> |
| Projected HRA surplus / (deficit)                                     | 1.055        | (0.131)      | 0.251        | 0.358        | 0.197        | 0.183        |
| <b>Balance at 31 March including<br/>future business rates growth</b> | <b>8.615</b> | <b>8.484</b> | <b>8.735</b> | <b>9.093</b> | <b>9.290</b> | <b>9.473</b> |

Note that the projected surplus for 2025/26 takes into account the latest forecast overspend, but also the need to retain the HRA reserve above the target level going into 2026/27. At year-end, the revenue contribution to capital will be adjusted to ensure that the target reserve level can be maintained.

The HRA also holds earmarked revenue reserves for specific purposes, and the balance on these was £2.688 million as at 1 April 2025. A further breakdown of earmarked reserves can be found at Appendix N.

## Financial sustainability and resilience

The MTFS published in October 2024 recognised that, despite the council's healthy reserve levels, there was a significant and growing structural General Fund budget gap (£11.5 million by 2029/30) which needed to be addressed to avoid the council's reserves being entirely depleted in paying for day-to-day services. Through the Our Cambridge transformation programme and other initiatives, the council has taken huge strides in addressing this deficit. The Budget Setting Context Report in July 2025 was able to report that this action had reduced the gap to £3.6 million in 2030/31. Further measures proposed in this budget will reduce the gap to £1.5 million. This is despite new bids and pressures totalling £3.5 million which have had to be absorbed this year.

Nevertheless, the medium-term projection still requires the remaining budget gap to be closed in order for the council to maintain its General Fund balance at or above the target level. In addition, it is likely that further service pressures will arise over the coming years, and significant uncertainty remains in particular about the level of contribution the council will need to make to the costs of LGR.

The current five-year projections are based upon a series of key assumptions (for example future inflation and interest rates) as set out at Appendix C. It is inevitable that actual experience will differ from the assumptions made, and sensitivity analysis within the MTFS (see section 9) considers a range of alternative scenarios with a five-year budget gap of anywhere between £1.5 million and £1.9 million, in addition to the £1.5 million 'best estimate' case. The three-year indicative figures in the local government finance settlement have afforded a greater degree of certainty in formulating the MTFS. The range of outcomes underlines the

## OFFICIAL

inherent risk in setting an MTFS, and the need for an appropriate level of prudence in setting budgets and target reserve levels.

It is important, therefore, that the council continues to work hard to ensure its ongoing financial sustainability and resilience by:-

- maintaining healthy levels of reserves;
- planning and delivering net savings in a controlled and sustainable way;
- identifying early any additional pressures which may arise and seeking opportunities for new funding sources to support these; and
- minimising unplanned overspends through careful financial monitoring and management throughout the year.

# Section 9

## Medium-Term Financial Strategy

### Medium-term context

It is always prudent to have a financial plan for the medium term, which is what the Medium-Term Financial Strategy (MTFS) sets out to do. Although the proposed timetable for local government reorganisation (LGR) will see the council dissolved on 1 April 2028, it remains important to plan for the medium term, both to ensure the ongoing sustainability of council services transferring to a new unitary authority, and also to give that authority a solid baseline from which to begin to develop its own strategy in the longer term.

Central government funding for councils has now been set out indicatively for the next three years. There will be a further government Comprehensive Spending Review in 2028, which will define the funding envelope for local government for the following three years. A general election must be called by August 2029 and any new government may adopt alternative spending plans. Based on the announcements in the local government finance settlement, government funding will increase by an average of 1.8% per year for the rest of this parliament, although as set out at section 2 there are significant variances in how this funding is being distributed, and this council will see its core spending power (CSP) decrease by 4.1% in cash terms over the next three years.

In the 2025 Autumn Budget, the Chancellor announced the creation of a new Council Tax surcharge on homes valued at over £2 million to be levied from April 2028. This will be determined by a revaluation of all properties in Council Tax bands F, G and H by the Valuation Office Agency. At the present time, we do not have sufficient information on the scheme, and on what would be done with the money raised, to estimate its impact. However, it is worth noting that for band H, the most likely to attract the surcharge, there are only 267 properties in the city liable to pay 100% Council Tax, so it is not expected to be a source of significant new income.

The government has also indicated that it plans to introduce more frequent resets of the business rates system, in line with the original intention for the scheme. Periodic resets could take place as frequently as every three years, alongside the existing three-yearly revaluation of all properties for rating purposes. As the council has benefited from high business rates growth, it will be impacted significantly by this proposal. Given the high level of uncertainty, this MTFS does not rely upon any future benefit from business rate growth

within the city when considering the council's budget position over the medium term. Should any benefit accrue, this will be paid into the General Fund and will be subject to future member decisions on how it should be spent.

The council will continue to experience cost pressures due to inflation and the increasing population within the city. It is important to note that the cost pressures in this year's budget proposals, combined with inflation, will increase net service budgets by 4.3% per year on average over four years from 2026/27 to 2030/31.

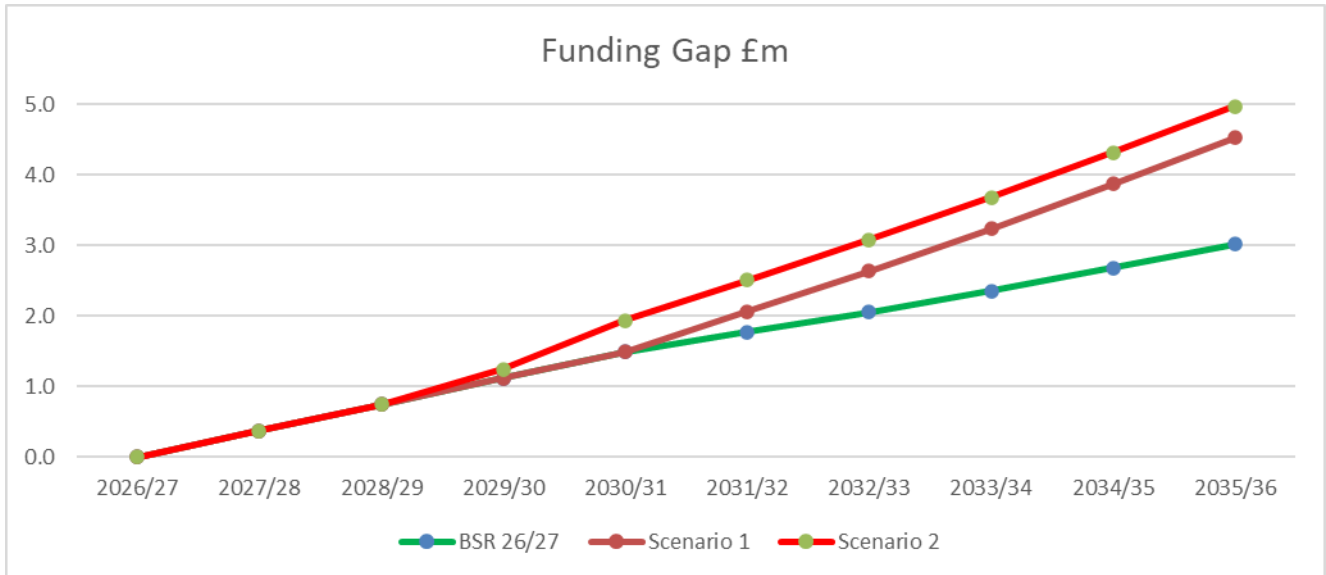
The key assumptions used in setting the budget, the MTFS and the Housing Revenue Account (HRA) 30-Year Business Plan are all set out in Appendix C. This also summarises the impact should assumptions differ from those used.

## Future funding scenario modelling

To test the sensitivity of the budget to changes in key variables, two alternative scenarios have been developed for the next 10 years, which are summarised in the table below:-

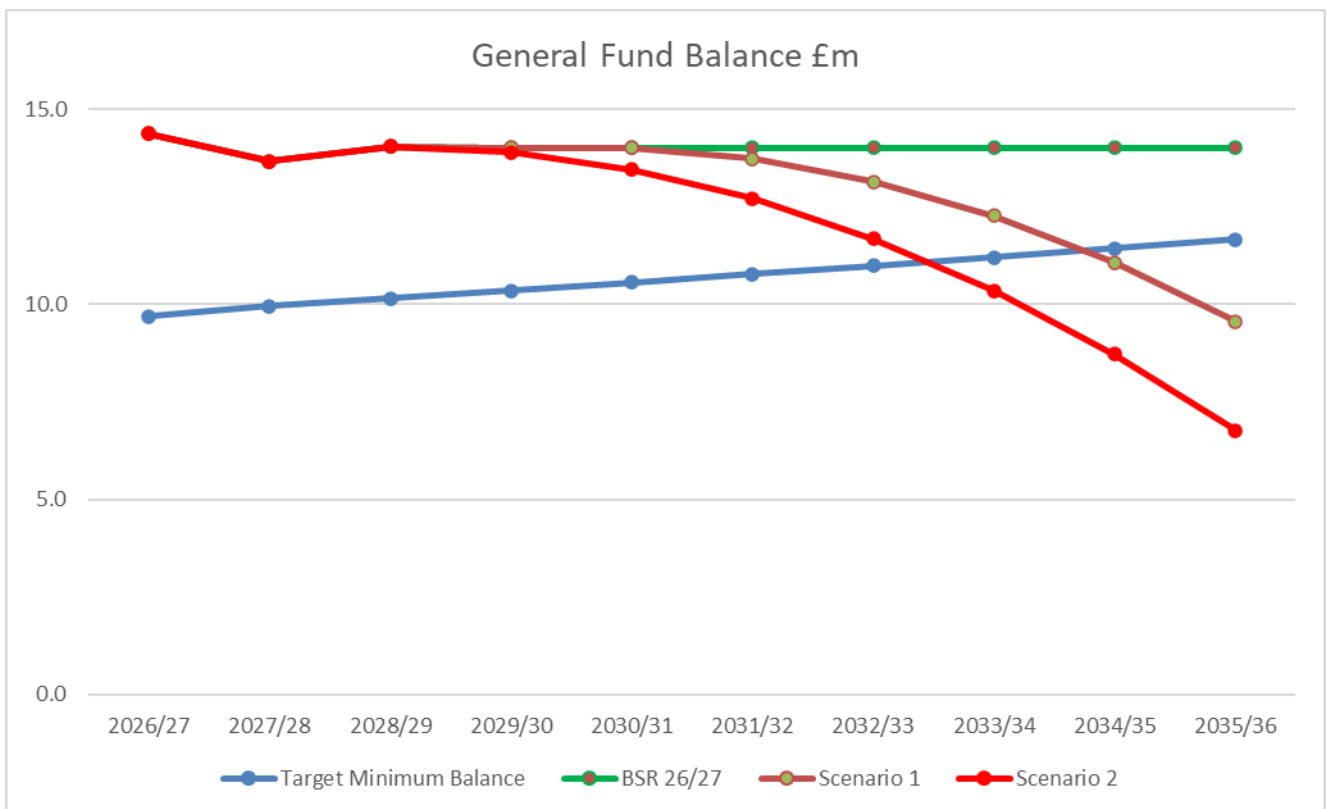
| Scenario       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget 2026/27 | The budget figures in the Budget Setting Report (BSR) 2026/27 are projected forward, assuming a 1.8% per year increase in government funding and 4.5% per year increase in cost pressures due to inflation and demographic change. Our working assumption is that business rates are reset every three years and that growth in business rates is in line with the level expected for the coming three years. The detailed projections are set out at Appendix D. |
| Scenario 1     | This scenario assumes that government funding will be frozen in cash terms with effect from 2031/32, a return to 'austerity'.                                                                                                                                                                                                                                                                                                                                     |
| Scenario 2     | This scenario assumes that government funding will be frozen in cash terms at the next spending review, with effect from 2029/30 to give a worst-case scenario.                                                                                                                                                                                                                                                                                                   |

The impact of each scenario on the gap between funding available and the cost of delivering services are shown in the chart on the following page. The size of the recurring funding gap after five years is between £1.5 million and £1.9 million and by year 10 this increases to between £3.0 million and £5.0 million:-



## Projected General Fund balance

The effect of different scenarios on the level of the General Fund Balance is shown in the chart below (assuming all other parameters remain constant and current savings targets are delivered as planned). These are compared to the target minimum General Fund balance. It is assumed that the target balance will increase roughly in line with inflation:-



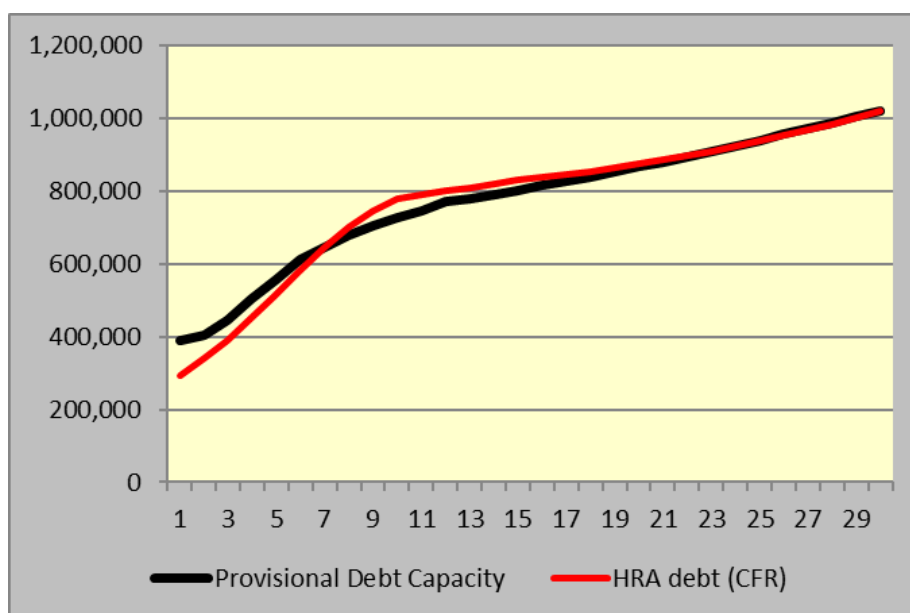
The chart shows that under the base case, the General Fund balance is projected to remain above the target level for the next ten years. This stands to reason, as the council's savings targets are set at a level which is necessary to achieve this. However, under scenario 1 the General Fund balance would fall below the target level in 2034/35, and under scenario 2 this would occur in 2033/34. This highlights the risk which could crystallise should the assumptions made in the development of the MTFS not prove to be accurate. However, in both cases it is noted that the reserves would not fall below the target level until at least three years after the triggering event, which would give time for the council to mitigate the impact, for example through setting and delivering new savings targets.

## Housing Revenue Account sensitivity

A similar exercise in modelling different scenarios and their impact on the HRA balance has been carried out by the council's external consultants, Savills, when developing the refreshed 30-Year Business Plan. The outputs of this work are summarised at Appendix J, and Savills' full report can be found at Appendix R.

The sensitivities and stress testing carried out highlight that the 30-Year Business Plan (and therefore future financial viability of the HRA) is particularly sensitive to future rent-setting policy, future movements in interest rates, and the level of investment required to meet current and future energy efficiency standards.

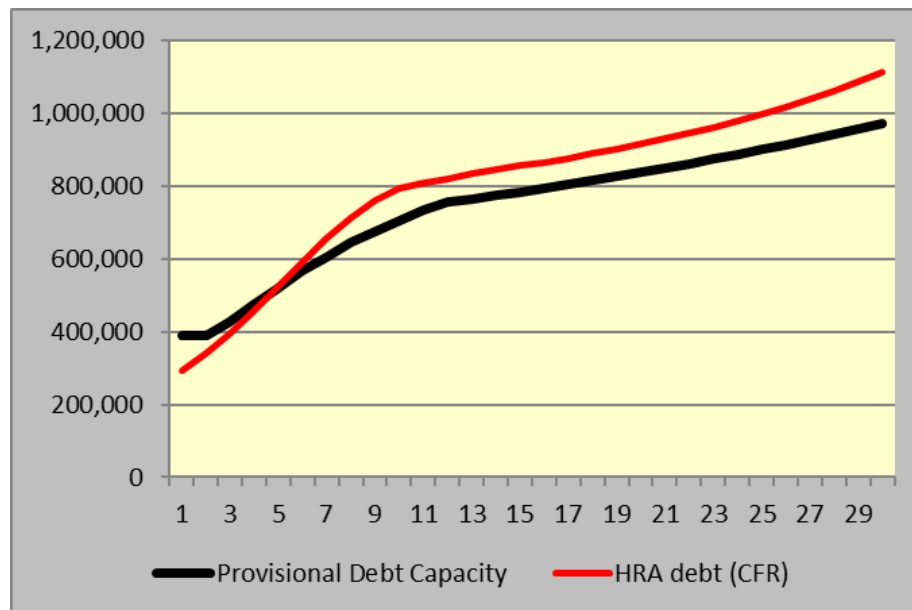
By the time the current 30-Year Business Plan ends in 2055, the HRA is projected to hold total debt of £799 million. This is predicated on an assumption of rent increases of CPI plus 1% for the next 10 years. However, were government in the future to return to CPI only after five years, total debt would increase significantly to £1.022 billion. This would also result in the council breaching the target interest cover ratio (ICR) of 1.25 (and therefore its prudent debt capacity) for a number of years. The effect of this is illustrated in the chart below:-



## OFFICIAL

In practice, the council would need to take significant mitigating action, for example by reducing and/or slowing down its capital investment, in particular in its new build development programme and/or energy efficiency works to its existing stock.

The 30-Year Business Plan is also particularly sensitive to an increase in interest rates, due to the significant borrowing which the council is planning to undertake over the next 16 years. A 1% increase in the interest rate for all new borrowing would move the plan into a position where borrowing would be at a level above that considered prudent in risk management terms, as the HRA would risk not being able to generate sufficient surplus to cover the higher level of interest payments.



In this situation, debt would continue to rise throughout the 30-year period, reaching £1.115 billion by 2055. It should be noted that, even in this case, the HRA's ICR would remain above 1 for the whole period, so interest payments would still technically be affordable. However the council would be left with very little contingency within its revenue budgets, so the situation is unlikely to be sustainable in the long term. To avoid this situation arising, interest rates will be monitored very closely over the next few years as the new build programme progresses, and the council will work with its treasury management advisers, Mitsubishi UFG, to ensure an appropriate balance between securing the most advantageous interest rates for the HRA and balancing risk. For example, in current markets, short-term loans are cheaper than long-term loans – however taking too much finance in short-term loans opens the council to the risk that interest rates may spike at the point of refinancing. In reality, a mixed approach to borrowing with a range of maturities is likely to present the best balance of outcomes and risk.

# Budget strategy and future savings

Having considered possible scenarios for future funding, there are two major changes proposed to the budget strategy from the last MTFS.

Firstly, given the prospect of business rates resets every 3 years, it is no longer considered prudent to use any business rates growth to balance the budget. Previously, £1.5 million of growth per year was employed to help to balance the budget, but from 2026/27 all estimated future growth will be transferred to the General Fund reserve. This is a prudent approach designed to avoid dependence on an unreliable source of income. However, this will be kept under review and should business rates growth exceed expectations over the medium term, the policy will be revisited.

Secondly, to avoid the need to borrow in a relatively high interest environment, it is proposed that capital expenditure on assets such as IT or vehicles with a relatively short useful life are funded from revenue. This will reduce both the costs of interest and the future minimum revenue provision (MRP) required to repay borrowing. Hence, the capital strategy contains no plans to borrow for the General Fund, only for investment in the housing stock and new housing development within the HRA.

Note that General Fund borrowing is likely to be required in respect of large capital projects which are currently under consideration but have not yet progressed to the formal bid stage, including Civic Quarter and the district heat network. Should these projects go ahead, there will need to be a full business case developed which takes into account the cost of financing. In both cases it is currently assumed that there will be no ongoing negative impact on the council's revenue budget – if this is not the case then additional savings will need to be made elsewhere to compensate.

Future targets for savings to be achieved are set in section 4 of this report. The cumulative savings target is £1.492 million by 2030/31. Whilst these savings are not yet identified, the profile of required savings over four years, starting with £375,000 in 2027/28, means the council has time to consider the best way in which to meet these targets. The council will consider in particular where it can invest to save (as demonstrated by the 2026/27 bid to supporting local housing charities to become Registered Providers, which will reduce the council's housing benefit subsidy loss). It is also likely that a further review of council fees and charges may be necessary in the future.

# Section 10

## Council Tax and rent setting

### Council Tax setting

#### Legal framework

The Local Government Finance Act 1992 sets out the requirements for setting and administering Council Tax. The council collects this tax on its own behalf, but also on behalf of precepting authorities (Cambridgeshire County Council, Cambridgeshire and Peterborough Combined Authority, the Police and Crime Commissioner Cambridgeshire and Peterborough, and the Cambridgeshire and Peterborough Fire Authority), who must all issue a precept before 1 March each year.

The Localism Act 2011 requires that the council determine whether the increase in its Council Tax for the financial year is 'excessive'. For 2026/27, if the increase from the previous year exceeds 2.99% or £5 for a band D property (whichever is the greater), then a local referendum must be held for the council's electors to agree or reject the proposed increase.

#### Council Tax 2026/27

In light of the continuing budget gap facing the council, it is proposed to increase Council Tax by 2.99% for 2026/27. This would be an increase of £6.94 per year for a Band D property, equivalent to around 13p per week. No referendum would be required.

Based on this increase and the increased tax base for 2026/27 of 46,562.0, the income from Council Tax in 2026/27 is budgeted at £11.132 million.

If the 2.99% increase is approved, then the council's band D Council Tax for 2026/27 will be £239.07 per year with proportionate increases applied to other valuation bands, as shown in the table on the following page:-

| Council Tax band | 2025/26 (£) | 2026/27 (£) | Increase (£) |
|------------------|-------------|-------------|--------------|
| A                | 154.75      | 159.38      | 4.63         |
| B                | 180.55      | 185.94      | 5.39         |
| C                | 206.34      | 212.51      | 6.17         |
| D                | 232.13      | 239.07      | 6.94         |
| E                | 283.71      | 292.20      | 8.49         |
| F                | 335.30      | 345.32      | 10.02        |
| G                | 386.88      | 398.45      | 11.57        |
| H                | 464.26      | 478.14      | 13.88        |

# Rent setting

## Legal framework

The Housing Act 1985 gives the council power to determine the level of rent it charges to tenants or occupants of its homes. The council is additionally required by the 1985 Act to review rents from time to time and make changes as circumstances requires. The council must set rents in accordance with the Rent Standard issued by the Regulator of Social Housing. The council must act reasonably in relation to rent setting, and the decision maker should therefore be satisfied that the increase is reasonable and justified.

Part 2 of the Housing Act 1985 provides that the council has a legal duty to set a balanced budget each year, bearing in mind its fiduciary duties to the taxpayer, and the Housing Revenue Account (HRA) is not allowed to go into deficit. The council is required to produce and make available for public inspection an HRA annual budget and to review and revise the budget, if necessary, from time to time to avoid any deficit. The council is required by the 1985 Act to notify tenants of variations of rent and other charges at least 28 days before the change takes effect. The council must consult with the tenants before notifying them of variations to the terms of a secure tenancy. The Landlord and Tenant Act 1985 sets the basic rules for setting service charges, including the requirements for consultation with leaseholders.

## Social Rents

The council is required to set rents for its council dwellings on an annual basis. As rent is the primary source of income for the HRA, it is essential to the sustainability of the HRA that it is set at a level which is appropriate, with reference to the cost pressures experienced. The assumption made in respect of rent increases is

## OFFICIAL

absolutely critical in terms of business planning, and a small variation in percentage terms makes a significant difference in monetary terms over a number of years.

Since April 2020, rent increases have been limited to an increase of up to CPI plus 1% each year (based upon CPI at the preceding September). This was originally intended to be for a period of five years but was subsequently extended to cover 2025/26.

Following consultation, the government has directed the Regulator of Social Housing to issue a new rent standard to take effect from 1 April 2026. This will once again provide for annual rent increases of up to CPI plus 1% for at least the next five years, with a stated policy objective of 10 years (although this will be subject to future government decisions). For the purposes of the HRA 30-Year Business Plan, it is assumed that this cap will continue for 10 years, before reverting back to CPI only increases from 2036/37 onwards.

It is therefore proposed that Social Rents will increase by 4.8% from April 2026 (being the September CPI figure of 3.8% plus 1%). The table below shows the estimated impact of the proposed increases on average weekly rent per property type:-

| Average weekly Social Rent (£) | No. of properties | 2025/26 | 2026/27 | Increase | % increase |
|--------------------------------|-------------------|---------|---------|----------|------------|
| 1 bedroom                      | 2,066             | 110.33  | 115.63  | 5.30     | 4.8%       |
| 2 bedrooms                     | 2,180             | 127.78  | 133.92  | 6.14     | 4.8%       |
| 3 bedrooms                     | 2,144             | 143.17  | 150.05  | 6.88     | 4.8%       |
| 4 bedrooms                     | 93                | 169.11  | 177.22  | 8.11     | 4.8%       |
| 5 bedrooms                     | 7                 | 172.38  | 180.65  | 8.27     | 4.8%       |
| 6 bedrooms                     | 2                 | 215.57  | 225.92  | 10.35    | 4.8%       |
| HMO                            | 21                | 119.93  | 125.69  | 5.76     | 4.8%       |

The government has also announced a period of rent convergence to commence from April 2027. This will, over time, increase the rent for tenants who are currently benefitting from historic below-inflation rent increases, until it is in line with the calculated 'formula rent' for the property (usually around 40% of the open market rent). The rate of convergence will be £1 per week from April 2027, and £2 per week in subsequent years. Further information is set out in section 2.

The Rent Standard allows councils to charge Social Rents at 5% above the formula rent (10% for supported housing). This flexibility is only applied at reletting, so does not impact current tenants. The council began to apply this flexibility with effect from April 2025, recognising the significant additional investment, and

associated borrowing, required across the housing stock to:

- improve the energy efficiency of council homes and reduce energy bills for residents, by achieving EPC'C' by 2030; and
- meet new requirements set in legislation such as the Building Safety Act 2022 and Fire Safety Order.

## Affordable Rents

In respect of Affordable Rent homes for existing tenants, the same inflation rates apply as for Social Rent homes and these are also monitored by the Regulator for Social Housing. Rent convergence

does not apply to Affordable Rent, since rent is set by reference to the open market each time a property is relet. Affordable Rents may be set at up to 80% of market rent, and combine both the rent and non-discretionary service charges levied for any property.

The council has two levels of Affordable Rents being applied to new homes, with rents set at either 60% (or the Local Housing Allowance level if this is lower) or 80% of market rent depending upon the nature of the scheme and the proportion of affordable housing being delivered on the site.

Some of the council's older Affordable Rent housing was based on the pre-COVID Local Housing Allowance, which for existing tenants has been inflated annually. When any of these homes become vacant, they are relet at 60% of market rent or the current Local Housing Allowance, whichever is lower.

The table below shows the proposed average Affordable Rents for 2026/27:-

| Average weekly Affordable Rent (£) | No. of properties | 2025/26 | 2026/27 | Increase | % increase |
|------------------------------------|-------------------|---------|---------|----------|------------|
| 1 bedroom                          | 414               | 179.01  | 187.60  | 8.59     | 4.8%       |
| 2 bedrooms                         | 525               | 202.26  | 211.97  | 9.71     | 4.8%       |
| 3 bedrooms                         | 94                | 225.25  | 236.06  | 10.81    | 4.8%       |
| 4 bedrooms                         | 16                | 290.35  | 304.29  | 13.94    | 4.8%       |
| 5+ bedrooms                        | 2                 | 320.01  | 335.37  | 15.36    | 4.8%       |

## Shared ownership rents

There are 80 shared ownership properties in the HRA (of which 63 are at Social and 17 at Affordable Rent). Rent increases for Affordable Rent shared ownership properties are determined by the terms of the lease on

the property. For most properties the annual increase is set at RPI plus 0.5%, based upon RPI at the previous January (yet to be published at the date of this report). The rent on Social Rent shared ownership properties is increased in line with other Social Rent properties.

## Service charges

Service charges are levied for services that are provided to some tenants, but not necessarily all, depending upon the type, nature and location of a property. Some of these services are eligible for housing benefit or Universal Credit. Service charges must be set at a level that will cover the cost of the service.

Tenant service charges are not affected by the rent setting policy and should be set with the intention of recovering the full cost of providing the service. Service charges will increase with inflationary pressures and changes in usage, so that tenants can see what they are paying for alongside their core rent. For Affordable Rent homes, the tenant pays a total sum for rent and service charges combined.

Service charges are set at a level to recover the full costs of providing those services, but guidance expects providers to endeavour to ensure that service charge increases do not exceed CPI plus 1% (recognising that costs sometimes unavoidably increase by more than this). Providers are required to consult tenants in respect of the introduction of new services or before making any material change to existing services. Therefore, the 30-Year Business Plan assumes an average service charge increase in 2026/27 of 4.8%, based upon the September 2025 CPI of 3.8% plus 1%. The methodology which will be applied to the uplifting of individual service charges is set out in more detail at Appendix K.

## Other income

### Garages and parking spaces

The HRA currently owns 1,287 residential garages and 423 parking spaces, and manages a further 16 garages and 6 parking spaces on behalf of the General Fund. A few HRA garages and parking spaces are on sites being explored for potential demolition and redevelopment, and so this number may reduce in the medium term.

Of the total garages and parking spaces managed by the HRA, approximately 26.0% (451 garages and parking spaces) are currently void (compared to 21.9% at this time last year). Of these, 143 are garages which have been vacated as the sites have been approved for redevelopment. The voids figure also includes around 200 vacant parking spaces, but a significant proportion of these are on new build sites, where the scheme residents are offered first refusal to rent the parking spaces before they are offered out more widely to other

## OFFICIAL

tenants, residents or commuters into the city.

It is proposed to increase fees for garages and parking spaces by up to 4.8% in 2026/27. The proposed charges for garages and parking spaces in 2026/27 are set out in the table below:-

| Garage and parking space weekly charges (£)                                                                                       | 2025/26       | 2026/27       | Increase | % increase |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------|------------|
| Parking space in standard area (tenants*)                                                                                         | 8.68          | 9.10          | 0.42     | 4.8%       |
| Parking space in standard area (other city residents**)                                                                           | 11.46         | 12.01         | 0.55     | 4.8%       |
| Garage in standard area (tenants*)                                                                                                | 11.16         | 11.70         | 0.54     | 4.8%       |
| Garage in standard area (other city residents**)                                                                                  | 14.74         | 15.44         | 0.70     | 4.7%       |
| Garage or parking space in high value / high demand area (tenants*)                                                               | 21.30         | 22.32         | 1.02     | 4.8%       |
| Garage or parking space in high value / high demand area (other city residents**)                                                 | 28.12         | 29.47         | 1.35     | 4.8%       |
| Right to park in high value / high demand area (tenants*)                                                                         | 14.91         | 15.62         | 0.71     | 4.8%       |
| Right to park in high value / high demand area (other city residents**)                                                           | 25.56         | 26.78         | 1.22     | 4.8%       |
| A premium is added to all base rates above when rented for non-city resident, commuter, business or commercial use                | 12.00 premium | 12.58 premium | 0.58     | 4.8%       |
| Parking space in standard area (non-city resident, commuter or business / commercial use)                                         | 23.46         | 24.59         | 1.13     | 4.8%       |
| Garage in standard area (non-city resident, commuter or business / commercial use)                                                | 26.74         | 28.02         | 1.28     | 4.8%       |
| Garage or parking space in high value / high demand area (non-city resident, commuter or business / commercial use)               | 40.12         | 42.05         | 1.93     | 4.8%       |
| * A 30% discount will apply for a council tenant with a blue badge in the immediate household                                     |               |               |          |            |
| ** Other city residents include council tenants with a garage in a different ward and more than 1.5 miles from their council home |               |               |          |            |

## Commercial property

The level of rental income from commercial property is dependent upon the timing of lease renewals and

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rent reviews for the small portfolio of shops and other business premises that are owned by the HRA. In 2025/26 the gross income generated by the commercial property portfolio is anticipated to be in the region of £610,000. For 2026/27, an income budget of £625,000 is proposed. General occupation of the HRA commercial property portfolio has historically been good, with vacant shop units usually relet within reasonable timescales. However, delays have been experienced in letting the redeveloped shops at Akeman Street, and one unit remains vacant. Rent reviews continue to present challenges, as business owners are facing increased costs across a number of areas.

# Section 11

## Section 25 report

### Introduction

Section 25 of the Local Government Act 2003 requires the council's Section 151 Officer to report to the council when it is considering its budget requirement and consequent Council Tax setting. The report must deal with the robustness of the estimates made for the purposes of the calculations and the adequacy of the reserves allowed for in the budget proposals.

The rationale is to ensure that the estimates are sufficient to cover regular recurring costs plus any reasonable risks and uncertainties and, in the event of unexpected expenditure, there are adequate reserves to draw on. The calculations relate to the budget for the forthcoming year and the legal requirement may, therefore, be interpreted as reporting only on the 2026/27 estimates and reserves up to 31 March 2027.

### Economic context

The council is subject to significant market uncertainties that make the estimation of costs and income difficult. CPI inflation remains above the Bank of England's 2% target (3.2% at November 2025) and, whilst interest rates have now begun to come down, the future trajectory remains difficult to predict as a result of sustained high inflation and the wider geopolitical situation. Supply chains and the labour market remain challenging. Many service areas within the council are finding staff recruitment and retention difficult, leading to the need to take on agency staff to maintain service delivery. Furthermore, adverse economic conditions over the past few years have led to an increase in service demands. As a result, estimates in this Budget Setting Report (BSR) should be treated with some caution, and consideration given to the alternative scenarios modelled in the Medium-Term Financial Strategy (MTFS).

### Governance and financial management

The council conducts a review of its system of internal control and prepares and publishes an Annual Governance Statement (AGS) each financial year. This demonstrates whether, and to what extent, the council complied with its Local Code of Governance. This process records the council's good practice and supports improvement of governance arrangements. Producing the AGS helps the council meet the requirements of

Regulation 6(1)b of the Accounts and Audit (England) Regulations 2015. It is reviewed and approved by the Civic Affairs and Audit Committee. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. That duty has grown in importance with the reduction in resources being made available for local authorities over recent years. The AGS 2024/25 concludes that the council has in place strong governance arrangements which it is confident protect its interests and provide necessary assurances to its citizens and stakeholders. It also includes the opinion of the Head of Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the council's overall internal control environment during the financial year 2024/25.

## Robustness of estimates

The council has well established and robust budget setting processes. These have been followed when compiling the 2026/27 budget and medium-term projections. An appropriately prudent approach has been taken to the estimates and assumptions used in the preparation of the Medium-Term Financial Strategy (MTFS). The MTFS sets out the key estimates and assumptions used, including those relating to future inflation, interest rates on investments and borrowing, government funding, business rates and Council Tax.

## Scenario planning and unavoidable revenue pressures

The council follows best practice in undertaking scenario modelling to support the MTFS. The five-year net savings requirements identified in the MTFS ranged from £1.5 million to £1.9 million depending upon the scenario chosen. This represents 5-6% of the council's 2026/27 core spending power (CSP).

Whilst every effort has been made to model future revenue pressures, it is impossible to foresee all eventualities, and it is likely that the council will continue to be impacted by additional future pressures which are as yet unknown. In particular there will be significant additional costs arising from preparations for local government reorganisation (LGR) within Cambridgeshire and Peterborough. This Budget Setting Report (BSR) sets aside £2.5 million for the purpose of covering the council's share of pre-transition costs which is considered to be a prudent estimate – nevertheless an inherent risk remains that this will not be sufficient.

Within the Housing Revenue Account (HRA), a full reset of the budget and 30-Year Business Plan has been carried out this year with the assistance of external consultants, Savills. This review provides some assurance over the medium- and long-term viability of the HRA. However, significant uncertainty remains in respect of future government rent setting policy, and the future costs of maintaining the housing stock in the face of high inflation and increasing regulatory demands. Whilst every effort has been made to set a realistic budget,

the risk of further service pressure in this area cannot be ruled out.

The 30-Year Business Plan also assumes significant ongoing borrowing costs within the HRA as a result of the council's significant new build development programme. The council is planning £867 million of capital investment in both existing housing stock and new development over the next 10 years, of which it intends to fund £483 million through new borrowing. External review of the 30-Year Business Plan indicates that this level of borrowing is affordable, based upon current assumptions. However, if future interest rates differ from these assumptions, this could have a significant impact on the HRA. It will be important for the council to continuously monitor the economic forecasts, and to work with its treasury management advisers to develop a borrowing strategy which appropriately balances seeking low interest rates against future refinancing risk, and to consider the need to reduce, slow or pause its new build development programme should economic conditions deteriorate. Furthermore, should there be a detrimental change in respect of government rent policy, there will almost certainly need to be a reduction in the HRA capital programme over the next 10 years to ensure that debt remains affordable.

## **Estimation and delivery of savings**

The Budget Setting Context report in July 2025 identified a net five-year savings requirement of £3.6 million. This budget includes new savings and increased income measures worth an ongoing £3.7 million from a combination of efficiencies, changes to services, increases to fees and charges, and a review of the council's 10-year capital forecasts. However, new pressures have also been identified and the savings requirement has also been impacted by changes to assumptions around local government funding and future business rates growth. As such, the five-year savings requirement overall has reduced from £3.6 million to £1.5 million as a result of this BSR.

Identifying savings through the budget setting process is only the first step. All proposals are subjected to robust scrutiny by officers and members and are considered achievable – however careful budget monitoring will be required on an ongoing basis to ensure delivery. This will be underpinned by quarterly integrated reporting to Cabinet.

Although the savings target has again been reduced, there remains a further £1.5 million of recurring net savings to be delivered over the next five years. The challenge and risk associated with this should not be underestimated, particularly in the context of the significant savings already made, and the wider context around LGR.

# Adequacy of reserves

Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. It is the responsibility of the Section 151 Officer to advise local authorities on the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

A key mitigation for financial risk is the Section 151 officer's determination of a prudent minimum level of reserves. A risk assessment has been undertaken for the MTFS to determine the level of non-earmarked general reserves required by the council. Section 8 of this report recommends updated levels of reserves. In making this recommendation, the Section 151 officer has followed guidance in the CIPFA Bulletin 13 – Local Authorities Reserves and Balances.

The following table sets out the prudent minimum levels of general reserves, together with the estimated balances at the start and end of the forthcoming financial year:

| General (unearmarked) reserves (£m)  | General Fund | HRA   |
|--------------------------------------|--------------|-------|
| <b>Minimum levels (BSR 2026/27)</b>  |              |       |
| Prudent minimum balance (PMB)        | 8.059        | 6.801 |
| Target level                         | 9.671        | 8.161 |
| <b>Forecast levels (BSR 2026/27)</b> |              |       |
| 1 April 2025                         | 14.381       | 8.615 |
| 31 March 2026                        | 12.485       | 8.484 |

Within their commentary on the 30-Year Business Plan (see Appendix R), Savills have expressed a view that the target reserve level for the HRA is considered prudent against all metrics, and the council could consider reviewing the reserves policy in future years. Savills have provided a range of alternative benchmarked metrics which would instead see the target level fall somewhere between £5.8 million and £6.9 million. I have carefully considered this advice prior to setting the above target levels. The case for reducing the target level is that it would release reserves for capital investment, thus reducing the HRA's need to borrow and therefore future interest costs. However, it is my opinion that, in the context of the council's unusually large new build development programme and the inherent risks associated with this, the additional prudence afforded by the council's current methodology for calculating the target reserves level is warranted. This will be kept under regular review.

# Conclusion

**I consider estimates for the financial year 2026/27 to be sufficiently robust and the financial reserves up to 31 March 2027 to be adequate.**

**However, I draw attention to the fact that:-**

- significant uncertainty remains in relation to the impact on the council of local government reorganisation;
- there is significant inherent risk posed by the scale of the council's new homes development programme which will require careful management and mitigation; and
- the council currently does not have detailed plans to meet its five-year savings requirement in full.

**Jody Etherington, Section 151 Officer**

## Appendix A(a) – Calculation of Council Tax base 2026/27

[illegible]



## Priorities and Budget 2026-27

### How should the council approach its six priorities moving forward?

512/512 - Matrix - required

|                                                                     | 1-<br>Spend<br>more on<br>this | 2-<br>Spend<br>the<br>same<br>on this | 3-<br>Spend<br>less on<br>this |
|---------------------------------------------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| Residents enjoy a high quality of life and exemplar public services | 62.3%                          | 32.03%                                | 5.66%                          |
| Decarbonisation and sustainability are central to prosperity        | 33.98%                         | 33.59%                                | 32.42%                         |
| Innovation benefits people and planet                               | 19.92%                         | 46.88%                                | 33.2%                          |
| Development is sustainable and inclusive                            | 28.32%                         | 43.95%                                | 27.73%                         |
| Arts, sports, and culture are thriving                              | 33.79%                         | 49.8%                                 | 16.41%                         |
| Democratic accountability is genuine and accessible                 | 25.98%                         | 54.49%                                | 19.53%                         |



## Do you have any further comments to make regarding the six priorities in the council's vision?

168/512 - Long answer - optional

The most common theme across responses is a strong desire for the council to focus on “getting the basics right” and prioritising essential services. Many respondents repeatedly mention the poor state of roads and pavements, calling for urgent repairs to potholes and better maintenance of public spaces. Cleanliness, street cleaning, graffiti removal, and more bins are also frequently cited as priorities.

Housing is another major concern, with many calling for more social and affordable housing, and action on homelessness. Many link the cost of living crisis directly to unaffordable housing and insufficient public transport.

There is widespread frustration with the vagueness and perceived lack of clarity or measurability in the six priorities, with several respondents saying the statements are too general, ambiguous, or “tick-box” in nature, making it hard to give meaningful feedback or hold the council accountable. Some feel the survey and consultations themselves are poorly designed or biased.

A significant number of respondents express scepticism or outright opposition to spending on environmental and decarbonisation initiatives, describing them as “vanity projects”, “tick-boxing”, or not relevant to the council’s core responsibilities. Others, however, argue that sustainability and nature protection should be central to the council’s work.

Concerns about overdevelopment, population growth, and the impact on natural resources (especially water) are raised by several respondents, who feel the city is being overwhelmed and its character and environment are being damaged.

There is a strong call for the council to focus spending on residents’ needs rather than tourists, students, or businesses, and to address social inequality and inclusivity.

Many respondents want council tax kept as low as possible, with some calling for tax cuts or a freeze, and for the council to “spend less everywhere” or focus only on essentials.

Transport and accessibility are also recurring issues, with calls for better public transport, integrated transport planning, and improved access for residents from surrounding villages.

A number of respondents mention the need for more and better public toilets, community facilities, and support for arts, culture, and independent businesses, but these are less frequently raised than the above issues.

In summary, the strongest trends are: a demand for focus on core services (especially roads, cleanliness, and housing), frustration with vague or “utopian” priorities, scepticism about environmental spending, concerns about overdevelopment, and a desire for council spending to prioritise residents’ everyday needs and keep taxes low. Calls for better public transport, addressing inequality, and improved community facilities are also present but less dominant.

## How important is it for the council to spend money on these services?

511/512 - Matrix - required

|                         | 1 - Very important | 2 - Slightly important | 3 - Not very important | 4 - Not at all important |
|-------------------------|--------------------|------------------------|------------------------|--------------------------|
| Public Safety           | 74.76%             | 20.74%                 | 3.13%                  | 1.37%                    |
| Sport and Recreation    | 32.09%             | 49.12%                 | 14.87%                 | 3.91%                    |
| Streets and Open Spaces | 66.73%             | 28.77%                 | 2.35%                  | 2.15%                    |
| Waste and Recycling     | 68.49%             | 27.2%                  | 2.94%                  | 1.37%                    |
| Community Centres       | 30.72%             | 41.88%                 | 20.35%                 | 7.05%                    |
| Community Services      | 35.23%             | 39.73%                 | 16.63%                 | 8.41%                    |
| Cultural Services       | 22.7%              | 43.64%                 | 21.14%                 | 12.52%                   |
| Grant Support           | 22.11%             | 41.49%                 | 25.44%                 | 10.96%                   |
| Environmental Health    | 52.25%             | 35.03%                 | 9.59%                  | 3.13%                    |



English

Appendix B Budget 2026-27 consultation responses

|                                    | 1 - Very important | 2 - Slightly important | 3 - Not very important | 4 - Not at all important |
|------------------------------------|--------------------|------------------------|------------------------|--------------------------|
| Housing and Homelessness           | 52.64%             | 31.51%                 | 10.18%                 | 5.68%                    |
| Customer Service Centre            | 19.77%             | 41.29%                 | 28.77%                 | 10.18%                   |
| Greater Cambridge Planning Service | 20.55%             | 41.88%                 | 24.46%                 | 13.11%                   |

**Do you have any further comments to make on how we spend money on council services?**

119/512 - Long answer - optional



English

The most frequently raised concern is the poor condition of roads, pavements, and cycle lanes, with repeated calls for urgent repairs, resurfacing, and pothole fixing. Many feel cycling is unsafe and that the city is becoming less pleasant for pedestrians and cyclists due to neglect and poor maintenance.

A strong theme is the need to focus on “the basics” – clean streets, open spaces, public toilets, waste collection, and visible environmental upkeep. Many respondents are frustrated by what they see as “vanity projects” or “cosmetic” schemes (such as Market Square changes or landscaping) and want resources redirected to essential services.

Housing and homelessness are repeatedly identified as top priorities, with calls for more affordable housing, quicker planning, and support for the most vulnerable. Some feel planning is too slow or restrictive, making it hard for young people to stay in the city.

There is widespread dissatisfaction with the Greater Cambridge Partnership (GCP), with several calling for it to be scrapped or reformed, citing lack of accountability, waste, and a disconnect from residents’ needs.

Concerns about anti-social behaviour, crime, and lack of police presence are common, with some questioning the effectiveness of CCTV and calling for more visible enforcement.

Some want more efficient, transparent, and value-for-money council operations, including better management, less bureaucracy, and more use of technology (such as AI in customer service).

There is a call for more equitable distribution of services across the city, with some feeling that certain areas (especially the north or edges) are neglected compared to the centre or south.

Views on cultural services and events are mixed: some want less spending (especially on fireworks or large events), while others value distinctive community events and want more support for smaller arts initiatives.

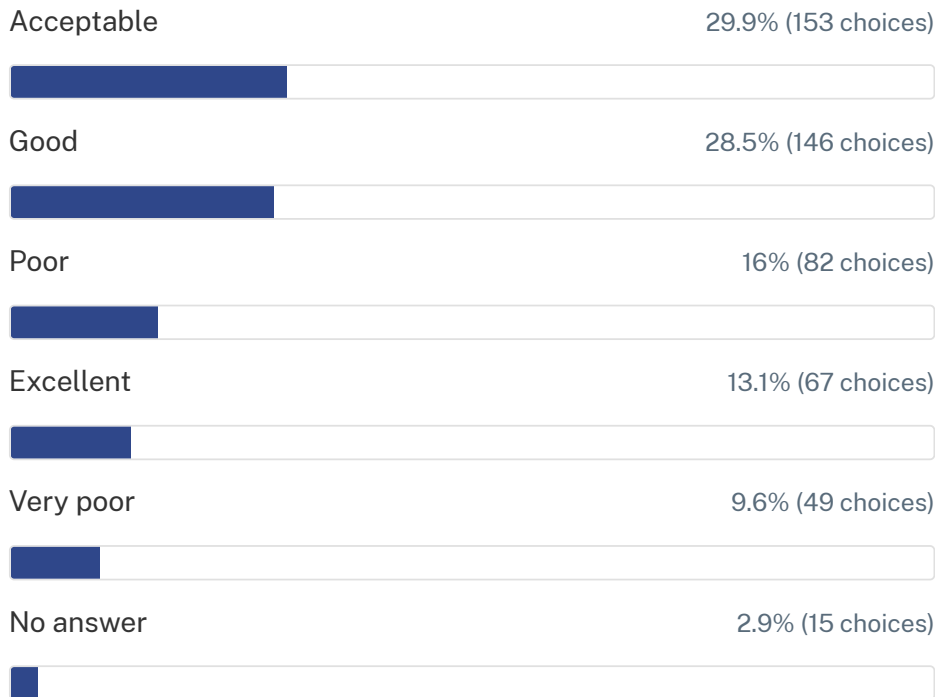
Some respondents suggest charging more for non-essential services, introducing tourist taxes, or making services more self-funding, especially for those who can afford to pay.

A few mention the need for better support for volunteers, youth services, and independent local businesses.

Overall, there is a strong desire for the council to prioritise essential, visible services that benefit all residents, ensure fairness across the city, and avoid wasteful or unpopular projects. Many express frustration with current management, lack of transparency, and a perceived disconnect between council decisions and residents’ needs.

## Bearing in mind Cambridge City Council's share of Council Tax of £232.13 per year, how would you rate the council as a whole in terms of value for money for Council Taxpayers?

497/512 - Multiple choice - choose one - optional

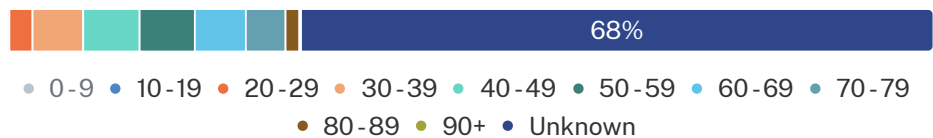


## Demographic data

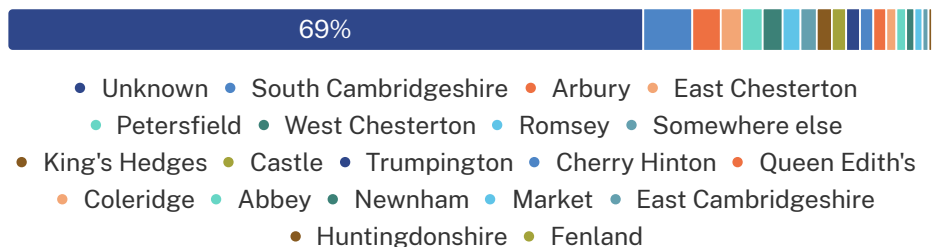
Respondents are invited to share some details about themselves as part of the registration process on our online engagement platform. This helps us better understand how representative the responses are of the people who live and work in Cambridge.

To ensure that the survey is accessible to as many people as possible, we do not make it compulsory to provide this data. The online engagement platform is continually working to improve how it presents this data.

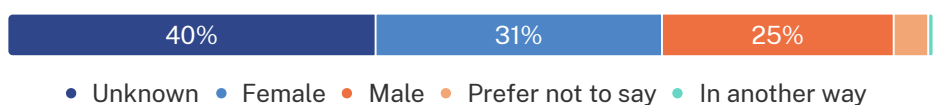
### Age



### Place of residence



### Which of the following describes how you think of yourself? (please select one response from the following)



English

## Appendix C – Key assumptions

Key financial modelling assumptions reflect the economic assessment in section 2 of the Budget Setting Report and other factors specific to the council. These assumptions have been applied to both the General Fund and the HRA except where indicated.

| Key area                             | Assumption                                                                                      | Comment / sensitivity                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General inflation                    | 2026/27: 3.5%*<br>2027/28: 2.6%<br>Subsequent years: 2.0%                                       | Based upon Bank of England forecasts for the next four years, then reverting to the 2% long-term Bank of England target level. This is applied to both general expenditure and fees and charges income, except where better information is available in respect of specific budget lines.<br><br>*General inflation has only been applied to non-pay expenditure budgets for 2026/27 where it is unavoidable, e.g. there are contracts linked to inflation. |
| Pay inflation                        | As general inflation, with specific provision for pay progression on a post-by-post basis       | Each additional 1% increase would cost approximately £403,000 per year for the General Fund and £98,000 per year for the HRA.                                                                                                                                                                                                                                                                                                                               |
| Building maintenance inflation       | 2026/27: 3.50%<br>2027/28: 2.74%<br>2028/29: 2.59%<br>2029/30: 2.74%<br>Subsequent years: 2.53% | This is a blended rate applying the Consumer Price Index (CPI) and the Building Cost Information Service (BCIS) All-in Tender Price Index. These have been averaged out on a 50/50 basis to reflect the estimated mix of housing maintenance contracts using these different indices.                                                                                                                                                                       |
| New build inflation                  | 2.53% each year                                                                                 | This has been applied on the advice of professional quantity surveyors used by the council.                                                                                                                                                                                                                                                                                                                                                                 |
| Social and Affordable Rent Inflation | 2026/27: 4.8%<br>2027/28: 3.6%<br>2029/30-2035/36: 3.0%<br>Subsequent years: 2.0%               | We have assumed that government policy of rents increasing by 1% above CPI inflation will continue for the next 10 years, per the government's stated policy objective.<br><br>Affordable Rents are reviewed annually in line with rent guidance, ensuring that relets do not breach the Local Housing Allowance, 60% or 80% of market rent, depending upon the tenure.                                                                                     |

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| Key area                    | Assumption                                                                    | Comment / sensitivity                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Rent Relets          | Formula Rent plus 5% (10% for supported housing)                              | Assume 5% flexibility (10% for supported housing) on formula rent is applied at relet recognising the investment required across the portfolio.                                                                                                                                                                                                                                             |
| Rent convergence            | 2027/28: £1 per week<br>Subsequent years: £2 per week                         | This additional annual increase will apply to new and existing tenants who are currently paying less than formula rent, until formula rent is reached, in line with the recent government announcement. It is assumed to continue until 2035/36.                                                                                                                                            |
| Void Rates                  | 2026/27: 1.08%<br>Thereafter: 0.80%                                           | Assume a general void rate of 1.08% for 2026/27, then 0.8% ongoing, recognising intended improved void performance.                                                                                                                                                                                                                                                                         |
| Pension costs               | 20.7% employer contribution                                                   | In line with the latest actuarial valuation to take effect from 1 April 2026. The next actuarial valuation is due to be received in mid-2029, reflecting valuation at 31 March 2028. This will set the contributions to be made for the three year period from 2029/30 to 2031/32. As at 31 March 2025 the pension fund was in surplus, but this cannot necessarily be assumed to continue. |
| Investment interest rate    | 2026/27: 3.6%<br>2027/28: 3.3%<br>Subsequent years: 3.5%                      | Investment income built into the Medium-Term Financial Strategy and the 30 Year-Business Plan reflects forecast rates on the cash balance held. The core rates used are adjusted for specific investments where better information is available.                                                                                                                                            |
| Borrowing interest rate     | 2026/27: 5.55%<br>2027/28: 5.35%<br>2028/29: 5.25%<br>Subsequent years: 5.20% | These are based on forecasts of the 25-year Public Works Loan Board (PWLb) certainty rates provided by our treasury management advisors as outlined at Appendix Q.<br><br>It has not yet been confirmed whether the current 0.4% discount for HRA borrowing will continue after 1 April 2026, therefore this has not been assumed within the 30-Year Business Plan.                         |
| Annual council tax increase | 2.99%                                                                         | Annual increases are limited by the government's referendum principles. Each additional 1% increase would generate approximately £108,000.                                                                                                                                                                                                                                                  |
| Council Tax base            | Based on local housing trajectory forecasts                                   | A net increase of 1,000 homes in the city would generate additional income for the Council of around £236,000.                                                                                                                                                                                                                                                                              |

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| Key area                            | Assumption                                                                                                                                                   | Comment / sensitivity                      |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Local government funding settlement | Based upon the provisional multi-year figures issued by the government in December 2025, with subsequent years informed by the council's funding consultants | See section 2 of the BSR for full details. |

## Appendix D – General Fund expenditure and funding projection

| General Fund projection (£m)               | 2025/26         | 2026/27         | 2027/28         | 2028/29         | 2029/30         | 2030/31         | 2031/32         | 2032/33         | 2033/34         | 2034/35         | 2035/36         |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Chief Executive Office                     | 2.519           | 2.901           | 2.976           | 3.048           | 3.078           | 3.139           | 3.282           | 3.430           | 3.586           | 3.748           | 3.918           |
| City Services                              | 0.882           | 0.987           | 1.314           | 1.903           | 2.440           | 2.919           | 3.051           | 3.190           | 3.335           | 3.486           | 3.644           |
| Communities                                | 10.779          | 10.279          | 10.929          | 11.173          | 11.431          | 11.698          | 12.228          | 12.783          | 13.362          | 13.968          | 14.601          |
| Corporate Hub                              | 6.968           | 10.914          | 11.424          | 11.307          | 11.519          | 11.782          | 12.316          | 12.874          | 13.458          | 14.068          | 14.706          |
| Economy and Place                          | (7.834)         | (7.151)         | (7.050)         | (7.002)         | (6.917)         | (6.834)         | (7.143)         | (7.467)         | (7.806)         | (8.160)         | (8.530)         |
| Planning and Building Control              | 1.648           | 1.607           | 1.747           | 1.788           | 1.829           | 1.868           | 1.952           | 2.041           | 2.133           | 2.230           | 2.331           |
| Revised net savings requirement            | -               | -               | (0.375)         | (0.750)         | (1.125)         | (1.492)         | (1.779)         | (2.059)         | (2.359)         | (2.680)         | (3.019)         |
| <b>Net service budget</b>                  | <b>14.962</b>   | <b>19.537</b>   | <b>20.965</b>   | <b>21.467</b>   | <b>22.255</b>   | <b>23.080</b>   | <b>23.907</b>   | <b>24.792</b>   | <b>25.709</b>   | <b>26.660</b>   | <b>27.651</b>   |
| Capital expenditure financed from revenue  | 2.310           | 3.341           | 6.416           | 4.715           | 2.965           | 2.965           | 2.965           | 2.965           | 2.965           | 2.965           | 2.965           |
| Cost of revised capital financing strategy | 3.082           | 2.716           | 2.792           | 2.859           | 2.939           | 2.911           | 2.939           | 2.939           | 2.939           | 2.939           | 2.939           |
| Collection fund deficit                    | 2.247           | 6.613           | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Contributions to earmarked funds           | 5.290           | 3.866           | 0.366           | 0.365           | 0.365           | 0.366           | 0.366           | 0.365           | 0.365           | 0.366           | 0.366           |
| <b>Net spending requirement</b>            | <b>27.891</b>   | <b>36.073</b>   | <b>30.539</b>   | <b>29.406</b>   | <b>28.524</b>   | <b>29.322</b>   | <b>30.177</b>   | <b>31.061</b>   | <b>31.978</b>   | <b>32.930</b>   | <b>33.921</b>   |
|                                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Business rates baseline                    | (4.750)         | (7.144)         | (7.271)         | (7.398)         | (7.525)         | (7.652)         | (7.788)         | (7.926)         | (8.067)         | (8.212)         | (8.363)         |
| Accumulated business rates growth          | (8.767)         | (0.329)         | (1.195)         | (2.033)         | (0.335)         | (1.260)         | (2.143)         | (0.353)         | (1.329)         | (2.261)         | (0.373)         |
| Non-ringfenced government grants           | (4.374)         | (12.144)        | (10.968)        | (10.349)        | (8.414)         | (8.607)         | (8.760)         | (8.915)         | (9.074)         | (9.238)         | (9.407)         |
| Council Tax                                | (10.615)        | (11.132)        | (11.580)        | (12.048)        | (12.556)        | (13.063)        | (13.629)        | (14.220)        | (14.837)        | (15.480)        | (16.151)        |
| Appropriations from earmarked funds        | (0.711)         | (3.757)         | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Contributions to / (from) reserves         | 1.326           | (1.567)         | 0.475           | 2.422           | 0.306           | 1.260           | 2.143           | 0.353           | 1.329           | 2.261           | 0.373           |
| <b>Total funding</b>                       | <b>(27.891)</b> | <b>(36.073)</b> | <b>(30.539)</b> | <b>(29.406)</b> | <b>(28.524)</b> | <b>(29.322)</b> | <b>(30.177)</b> | <b>(31.061)</b> | <b>(31.978)</b> | <b>(32.930)</b> | <b>(33.921)</b> |

## OFFICIAL

|                                                |
|------------------------------------------------|
| <b>2026/27 Budget – GF Proposals – by Type</b> |
|------------------------------------------------|

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

**External bids****Communities**

|             |                                       |         |         |         |         |         |     |                 |
|-------------|---------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|
| <b>5411</b> | <b>Renters' Rights staffing costs</b> | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | Nil | Claire Adelizzi |
|-------------|---------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|

The Renters' Rights Act became law in November and, once implemented, will place additional statutory enforcement responsibilities upon local authorities, thereby strengthening the rights of tenants living in private rented accommodation. In anticipation of these additional enforcement responsibilities, as well as an expected rise in demand from private tenants seeking advice about their situation, this bid is for 3 FTE posts – two Tenancy Relations Officers with responsibility for enforcement, and a Housing Advisor who will specialise in working with private sector tenants seeking advice. These measures will benefit c. 17,000 households currently living in private rented accommodation within the city. It is anticipated that the costs of these posts will be met by new burdens funding being provided by central government (see increased income bid I15475), but the council's exact allocation for 2026 onwards is not yet known.

|                            |                |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total external bids</b> | <b>160,000</b> | <b>160,000</b> | <b>160,000</b> | <b>160,000</b> | <b>160,000</b> |
|----------------------------|----------------|----------------|----------------|----------------|----------------|

## OFFICIAL

|                                                |
|------------------------------------------------|
| <b>2026/27 Budget – GF Proposals – by Type</b> |
|------------------------------------------------|

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

**Reduced income****City Services**

|               |                             |        |        |        |        |        |     |           |
|---------------|-----------------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>RI5343</b> | <b>Distribution service</b> | 20,060 | 20,200 | 20,210 | 20,120 | 20,030 | Nil | Don Blair |
|---------------|-----------------------------|--------|--------|--------|--------|--------|-----|-----------|

This is a corrective budget bid to remove the income target from a service that is currently closed. Although the service itself is not operating, the display boards continue to provide value – Cultural Services use them to support cultural activity across the city, and there is strong interest from community and voluntary groups to access them. The proposal therefore formalises community use of the boards, ensuring they remain an active cultural asset.

|               |                                   |         |         |         |         |         |     |               |
|---------------|-----------------------------------|---------|---------|---------|---------|---------|-----|---------------|
| <b>RI5356</b> | <b>Crematorium reduced income</b> | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | Nil | Daniel Morgan |
|---------------|-----------------------------------|---------|---------|---------|---------|---------|-----|---------------|

Bereavement Services is forecast to deliver a net surplus of £586,000 in 2026/27. The £300,000 recurring bid rebases the budget to reflect this level of actual performance, representing a reduction from the previously assumed surplus of c.£886,000. This assumption has been subject to senior officer scrutiny and reflects a cautious, evidence-based view of future income.

This adjustment reflects intensifying competition in the funerals market, including new providers and online-only direct cremation services, alongside wider cultural and environmental shifts towards lower-cost options. Members should also take account of the associated capital investment set out in bid CAP5441, which focuses on estate and AV improvements and is intended to strengthen the service's overall offer and competitiveness.

There is a draft integrated Bereavement Services Business Plan in development, intended to bring together post-Covid income performance, market positioning, pricing and marketing considerations, alongside the proposed capital investment. Given the increasingly competitive nature of the funerals market, this integrated and explicitly commercial, market-led approach will be important in ensuring that capital improvements are fully aligned to sustaining income and the service's medium-term financial position.

|               |                                   |        |        |        |        |        |     |             |
|---------------|-----------------------------------|--------|--------|--------|--------|--------|-----|-------------|
| <b>RI5360</b> | <b>Rural Payment Agency grant</b> | 14,500 | 15,400 | 16,000 | 16,000 | 16,000 | Nil | Guy Belcher |
|---------------|-----------------------------------|--------|--------|--------|--------|--------|-----|-------------|

Grazing on the commons is one of the many attractions that makes Cambridge so special and benefits biodiversity when grazing numbers are appropriate for the site and season. The council now receives only £600 grant under the Basic Payment Scheme which has been reducing year on year. The successor replacement Sustainable Farming Incentive Scheme does not currently make payments for common land but, if this changes, an application would be submitted.

**Communities**

|               |                              |        |        |        |        |        |     |                |
|---------------|------------------------------|--------|--------|--------|--------|--------|-----|----------------|
| <b>RI5362</b> | <b>City Events shortfall</b> | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | Nil | Lewis Anderson |
|---------------|------------------------------|--------|--------|--------|--------|--------|-----|----------------|

This bid recognises the increasingly competitive sponsorship environment for city events. The new target is to be set at £22,000 for the Out of the Ordinary Festival, Fireworks Night, Mayor's Day Out and Music in the Parks. The fundraising effort will involve sponsorship packages for businesses and the introduction of alternative fundraising initiatives.

## 2026/27 Budget – GF Proposals – by Type

| Reference     | Item Description     | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact          |
|---------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|------------------|
| <b>RI5490</b> | <b>Folk Festival</b> | 39,760                 | 33,920                 | 26,470                 | 19,610                 | 16,390                 | Nil               | Frances Alderton |

As agreed by Cabinet in July 2025, the revised Folk Festival format will now initially target a breakeven position. This budget bid will remove the small net surplus which was previously budgeted for. It is anticipated that, over a relatively short time period, it will be possible to return the Folk Festival to a position where it can operate at a surplus. This will be kept under constant review, particularly with reference to the outturn of the 2026 Festival which will be the first to run under the new format. If appropriate, an increased income bid will be considered as part of next year's budget setting round.

### Economy and Place

|               |                                                   |         |         |         |         |         |     |             |
|---------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|-------------|
| <b>RI5371</b> | <b>North East Cambridge commercial properties</b> | 149,040 | 146,240 | 143,670 | 140,900 | 138,070 | Nil | James Blott |
|---------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|-------------|

Under the agreement to progress phase 1 of the Hartree scheme, the council is exercising its rights under the Landlord and Tenant Act 1954 to obtain vacant possession for demolition of Orwell House and Orwell Furlong. It is expected that full vacant possession will be obtained by 31 March 2026. Notwithstanding the decision to stop the Hartree scheme, demolition is required to avoid legal challenge. It will also save future costs arising from vacant business rates and energy efficiency works required before 2028, which are not currently included in the budget.

|               |                                         |         |         |         |         |         |     |               |
|---------------|-----------------------------------------|---------|---------|---------|---------|---------|-----|---------------|
| <b>RI5397</b> | <b>Lion Yard ground rent adjustment</b> | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | Nil | Philip Taylor |
|---------------|-----------------------------------------|---------|---------|---------|---------|---------|-----|---------------|

The council receives a geared ground rent from Lion Yard Shopping Centre which means the rent varies depending upon a number of factors including head rent income and capital expenditure by the long leaseholder. Rental income has not fully recovered from the pandemic and is now anticipated to settle at a permanently lower level. This bid represents a reduction in anticipated future income from £750,000 per annum to £350,000 per annum.

|                             |                |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total reduced income</b> | <b>948,360</b> | <b>940,760</b> | <b>931,350</b> | <b>921,630</b> | <b>915,490</b> |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Unavoidable revenue pressures

#### Chief Executive Office

|              |                               |        |        |        |        |        |     |              |
|--------------|-------------------------------|--------|--------|--------|--------|--------|-----|--------------|
| <b>B5402</b> | <b>Electoral registration</b> | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | Nil | Vicky Jenner |
|--------------|-------------------------------|--------|--------|--------|--------|--------|-----|--------------|

This bid addresses a number of ongoing pressures within the Electoral Registration service. While we have made significant progress in promoting digital responses and using Council Tax data to reduce unnecessary mailings, we are still required to send printed communications to a large number of households — often with the requirement to include reply-paid envelopes. These mailings are essential to verify residency and ensure the register reflects genuine occupancy. This is impacting on printing and postage budgets, particularly in light of sustained increases in postage costs in recent years. ICT costs are also under increasing pressure due to the ongoing need to support specialist systems and secure, reliable infrastructure for electoral data management.

#### City Services

|              |                                          |        |        |        |        |        |     |          |
|--------------|------------------------------------------|--------|--------|--------|--------|--------|-----|----------|
| <b>B5336</b> | <b>Agency model for leisure contract</b> | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | Nil | Ian Ross |
|--------------|------------------------------------------|--------|--------|--------|--------|--------|-----|----------|

The new agency model for the leisure contract was introduced on 1 August 2025. While projected to deliver £180,000 per year of savings, the actual saving is only £160,000 due to a non-recoverable VAT element.

|              |                                  |        |        |        |        |        |     |               |
|--------------|----------------------------------|--------|--------|--------|--------|--------|-----|---------------|
| <b>B5340</b> | <b>Cowley Road Depot and Hub</b> | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | Nil | Sarah Morrell |
|--------------|----------------------------------|--------|--------|--------|--------|--------|-----|---------------|

Operating costs for the new Operational Hub include business rates, utilities, and owner-related charges. Following occupation, business rates have been formally reset and operating and utility costs are now clearer. These costs represent a planned and expected consequence of bringing the facility into use.

Additional funding is required to meet these ongoing obligations. Without this provision, the Council would be unable to fully meet the essential running costs of the facility. Costs will be apportioned between the General Fund and the Housing Revenue Account (HRA); this bid relates solely to the General Fund share.

|              |                                   |        |        |        |        |        |     |            |
|--------------|-----------------------------------|--------|--------|--------|--------|--------|-----|------------|
| <b>B5375</b> | <b>Waterbeach Depot expansion</b> | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | Nil | James Elms |
|--------------|-----------------------------------|--------|--------|--------|--------|--------|-----|------------|

As a result of the government's introduction of mandatory weekly food waste collections, Waterbeach Depot has been expanded to accommodate an additional 60 staff members. This expansion also includes the provision of car parking for staff vehicles and space for the new food waste collection vehicles. The upfront capital investment needed for the expansion will be met by the landlord who will recover these costs through an uplift in the cost of the lease agreement in place, which will be shared equally (50/50) between Cambridge City Council and South Cambridgeshire District Council. This bid represents the council's share.

|              |                                   |           |           |           |           |           |     |            |
|--------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----|------------|
| <b>B5376</b> | <b>Waste service contribution</b> | 1,336,920 | 1,336,920 | 1,336,920 | 1,336,920 | 1,336,920 | Nil | James Elms |
|--------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----|------------|

This is the planned increase in the council's share of costs to deliver the Greater Cambridge Shared Waste Service from 2026/27. This includes £978,000 of costs directly related to the introduction of a separate food waste collection service which is a new statutory requirement. The government will provide some funding towards the cost of this service within the local government finance settlement – however this will not be separately identifiable and is unlikely to cover the full cost.

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Corporate Hub

|              |                                                                                    |        |        |        |        |        |     |            |
|--------------|------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|
| <b>B5366</b> | <b>Cambridgeshire and Peterborough Local Resilience Forum (CPLRF) contribution</b> | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | Nil | Dean Feast |
|--------------|------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|

To ensure we have a sustainable CPLRF, this funding will support an additional administrative post, additional training and a strengthened programme of realistic exercises. This will underpin both the council's own capacity to meet its statutory responsibilities as a category one emergency responder under the Civil Contingencies Act 2004, and its capacity to work as part of the wider system across Cambridgeshire and Peterborough. Note that our contribution will be used alongside increased contributions from the other CPLRF members.

|              |                                     |         |         |         |         |         |     |                 |
|--------------|-------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|
| <b>B5473</b> | <b>Housing benefit subsidy loss</b> | 636,000 | 401,500 | 167,000 | 167,000 | 167,000 | Nil | Naomi Armstrong |
|--------------|-------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|

Bid to reflect housing benefit expenditure which cannot be recovered through subsidy, based upon current experience. Most of this subsidy loss relates to accommodation provided by charitable organisations where the council is required to meet the full rent liability, but the amount which can be reclaimed from DWP is capped at a level determined by the Rent Officer. To remove the barrier to full subsidy recovery, a revenue bid has been made (see bid S5481 below) to help the city's larger charitable organisations to transition to Registered Provider status.

|                                            |                  |                  |                  |                  |                  |
|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total unavoidable revenue pressures</b> | <b>2,148,920</b> | <b>1,914,420</b> | <b>1,679,920</b> | <b>1,679,920</b> | <b>1,679,920</b> |
|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Revenue bids

#### Chief Executive Office

|              |                            |         |         |         |         |         |     |            |
|--------------|----------------------------|---------|---------|---------|---------|---------|-----|------------|
| <b>B5367</b> | <b>Members' allowances</b> | 211,710 | 211,710 | 211,710 | 211,710 | 211,710 | Nil | Dan Kalley |
|--------------|----------------------------|---------|---------|---------|---------|---------|-----|------------|

This bid brings the budget into line with the members' allowances scheme as approved by Full Council. It accounts for the increase in the basic allowance (£61,570), NI contributions (£64,490) and special responsibilities allowances (£85,650) which recognise members' significant time commitments and responsibilities.

|              |                                        |        |        |        |   |   |     |            |
|--------------|----------------------------------------|--------|--------|--------|---|---|-----|------------|
| <b>B5381</b> | <b>Cloud computing for councillors</b> | 30,000 | 32,000 | 34,000 | - | - | Nil | Dan Kalley |
|--------------|----------------------------------------|--------|--------|--------|---|---|-----|------------|

This will fund annual Cloud PC licenses, so that councillors will be able to access a secure, consistent workspace via their own devices.

#### City Services

|              |                           |         |         |         |         |         |     |                 |
|--------------|---------------------------|---------|---------|---------|---------|---------|-----|-----------------|
| <b>B5335</b> | <b>Cleaning contracts</b> | 165,450 | 165,450 | 165,450 | 165,450 | 165,450 | Nil | Alistair Wilson |
|--------------|---------------------------|---------|---------|---------|---------|---------|-----|-----------------|

This bid represents an uplifting of budgets for the cleaning of key city public assets to match current spend levels. Over a number of years, annual budget increases in this area have not reflected true inflationary pressures, and this has resulted in a recurring and increasing overspend which has been necessary to maintain service levels. In addition, a key supplier has now introduced a new monthly cost profile, requiring additional funding to maintain current service levels. Without this bid, service quality and compliance with expected standards would be compromised.

|              |                                             |        |        |        |   |   |                                |                 |
|--------------|---------------------------------------------|--------|--------|--------|---|---|--------------------------------|-----------------|
| <b>B5339</b> | <b>Nature and Urban Forest Project Lead</b> | 59,000 | 59,000 | 59,000 | - | - | Positive /<br>Medium<br>impact | Matthew Magrath |
|--------------|---------------------------------------------|--------|--------|--------|---|---|--------------------------------|-----------------|

The Nature and Urban Forest Project Lead will provide the capacity needed to turn the council's climate, biodiversity and urban forest ambitions into on-the-ground delivery. The role will coordinate programmes such as DiversiTree, Pollinator Planting, Free Trees for Babies and Nature City Accreditation, ensuring they align with the Urban Forest and Biodiversity Strategies and make best use of funding, staff time and partnerships. It will also strengthen community awareness, skills and involvement, with a focus on neighbourhoods with low tree cover and higher climate risk, helping to ensure the benefits of nature are shared more fairly. By building long-term stewardship and volunteer capacity, the role will support environmental, social and health outcomes while reducing future pressure on council services.

## 2026/27 Budget – GF Proposals – by Type

| Reference    | Item Description              | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact  |
|--------------|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|----------|
| <b>B5341</b> | <b>Playground investments</b> | 50,000                 | 50,000                 | 50,000                 | 50,000                 | 50,000                 | Nil               | Ian Ross |

Keeping children safe and discharging the Council's duty of care is the primary purpose of this budget bid. The Council's play park estate has continued to grow and now exceeds 100 sites across the city, increasing demand for timely repairs, safety inspections and ongoing maintenance. At the same time, the age and intensity of use of existing equipment has increased, leading to higher levels of reactive repair and replacement.

Bringing this bid forward now ensures that day-to-day maintenance capacity keeps pace with the expanded estate and rising safety obligations. Aligned with the Play Investment Strategy, the funding will allow damaged or unsafe equipment to be repaired or replaced promptly, ensuring parks remain safe, accessible and fully compliant with safety standards. The investment increases routine playground maintenance spending to £253,000 in 2026/27 and is complemented by significant ongoing capital investment in new playgrounds and equipment funded through section 106 contributions.

|              |                                                             |        |        |        |        |        |     |            |
|--------------|-------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|
| <b>B5363</b> | <b>City Services operational health and safety capacity</b> | 37,890 | 37,890 | 37,890 | 37,890 | 37,890 | Nil | James Elms |
|--------------|-------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|

This bid strengthens public safety, improves organisational resilience and ensures clear accountability for safety-critical operations across City Services. By closing gaps in our operational health and safety model, it ensures risks are properly monitored and controlled and that safe working practices are applied consistently across our frontline teams. A dedicated role will provide the day-to-day capacity needed to manage operational health and safety activity, supporting a wide range of community-facing services where robust safety management directly protects residents and staff. This bid represents a 50% General Fund contribution, with the remaining 50% funded from the HRA.

|              |                                           |        |        |        |        |        |     |             |
|--------------|-------------------------------------------|--------|--------|--------|--------|--------|-----|-------------|
| <b>B5471</b> | <b>Strengthening Asset and Compliance</b> | 77,890 | 77,890 | 77,890 | 77,890 | 77,890 | Nil | Sean Cleary |
|--------------|-------------------------------------------|--------|--------|--------|--------|--------|-----|-------------|

This bid provides General Fund funding to determine the most effective and best-value way to strengthen Asset and Compliance capacity, informed by sector best practice and a focused review of functions, roles and workflows. It will support more effective management of the Council's General Fund asset base by improving understanding of investment needs across a growing and increasingly complex property portfolio, and by enabling survey, inspection and audit data to be translated into prioritised, deliverable planned maintenance and capital programmes.

The funding enables options to be properly assessed, including potential changes to team structure, job design or capacity, without predetermining the outcome, ensuring any future investment is targeted, proportionate and aligned to regulatory and statutory compliance requirements.

The bid represents the General Fund contribution of 30% of the total cost and is expected to deliver efficiencies in the region of 8-10% by year 3 through more disciplined asset planning, improved processes, and more effective contract letting and contract management, helping to reduce avoidable reactive spend, improve long-term asset performance, and secure better value for money over the life of the council's assets.

## 2026/27 Budget – GF Proposals – by Type

| Reference    | Item Description                                  | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact         |
|--------------|---------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|-----------------|
| <b>B5472</b> | <b>Ensuring delivery and regulatory assurance</b> | 56,970                 | 56,970                 | 56,970                 | 56,970                 | 56,970                 | Nil               | Brigitte Wilson |

This bid strengthens the council's Asset and Compliance capacity within the General Fund, enabling it to manage a growing corporate property portfolio, provide effective oversight of £74 million of contracts recently approved by Cabinet, and respond to increasing regulatory, safety, and assurance requirements. It ensures the council has sufficient professional capacity to turn expanding volumes of survey, inspection, and audit data into prioritised and planned programmes of work. The benefits are organisational and system-wide. Increased capacity improves the quality and reliability of asset data, strengthens oversight of statutory inspections and certifications, and supports earlier, planned intervention rather than reactive response. Enhanced technical and contract oversight reduces the risk of asset failure, non-compliance, and unplanned expenditure, while providing clearer assurance to members and senior officers that corporate assets and contracts are being managed safely, compliantly, and in line with best value principles. This bid represents the General Fund share of around 15% of the total cost, with the remaining 85% to be funded from the HRA and is expected to deliver efficiencies in the region of 8-10% by Year 3.

|              |                       |        |        |   |   |   |     |                 |
|--------------|-----------------------|--------|--------|---|---|---|-----|-----------------|
| <b>B5478</b> | <b>Weed clearance</b> | 40,000 | 40,000 | - | - | - | Nil | Alistair Wilson |
|--------------|-----------------------|--------|--------|---|---|---|-----|-----------------|

This bid provides £80,000 over two years to fund additional seasonal resource (likely to be short-term agency staff) to support weed clearance during peak growth periods. It responds to increased demand and resident feedback by enabling existing arrangements to be flexed at key points in the year, helping maintain agreed standards of appearance and safety. The funding does not represent a change in service model or policy, but a time-limited resource uplift to address seasonal pressure.

|              |                                |        |        |   |   |   |                          |           |
|--------------|--------------------------------|--------|--------|---|---|---|--------------------------|-----------|
| <b>B5479</b> | <b>Quayside public toilets</b> | 25,000 | 25,000 | - | - | - | Negative /<br>Low impact | Don Blair |
|--------------|--------------------------------|--------|--------|---|---|---|--------------------------|-----------|

This bid is for reopening the Quayside public toilets for two years, enabled by the council's better than forecast budget position and in response to representations from local stakeholders. The Quayside area experiences high levels of pedestrian footfall associated with tourism, events, and the evening economy. Reopening the facility would restore a public convenience at a prominent city-centre location, improving amenity provision whilst allowing the council to monitor usage and operational impacts and operating costs to inform any future member decision.

|              |                                 |        |   |   |   |   |     |          |
|--------------|---------------------------------|--------|---|---|---|---|-----|----------|
| <b>B5480</b> | <b>Jesus Green Lido phase 1</b> | 80,000 | - | - | - | - | Nil | Ian Ross |
|--------------|---------------------------------|--------|---|---|---|---|-----|----------|

This bid seeks funding to progress a phase 1 programme for Jesus Green Lido, focused on preparing a viable, deliverable scheme for future investment while protecting the special character and setting of the lido. Phase 1 would focus on building a coordinated partnership approach involving the council, the Friends of the Jesus Green Lido (a registered charity), and other potential community and funding partners. The aim is to bring forward an agreed scope and outline design for updated facilities that can be consulted on and taken through pre-planning, providing a clear and costed basis for any future decisions. The bid would also support work to align and combine available funding streams. This includes accumulated section 106 contributions for new sports and recreation facilities and replacement public toilets, alongside exploration of third-party investment opportunities, such as a café, where this can be shown to be appropriate and compatible with the site. Funding would be used to commission specialist consultancy advice, working jointly with the Friends of the Jesus Green Lido, to assess external funding opportunities and to consider the governance and legal arrangements required to support partnership delivery and future investment. Approval of this bid would not commit the council to a full redevelopment of the Lido. Instead, it would provide the necessary evidence, partnership arrangements, and funding strategy to inform future decisions, ensuring that any subsequent investment proposals are well developed, affordable, and capable of delivering best value while safeguarding the Lido's heritage and community role.

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Communities

|              |                   |        |        |        |   |   |     |             |
|--------------|-------------------|--------|--------|--------|---|---|-----|-------------|
| <b>B5396</b> | <b>Skill Mill</b> | 15,000 | 80,000 | 25,000 | - | - | Nil | Keryn Jalli |
|--------------|-------------------|--------|--------|--------|---|---|-----|-------------|

This bid will bring to the city an innovative and award-winning social enterprise that transforms lives by reducing youth offending and boosting employability for NEET young people known to Youth Justice. The council is working closely with the police and other councils and delivering against the Community Safety Partnership objectives. The council's 30% contribution sits alongside an already guaranteed 70% from other contributors, with positive discussions with partners about sharing the financial cost of the programme further.

|              |                                |        |   |   |   |   |     |                  |
|--------------|--------------------------------|--------|---|---|---|---|-----|------------------|
| <b>B5417</b> | <b>Folk Festival marketing</b> | 60,000 | - | - | - | - | Nil | Frances Alderton |
|--------------|--------------------------------|--------|---|---|---|---|-----|------------------|

This bid follows consultant's recommendations and a Cabinet decision made in July 2025. This one-off investment will enhance marketing, infrastructure, and local audience and artist development to support the revised Folk Festival format. It is anticipated this will contribute towards the Festival being cost neutral in 2026, and to return to generating surpluses over the medium-term. The timetable for the work started in July 2025 and will be delivered by the 2026 Festival by the Cultural Services team alongside contractors. This investment was set out to support the delivery of a successful reset of the Festival with new audience development and will be measured by both the financial position of the 2026 Festival and audience feedback.

|              |                                        |        |        |        |        |        |     |                |
|--------------|----------------------------------------|--------|--------|--------|--------|--------|-----|----------------|
| <b>B5420</b> | <b>Public safety – Street lighting</b> | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | Nil | Sarah Steggles |
|--------------|----------------------------------------|--------|--------|--------|--------|--------|-----|----------------|

This bid is to keep street lighting at 80% of full brightness (instead of 60%) from 10:00pm to 2:00am which the county council, as the responsible body for street lighting, does not fund.

|              |                                         |        |        |        |        |        |     |              |
|--------------|-----------------------------------------|--------|--------|--------|--------|--------|-----|--------------|
| <b>B5424</b> | <b>LIFT (Low-Income Family Tracker)</b> | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | Nil | Laura Adcock |
|--------------|-----------------------------------------|--------|--------|--------|--------|--------|-----|--------------|

The Low-Income Family Tracker (LIFT) is a software platform that layers multiple datasets held within the council, alongside some external datasets from HMRC and DWP, and applies modelling to provide insights down to a household level. It allows us to analyse and use this data to help people maximise their incomes, and to better target our support offerings. Campaigns it could support might include the take up of things such as pension credit, healthy starts, free school meals and reduced water tariffs. In addition, it would enable us to target direct support for those at risk of eviction by identifying people in rent arrears, or at risk of their rent becoming unaffordable. We could also support residents at risk of social isolation by way of signposting to local services and groups, help to target health prevention activity and use data to help support audience development for leisure and cultural activities. Currently, while we do have access to LIFT and have used it for some initiatives over the last two years, the lack of staffing resource has been a barrier in our ability to both run co-ordinated campaigns and to evaluate their success. Colleagues at South Cambridgeshire District Council have been able to demonstrate this very effectively. The cost is expected to be shared across the General Fund and HRA – the above amount represents the General Fund share.

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Corporate Hub

|              |                            |        |   |   |   |   |     |                           |
|--------------|----------------------------|--------|---|---|---|---|-----|---------------------------|
| <b>B5368</b> | <b>Procurement Analyst</b> | 17,900 | - | - | - | - | Nil | Jane<br>Whiteman-<br>Turl |
|--------------|----------------------------|--------|---|---|---|---|-----|---------------------------|

Request to extend the agreed budget for a fixed term Procurement Analyst to June 2026. This post is supporting a number of critical activities in the context of the new Procurement Act 2023, including the development of a contracts register and repository, the implementation of better tools for budget managers to access real-time spend information, and the ongoing analysis of council spend with a view to delivering cost savings through contract consolidation.

|              |                                       |        |        |   |   |   |     |                    |
|--------------|---------------------------------------|--------|--------|---|---|---|-----|--------------------|
| <b>B5377</b> | <b>Discretionary Housing Payments</b> | 20,000 | 20,000 | - | - | - | Nil | Naomi<br>Armstrong |
|--------------|---------------------------------------|--------|--------|---|---|---|-----|--------------------|

Discretionary Housing Payments (DHPs) are a crucial tool to support households who experience a shortfall between housing benefit or Universal Credit and their eligible rent. Whilst these are mostly funded by DWP, the council has always spent slightly more than its government allocation. This bid will ensure funding is available to continue supporting claimants impacted by welfare reforms, supporting families out of temporary accommodation into private rental accommodation, and freeing up council homes for families through the use of removal grants. Examples of support provided last year include providing additional support for households affected by the benefit cap and spare room rules, support for a family facing increased food costs whilst they were waiting for a PIP claim to be processed, and short-term support to cover a shortfall in non-dependent contributions where the household is experiencing health issues. In total, 357 DHP awards were made in 2024/25 with an average value of £471, providing invaluable time-limited support to struggling households at a time of exceptional need, whilst also significantly reducing the risk of homelessness which would likely lead to increased costs for the council.

|              |                                                 |        |        |        |        |        |     |             |
|--------------|-------------------------------------------------|--------|--------|--------|--------|--------|-----|-------------|
| <b>B5379</b> | <b>Managed Security Operations Centre (SOC)</b> | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | Nil | Jane Wilson |
|--------------|-------------------------------------------------|--------|--------|--------|--------|--------|-----|-------------|

Cyber security is currently a significant inherent risk for all public bodies. 3C ICT have recommended that each partner council invests £60,000 annually to access round-the-clock expert monitoring, rapid breach response, and formal risk tracking to enable stronger cyber assurance and faster progress than relying solely on in-house resources.

|              |                                |        |        |   |   |   |     |                    |
|--------------|--------------------------------|--------|--------|---|---|---|-----|--------------------|
| <b>B5481</b> | <b>Housing benefit subsidy</b> | 60,000 | 20,000 | - | - | - | Nil | Naomi<br>Armstrong |
|--------------|--------------------------------|--------|--------|---|---|---|-----|--------------------|

This bid is to provide administrative, financial and legal support for homeless charities to transition to Registered Provider status. Such status would enable the Council to reduce the £636,000 per annum of housing benefit subsidies which cannot currently be recovered from DWP (see unavoidable revenue pressure bid B5473). Dedicated expert support is required to help the charities through the registration pathway.

|              |                  |        |        |   |   |   |     |                    |
|--------------|------------------|--------|--------|---|---|---|-----|--------------------|
| <b>B5482</b> | <b>Taxi Card</b> | 44,850 | 44,850 | - | - | - | Nil | Clarissa<br>Norman |
|--------------|------------------|--------|--------|---|---|---|-----|--------------------|

This bid is to continue provision of this service that provides transport for residents who are elderly, have severe disabilities and ill health for a further two years.

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Economy and Place

|              |                                        |        |        |   |   |   |     |              |
|--------------|----------------------------------------|--------|--------|---|---|---|-----|--------------|
| <b>B5483</b> | <b>City centre and visitor economy</b> | 65,000 | 65,000 | - | - | - | Nil | Jemma Little |
|--------------|----------------------------------------|--------|--------|---|---|---|-----|--------------|

Additional resource to take forward work mandated by council motion 'A Thriving City Centre for All' to develop a shared vision and associated plans (balanced, inclusive, vibrant, accessible, clean, safe and efficiently managed), including capacity to engage stakeholders, as well as associated work to support the development and delivery of a Local Visitor Economy Partnership, Destination Management Plan for Cambridgeshire and Peterborough, the government's plans for a visitor levy and capacity for the existing Destination Management Organisation (Visit Cambridge).

|                           |                  |                  |                |                |  |  |  |                |
|---------------------------|------------------|------------------|----------------|----------------|--|--|--|----------------|
| <b>Total revenue bids</b> | <b>1,230,660</b> | <b>1,099,760</b> | <b>831,910</b> | <b>713,910</b> |  |  |  | <b>713,910</b> |
|---------------------------|------------------|------------------|----------------|----------------|--|--|--|----------------|

|                                 |                  |                  |                  |                  |                  |  |  |  |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|
| <b>Total pressures and bids</b> | <b>4,487,940</b> | <b>4,114,940</b> | <b>3,603,180</b> | <b>3,475,460</b> | <b>3,469,320</b> |  |  |  |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|

2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

Savings

Corporate Hub

|       |                                |             |             |             |             |             |     |                          |
|-------|--------------------------------|-------------|-------------|-------------|-------------|-------------|-----|--------------------------|
| S5477 | Employer pension contributions | (1,280,140) | (1,280,140) | (1,280,140) | (1,280,140) | (1,280,140) | Nil | Matthew Fernandez-Graham |
|-------|--------------------------------|-------------|-------------|-------------|-------------|-------------|-----|--------------------------|

Savings from a reduction in employer pension contribution rate as agreed with the actuary following triennial valuation. This has arisen as the pension fund is currently overfunded.

|               |             |             |             |             |             |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Total savings | (1,280,140) | (1,280,140) | (1,280,140) | (1,280,140) | (1,280,140) |
|---------------|-------------|-------------|-------------|-------------|-------------|

## 2026/27 Budget – GF Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Increased income

#### City Services

|               |                                                              |             |             |             |           |           |     |            |
|---------------|--------------------------------------------------------------|-------------|-------------|-------------|-----------|-----------|-----|------------|
| <b>II5474</b> | <b>Extended Producer Responsibility for Packaging (pEPR)</b> | (1,828,930) | (1,463,140) | (1,170,510) | (936,410) | (749,130) | Nil | James Elms |
|---------------|--------------------------------------------------------------|-------------|-------------|-------------|-----------|-----------|-----|------------|

Starting from 2025/26, the council now receives income from the Extended Producer Responsibility for Packaging scheme which is used to support the efficiency and effectiveness of dry materials recycling collections. Note that this income is highly variable depending upon the volume and type of waste produced, therefore future income is very difficult to predict accurately – however income is likely to decline as producer behaviour changes. Current assumption is for a year-on-year reduction of 20% up to 2030/31.

|               |                        |             |             |             |             |             |     |               |
|---------------|------------------------|-------------|-------------|-------------|-------------|-------------|-----|---------------|
| <b>II5355</b> | <b>Car park income</b> | (1,400,000) | (1,400,000) | (1,400,000) | (1,400,000) | (1,400,000) | Nil | Daniel Morgan |
|---------------|------------------------|-------------|-------------|-------------|-------------|-------------|-----|---------------|

Car parks continue to generate income above forecast, supported by the annual price increase. This overachievement provides additional revenue to the Council.

#### Communities

|               |                                            |           |           |           |           |           |     |                 |
|---------------|--------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----|-----------------|
| <b>II5475</b> | <b>Renters' Rights new burdens funding</b> | (160,000) | (160,000) | (160,000) | (160,000) | (160,000) | Nil | Claire Adelizzi |
|---------------|--------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----|-----------------|

New burdens funding assumed in respect of Renters Rights Bill (see linked external bid 5411).

#### Economy and Place

|               |                                  |           |           |           |           |           |     |               |
|---------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----|---------------|
| <b>II5398</b> | <b>Cyrus Way Commercial Rent</b> | (139,040) | (139,040) | (139,040) | (139,040) | (139,040) | Nil | Philip Taylor |
|---------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----|---------------|

New lease for 10 years with Construction Industry Training Board (CITB).

|                               |                    |                    |                    |                    |                    |  |  |  |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|
| <b>Total increased income</b> | <b>(3,527,970)</b> | <b>(3,162,180)</b> | <b>(2,869,550)</b> | <b>(2,635,450)</b> | <b>(2,448,170)</b> |  |  |  |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|

|                                           |                    |                    |                    |                    |                    |  |  |  |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|
| <b>Total savings and increased income</b> | <b>(4,808,110)</b> | <b>(4,442,320)</b> | <b>(4,149,690)</b> | <b>(3,915,590)</b> | <b>(3,728,310)</b> |  |  |  |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|

|                                |                  |                  |                  |                  |                  |  |  |  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|
| <b>Total revenue proposals</b> | <b>(320,170)</b> | <b>(327,380)</b> | <b>(546,510)</b> | <b>(440,130)</b> | <b>(258,990)</b> |  |  |  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|

## OFFICIAL

|                                                |
|------------------------------------------------|
| <b>2026/27 Budget – GF Proposals – by Type</b> |
|------------------------------------------------|

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

**Capital bids****City Services**

|                |                                        |        |           |         |   |   |     |               |
|----------------|----------------------------------------|--------|-----------|---------|---|---|-----|---------------|
| <b>CAP5337</b> | <b>Car park entry and exit systems</b> | 50,000 | 1,800,000 | 150,000 | - | - | Nil | Daniel Morgan |
|----------------|----------------------------------------|--------|-----------|---------|---|---|-----|---------------|

This bid supports the replacement of the council's parking management infrastructure, reflecting a planned, once-in-a-decade renewal aligned with asset management plans, sector best practice, and the safe and effective operational lifespan of the existing equipment. The current infrastructure underpins an important income-earning asset for the council, and continued reliability is essential to maintaining income collection, service continuity and public confidence. Much of the existing equipment is approaching the end of its economic and functional life, increasing the risk of system failure, service disruption and escalating maintenance intervention.

The replacement programme is expected to run over a two-year period from inception through to delivery and will be supported by specialist consultancy to advise on available technologies and the most appropriate and compliant route to market. This approach will ensure the Council adopts a solution that is resilient, future-proofed and proportionate to operational and income-protection needs.

While the primary objective is to maintain a safe, reliable and resilient parking service and protect income generation, modernised systems have the potential to reduce ongoing maintenance requirements, ticketing costs and staff time associated with fault resolution, manual intervention and legacy processes. Any efficiencies achieved will depend on final system design and procurement outcomes, but the renewal will place the service on a more sustainable and robust footing for the next operational cycle.

|                |                                                         |        |   |   |   |   |     |           |
|----------------|---------------------------------------------------------|--------|---|---|---|---|-----|-----------|
| <b>CAP5349</b> | <b>St Andrews Church closed churchyard wall repairs</b> | 75,000 | - | - | - | - | Nil | Don Blair |
|----------------|---------------------------------------------------------|--------|---|---|---|---|-----|-----------|

Replacement of historical/protected wall which is unsafe. Requires specialist works, not covered by existing budget.

|                |                                     |        |   |   |   |   |     |           |
|----------------|-------------------------------------|--------|---|---|---|---|-----|-----------|
| <b>CAP5351</b> | <b>Hand-arm vibration equipment</b> | 17,000 | - | - | - | - | Nil | Don Blair |
|----------------|-------------------------------------|--------|---|---|---|---|-----|-----------|

This investment protects our frontline workforce — from our street cleansing teams using mechanical tools to manage weed growth to garage colleagues operating workshop equipment to maintain our waste fleet— by ensuring they have safe, modern and compliant monitoring systems. New hand-arm vibration monitoring equipment will replace obsolete kit, meet statutory health and safety requirements, and significantly reduce the risk of ill-health, employee claims and HSE enforcement.

|                |                                    |           |   |   |   |   |                        |             |
|----------------|------------------------------------|-----------|---|---|---|---|------------------------|-------------|
| <b>CAP5353</b> | <b>Fleet replacement programme</b> | 2,000,000 | - | - | - | - | Positive / High impact | Sean Cleary |
|----------------|------------------------------------|-----------|---|---|---|---|------------------------|-------------|

The evidence base for an estimated £8 million fleet renewal programme will be reported to Cabinet in July 2026. This will include third-party condition assessments of the existing vehicles and replacement profiling, informed by detailed financial, cost, and environmental analyses. This approach is intended to ensure that any future investment decisions are proportionate, evidence-led, and represent best value. In advance of this work, a bid of £2 million for 2026/27 is proposed to address the most immediate operational and asset risk issues. This targeted provision would mitigate the highest risks associated with vehicle failure, service disruption, and escalating maintenance costs, while avoiding premature commitment to the wider programme ahead of the full evidence and Cabinet decision.

## 2026/27 Budget – GF Proposals – by Type

| Reference      | Item Description                           | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating         | Contact    |
|----------------|--------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------------------|------------|
| <b>CAP5405</b> | <b>Waste vehicle replacement programme</b> | 2,026,000              | 1,394,000              | -                      | -                      | 1,317,000              | Positive /<br>High impact | James Elms |

The Shared Waste Service is seeking to purchase 27 new vehicles during the years 2026/27, 2027/28 and 2030/31. These will comprise: 16 replacement refuse vehicles; 2 additional refuse vehicles to support housing growth; and a further immediate requirement to purchase 9 new vehicles for the new weekly food waste collection service. The total programme cost of £7.324 million will be funded from a £1.266 million DEFRA grant for the food waste collection vehicles, £1.321 million slippage and a new allocation of £4.737 million. To support the council's commitment to achieving its net zero target, all new vehicles will operate using either electricity or hydrotreated vegetable oil (HVO). To secure best value, the expenditure will be profiled in line with a replacement and servicing plan. This will draw together condition assessments of the existing vehicles, replacement profiling informed by detailed financial, cost, and environmental analyses, the availability of the WREN scheme to charge electric vehicles and housing growth data to confirm when the two additional vehicles will be required.

|                |                                                   |           |   |   |   |   |                          |               |
|----------------|---------------------------------------------------|-----------|---|---|---|---|--------------------------|---------------|
| <b>CAP5441</b> | <b>Bereavement service deferred capital works</b> | 1,000,000 | - | - | - | - | Positive /<br>Low impact | Daniel Morgan |
|----------------|---------------------------------------------------|-----------|---|---|---|---|--------------------------|---------------|

This investment programme will modernise and safeguard our Bereavement Services estate, addressing the most urgent health and safety risks while supporting the service to grow income and remain financially sustainable. The programme prioritises works that protect visitors and staff — such as repairs to roofs, paths, lighting and car parks — alongside improvements that enhance the customer experience and enable future income, including upgraded audio-visual systems and memorial grounds improvements.

### Communities

|                |                                                       |         |         |         |         |         |     |               |
|----------------|-------------------------------------------------------|---------|---------|---------|---------|---------|-----|---------------|
| <b>CAP5422</b> | <b>Planned maintenance works at community centres</b> | 436,000 | 200,000 | 200,000 | 200,000 | 200,000 | Nil | Richard Brown |
|----------------|-------------------------------------------------------|---------|---------|---------|---------|---------|-----|---------------|

Capital works identified through Potter Raper through to 2026/27 and not identified in any existing capital programme (excluding any decarbonisation projects). This work across older community facilities would cover general planned works, including fire doors and heating systems. The annual recurring capital budget is to cover ongoing maintenance across a now large portfolio of community facilities, for which there is currently no provision in the budget.

### Corporate Hub

|                |                                                    |        |   |   |   |   |     |             |
|----------------|----------------------------------------------------|--------|---|---|---|---|-----|-------------|
| <b>CAP5427</b> | <b>Geographic Information System (GIS) upgrade</b> | 10,000 | - | - | - | - | Nil | Jane Wilson |
|----------------|----------------------------------------------------|--------|---|---|---|---|-----|-------------|

An upgrade to the corporate Geographic Information System (GIS), powered by ESRI. The total cost is £30,000 split between the three partner councils within the 3C ICT service.

|                |                                      |       |   |   |   |   |     |             |
|----------------|--------------------------------------|-------|---|---|---|---|-----|-------------|
| <b>CAP5428</b> | <b>Corporate application upgrade</b> | 6,000 | - | - | - | - | Nil | Jane Wilson |
|----------------|--------------------------------------|-------|---|---|---|---|-----|-------------|

A number of corporate systems will require upgrading during 2026/27. Systems and vendors covered by this bid are NEC, Idox and TLC.

## 2026/27 Budget – GF Proposals – by Type

| Reference      | Item Description                  | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact     |
|----------------|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|-------------|
| <b>CAP5429</b> | <b>Datacentre mid-life update</b> | 30,000                 | -                      | -                      | -                      | -                      | Nil               | Jane Wilson |

The 3C datacentre is reaching mid-life. This bid seeks to secure budget for continued operation after its initial funded five years, and funding for 2026/27 for upgrades. Sizing for the datacentre was planned on static growth, with some resources moving to cloud, but assessment of usage now sees an increase in resource usage of the hosted systems and this bid seeks to address that with some investment in processing.

|                |                     |        |   |   |   |   |     |             |
|----------------|---------------------|--------|---|---|---|---|-----|-------------|
| <b>CAP5431</b> | <b>Cloud backup</b> | 70,000 | - | - | - | - | Nil | Jane Wilson |
|----------------|---------------------|--------|---|---|---|---|-----|-------------|

To implement a cloud-based backup solution for Microsoft 365 services – covering emails, documents, SharePoint, OneDrive, and Teams.

|                |                                        |        |   |   |   |   |     |             |
|----------------|----------------------------------------|--------|---|---|---|---|-----|-------------|
| <b>CAP5432</b> | <b>Multifunction Devices<br/>(MFD)</b> | 50,000 | - | - | - | - | Nil | Jane Wilson |
|----------------|----------------------------------------|--------|---|---|---|---|-----|-------------|

The current MFD contract ends in 2026. The new contract will need to consider transition of our print servers to the cloud among other improvements.

|                           |                  |                  |                |                |                  |
|---------------------------|------------------|------------------|----------------|----------------|------------------|
| <b>Total capital bids</b> | <b>5,770,000</b> | <b>3,394,000</b> | <b>350,000</b> | <b>200,000</b> | <b>1,517,000</b> |
|---------------------------|------------------|------------------|----------------|----------------|------------------|

## Appendix F(b) – General Fund capital approvals since BSR 2025/26

| Capital approvals since BSR<br>2025/26 (£m)                                    | 2025/26       | 2026/27      | 2027/28      | 2028/29  | 2029/30  | 2030/31  | Total         |
|--------------------------------------------------------------------------------|---------------|--------------|--------------|----------|----------|----------|---------------|
| Loans to CIP to progress schemes at Newbury Farm, Histon Road and Fanshaw Road | 23.177        | -            | -            | -        | -        | -        | <b>23.177</b> |
| Development of the Civic Quarter                                               | 4.400         | -            | -            | -        | -        | -        | <b>4.400</b>  |
| Warm Homes: Local grant                                                        | 1.834         | -            | -            | -        | -        | -        | <b>1.834</b>  |
| Food waste implementation programme                                            | 0.464         | -            | -            | -        | -        | -        | <b>0.464</b>  |
| Other minor projects, individually less than £250k                             | 0.155         | 0.024        | 0.112        | -        | -        | -        | <b>0.291</b>  |
| <b>Total capital approvals</b>                                                 | <b>30.030</b> | <b>0.024</b> | <b>0.112</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>30.166</b> |

## Appendix F(c) – General Fund capital plan

| General Fund capital plan (£m)                                                 | 2025/26       | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | Total          |
|--------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Park Street development                                                        | 32.797        | -            | -            | -            | -            | -            | <b>32.797</b>  |
| Loans to CIP to progress schemes at Newbury Farm, Histon Road and Fanshaw Road | 23.177        | -            | -            | -            | -            | -            | <b>23.177</b>  |
| Loan to CIP to purchase land south of Cambridge                                | 13.527        | -            | -            | -            | -            | -            | <b>13.527</b>  |
| Development of the Civic Quarter                                               | 6.417         | -            | -            | -            | -            | -            | <b>6.417</b>   |
| Waste vehicle replacement programme                                            | 1.374         | 2.026        | 1.394        | -            | -            | 1.317        | <b>6.111</b>   |
| Sustainable Warmth Grant - Home Upgrade Grant 2                                | 4.638         | -            | -            | -            | -            | -            | <b>4.638</b>   |
| East Barnwell new centre                                                       | 3.449         | 0.677        | 0.172        | -            | -            | -            | <b>4.298</b>   |
| Operational Hub                                                                | 3.495         | -            | -            | -            | -            | -            | <b>3.495</b>   |
| Mandatory Disabled Facilities Grants                                           | 1.148         | 0.808        | 0.808        | -            | -            | -            | <b>2.764</b>   |
| Administrative buildings maintenance                                           | 0.587         | 0.400        | 0.400        | 0.400        | 0.400        | 0.400        | <b>2.587</b>   |
| Commercial property repair and maintenance                                     | 0.527         | 0.300        | 0.300        | 0.300        | 0.300        | 0.300        | <b>2.027</b>   |
| Car park entry and exit systems                                                | -             | 0.050        | 1.800        | 0.150        | -            | -            | <b>2.000</b>   |
| Fleet replacement programme                                                    | -             | 2.000        | -            | -            | -            | -            | <b>2.000</b>   |
| Warm Homes: Local grant                                                        | 1.834         |              |              |              |              |              | <b>1.834</b>   |
| Clay Farm remedial works                                                       | 1.669         | -            | -            | -            | -            | -            | <b>1.669</b>   |
| WREN solar project at Waterbeach                                               | 1.482         | -            | -            | -            | -            | -            | <b>1.482</b>   |
| Planned maintenance works at community centres                                 | -             | 0.436        | 0.200        | 0.200        | 0.200        | 0.200        | <b>1.236</b>   |
| <b>Subtotal carried forward to next page</b>                                   | <b>96.121</b> | <b>6.697</b> | <b>5.074</b> | <b>1.050</b> | <b>0.900</b> | <b>2.217</b> | <b>112.059</b> |

## OFFICIAL

| General Fund capital plan (£m)                          | 2025/26        | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | Total          |
|---------------------------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>Subtotal brought forward from previous page</b>      | <b>96.121</b>  | <b>6.697</b> | <b>5.074</b> | <b>1.050</b> | <b>0.900</b> | <b>2.217</b> | <b>112.059</b> |
| Decarbonisation works at Abbey Pool and Parkside Pool   | 1.156          | -            | -            | -            | -            | -            | <b>1.156</b>   |
| Bereavement Service deferred capital works              | -              | 1.000        | -            | -            | -            | -            | <b>1.000</b>   |
| Structural repairs at car parks                         | 0.165          | 0.165        | 0.165        | 0.165        | 0.165        | 0.165        | <b>0.990</b>   |
| Repairs assistance                                      | 0.522          | 0.195        | 0.195        | -            | -            | -            | <b>0.912</b>   |
| Domestic energy efficiency and low carbon heating       | 0.905          | -            | -            | -            | -            | -            | <b>0.905</b>   |
| Essential repairs to Jesus Green riverbank              | 0.845          | -            | -            | -            | -            | -            | <b>0.845</b>   |
| 3G artificial pitch at Abbey Leisure Complex            | 0.839          | -            | -            | -            | -            | -            | <b>0.839</b>   |
| Development of land at Clay Farm                        | 0.804          | -            | -            | -            | -            | -            | <b>0.804</b>   |
| Recommended maintenance at Abbey Pool and Parkside Pool | 0.367          | 0.175        | -            | -            | -            | -            | <b>0.542</b>   |
| Food waste implementation programme                     | 0.464          | -            | -            | -            | -            | -            | <b>0.464</b>   |
| Redevelopment of Silver Street toilets                  | 0.382          | -            | -            | -            | -            | -            | <b>0.382</b>   |
| Laptop and desktop replacement                          | 0.109          | 0.100        | 0.100        | -            | -            | -            | <b>0.309</b>   |
| Decarbonisation programme phase 1                       | 0.027          | 0.111        | 0.160        | -            | -            | -            | <b>0.298</b>   |
| Environmental Improvements Programme (EIP) options      | 0.285          | -            | -            | -            | -            | -            | <b>0.285</b>   |
| Other minor projects, individually less than £250k      | 4.936          | 0.354        | 0.035        | -            | -            | -            | <b>5.325</b>   |
| <b>Total General Fund capital plan</b>                  | <b>107.927</b> | <b>8.797</b> | <b>5.729</b> | <b>1.215</b> | <b>1.065</b> | <b>2.382</b> | <b>127.115</b> |

## Appendix G – Housing Revenue Account income and expenditure projection

| Housing Revenue Account projection (£m)   | 2025/26         | 2026/27         | 2027/28         | 2028/29         | 2029/30         | 2030/31         | 2031/32         | 2032/33         | 2033/34         | 2034/35          | 2035/36          |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Dwelling rents                            | (52.758)        | (55.606)        | (59.645)        | (64.411)        | (69.332)        | (73.870)        | (79.012)        | (84.225)        | (88.622)        | (93.168)         | (97.880)         |
| Other rents                               | (1.471)         | (1.504)         | (1.544)         | (1.697)         | (1.731)         | (1.766)         | (1.801)         | (1.837)         | (1.874)         | (1.912)          | (1.950)          |
| Service charges                           | (2.885)         | (3.030)         | (3.173)         | (3.355)         | (3.510)         | (3.621)         | (3.789)         | (3.961)         | (4.064)         | (4.170)          | (4.277)          |
| Other income                              | (1.269)         | (1.285)         | (1.318)         | (1.345)         | (1.371)         | (1.399)         | (1.427)         | (1.456)         | (1.485)         | (1.514)          | (1.545)          |
| <b>Total income</b>                       | <b>(58.383)</b> | <b>(61.425)</b> | <b>(65.680)</b> | <b>(70.808)</b> | <b>(75.944)</b> | <b>(80.656)</b> | <b>(86.029)</b> | <b>(91.479)</b> | <b>(96.045)</b> | <b>(100.764)</b> | <b>(105.652)</b> |
|                                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |
| Repairs and maintenance                   | 15.985          | 15.301          | 15.658          | 16.630          | 17.291          | 17.865          | 18.660          | 19.480          | 20.192          | 20.925           | 21.679           |
| Management                                | 11.956          | 12.865          | 13.546          | 13.820          | 14.443          | 14.711          | 15.361          | 16.032          | 16.601          | 17.188           | 17.791           |
| Bad debt provision                        | 0.557           | 0.561           | 0.600           | 0.588           | 0.573           | 0.615           | 0.663           | 0.712           | 0.753           | 0.794            | 0.837            |
| Depreciation                              | 12.254          | 12.254          | 12.563          | 13.172          | 13.655          | 14.079          | 14.869          | 15.368          | 15.880          | 16.407           | 16.949           |
| <b>Total operating expenditure</b>        | <b>40.752</b>   | <b>40.981</b>   | <b>42.367</b>   | <b>44.210</b>   | <b>45.962</b>   | <b>47.270</b>   | <b>49.553</b>   | <b>51.592</b>   | <b>53.426</b>   | <b>55.314</b>    | <b>57.256</b>    |
|                                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |
| <b>Net operating surplus</b>              | <b>(17.631)</b> | <b>(20.444)</b> | <b>(23.313)</b> | <b>(26.598)</b> | <b>(29.982)</b> | <b>(33.386)</b> | <b>(36.476)</b> | <b>(39.887)</b> | <b>(42.619)</b> | <b>(45.450)</b>  | <b>(48.396)</b>  |
|                                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |
| Net interest cost                         | 7.915           | 12.309          | 14.934          | 17.763          | 20.920          | 24.130          | 27.392          | 30.411          | 32.880          | 34.748           | 35.741           |
| Revenue contribution to capital financing | 8.661           | 8.266           | 8.128           | 8.477           | 8.865           | 9.073           | 8.979           | 9.369           | 9.543           | 10.503           | 12.453           |
|                                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |
| <b>HRA (surplus) / deficit</b>            | <b>(1.055)</b>  | <b>0.131</b>    | <b>(0.251)</b>  | <b>(0.358)</b>  | <b>(0.197)</b>  | <b>(0.183)</b>  | <b>(0.105)</b>  | <b>(0.107)</b>  | <b>(0.196)</b>  | <b>(0.199)</b>   | <b>(0.202)</b>   |

## OFFICIAL

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Unavoidable revenue pressures

#### City Services

|              |                                                   |         |         |         |         |         |     |            |
|--------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|------------|
| <b>B5464</b> | <b>Damp, condensation and mould (DCM) repairs</b> | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | Nil | Peter Gale |
|--------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|------------|

This bid seeks a recurring annual allocation of £750,000 to align the damp, condensation and mould (DCM) repairs budget with the sustained increase in demand observed since October and following the introduction of Awaab's Law. It does not represent a service expansion, but a rebasing of the budget to reflect actual delivery pressures now being experienced. The forecast is grounded in live operational data, including the volume, duration and complexity of DCM cases managed to date, which show a materially higher and more resource-intensive workload than previously assumed. Given the complexity of dealing with DCM, this function will be delivered by a third-party provider and forms part of the procurement pipeline. While there is some inherent risk around the ongoing spending pressure given the evolving regulatory and compliance environment, the evidence available supports the level of provision proposed. For tenants, this investment will support faster responses, more thorough investigation, and earlier preventative intervention, improving living conditions, reducing long-term damp and mould issues, and supporting better health and wellbeing across the housing stock.

|              |                                                                 |        |        |        |        |        |     |            |
|--------------|-----------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|
| <b>B5467</b> | <b>Increased gas servicing of sustainable energy appliances</b> | 34,080 | 34,080 | 34,080 | 34,080 | 34,080 | Nil | Peter Gale |
|--------------|-----------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|

This bid requests an annual uplift of £34,080 to reflect the higher servicing costs associated with the increasing number of sustainable energy appliances being installed in new build council homes. These technologies, while supporting the council's carbon reduction objectives, require more frequent and specialised servicing than traditional gas systems and therefore create an unavoidable upward pressure on revenue budgets. The proposed adjustment ensures statutory compliance, maintains safety standards, and provides the resources needed to service a modernising asset base without adverse impact on tenants or operational delivery.

|              |                                         |         |         |   |   |   |     |            |
|--------------|-----------------------------------------|---------|---------|---|---|---|-----|------------|
| <b>B5468</b> | <b>Building Assessment Certificates</b> | 125,000 | 125,000 | - | - | - | Nil | Peter Gale |
|--------------|-----------------------------------------|---------|---------|---|---|---|-----|------------|

This bid proposes a two-year allocation of £125,000 per annum to meet new statutory duties under the Building Safety Act 2022, which requires all landlords to obtain Building Assessment Certificates for high- and medium-rise residential buildings. Due to the specialist expertise required to carry out this work safely and in compliance with statutory deadlines, the council will need to commission external contractors. The proposed funding ensures full compliance, safeguards residents, and prevents legal and regulatory exposure, with no adverse service impact.

|              |                                                   |        |        |         |         |         |     |            |
|--------------|---------------------------------------------------|--------|--------|---------|---------|---------|-----|------------|
| <b>B5469</b> | <b>External wall insulation (EWI) inspections</b> | 60,000 | 80,000 | 100,000 | 100,000 | 100,000 | Nil | Peter Gale |
|--------------|---------------------------------------------------|--------|--------|---------|---------|---------|-----|------------|

This bid introduces a recurring budget to meet the council's warranty obligations for external wall insulation (EWI), which require regular inspections to ensure system integrity, safety, and continued warranty validity. No budget currently exists for this activity, despite the expansion of EWI across the housing stock. The proposed phased allocation of £60,000 in 2026/27, rising to £100,000 per annum from 2028/29 onward, provides a realistic provision for ongoing inspection cycles and the specialist expertise required. Regular inspection not only protects the council's assets and avoids future remediation liabilities but also underpins the performance of EWI systems that are critical to the council's carbon-reduction objectives. Well-maintained insulation reduces heat loss, lowers energy consumption, and supports tenants with warmer, more efficient homes, reinforcing the council's wider sustainability commitments.

|                                                                     |
|---------------------------------------------------------------------|
| <b>2026/27 Budget – Housing Revenue Account Proposals – by Type</b> |
|---------------------------------------------------------------------|

| Reference    | Item Description                 | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact       |
|--------------|----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------------|
| <b>B5470</b> | <b>Cowley Road Depot and Hub</b> | 50,000                 | 50,000                 | 50,000                 | 50,000                 | 50,000                 | Nil               | Sarah Morrell |

Operating costs for the new Operational Hub include business rates, utilities, and owner-related charges. Following occupation, business rates have been reset and operating and utility costs are now clearer. These costs represent a planned and expected consequence of bringing the facility into use.

Additional funding is required to meet these ongoing obligations. Without this provision, the council would be unable to fully meet the essential running costs of the facility. Costs will be apportioned between the General Fund and the Housing Revenue Account (HRA); this bid relates solely to the HRA share.

|                                            |                  |                  |                |                |                |
|--------------------------------------------|------------------|------------------|----------------|----------------|----------------|
| <b>Total unavoidable revenue pressures</b> | <b>1,019,080</b> | <b>1,039,080</b> | <b>934,080</b> | <b>934,080</b> | <b>934,080</b> |
|--------------------------------------------|------------------|------------------|----------------|----------------|----------------|

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Revenue bids

#### City Services

|              |                                                             |        |        |        |        |        |     |            |
|--------------|-------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|
| <b>B5442</b> | <b>City Services operational health and Safety Capacity</b> | 37,890 | 37,890 | 37,890 | 37,890 | 37,890 | Nil | James Elms |
|--------------|-------------------------------------------------------------|--------|--------|--------|--------|--------|-----|------------|

This bid strengthens public safety, improves organisational resilience and ensures clear accountability for safety-critical operations across City Services. By closing gaps in our operational health and safety model, it ensures risks are properly monitored and controlled and that safe working practices are applied consistently across our frontline teams. A dedicated role will provide the day-to-day capacity needed to manage operational health and safety activity, supporting a wide range of community-facing services where robust safety management directly protects residents and staff. This bid represents a 50% HRA contribution, with the remaining 50% funded from the General Fund.

|              |                                           |         |         |         |         |         |     |             |
|--------------|-------------------------------------------|---------|---------|---------|---------|---------|-----|-------------|
| <b>B5443</b> | <b>Strengthening Asset and Compliance</b> | 181,740 | 181,740 | 181,740 | 181,740 | 181,740 | Nil | Sean Cleary |
|--------------|-------------------------------------------|---------|---------|---------|---------|---------|-----|-------------|

This bid provides funding to determine the most effective and best-value way to strengthen Asset and Compliance capacity, informed by sector best practice and a focused review of functions, roles and workflows. It will support more effective asset management by enabling the council to better understand the investment needs of a growing property portfolio, and to translate increased survey, inspection and audit data into prioritised, deliverable planned maintenance and capital programmes. The funding allows options to be properly assessed, including potential changes to team structure, job design or headcount, without predetermining the outcome, ensuring any additional investment is targeted, proportionate and aligned to regulatory demand. The bid reflects the HRA share of 70% of the total cost, with the remaining 30% funded from the General Fund, and is expected to generate efficiencies in the region of 8–10% by year 3 through more disciplined asset planning, improved processes, and more effective contract re-letting and contract management, helping to reduce avoidable reactive spend, improve long-term asset performance, and secure better value for money over the life of the stock.

|              |                                                   |         |         |         |         |         |     |                 |
|--------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|
| <b>B5444</b> | <b>Ensuring Delivery and Regulatory Assurance</b> | 398,190 | 355,370 | 312,540 | 312,540 | 312,540 | Nil | Brigitte Wilson |
|--------------|---------------------------------------------------|---------|---------|---------|---------|---------|-----|-----------------|

This bid strengthens the council's Delivery Assurance Team (DAT) to provide the governance, contract management, data quality and regulatory assurance required across the housing and public buildings portfolio. Enhanced capacity is essential to meeting RSH Consumer Standards, Health and Safety Executive requirements, DCM obligations and Awaab's Law. For tenants, the impact is direct. A stronger DAT will improve oversight of safety certifications, contractor performance, and the governance of planned and reactive works. Better data and controls will also enable more effective management of damp, condensation and mould, supporting quicker action, higher quality repairs, and reduced recurrence. This leads to safer, healthier homes and greater regulatory protection. The bid reflects the HRA share of around 85% of total cost, with the remaining 15% from the General Fund, and is expected to generate 8–10% efficiencies by year 3.

|              |                                 |         |         |         |         |         |     |            |
|--------------|---------------------------------|---------|---------|---------|---------|---------|-----|------------|
| <b>B5445</b> | <b>Housing Repairs function</b> | 103,220 | 206,440 | 206,440 | 206,440 | 206,440 | Nil | Peter Gale |
|--------------|---------------------------------|---------|---------|---------|---------|---------|-----|------------|

For tenants, the investment protects the reliability and responsiveness of day-to-day repairs. Without it, the service faces increasing risks of slower response times, reduced satisfaction, heavier use of external contractors, and less capacity for supervision, quality assurance, and proactive maintenance. Strengthening the base budget ensures the council can maintain consistent repair standards, reduce delays, and continue to provide a dependable service as the housing portfolio expands. This bid provides an additional £206,440 per year (with 50% in the first year to allow time for recruitment) to ensure the Housing Repairs service is properly resourced following a 7% increase in council housing stock over the past five years. The size and complexity of the asset base have grown and this bid matches staffing, reducing the pressure on the in-house team.

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference    | Item Description                                       | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact    |
|--------------|--------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|------------|
| <b>B5465</b> | <b>Housing disrepair claims and compensation costs</b> | 197,200                | -                      | -                      | -                      | -                      | Nil               | Peter Gale |

This bid seeks a one-off £197,200 budget uplift in 2026/27 to align provision with the current volume and cost of housing disrepair claims. It does not represent a headcount increase or a service expansion. The level of provision is based on recent actual claims experience, including the number of live and settled cases, average settlement values, and associated legal costs incurred to date. Claims are currently estimated at around 40 cases per year, with an average exposure of £5,000–£10,000 per claim. While the Council has become more successful in defending and winning cases, overall expenditure has continued to rise due to significant escalation in legal costs incurred by both parties and increased activity from claims management companies encouraging tenants to pursue claims, rather than any underlying service failure. The uplift provides a realistic provision for these pressures while improvement work continues to strengthen record-keeping, enhance first-time fixes, and embed more robust processes. These measures are expected to reduce the number and severity of future claims over time, but not immediately, making a one-year adjustment necessary to maintain financial control without impacting service delivery.

|              |                                       |         |         |         |         |   |     |            |
|--------------|---------------------------------------|---------|---------|---------|---------|---|-----|------------|
| <b>B5466</b> | <b>Increased cost of void repairs</b> | 393,510 | 300,000 | 200,000 | 100,000 | - | Nil | Peter Gale |
|--------------|---------------------------------------|---------|---------|---------|---------|---|-----|------------|

This bid seeks an increase to the 2026/27 void repairs budget to align provision with current, evidenced costs. It does not represent a headcount increase or service expansion. The uplift is driven primarily by sustained inflationary pressures on construction materials, plant and labour, which have materially increased the cost of bringing void properties back into lettable condition. This is evidenced by recent actual void repair costs and contractor pricing, compounded by higher levels of disrepair at tenancy termination. Aligning the budget to this level supports the timely turnaround of empty homes, helping to reduce waiting times and maintain standards for incoming tenants and maximising rental income into the HRA by reducing void periods. The planned stepped reduction in funding in later years reflects anticipated moderation of inflation and expected savings from procurement improvements, standardised specifications, strengthened contractor performance, and increased in-house delivery secured through related bids. Without this rebasing, structural overspends would persist, undermining financial control and service reliability.

### Communities

|              |                                 |         |         |         |         |         |     |           |
|--------------|---------------------------------|---------|---------|---------|---------|---------|-----|-----------|
| <b>B5453</b> | <b>Housing Management Teams</b> | 338,250 | 538,250 | 538,250 | 538,250 | 280,250 | Nil | Anna Hill |
|--------------|---------------------------------|---------|---------|---------|---------|---------|-----|-----------|

Benchmarking data indicates we have significantly less Housing Management (Tenancy and Income Management) employees than other similar housing providers. Our Housing Officers manage an average patch of 1,500 homes, with the industry standard being 700-800 homes. Benchmarking also shows that the council is well below other housing providers in cost per unit for its provision of resident involvement resource. The team faces rising demand and complexity due to economic pressures, reduced external support, and the final phase of Universal Credit migration, all requiring more intensive casework. Housing stock growth and new regulatory obligations, such as fire safety plans and enhanced resident engagement have further added to the workload. Expanding tenancy audits to 20-25% annually, and shifting legal work in-house, would also increase operational demands, alongside a proactive approach to arrears prevention and fraud detection. Without extra resources, the team risks service delays, non-compliance, higher arrears, and staff burnout, making additional staffing essential to maintain resilience and deliver statutory and strategic objectives.

This bid will increase staffing balanced across general housing management and tenancy sustainment. This will include enhanced capacity to deliver a larger programme of tenancy audits in the short to medium term to better understand our tenants. Once we have developed a full understanding of the needs of all of our tenants, it is anticipated that the level of resource required to maintain this understanding will decrease from year 5.

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference    | Item Description            | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact   |
|--------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|-----------|
| <b>B5454</b> | <b>Universal Credit Bot</b> | 36,750                 | 36,750                 | 36,750                 | 36,750                 | 36,750                 | Nil               | Anna Hill |

Bid to implement a robotic process automation (RPA) system (UC Bot) through Enterprise in collaboration with Orchard MRI. The bot will automate Universal Credit (UC) rent verifications (as required by DWP), validate details, update housing systems, and process alternative payment arrangements without human intervention. The current manual verification process for UC rent claims is highly time-consuming, costing thousands of pounds annually and diverting staff from critical tasks. With claim volumes expected to rise significantly due to managed migration, automation will save time, reduce errors, and improve customer service by preventing delays during peak periods.

|              |                   |        |        |        |        |        |     |           |
|--------------|-------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>B5455</b> | <b>Voicescape</b> | 88,500 | 88,500 | 88,500 | 88,500 | 88,500 | Nil | Anna Hill |
|--------------|-------------------|--------|--------|--------|--------|--------|-----|-----------|

A bid to implement a digital platform called Voicescape Caseload Manager which is designed to support Income Officers in improving rent collection and reducing arrears. It does this through automation, streamlined workflows and earlier engagement with tenants. This will enable us to target high arrears cases which up until now have had limited action. Financially, it delivers strong returns through reduced arrears, fewer evictions, and lower administrative costs (see s below). Case studies of the system show significant impact. This bid is for the ongoing revenue licensing cost – there is a separate capital bid for one-off implementation costs of £17,500 (see CAP5458).

|              |                             |        |        |        |        |        |     |           |
|--------------|-----------------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>B5456</b> | <b>MRI Customer Central</b> | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 | Nil | Anna Hill |
|--------------|-----------------------------|--------|--------|--------|--------|--------|-----|-----------|

The council's Housing service currently lacks a dedicated CRM system, resulting in fragmented customer data and inefficient processes. MRI Customer Central provides a single source of truth, enabling staff to access real-time customer information, collaborate effectively, and manage cases with clear action plans. Its dashboards and analytics improve service delivery, ensure GDPR compliance, and support mobile working, ultimately enhancing tenant satisfaction and operational efficiency. Some of the cost of this bid will be recovered through a saving in Income Analytics (see saving S5487 below).

|              |                                      |        |        |        |        |        |     |           |
|--------------|--------------------------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>B5459</b> | <b>Locata case management module</b> | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | Nil | Anna Hill |
|--------------|--------------------------------------|--------|--------|--------|--------|--------|-----|-----------|

The current system (MRI Orchard) does not support robust case management, leading to duplication, reliance on spreadsheets, and poor audit trails. The Locata HRS module offers integrated case recording, automated workflows, and outcome tracking, improving visibility and compliance. Leveraging existing Locata infrastructure reduces costs and enables future integration, while dashboards and reporting tools enhance operational oversight and strategic planning. This bid is for the ongoing revenue licensing cost – there is a separate capital bid for one-off implementation costs of £25,000 (see CAP5460).

|              |                                         |        |        |        |        |        |     |           |
|--------------|-----------------------------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>B5461</b> | <b>LIFT (Low-Income Family Tracker)</b> | 42,000 | 42,000 | 42,000 | 42,000 | 42,000 | Nil | Anna Hill |
|--------------|-----------------------------------------|--------|--------|--------|--------|--------|-----|-----------|

LIFT helps identify financially vulnerable households early, preventing crises such as debt and homelessness. Continued investment enables proactive outreach and benefits campaigns, delivering strong return on investment (up to £400 per £1 spent) and reducing demand for costly reactive services. Beyond financial gains, LIFT promotes social equity and resilience by ensuring families receive entitled support, improving life chances and reducing inequalities across Cambridge.

|              |                               |        |        |        |        |        |     |           |
|--------------|-------------------------------|--------|--------|--------|--------|--------|-----|-----------|
| <b>B5463</b> | <b>City Homes Legal Costs</b> | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | Nil | Anna Hill |
|--------------|-------------------------------|--------|--------|--------|--------|--------|-----|-----------|

Increased legal costs due to more complex cases. Recent secured tenancies are increasing need for a higher legal budget. Requirement to support city services with non-access services, and also refocus on income related enforcement.

2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact    |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|------------|
| B5462     | LGR Planning     | 150,000                | -                      | -                      | -                      | -                      | Nil               | Sam Scharf |

Bid for resource to support the early phases of planning for the future of the HRA after local government reorganisation (LGR).

|                    |           |           |           |           |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Total revenue bids | 2,069,250 | 1,888,940 | 1,746,110 | 1,646,110 | 1,288,110 |
|--------------------|-----------|-----------|-----------|-----------|-----------|

|                          |           |           |           |           |           |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Total pressures and bids | 3,088,330 | 2,928,020 | 2,680,190 | 2,580,190 | 2,222,190 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Savings

#### City Services

|              |                                            |           |           |          |          |          |     |            |
|--------------|--------------------------------------------|-----------|-----------|----------|----------|----------|-----|------------|
| <b>S5486</b> | <b>Efficiencies for increased capacity</b> | (313,920) | (439,000) | (65,160) | (65,160) | (65,160) | Nil | James Elms |
|--------------|--------------------------------------------|-----------|-----------|----------|----------|----------|-----|------------|

The increased capacity within Asset and Compliance (see bid B5443), the Delivery and Assurance Team (see bid B5444) and Housing Repairs (see bid B5445) will drive efficiencies in a number of areas. This includes improved turnaround of certification and asset performance monitoring, improved contract control and risk management, better scheduling of inspections and works with reduced duplication, improved document management, improved data management to support planned asset programme, improved repair turnaround times, reduced contractor call-off, lower average cost per repair through increased productivity and in-house delivery, and sustained cost avoidance and improved asset condition through timely repairs and planned maintenance integration.

#### Communities

|              |                         |          |          |          |          |          |     |           |
|--------------|-------------------------|----------|----------|----------|----------|----------|-----|-----------|
| <b>S5487</b> | <b>Income Analytics</b> | (22,630) | (22,630) | (22,630) | (22,630) | (22,630) | Nil | Anna Hill |
|--------------|-------------------------|----------|----------|----------|----------|----------|-----|-----------|

The implementation of Voicescape (see bid B5455) will allow the decommissioning of Income Analytics.

#### Corporate Hub

|              |                      |   |   |          |           |           |     |                  |
|--------------|----------------------|---|---|----------|-----------|-----------|-----|------------------|
| <b>S5488</b> | <b>Debt recovery</b> | - | - | (58,200) | (118,420) | (120,340) | Nil | Samantha Shimmon |
|--------------|----------------------|---|---|----------|-----------|-----------|-----|------------------|

Investment in Housing Management capacity (see bid B5453), along with technology such as Voicescape (see bid B5455), will allow the council to reduce the level of non-recoverable debt over time.

|                      |                  |                  |                  |                  |                  |  |  |  |
|----------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|
| <b>Total savings</b> | <b>(336,550)</b> | <b>(461,630)</b> | <b>(145,990)</b> | <b>(206,210)</b> | <b>(208,130)</b> |  |  |  |
|----------------------|------------------|------------------|------------------|------------------|------------------|--|--|--|

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Increased income

#### Communities

|        |                  |   |           |           |             |             |     |                  |
|--------|------------------|---|-----------|-----------|-------------|-------------|-----|------------------|
| II5489 | Rent convergence | - | (238,160) | (678,900) | (1,071,800) | (1,419,040) | Nil | Samantha Shimmon |
|--------|------------------|---|-----------|-----------|-------------|-------------|-----|------------------|

Additional rental income to be generated from convergence of current rent back to formula rent at a rate of £2 per week for affected properties, in line with government policy. This recognises the fact that there are currently inconsistencies between the rent paid by tenants depending upon when they moved into their property, caused by historic below-inflation caps on rent increases. Convergence will, over time, restore rents to their 'correct' formula rent levels, whilst protecting tenants through a cap on how quickly this can be achieved. It is necessary to converge rents in this way to ensure that funding is available to support the significant investment required to maintain a high-quality housing stock, as set out in the revenue budget proposals above.

|                               |          |                  |                  |                    |                    |
|-------------------------------|----------|------------------|------------------|--------------------|--------------------|
| <b>Total increased income</b> | <b>-</b> | <b>(238,160)</b> | <b>(678,900)</b> | <b>(1,071,800)</b> | <b>(1,419,040)</b> |
|-------------------------------|----------|------------------|------------------|--------------------|--------------------|

|                                           |                  |                  |                  |                    |                    |
|-------------------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| <b>Total savings and increased income</b> | <b>(336,550)</b> | <b>(699,790)</b> | <b>(824,890)</b> | <b>(1,278,010)</b> | <b>(1,627,170)</b> |
|-------------------------------------------|------------------|------------------|------------------|--------------------|--------------------|

|                                |                  |                  |                  |                  |                |
|--------------------------------|------------------|------------------|------------------|------------------|----------------|
| <b>Total revenue proposals</b> | <b>2,751,780</b> | <b>2,228,230</b> | <b>1,855,300</b> | <b>1,302,180</b> | <b>595,020</b> |
|--------------------------------|------------------|------------------|------------------|------------------|----------------|

## 2026/27 Budget – Housing Revenue Account Proposals – by Type

| Reference | Item Description | 2026/27<br>Budget<br>£ | 2027/28<br>Budget<br>£ | 2028/29<br>Budget<br>£ | 2029/30<br>Budget<br>£ | 2030/31<br>Budget<br>£ | Climate<br>Rating | Contact |
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|
|-----------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|---------|

### Capital bids

#### Communities

|                |                   |        |   |   |   |   |     |           |
|----------------|-------------------|--------|---|---|---|---|-----|-----------|
| <b>CAP5458</b> | <b>Voicescape</b> | 17,500 | - | - | - | - | Nil | Anna Hill |
|----------------|-------------------|--------|---|---|---|---|-----|-----------|

A bid to implement a digital platform called Voicescape Caseload Manager which is designed to support Income Officers in improving rent collection and reducing arrears. It does this through automation, streamlined workflows and earlier engagement with tenants. This will enable us to target high arrears cases which up until now have had limited action. Financially, it delivers strong returns through reduced arrears, fewer evictions, and lower administrative costs (see associated saving above). Case studies of the system show significant impact. This bid is for the capital implementation cost – there is a linked revenue bid for the ongoing licensing cost of £88,500 per year (see B5455).

|                |                                      |        |   |   |   |   |     |           |
|----------------|--------------------------------------|--------|---|---|---|---|-----|-----------|
| <b>CAP5460</b> | <b>Locata case management module</b> | 25,000 | - | - | - | - | Nil | Anna Hill |
|----------------|--------------------------------------|--------|---|---|---|---|-----|-----------|

The current system (MRI Orchard) does not support robust case management, leading to duplication, reliance on spreadsheets, and poor audit trails. The Locata HRS module offers integrated case recording, automated workflows, and outcome tracking, improving visibility and compliance. Leveraging existing Locata infrastructure reduces costs and enables future integration, while dashboards and reporting tools enhance operational oversight and strategic planning. This bid is for the capital implementation cost – there is a linked revenue bid for the ongoing licensing cost of £33,000 per year (see B5459).

|                           |               |   |   |   |   |   |  |  |
|---------------------------|---------------|---|---|---|---|---|--|--|
| <b>Total capital bids</b> | <b>42,500</b> | - | - | - | - | - |  |  |
|---------------------------|---------------|---|---|---|---|---|--|--|

# Appendix I(b) – Housing Revenue Account capital plan

| Housing Revenue Account capital plan (£m)             | 2025/26       | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31       | 2031/32       | 2032/33       | 2033/34       | 2034/35       | 2035/36       | Total          |
|-------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>Decent Homes</b>                                   |               |               |               |               |               |               |               |               |               |               |               |                |
| Kitchens                                              | 2.012         | 0.703         | 1.311         | 1.175         | 2.977         | 2.977         | 2.977         | 2.977         | 2.977         | 1.962         | 1.963         | <b>24.011</b>  |
| Bathrooms                                             | 1.215         | 0.182         | 0.112         | 0.343         | 0.459         | 0.459         | 0.459         | 0.459         | 0.459         | 0.526         | 0.526         | <b>5.199</b>   |
| Central heating / boilers                             | 2.226         | 2.309         | 1.333         | 1.656         | 2.693         | 2.693         | 2.693         | 2.693         | 2.693         | 2.360         | 2.360         | <b>25.709</b>  |
| Insulation / energy efficiency / wall finishes        | 0.257         | 0.834         | 0.072         | 1.034         | 0.570         | 0.570         | 0.570         | 0.570         | 0.570         | 0.897         | 0.897         | <b>6.841</b>   |
| External doors                                        | 0.956         | 0.072         | 0.017         | 0.083         | 0.188         | 0.188         | 0.188         | 0.188         | 0.188         | 0.170         | 0.170         | <b>2.408</b>   |
| PVCU windows                                          | 2.981         | 0.380         | 0.316         | 1.092         | 0.999         | 0.999         | 0.999         | 0.999         | 0.999         | 1.200         | 1.200         | <b>12.164</b>  |
| Wall structure                                        | 1.239         | 0.119         | 0.564         | 0.781         | 0.998         | 0.998         | 0.998         | 0.998         | 0.998         | 0.912         | 0.912         | <b>9.517</b>   |
| External painting                                     | 0.408         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | 0.382         | <b>4.228</b>   |
| Roof structure                                        | 0.320         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | <b>3.320</b>   |
| Roof covering (including chimneys)                    | 2.564         | 0.699         | 1.037         | 0.770         | 0.704         | 0.704         | 0.704         | 0.704         | 0.704         | 0.657         | 0.657         | <b>9.904</b>   |
| Electrical / wiring                                   | 0.607         | 0.258         | 0.004         | 0.019         | 0.882         | 0.882         | 0.882         | 0.882         | 0.882         | 1.912         | 1.912         | <b>9.122</b>   |
| Sulphate attacks                                      | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | 0.109         | -             | <b>1.090</b>   |
| HHSRS contingency                                     | 0.678         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | <b>1.748</b>   |
| Other health and safety works                         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | <b>0.583</b>   |
| Capitalised officer fees - Decent Homes               | 0.540         | 0.540         | 0.540         | 0.540         | 0.540         | 0.540         | 0.389         | 0.389         | 0.389         | 0.389         | 0.389         | <b>5.185</b>   |
| Decent Homes backlog                                  | 5.610         | 6.800         | 6.799         | 6.278         | 6.279         | 6.279         | -             | -             | -             | -             | -             | <b>38.045</b>  |
| Decent Homes planned maintenance contractor overheads | 1.521         | 0.699         | 0.629         | 0.870         | 1.257         | 1.257         | 1.257         | 1.257         | 1.257         | 1.274         | 1.262         | <b>12.540</b>  |
| <b>Subtotal carried forward to next page</b>          | <b>23.296</b> | <b>14.546</b> | <b>13.685</b> | <b>15.592</b> | <b>19.497</b> | <b>19.497</b> | <b>13.067</b> | <b>13.067</b> | <b>13.067</b> | <b>13.210</b> | <b>13.090</b> | <b>171.614</b> |

## OFFICIAL

| Housing Revenue Account capital plan (£m)                              | 2025/26       | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31       | 2031/32       | 2032/33       | 2033/34       | 2034/35       | 2035/36       | Total          |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>Subtotal brought forward from previous page</b>                     | <b>23.296</b> | <b>14.546</b> | <b>13.685</b> | <b>15.592</b> | <b>19.497</b> | <b>19.497</b> | <b>13.067</b> | <b>13.067</b> | <b>13.067</b> | <b>13.210</b> | <b>13.090</b> | <b>171.614</b> |
| Decent Homes new build allocation                                      | 2.431         | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | <b>2.431</b>   |
| <b>Total Decent Homes</b>                                              | <b>25.727</b> | <b>14.546</b> | <b>13.685</b> | <b>15.592</b> | <b>19.497</b> | <b>19.497</b> | <b>13.067</b> | <b>13.067</b> | <b>13.067</b> | <b>13.210</b> | <b>13.090</b> | <b>174.045</b> |
|                                                                        |               |               |               |               |               |               |               |               |               |               |               |                |
| <b>Other spend on existing stock</b>                                   |               |               |               |               |               |               |               |               |               |               |               |                |
| Garage improvements                                                    | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | <b>1.177</b>   |
| Asbestos removal                                                       | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | 0.053         | <b>0.583</b>   |
| Disabled adaptations                                                   | 0.928         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | 0.830         | <b>9.228</b>   |
| Communal areas uplift                                                  | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | 0.103         | <b>1.133</b>   |
| Communal electrical installations / fire systems / communal lighting   | 0.917         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | 0.156         | <b>2.477</b>   |
| Communal entrance / enclosure doors and glazing                        | 0.446         | 0.130         | 0.128         | 0.146         | 0.151         | 0.151         | 0.151         | 0.151         | 0.151         | 0.177         | 0.177         | <b>1.959</b>   |
| Fire prevention / fire safety works                                    | 0.855         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | 0.052         | <b>1.375</b>   |
| Hard surfacing - health and safety works                               | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | 0.231         | <b>2.541</b>   |
| Communal areas floor coverings                                         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | 0.107         | <b>1.177</b>   |
| Lifts and door entry systems                                           | 0.121         | -             | -             | 0.040         | 0.016         | 0.016         | 0.016         | 0.016         | 0.016         | 0.008         | 0.008         | <b>0.257</b>   |
| Estate Investment Scheme                                               | 1.072         | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | <b>1.072</b>   |
| Capitalised officer fees - other existing stock spend                  | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | 0.122         | <b>1.342</b>   |
| Other spend on existing stock planned maintenance contractor overheads | 0.480         | 0.190         | 0.194         | 0.201         | 0.198         | 0.198         | 0.198         | 0.198         | 0.198         | 0.196         | 0.196         | <b>2.447</b>   |
| <b>Subtotal carried forward to next page</b>                           | <b>5.542</b>  | <b>2.081</b>  | <b>2.083</b>  | <b>2.148</b>  | <b>2.126</b>  | <b>2.126</b>  | <b>2.126</b>  | <b>2.126</b>  | <b>2.126</b>  | <b>2.142</b>  | <b>2.142</b>  | <b>26.768</b>  |

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| Housing Revenue Account capital plan (£m)   | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 | Total   |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Subtotal brought forward from previous page | 5.542   | 2.081   | 2.083   | 2.148   | 2.126   | 2.126   | 2.126   | 2.126   | 2.126   | 2.142   | 2.142   | 26.768  |
| Energy (stock to EPC 'C')                   | 8.402   | 9.815   | 9.815   | 9.815   | 9.815   | -       | -       | -       | -       | -       | -       | 47.662  |
| Net zero carbon contribution                | -       | -       | -       | -       | -       | 7.200   | 7.200   | 7.200   | 7.200   | 7.200   | 7.200   | 43.200  |
| Total other spend on existing stock         | 13.944  | 11.896  | 11.898  | 11.963  | 11.941  | 9.326   | 9.326   | 9.326   | 9.326   | 9.342   | 9.342   | 117.630 |
|                                             |         |         |         |         |         |         |         |         |         |         |         |         |
| New build / redevelopment                   |         |         |         |         |         |         |         |         |         |         |         |         |
| Kendal Way                                  | 0.007   | 0.372   | 0.081   | -       | -       | -       | -       | -       | -       | -       | -       | 0.460   |
| Meadows and Buchan Street                   | 1.133   | 0.004   | -       | -       | -       | -       | -       | -       | -       | -       | -       | 1.137   |
| Colville Road phase III                     | 0.215   | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | 0.215   |
| Aragon Close                                | 0.037   | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | 0.037   |
| Sackville Close                             | (0.074) | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | (0.074) |
| Aylesborough Close                          | 3.933   | 0.008   | -       | -       | -       | -       | -       | -       | -       | -       | -       | 3.941   |
| St Thomas's Road                            | 0.002   | 1.196   | 0.511   | 0.001   | -       | -       | -       | -       | -       | -       | -       | 1.710   |
| Paget Road                                  | 0.006   | 1.254   | 0.508   | 0.002   | -       | -       | -       | -       | -       | -       | -       | 1.770   |
| Fanshawe Road                               | 4.363   | 3.286   | 0.108   | -       | -       | -       | -       | -       | -       | -       | -       | 7.757   |
| Princess and Hanover                        | 4.535   | 7.533   | 5.646   | 4.685   | 0.006   | -       | -       | -       | -       | -       | -       | 22.405  |
| Eddeva Park                                 | 2.404   | 1.072   | 4.892   | -       | -       | -       | -       | -       | -       | -       | -       | 8.368   |
| East Barnwell                               | 12.454  | 13.383  | 6.590   | 11.092  | 6.792   | -       | -       | -       | -       | -       | -       | 50.311  |
| Newbury Farm                                | 10.234  | 4.283   | 1.470   | -       | -       | -       | -       | -       | -       | -       | -       | 15.987  |
| ATS, Histon Road                            | 4.440   | 2.266   | 0.386   | 0.004   | -       | -       | -       | -       | -       | -       | -       | 7.096   |
| Ekin Road                                   | 3.481   | 5.016   | 7.896   | 7.894   | 1.579   | 0.024   | -       | -       | -       | -       | -       | 25.890  |
| Stanton House                               | 1.833   | 2.195   | 4.809   | 1.094   | 0.002   | -       | -       | -       | -       | -       | -       | 9.933   |
| Davy Road                                   | 1.876   | 5.858   | 6.449   | 2.571   | 0.024   | -       | -       | -       | -       | -       | -       | 16.778  |
| Subtotal carried forward to next page       | 50.879  | 47.726  | 39.346  | 27.343  | 8.403   | 0.024   | -       | -       | -       | -       | -       | 173.721 |

## OFFICIAL

| Housing Revenue Account capital plan (£m)                 | 2025/26       | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31       | 2031/32        | 2032/33       | 2033/34       | 2034/35       | 2035/36       | Total          |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
| <b>Subtotal brought forward from previous page</b>        | <b>50.879</b> | <b>47.726</b> | <b>39.346</b> | <b>27.343</b> | <b>8.403</b>  | <b>0.024</b>  | -              | -             | -             | -             | -             | <b>173.721</b> |
| Kingsway / Arbury Court                                   | 0.629         | 6.556         | 9.256         | 16.599        | 18.450        | 17.237        | 12.485         | -             | -             | -             | -             | <b>81.212</b>  |
| Acquisition (incl. for new build)                         | 1.610         | -             | -             | -             | -             | -             | -              | -             | -             | -             | -             | <b>1.610</b>   |
| Compensation costs                                        | 0.148         | -             | -             | -             | -             | -             | -              | -             | -             | -             | -             | <b>0.148</b>   |
| 10-year new homes programme (unallocated)                 | 0.045         | 3.606         | 12.768        | 18.782        | 30.664        | 40.283        | 42.925         | 43.557        | 33.276        | 23.243        | 7.750         | <b>256.899</b> |
| Future new homes programme (unallocated)                  | -             | -             | -             | -             | -             | -             | 8.750          | 8.750         | 8.750         | 8.750         | 8.750         | <b>43.750</b>  |
| <b>Total new build / redevelopment</b>                    | <b>53.311</b> | <b>57.888</b> | <b>61.370</b> | <b>62.724</b> | <b>57.517</b> | <b>57.544</b> | <b>64.160</b>  | <b>52.307</b> | <b>42.026</b> | <b>31.993</b> | <b>16.500</b> | <b>557.340</b> |
|                                                           |               |               |               |               |               |               |                |               |               |               |               |                |
| <b>Other capital spend</b>                                |               |               |               |               |               |               |                |               |               |               |               |                |
| Orchard replacement / mobile working                      | 0.072         | -             | -             | -             | -             | -             | -              | -             | -             | -             | -             | <b>0.072</b>   |
| Corporate IT investment                                   | 0.024         | 0.024         | 0.024         | 0.024         | 0.024         | 0.024         | 0.024          | 0.024         | 0.024         | 0.024         | 0.024         | <b>0.264</b>   |
| Shared ownership repurchase                               | 0.600         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300         | 0.300          | 0.300         | 0.300         | 0.300         | 0.300         | <b>3.600</b>   |
| Commercial and administrative property                    | 0.133         | 0.032         | 0.032         | 0.032         | 0.032         | 0.032         | 0.032          | 0.032         | 0.032         | 0.032         | 0.032         | <b>0.453</b>   |
| Voicescape                                                | -             | 0.018         | -             | -             | -             | -             | -              | -             | -             | -             | -             | <b>0.018</b>   |
| Locata case management module                             | -             | 0.025         | -             | -             | -             | -             | -              | -             | -             | -             | -             | <b>0.025</b>   |
| <b>Total other capital spend</b>                          | <b>0.829</b>  | <b>0.399</b>  | <b>0.356</b>  | <b>0.356</b>  | <b>0.356</b>  | <b>0.356</b>  | <b>0.356</b>   | <b>0.356</b>  | <b>0.356</b>  | <b>0.356</b>  | <b>0.356</b>  | <b>4.432</b>   |
|                                                           |               |               |               |               |               |               |                |               |               |               |               |                |
| <b>Total capital spend at base year prices</b>            | <b>93.811</b> | <b>84.729</b> | <b>87.309</b> | <b>90.635</b> | <b>89.311</b> | <b>86.723</b> | <b>86.909</b>  | <b>75.056</b> | <b>64.775</b> | <b>54.901</b> | <b>39.288</b> | <b>853.447</b> |
|                                                           |               |               |               |               |               |               |                |               |               |               |               |                |
| Inflation allowance and stock adjustment for future years | 2.455         | 1.601         | 3.916         | 7.107         | 9.604         | 12.205        | 15.165         | 15.455        | 15.577        | 14.952        | 11.678        | <b>109.715</b> |
|                                                           |               |               |               |               |               |               |                |               |               |               |               |                |
| <b>Total capital spend</b>                                | <b>96.266</b> | <b>86.330</b> | <b>91.225</b> | <b>97.742</b> | <b>98.915</b> | <b>98.928</b> | <b>102.074</b> | <b>90.511</b> | <b>80.352</b> | <b>69.853</b> | <b>50.966</b> | <b>963.162</b> |

## Appendix J – Housing Revenue Account sensitivity analysis

Sensitivity analysis on key assumptions is carried out to demonstrate that short-term risks and shocks can be managed, and to show the potential impact on HRA resources (and ability to deliver services and capital programmes) of changes to assumptions over the 30-Year Business Plan.

| Area                                 | Assumption                                                                                             | Key sensitivity modelled                                                                                    | Financial impact compared to baseline (over 30 years)                        |
|--------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| General Inflation                    | 2026/27: 3.5%<br>2027/28: 2.6%<br>Subsequent years: 2.0%                                               | Assume inflation is higher from 2027/28:<br>2027/28: 3.0%<br>2028/29: 3.0%<br>Subsequent years: 2.0%        | Borrowing increases by £24 million by the end of the 30-Year Business Plan.  |
| Social and Affordable Rent Inflation | CPI plus 1%, i.e.<br>2026/27: 4.8%<br>2027/28: 3.6%<br>2028/29-2035/36: 3.0%<br>Subsequent years: 2.0% | Government policy changes and limits rent increases to CPI only from year 6 of the plan rather than year 11 | Borrowing increases by £224 million by the end of the 30-Year Business Plan. |
| Borrowing interest rate              | 2026/27: 5.15%<br>2027/28: 5.35%<br>2028/29: 5.25%<br>Subsequent years: 5.20%                          | Borrowing rates are 1% higher for all new borrowing from 2026/27 onwards.                                   | Borrowing increases by £316 million during the life of the plan.             |

# Appendix K – Service charges

| Charge description                                                                     | Range of charges<br>2025/26          | Charge<br>basis | Category |
|----------------------------------------------------------------------------------------|--------------------------------------|-----------------|----------|
| <b>General stock</b>                                                                   |                                      |                 |          |
| Caretaking charge                                                                      | £4.86 to £6.71                       | Per Week        | A        |
| Building cleaning                                                                      | £1.83 to £3.16                       | Per Week        | A        |
| Window cleaning                                                                        | £0.01 to £0.61                       | Per Week        | A        |
| Estate Services Champion                                                               | £0.27 to £0.82                       | Per Week        | A        |
| Door entry                                                                             | £0.08 to £4.42                       | Per Week        | A        |
| Passenger lifts                                                                        | £0.20 to £3.38                       | Per Week        | A        |
| Digital TV aerial charge                                                               | £0.27                                | Per Week        | A        |
| Grounds maintenance                                                                    | £0.06 to £3.65                       | Per Week        | A        |
| Communal electricity                                                                   | £0.37 to £6.73                       | Per Week        | A        |
| Disabled adaptation charge                                                             | £2.38 to £10.40                      | Per Week        | A        |
| <b>General sheltered schemes</b>                                                       |                                      |                 |          |
| Premises charge                                                                        | £1.83 to £50.49                      | Per Week        | A        |
| Communal heating / lighting                                                            | £1.20 to £16.71                      | Per Week        | A        |
| Individual heating / lighting                                                          | £11.29 to £54.36                     | Per Week        | A        |
| Water                                                                                  | £1.53 to £12.89                      | Per Week        | A        |
| Grounds maintenance                                                                    | £0.06 to £3.65                       | Per Week        | A        |
| Sheltered support charge                                                               | £6.54 to £8.13                       | Per Week        | B        |
| Alarm charge                                                                           | £0.86                                | Per Week        | A        |
| Landlord emergency contact                                                             | £0.53                                | Per Week        | A        |
| Sheltered Hall Hire**                                                                  | £10.00 (Mon-Fri)<br>£20.00 (Sat/Sun) | Per Hour        | C        |
| **Reduced hourly rate of £5.45 for events which council sheltered residents can attend |                                      |                 |          |

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| Charge description                        | Range of charges<br>2025/26 | Charge<br>basis | Category |
|-------------------------------------------|-----------------------------|-----------------|----------|
| <b>Ditchburn Place</b>                    |                             |                 |          |
| Premises charge                           | £1.83 to £50.49             | Per Week        | A        |
| Flat cleaning / laundry charge (1 person) | £43.26                      | Per Week        | A        |
| Communal heating / lighting               | £1.20 to £16.71             | Per Week        | A        |
| Individual heating / lighting             | £11.29 to £54.36            | Per Week        | A        |
| Water                                     | £1.53 to £12.89             | Per Week        | A        |
| Catering (1 person)                       | £35.95 to £134.38           | Per Week        | A        |
| Grounds maintenance                       | £0.06 to £3.65              | Per Week        | A        |
| Sheltered support charge                  | £6.54 to £8.13              | Per Week        | B        |
| Alarm charge                              | £0.86                       | Per Week        | A        |
| Landlord emergency contact                | £0.53                       | Per Week        | A        |
| Launderette – wash / dry / iron           | £10.00                      | Per Load        | C        |
| Cleaning                                  | £10.00                      | Per 30 Mins     | C        |
| <b>Temporary Accommodation</b>            |                             |                 |          |
| Premises charge                           | £24.40 to £76.13            | Per Week        | A        |
| Individual heating / lighting             | £11.29 to £54.36            | Per Week        | A        |
| Water                                     | £1.53 to £12.89             | Per Week        | A        |
| Grounds maintenance                       | £0.06 to £3.65              | Per Week        | A        |

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| Charge description                                                                                                       | Range of charges<br>2025/26 | Charge<br>basis | Category |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|----------|
| <b>Leasehold charges for services (quoted exclusive of VAT which is charged at the prevailing rate where applicable)</b> |                             |                 |          |
| Solicitors' pre-sale enquiries                                                                                           | £150.00                     | Per Request     | C        |
| Copy of lease / document provision                                                                                       | £30.00                      | Per Request     | C        |
| Remortgage enquiry / copy of insurance schedule                                                                          | £30.00                      | Per Request     | C        |
| Notice of assignment / notice of charge                                                                                  | £100.00                     | Per Request     | C        |
| Deed of variations administration plus council solicitor fee and own solicitor fee                                       | £50.00<br>£580.00+          | Per Request     | C        |
| Home improvement administration                                                                                          | £30.00                      | Per Request     | C        |
| Home improvement survey                                                                                                  | £125.00                     | Per Request     | C        |
| Retrospective consent for improvements                                                                                   | Above +£25.00               | Per Request     | C        |
| Registering sub-let details                                                                                              | £75.00                      | Per Request     | C        |
| Advice interview for prospective purchasers                                                                              | £50.00                      | Per Request     | C        |
| <b>Legal fees</b>                                                                                                        |                             |                 |          |
| Right of first refusal – s156a certificate                                                                               | £160.00                     | Per Request     | C        |
| Deed of postponement                                                                                                     | £200.00                     | Per Request     | C        |
| <b>Lease extensions</b>                                                                                                  |                             |                 |          |
| Legal costs (unless matter becomes protracted)                                                                           | £600.00                     | Per Request     | C        |
| Valuation fee                                                                                                            | £750.00                     | Per Request     | C        |
| Surveyor's fee                                                                                                           | £250.00                     | Per Request     | C        |
| Housing fee                                                                                                              | £100.00                     | Per Request     | C        |
| <b>Other charges for services</b>                                                                                        |                             |                 |          |
| Land acquisition enquiry fee                                                                                             | £100.00                     | Per Request     | C        |

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| Category | Basis for Setting Charges                                                                                                                                                                                                                                   |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | Proposal to recover the full estimated cost of providing these services in 2026/27, recognising the council should endeavour to limit increases to 4.8% where possible (equivalent to September 2025 Consumer Price Index plus 1%).                         |
| B        | Charges levied for support activities will be reviewed to recover the full estimated cost of providing these services in 2026/27, after taking into account any services being funded through the support service for older people with the county council. |
| C        | Charges for 2026/27 to remain the same as 2025/26. To be reviewed annually.                                                                                                                                                                                 |

# Appendix L – Reserves policy

## Introduction

This policy establishes a framework within which decisions will be made regarding the level of reserves held by the council and the purposes for which they will be used and maintained.

Sections 32 and 43 of the Local Government Finance Act 2003 require local authorities to have regard to the level of resources needed to meet estimated future expenditure when calculating the annual budget requirement.

Regard should be had to the best practice guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in CIPFA Bulletin 13 Local Authority Reserves and Balances.

## Definitions

Reserves are sums of money held by the council to meet future expenditure. There are two principal types of reserves: -

- General – non-specific reserves which are kept to meet short-term, unforeseeable expenditure needs and to enable significant changes in resources or expenditure to be properly managed over the period of the council's Medium-Term Financial Strategy (MTFS). The council's general revenue reserves are held in the General Fund reserve balance. The Housing Revenue Account (HRA) general balance is ringfenced and is available for use only by the HRA.
- Earmarked – held for specific purposes and which are established either by statute or at the discretion of the Council. They remain legally part of general reserves.

A summary of all reserves, including in-year movements and year-end balances are contained in the council's Statement of Accounts.

## General Fund and Housing Revenue Account reserves

The council's Financial Regulations state that it is the responsibility of the Chief Finance Officer to advise Cabinet and Full Council on prudent levels of reserves for the council.

The council will maintain an adequate level of General Fund and HRA reserves to:

- Provide a working balance to cushion the impact of uneven cash flows and avoid unnecessary

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short-term borrowing.

- Provide a contingency to cushion the impact of unexpected events or emergencies.
- Plan for potential major items of expenditure.

The appropriate level of reserves for this purpose will be determined by the council's MTFS, which will be reviewed annually and will be subject to approval by Full Council. However, the council will not maintain levels of general reserve and HRA balances that are excessive compared with appropriate minimum levels. In this context, "excessive" will be assessed and reviewed annually in the MTFS with regard to:

- the projected level of General Fund balance at the end of the MTFS, less the appropriate minimum level;
- the projected level of HRA balance in the 30-Year Business Plan;
- the annual planned use of reserves in each year of the MTFS and HRA 30-Year Business Plan; and
- the impact of sudden large changes in the annual use of balances on services, tenants and leaseholders, rents or Council Tax levels.

The adequacy of the general reserve balance and the HRA balance will be determined by assessing the financial risks associated with meeting continuing obligations to provide services. This risk assessment will be reviewed annually.

CIPFA provides guidance on the factors which should be taken into account in determining the overall level of reserves and balances. These are:

- assumptions regarding inflation and interest rates;
- estimates of the level and timing of capital receipts;
- treatment of demand-led pressures;
- treatment of planned efficiency savings / productivity gains;
- risks inherent in any new partnerships, major outsourcing arrangements or major capital developments;
- the financial standing of the council, including the level of borrowing, debt outstanding, and

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capacity to manage budget pressures;

- the general financial climate to which the council is subject; and
- the impact of major unforeseen events and the likely level of government support following such events.

The general reserve and HRA balances will be reviewed and projections on future balances will be made at key points during the financial year, namely as part of the budget setting process and update of the MTFS. In exceptional circumstances, the actual level of the council's balance may fall below the level which is considered appropriate. This is consistent with the need to meet short-term unforeseen expenditure. However, the actual level will be monitored against balances outlined in the MTFS. If the balance falls below the agreed target level, a plan will be agreed by the council to restore balances to the appropriate level.

## Earmarked reserves

Earmarked reserves are not available to the council for use in setting its ongoing base budget. They are required for specific purposes and are a means of building up funds to meet known or predicted liabilities or future commitments.

Creation of such reserves must be approved by the Chief Finance Officer, with Full Council approval required for major policy led funds (see below).

Each earmarked reserve will have a clear protocol setting out:-

- the reason for / purpose of the reserve;
- how and when the reserve can be used; and
- procedures for the reserve's management and control.

Balances should be reasonable for the purpose held and must be used for that purpose only. Reserves will be reviewed annually for continuing relevance and adequacy. If the reserve is no longer required for its original purpose, or no longer required at its current level, the balance will transfer to the General Fund reserve balance, following approval.

Earmarked reserves are analysed as follows: -

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| Type of earmarked reserve         | Reason for holding                                                                                                                                              |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Major policy-led funds            | Established to manage corporate priorities including transformation and cross-group policy issues                                                               |
| Asset replacement funds (R&R)     | Funds set aside for specific asset renewal and replacement                                                                                                      |
| Statutory and accounting reserves | As required, for example to hold the unspent balance of specific revenue grants or any surplus / deficit on services which are required to break even over time |
| Shared / partnership funds        | Retained for use by shared services / partnerships                                                                                                              |
| Other                             | As required for specific issues – limited time reserves to be closed once committed balances are spent                                                          |

# Appendix M – Prudent Minimum Balance

## General Fund

| Operational risk                                                |               |                    |                  |
|-----------------------------------------------------------------|---------------|--------------------|------------------|
| Description                                                     | Level of risk | Amount at risk (£) | Risk (£)         |
| Employee costs                                                  | Low           | 40,285,590         | 80,571           |
| Premises costs                                                  | Medium        | 10,744,350         | 48,350           |
| Transport costs                                                 | Medium        | 724,150            | 4,345            |
| Supplies and services                                           | Medium        | 28,452,530         | 85,358           |
| Grants and transfers                                            | Low           | 29,467,060         | 29,467           |
| Grant income                                                    | Low           | 43,554,720         | 43,555           |
| Other income                                                    | Variable      | 42,653,351         | 1,141,744        |
| <b>Total one-year operational risk</b>                          |               |                    | <b>1,433,390</b> |
|                                                                 |               |                    |                  |
| <b>Allowing three years cover on operational risk (rounded)</b> |               |                    | <b>4,300,000</b> |
|                                                                 |               |                    |                  |
| General and specific risks                                      | Amount (£)    | Probability (%)    | Risk (£)         |
| Unforeseen events                                               | 1,000,000     | 30%                | 300,000          |
| Legal action - counsel's fees                                   | 100,000       | 50%                | 50,000           |
| Data protection breach                                          | 500,000       | 30%                | 150,000          |
| Capital project overruns                                        | 750,000       | 50%                | 375,000          |
| Project failure / delays to savings realisation                 | 4,800,000     | 33%                | 1,584,000        |
| Cover for lower level of earmarked and specific reserves        | 1,000,000     | 30%                | 300,000          |
| Local government reorganisation uncertainty                     | 4,000,000     | 25%                | 1,000,000        |
| <b>General and specific risks</b>                               |               |                    | <b>3,759,000</b> |
|                                                                 |               |                    |                  |
| <b>Prudent Minimum Balance (PMB)</b>                            |               |                    | <b>8,059,000</b> |
|                                                                 |               |                    |                  |
| <b>Target (PMB + 20%, rounded)</b>                              |               |                    | <b>9,671,000</b> |

## Housing Revenue Account

| Operational risk                                                |               |                    |                  |
|-----------------------------------------------------------------|---------------|--------------------|------------------|
| Description                                                     | Level of risk | Amount at risk (£) | Risk (£)         |
| Employee costs                                                  | Medium        | 9,761,880          | 43,928           |
| Premises costs                                                  | High          | 12,207,580         | 976,606          |
| Transport costs                                                 | Low           | 287,660            | 575              |
| Supplies and services                                           | Medium        | 8,155,170          | 24,466           |
| Grants and transfers                                            | High          | 147,930            | 5,917            |
| Other income                                                    | High          | 64,847,270         | 648,473          |
| Support services                                                | Medium        | 5,646,430          | 25,409           |
| <b>Total one-year operational risk</b>                          |               |                    | <b>1,725,374</b> |
|                                                                 |               |                    |                  |
| <b>Allowing three years cover on operational risk (rounded)</b> |               |                    | <b>5,176,000</b> |
|                                                                 |               |                    |                  |
| General and specific risks                                      | Amount (£)    | Probability (%)    | Risk (£)         |
| Unforeseen events                                               | 1,000,000     | 30%                | 300,000          |
| Insurance loss                                                  | 250,000       | 50%                | 125,000          |
| Legal action - counsel's fees                                   | 100,000       | 50%                | 50,000           |
| Data protection breach                                          | 500,000       | 30%                | 150,000          |
| Capital project overruns                                        | 10,000,000    | 10%                | 1,000,000        |
| <b>General and specific risks</b>                               |               |                    | <b>1,625,000</b> |
|                                                                 |               |                    |                  |
| <b>Prudent Minimum Balance (PMB)</b>                            |               |                    | <b>6,801,000</b> |
|                                                                 |               |                    |                  |
| <b>Target (PMB + 20%, rounded)</b>                              |               |                    | <b>8,161,000</b> |

# Appendix N – Earmarked reserves

## General Fund

| General Fund earmarked reserves (£m)                          | Balance at 1 April 2025 |
|---------------------------------------------------------------|-------------------------|
| Civic Quarter reserve                                         | 21.778                  |
| Development reserve                                           | 7.509                   |
| Transformation reserves (including Our Cambridge)             | 1.604                   |
| A14 mitigation fund                                           | 1.500                   |
| Insurance fund                                                | 0.729                   |
| Climate change and energy funds                               | 1.320                   |
| Depot relocation programme                                    | 1.000                   |
| Greater Cambridge Impact Fund                                 | 0.180                   |
| <b>Total major policy-led funds</b>                           | <b>35.620</b>           |
|                                                               |                         |
| <b>Asset replacement funds (R&amp;R)</b>                      | <b>0.148</b>            |
|                                                               |                         |
| Specific revenue grants                                       | 7.961                   |
| Collection fund deficit reserve                               | 3.871                   |
| Other statutory and accounting reserves                       | 0.561                   |
| <b>Total statutory and accounting reserves</b>                | <b>12.393</b>           |
|                                                               |                         |
| 3C Building Control                                           | 1.445                   |
| Shared planning reserves                                      | 0.607                   |
| Other shared / partnership funds                              | 1.188                   |
| <b>Total shared / partnership funds</b>                       | <b>3.240</b>            |
|                                                               |                         |
| <b>Other – to be closed once committed balances are spent</b> | <b>0.889</b>            |
|                                                               |                         |
| <b>Total earmarked General Fund reserves</b>                  | <b>52.290</b>           |

## Housing Revenue Account

| Housing Revenue Account earmarked reserves (£m)        | Balance at 1 April 2025 |
|--------------------------------------------------------|-------------------------|
| Asset replacement funds (R&R)                          | 2.619                   |
|                                                        |                         |
| Other – to be closed once committed balances are spent | 0.069                   |
|                                                        |                         |
| Total earmarked Housing Revenue Account reserves       | 2.688                   |

# Appendix O – Capital Strategy 2026/27

## Introduction

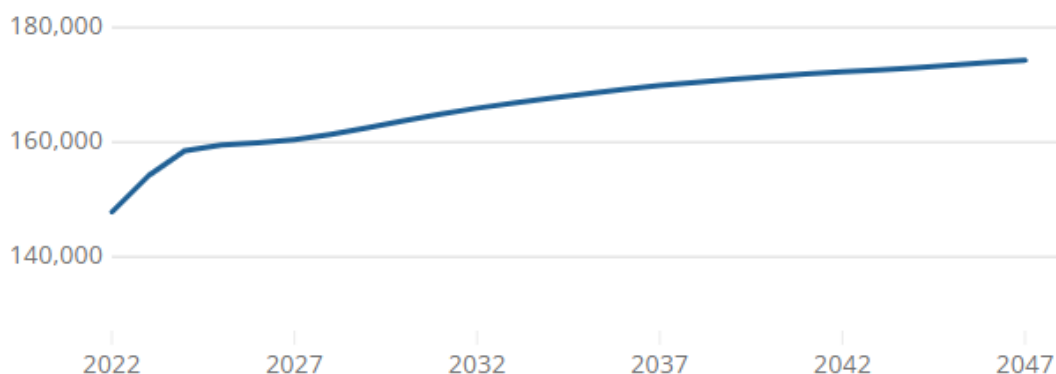
The CIPFA Prudential Code for Capital Finance in Local Authorities 2021 ('the Prudential Code') requires that councils have a Capital Strategy that demonstrates that the council takes capital expenditure and investment decisions in line with organisational priorities and takes account of stewardship, value for money, prudence, sustainability and affordability. The Strategy should set out the long-term context in which capital expenditure and investment decisions are made and give due consideration to both risk and reward and the impact on outcomes.

As local authorities become increasingly complex and diverse it is important that those charged with governance understand the long-term context in which investment decisions are made and the financial risks to which the council is exposed.

The Strategy maintains a strong and current link to the council's priorities and to other key strategy documents including the Treasury Management Strategy, the Medium Term Financial Strategy ('MTFS') and the council's Vision and Corporate Plan.

By its very definition the Capital Strategy is a document developed in the context of a long-term planning horizon. The population of Cambridge is one of the fastest growing in the U.K. and has now reached around 150,000. The success of our universities means that we welcome 15,000 new residents each year with a similar number moving out of the city.

### Population change in Cambridge Projected total population, 2022 to 2047



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In our city centre and on its outskirts, substantial inward investment has contributed to a dynamic and vibrant local economy with specialisms in technology and biological sciences. Working with its partners across the private and public sectors, the council is well-placed to continue to benefit from this investment through local taxation and the provision of income generating services. However, we are conscious of the expectations that accompany such investment, and the effort needed to maintain economic competitiveness.

Despite the city's economic success, the benefits of economic growth and private sector investment have not been evenly distributed. Addressing inequality and poverty through investment in high-quality affordable housing and as part of initiatives such as community wealth building are key corporate priorities.

Ongoing transformational change is enabling the council to respond to regeneration opportunities in the city in a more agile and streamlined manner. In particular, our Housing Development Agency now has an expanded remit which enables housing and wider property issues to be considered together as part of the potential redevelopment of existing sites.

More broadly, the council continues to engage with central government on the future growth of the city, which has been identified as a vital contributor to the economic growth of the UK, particularly through investment in the technology and science sectors. In order to unlock this growth, there will need to be significant provision of new housing, including affordable housing, within the city and on its fringes.

The local economic context in which the council operates continues to evolve. Over the medium term the council will invest its own resources to redevelop assets it already owns and increase the provision of housing through its Housing Revenue Account (HRA). The council will also continue to work to facilitate investment in the city by the public and private sectors. Whatever form these investments take they will ultimately impact service provision. The council will need to understand and forecast that impact whilst at the same time reviewing its approach to service delivery to achieve the savings required to close the budget gap identified in the MTFS.

Continued capital investment in the council's priorities will leave the city well placed in the face of forthcoming local government reorganization in 2028, and allow the council to pass on a strong legacy to the successor unitary authority.

## Objective

The objective of the Capital Strategy is to provide a framework for understanding the governance procedures and organisational structure relevant to how the council makes decisions relating to capital expenditure and capital resources. The Strategy outlines how stewardship, value for money, prudence, sustainability and affordability will be secured. The strategy also articulates how the current arrangements have been developed

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to enable the organisation to achieve its corporate objectives.

## Scope

The Capital Strategy specifically focusses on the key areas of:-

- Capital expenditure
  - Investments for service purposes
  - Investments for commercial purposes
- Debt, borrowing and treasury management
  - Investments for treasury management purposes

It also considers:

- Other long-term liabilities
- Knowledge and skills

## Capital Expenditure

Capital expenditure (or investments) may be for service or commercial purposes. The CIPFA Prudential Code defines these as follows:-

- **Investments for service purposes** (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.
- **Investments for commercial purposes** (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. This includes non-financial assets such as commercial property, where they are held primarily for financial return. Commercial in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs, and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily to generate net financial return or profit.

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Decisions regarding all types of capital investment are informed by an understanding of how the proposed investment will support the council to achieve its corporate objectives.

Service delivery within the council is split across a range of models including services provided exclusively by partners, shared services and services delivered in-house. The council has a specific priority requiring it to focus its activities on 'modernising the council to lead a greener city that is fair for all'. The nature of each service and the model applied determines the dependency on and extent of capital investment required to provide the service. Changes in the needs and expectations of our residents and technological developments can alter the dependency on capital investment. Consequently, assumptions regarding the need and extent of future investment to sustain and enhance service delivery are subject to regular challenge and revision.

The council embraces its 'place-making' responsibilities. The most specific articulation of this responsibility is reflected in its priorities of 'building a new generation of council and affordable homes and reducing homelessness' and 'tackling poverty and inequality and helping people in the greatest need'. Taken together, these objectives will often necessitate capital investment which involves acquiring, improving or creating assets. The financial and non-financial impact of such investments are appraised through the budget-setting process based on the type of proposal under consideration. There is an expectation that future investment in existing property assets to modernise, develop and, in some cases, repurpose those assets could be significant over the medium term.

The council acknowledges that local authorities are no longer permitted to make new investments in commercial property primarily for yield although investment in an existing portfolio is permitted. The council retains a significant portfolio of investment properties which were funded from council resources without the need for specific external borrowing. Existing capital plans acknowledge the need for specific and periodic investment in these assets to retain tenants and deliver against the council's priority to achieve net zero by 2030 and its vision to support a thriving local economy in which businesses can develop and provide local employment and training opportunities for the city's residents. The sale of individual properties would generate one-off capital receipts that postpone the need to borrow externally to fund the council's overall capital programme. However, disinvestment of this nature may inhibit the achievement of the council's long-term vision and associated priorities.

Local authorities are permitted to treat as capital various types of expenditure which do not create or enhance council-owned assets provided that spending creates an asset which would be classified as capital expenditure in another entity's accounts. The council has used these powers to deliver against its priorities by establishing joint ventures, making loans available to enable other entities to undertake capital investment and providing capital grants to individuals and third parties. In the case of shared services such flexibility can involve the council contributing to the cost of assets being constructed by third parties, which the council

## OFFICIAL

will benefit from. Examples include the Waterbeach Renewable Energy Network (WREN) facility which South Cambridgeshire District Council is constructing using contributions from its own resources, the city council and Cambridgeshire and Peterborough Combined Authority.

The establishment of entities such as the Cambridge Investment Partnership, a joint venture with Hill Residential, has combined private sector expertise and commercial acumen with public sector ambition and resources. This has successfully facilitated investment in housing in the city which might not otherwise have been possible. Likewise, Cambridge City Housing Company Ltd, a wholly owned subsidiary, has enabled the provision of housing to meet the needs of those who would be unable to access housing provided by the private sector.

### Debt, Borrowing and Treasury Management

The CIPFA Prudential Code includes the following definition:-

- **Investments for treasury management purposes** are those investments that arise from the organisation's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use during business. Treasury investments may include an allowance for a reasonable level of short-term investment to provide access to liquidity.

The council has both external borrowing from the Public Works Loan Board (PWLb) and commercial loans, and 'internal' borrowing from cash balances. This borrowing is managed alongside the investment of cash balances as part of the council's treasury management function.

The council has a cautious approach to the management of cash balances. Mitsubishi UFG (MUFG) is the council's appointed treasury management advisor. The arrangement with MUFG ensures that the creditworthiness of potential counterparties is closely monitored using a sophisticated modelling approach, utilising credit ratings from the three main credit rating agencies (Fitch, Moody's and Standard & Poor's), and relevant market data including Credit Default Swaps (CDS) and Credit Watches. More details can be found in the council's Treasury Management Strategy which is reviewed and approved annually.

The council holds an investment for treasury management purposes in a pooled property fund. This investment was originally undertaken to provide diversity within the portfolio, mitigating interest rate risk without exposing the council to undue risks relating to the liquidity and security of the amounts invested. In accordance with CIPFA guidance, the composition of the portfolio and the rationale supporting the use of pooled property funds is subject to regular review and scrutiny to ensure it is justified in the context of the council's medium-term and long-term financial strategy.

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The council has borrowed £85 million in total from a financial institution to fund the redevelopment of the Park Street multi-storey car park. The option to use similar types of financing will continue to be examined as an avenue which might be available to the council. The learning gathered from securing funding for Park Street will assist the council in exploring non-PWLB sources of finance for other projects.

Decisions regarding external borrowing are undertaken with reference to the Prudential Code which requires that capital expenditure be 'affordable, prudent and sustainable'. In practice, the council recognises that this means that without other sources of finance it may not be possible to achieve its corporate priorities. The impact of expected future borrowing is built into the Medium-Term Financial Strategy for both the General Fund and HRA and reflected in the savings targets which need to be achieved.

The council recognises, however, that in the current economic environment delivering capital schemes remains challenging. The council will continue to work with its partners and other local authorities to highlight the need for access to finance, including grant funding, that will enhance the financial viability of potential future investments, particularly those linked to the net zero agenda and the construction of new affordable housing. The council recognises also that some types of investments which deliver social value might deliver a lower financial return than other forms of capital expenditure.

## Decision making frameworks

The council has established arrangements for taking decisions which impact on the organisation's capital plan. The council's constitution specifies the rules relating to council decision making. This section summarises the key stages in decision making according to whether the decision relates to the General Fund or HRA.

Before any decision is taken, internal governance procedures ensure the proposed spend is thoroughly evaluated and prioritised according to the following hierarchy of objectives:-

- Statutory requirements, e.g. health and safety;
- maintenance of service delivery capacity and capability;
- the delivery of wider policy objectives, including those related to climate change and biodiversity; and then
- income generation to support the delivery of council objectives.

All bids for new General Fund capital projects that require funding from the council's own resources (as opposed to those which are externally grant funded) are reviewed by the Leadership Team prior to a

## OFFICIAL

recommendation to Full Council for a capital budget to be approved.

Decisions relating to the HRA are taken with reference to the HRA's budget-setting process which runs in parallel to the General Fund as defined in the council's constitution. Legislation prevents General Fund resources from being used to fund HRA activities and vice versa. Recognising the impact of HRA on the council's overall Capital Strategy forms an essential part of understanding how the council works with its partners to deliver council priorities benefiting the city as a whole and not just current council tenants. New build HRA projects are supported by specialists from the council's in-house Development Team.

The council has sought to embrace opportunities to engage in activities outside day-to-day provision of statutory and non-statutory council services which benefit the local area. These have included the establishment of joint ventures with the Hill Group, funded by a combination of council-backed loans and equity, to bring forward housing developments across the city using a combination of purchased land and sites owned by the council. Such approaches are supported by central government which acknowledges that public-private partnerships can provide appropriate vehicles to deliver new homes. Guidance issued by HM Treasury specifically states that schemes which deliver housing are not restricted by the prohibition that would normally prevent 'debt for yield' schemes from being included in council's capital plan. Similarly, whilst the government no longer permits PWLB borrowing to support the acquisition of new commercial properties where those properties are bought primarily for yield, HM Treasury explicitly permits PWLB borrowing to fund expenditure to maintain and enhance commercial properties acquired before the current guidance came into effect. The council has an active pipeline of projects of this nature. More details can be found in the 'Commercial activity' section of this Strategy.

The council will continue to explore the use of innovative approaches to deliver capital investment recognising that its track record of working with the private sector can help leverage interest from companies interested in establishing new partnerships to the benefit of the city and its residents.

## **Asset management planning**

Decisions about capital investment are not solely focussed on the acquisition or creation of new assets. A significant element of the council's capital plan reflects the need for assets and their component parts to be renewed and updated to ensure they continue to provide economic benefits and service potential to the organisation.

The council's General Fund Asset Management Plan was last reviewed and updated in March 2023. The following actions were identified which would be taken forward over the five-year period covered by the Asset Management Plan:-

## OFFICIAL

- Refurbishment and remodelling of office accommodation to ensure that it is made to be and remains attractive and meets modern requirements and expectations of tenants, the public and staff.
- A planned maintenance programme based on whole building lifecycle, achieving economies by replacing components just before they would otherwise require responsive repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for cyclical maintenance.
- Planned cyclical maintenance to prevent deterioration in the physical condition of properties.
- A responsive maintenance service so that building occupiers, stakeholders and members of the public are satisfied with the condition and function of buildings.
- An efficient and effective approach to empty properties to maintain property occupancy level to protect the council's revenue income.
- Diary and case management of lease expiries, rent reviews and other property management issues.
- Disposal of selected property, redevelopment and reinvestment to maintain a balanced portfolio that meets the needs of the council, reflects changing requirements and represent a sounder economic and social investment.

The council is delivering its Office Accommodation Strategy through a work programme that includes the Civic Quarter Project, which includes refurbishing and retaining the Guildhall as its main administrative base, and refurbishing the Corn Exchange, Market Square, and the surrounding public realm. Members approved a budget in October 2025 to develop further the detailed designs for the three Civic Quarter areas so that planning permission can be sought and a final decision on whether to proceed can be made in autumn 2026. As part of the funding for this scheme, the council is considering how best to maximise the value of its existing office accommodation at Mandela House.

The HRA has a 5-Year Asset Management Strategy, which was last approved in autumn 2019. In July 2025, Cabinet approved a strategy to clear the backlog of stock condition surveys during 2026/27. This will then provide the evidence base needed to review the Asset Management Strategy. The 30-year capital forecasts for the HRA are based on the status of the asset management database, which includes significant provision for backlog expenditure which has been allocated over the next five years.

Current stock condition data, along with lifecycle costing, has been analysed to identify the level of investment required to deal with any backlog repairs and planned maintenance, and to ensure the council

## OFFICIAL

continues to achieve and maintain the Decent Homes Standard.

In accordance with its HRA Asset Management Strategy, the council has been working to improve the energy efficiency of its housing stock recognising the impact of higher fuel bills on its tenants as well as the council's commitments to achieve net zero.

For non-property assets the ongoing maintenance costs of retaining and/or replacing assets will be considered carefully as part of remodelling of service delivery across the council. For example, the council has its own fleet garage located in Waterbeach which is responsible for the maintenance of vehicles and keeps detailed records against each asset. Annual budgets will include provision for the maintenance of assets and service managers are able to make bids and offer savings in maintenance funding as part of the annual budget-setting round.

## Financing Capital Expenditure

Until recently the strength of the council's General Fund balance sheet meant that it was able to fund capital expenditure from existing balances without needing to undertake external or internal borrowing.

During 2025/26, the council drew down the remaining tranches of a total of £85 million of commercial borrowing arranged to fund the redevelopment of the Park Street car park. The associated borrowing costs and MRP charges will be more than covered by the returns generated by the project.

Following significant revenue savings identified during the 2025/26 and 2026/27 budget-setting rounds, the current MTFS once again assumes that future capital expenditure in the General Fund will for the most part be financed from revenue and capital resources, without recourse to borrowing. Borrowing will be required only for significant projects where the debt can be serviced from an associated future revenue stream (for example the Civic Quarter Project), and in these cases the financing cost will be incorporated into the relevant business case.

Forecasts of capital expenditure are set out in Annexe 1, which also sets out the underlying need to borrow based on forecast capital expenditure.

Regulations state that the council must set limits on the amount of external borrowing it undertakes. The council must confirm that it has complied with these limits on an annual basis. Further details can be found in the Treasury Management Strategy and the annual Treasury Management Outturn Report. The council's constitution requires that both these documents be approved by Full Council.

## Disposals

Proceeds from the sale of assets can provide an important source of funding for the capital programme.

## OFFICIAL

CIPFA guidance states that where assets are not held for service delivery, local authorities should regularly review the rationale for holding such assets, recognising that retaining such assets can implicitly bring forward the point at which the council needs to borrow externally. Disposal of assets is subject to scrutiny by relevant committees and Cabinet approval in line with the council's constitution, depending upon the type and value of the asset. Detailed cases will be prepared for significant asset disposals and where appropriate, independent advice taken, to ensure that best value is achieved on disposals, considering any strategic objectives. The council is also obliged to sell council properties to qualifying tenants under the Right to Buy legislation.

### **Use of capital receipts**

Capital receipts may only be used for capital purposes. The council will also ensure that it observes the ringfence between General Fund and HRA resources.

### **Right to Buy**

Tenants in council dwellings have the "Right to Buy" their home if eligibility criteria are met. The purchase price is discounted but generates a capital receipt for the HRA. This receipt must be used to fund the delivery of a replacement affordable home under the terms of the 1-4-1 agreement held with the Ministry of Housing, Communities and Local Government (MHCLG). The rules require receipts to be applied within five years (with unspent receipts returned to HM Treasury with interest). Local authorities are now able to keep 100% of receipts from sales of council homes purchased under the Right to Buy (RTB) scheme. Previously, local authorities had to give a proportion of the receipt from any sale to HM Treasury. This change means that the council will retain more money to reinvest directly back into replacement housing stock. Recent changes to RTB discounts and eligibility criteria are expected to result in reduced RTB sales, which would mean that our stock levels would be better retained going forwards, although RTB receipts will also decrease.

The council aims to be around 12 months ahead of the profile for return of monies, but this is critically dependent on the progress of housing developments that may be affected by factors outside the council's control. If the council is unable to use receipts within the five-year timeframe, it will either acquire existing properties on the open market or look to pass receipts on to a registered provider to deliver affordable housing in the city.

### **Commercial activity**

The council has invested in assets where its principal rationale for acquiring the asset was the expectation of generating a stable financial return, typically, but not exclusively, through securing an annual rental income. Such acquisitions are referred to as non-financial assets in the council's Treasury Management Strategy. The council undertakes a regular review of its non-financial assets considering security, liquidity and yield, as it

## OFFICIAL

does for investment in financial assets.

Specifically, in relation to non-financial assets:-

- Security – the council recognises that it will normally have an asset that can be used to recoup the capital invested. Therefore, it will ensure through regular valuations at fair value, that there is sufficient value in assets and the portfolio to protect the funds invested.
- Liquidity – the council has a large, diversified portfolio of non-financial assets and will therefore be able to look at potential disposals to access funds, without having to rely on the disposal of a key asset for liquidity. The council will also maintain significant financial investments to meet its liquidity needs.
- Yield – Return for non-financial assets is represented by rental income less direct costs and will be reviewed on a regular basis. Yield will be appropriate to the perceived level of risk for the asset in the market at that time, within any constraints imposed by policy decisions, after satisfying the requirements for security and liquidity.

The definition of commercial activity in the context of the council is broader than the non-financial assets the council owns. The council recognises that it is well-placed to benefit from the provision of services on a commercial basis. This opportunity arises from, amongst other factors, Cambridge's strength economically and its popularity as a tourist destination. The council has retained assets which enable discretionary services to be provided in a competitive market. The council considers commercial activity to include:-

- The provision of income-generating services, such as car parking, markets, garage facilities and bereavement services, which utilise significant assets. These assets are classified as service investments under the Prudential Code and as operational assets for management purposes.
- Investment in commercial properties through acquisition but also through portfolio management and regeneration or redevelopment of the existing portfolio. These assets are classified as commercial investments under the Prudential Code.
- Investment in other income-generating assets that support council objectives, such as housing and renewable energy generation facilities. These are classified as service investments under the Prudential Code.
- Loans to group undertakings, classified as service investments.

Where services are income generating the need for capital investment will be appraised as part of the service

## OFFICIAL

planning process. Capital investment in income-generating services is expected to be self-financing to the extent that planned investment will either be funded from historic surpluses returned by the service or be funded from future surpluses generated from the initial investment. The council recognises the risk that expected surpluses may not materialise over the life of the asset so investments which cannot be funded from service reserves currently held are subject to a detailed sensitivity analysis to highlight the extent of the uncertainty and the cost which the General Fund may find itself having to finance.

The council's transformation programme recognised that the council has the resources to enter new markets and provide additional services on a commercial footing. In accordance with relevant legislation, this may require setting up arms-length corporate entities as local authorities elsewhere have done successfully. In some cases, additional capital investment may be required to enable the council to enter those markets. Such investments will be appraised as part of the General Fund capital decision-making cycle explained above. Where decisions are taken to access new markets the rationale behind entering that market and the extent to which it complements and/or facilitates the achievement of council priorities will form part of the council's business case.

Reporting against key indicators relating to commercial activity is included in the quarterly financial management reports produced by the finance team, now incorporated into the quarterly integrated Performance Report to Cabinet. These indicators provide an early warning of any risk that the council's commercial activities might not provide the expected contribution to the General Fund budget. The council's risk management processes are also structured to look at risks relating to individual services that might result in lower profitability of commercial services.

### **Investment in commercial properties**

The council has historically owned a significant investment property portfolio, including retail, office and industrial properties. The following objectives exist for the commercial property portfolio:

- Securing a financial return from the net rental income.
- Diversification (geographic, property type, tenure) to mitigate stock-specific risk.
- Meeting wider corporate objectives such as improving environmental performance and sustainability by providing high performing property.
- Delivery of services to the citizens in accordance with objectives.
- Opportunity to influence through wider land ownership.
- Providing opportunities for entrepreneurs and small businesses which may not always be available

## OFFICIAL

through the private sector.

- Ensuring appropriate standards of property management are maintained including but not limited to environmental and health and safety standards and legislation.
- Improving the quality of the public realm.

To achieve some geographical diversity, the council has invested in properties which fall outside the city boundary. The council took appropriate legal advice from counsel that these out-of-area purchases do not contravene the relevant legislation and the powers given to the council under the Local Government Act 2003.

The council has redeveloped an operational asset, the multi-storey car park it owns on Park Street in Cambridge. The car park has been replaced by a smaller underground car park, with an aparthotel above, achieving significant regeneration, environmental and public realm improvements in the area. The aparthotel now forms part of the council's investment portfolio, with rentals for the hotel servicing the borrowing required to undertake the development.

The council will develop commercial land and property it already owns together with evaluating the most appropriate future use of its operational and administrative buildings. The scope of the council's Housing Development Agency, which works alongside Cambridge Investment Partnership (CIP) to deliver new residential property, now incorporates commercial and residential schemes.

### **Monitoring portfolio performance**

The portfolio is reviewed annually as a whole by classification, lot size range, sector mix, geography, lease type and repairing obligations, net income return, average unexpired lease term, and void rates, and outturn compared with previous years. This will identify portfolio imbalances. A new property management database has been acquired and is being implemented to support the delivery of the asset management plan and associated KPIs.

The table on the following page sets out the portfolio KPIs which continue to be used:-

# OFFICIAL

| Measure                                               | Target / Baseline                                                     | Comment                                                                                                                               | Frequency |
|-------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Commercial property income to net service expenditure | <50%                                                                  |                                                                                                                                       | Annually  |
| Ratio of investments to the resources of the council  | <30%                                                                  | Fair value of investment property as a % of the council's net assets                                                                  | Annually  |
| % outside jurisdiction                                | <25%                                                                  | To maintain Cambridge focus and bring economic benefits to the city, but also benefit from diversification and achieve stronger yield | Annually  |
| Net income return                                     | >5% on current capital value                                          | To maintain income levels                                                                                                             | Annually  |
| Average unexpired lease term                          | >5 years                                                              | Target is income security                                                                                                             | Annually  |
| % investment grade property                           | >80%                                                                  | Generally lower expenditure                                                                                                           | Annually  |
| Voids                                                 | <£100,000 income loss                                                 | To maintain income levels                                                                                                             | Quarterly |
| Largest lot size (excluding Lion Yard)                | <10% of portfolio                                                     | To reduce specific stock risk                                                                                                         | Annually  |
| Sector                                                | No more than 50% in any sector, retail to trend downwards towards 30% | To diversify sector risk                                                                                                              | Annually  |

The council's sizeable property portfolio includes equity stakes in two major shopping centres, a selection of small business units aimed principally at small local and start-up companies, and more than 80 shops in locations close to HRA housing which provide important local services for their communities.

The total value of investment properties as at 31 March 2025 was £169.8 million. The council considers that the investment property portfolio retains sufficient value (measured using the fair value model) to provide security of investment.

Based on the council's financial statements the fair value of investment properties, the yield achieved (rental income net of direct costs) and the gain or loss in fair value for properties has been as follows:-

## OFFICIAL

| Investment property performance (£m)        | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------------------------------------------|---------|---------|---------|---------|---------|
| Rental income net of direct costs (£'000)   | 9.315   | 8.739   | 8.133   | 9.681   | 8.720   |
| Fair value at year end (£'000)              | 158.594 | 160.682 | 161.708 | 164.421 | 169.840 |
| Rental yield                                | 5.9%    | 5.4%    | 5.0%    | 5.9%    | 5.1%    |
| Gain / (loss) in fair value in year (£'000) | (4.128) | 2.088   | 1.026   | 6.049   | 4.684   |

### Proportionality of commercial property holdings

Following significant activity in the commercial property market by local authorities, concern has been expressed by MHCLG and CIPFA about the size of some property holdings, particularly where significant external borrowing has been undertaken to invest in property. The council has used reserves and internal borrowing to fund purchases, with the exception of the Park Street redevelopment whose primary purpose was re-provision of an end-of-life operational asset (the car park) and wider regeneration, and the business case clearly demonstrates that the financing costs will be more than met by the future revenue streams generated.

CIPFA released guidance on prudential property investment in 2019. This considers the concept of 'proportionality' when considering the size and scale of new property investments, whether they are consistent with the council's corporate and financial strategies, and if they expose the council to unacceptable levels of risk.

The council is aware of the range of risks associated with investment in commercial property and works to ensure appropriate due diligence and prudence. These risks include the over-reliance on income from commercial properties to fund council services. It has also sought to provide greater diversification of risk through its more recent portfolio acquisitions in terms of property type, location, management costs and covenant strength.

The HRA holds a small number of investment properties, which are mainly retail units linked to council housing, for example shops with flats above. These properties were valued at £7.5 million as at 31 March 2025, and have an estimated gross rental income of around £610,000 per annum.

### Other long-term liabilities

From time to time the council may take on liabilities associated with the provision of operational services. Examples include financial guarantees, including those given in respect of subsidiaries or joint ventures. Where decisions are made for service purposes, these may be outside of normal commercial terms, including liquidity, security and/or yield.

## OFFICIAL

Where such liabilities are taken on the council will ensure that financial risks are clearly identified and quantified along with any implied subsidy as part of the decision-making process. Consideration will also be given to the impact of IFRS 16 (the new accounting standard for all leases effective from 2024/25) in respect of new lease agreements which the council may enter.

## Knowledge and skills

### Section 151 Officer

The council's Section 151 Officer is required to report explicitly on the affordability and risk associated with the Capital Strategy. The Section 151 Officer is an experienced CCAB qualified accountant with statutory responsibilities for the proper administration of the council's financial affairs and for advising the council on budgetary matters. As such the Section 151 Officer oversees the council's capital expenditure and investment activities and ensures that professional advice is obtained where the council does not have the necessary skills in house.

### Treasury management

Treasury management activity is undertaken within the council's Finance Team, under the supervision of a CCAB qualified accountant with the support of the Deputy Section 151 Officer, also a CCAB qualified accountant.

The team has many years of treasury management experience and has demonstrated that it has the skills to opt up to professional status under the MiFID II reforms.

The CIPFA Treasury Management in the Public Services: Code of Practice 2021 requires the officer responsible to ensure that members and officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

### Property assets

The council's investment property is managed by its Property & Asset team, an experienced team of five staff. The team includes four chartered surveyors each with over 25 years of property experience in both the private and public sector. This extensive experience includes dealing with a mix of property types and professional work including professional services, landlord and tenant, statutory valuations, acquisitions and disposals, and commercial and residential property management. They have extensive knowledge of the Cambridge property market with most of the team having worked in and around Cambridge for the past 10 years or so, some much longer.

The Property & Asset team also work with external agents where specialist expertise is required to deal with

## OFFICIAL

properties or resources are not available to deal with matters in a timely way. Examples of where external advice is used include agency, valuation, building surveying, and planning work.

The council's asset valuations for its financial statements are prepared by external valuers with an agreed rolling programme of valuations for the whole council property portfolio. All material investment properties are valued on an annual basis.

### **External advice**

In addition to the use of external agents in investment property transactions the council makes use of other external advice as necessary for capital and treasury activity. This includes getting appropriate legal and other professional advice on more complex projects and capital transactions and the appointment of treasury management advisors.

# Annexe 1 – Estimated capital programme and reserves

| 10-year capital projections (£m)            | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Fund capital expenditure            | 107.927 | 8.797   | 9.379   | 4.865   | 2.965   | 4.282   | 2.965   | 2.965   | 2.965   | 2.965   | 2.965   |
| Housing Revenue Account capital expenditure | 96.266  | 86.330  | 91.225  | 97.742  | 98.915  | 98.928  | 102.074 | 90.511  | 80.352  | 69.853  | 50.966  |
| General Fund year-end reserves              | 14.381  | 12.485  | 11.765  | 12.154  | 12.125  | 12.125  | 12.125  | 12.125  | 12.125  | 12.125  | 12.125  |
| Housing Revenue Account year-end reserves   | 8.615   | 8.484   | 8.735   | 9.093   | 9.290   | 9.473   | 9.578   | 9.685   | 9.881   | 10.080  | 10.282  |
| Capital financing requirement (CFR)         | 467.416 | 513.235 | 561.379 | 622.888 | 685.438 | 749.244 | 810.597 | 861.814 | 902.040 | 930.131 | 936.709 |

Note that the projected capital expenditure shown above reflects both the approved programme, and estimates of other capital spend which will come forward for approval in due course.

The capital financing requirement shows the council's underlying need to borrow. This includes £213.572 million for in respect of the original HRA self-financing debt taken on when the housing stock was transferred to the council in 2012.

# Treasury Management Strategy 2026/27

# Appendix P

## 1 Executive summary

- 1.1 Full Council is required to approve the council's Treasury Management Strategy on an annual basis, covering:-
- capital plans (including prudential indicators);
  - a Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
  - the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and;
  - a Treasury Management Investment Strategy (the parameters on how investments are to be managed).
- 1.2 The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:
- the Prudential Code (2021 edition) prepared by CIPFA;
  - the Treasury Management Code (2021 edition) prepared by CIPFA;
  - the Statutory Guidance on Local Government Investments prepared by the Ministry of Housing, Communities & Local Government (MHCLG) (effective 1 April 2018); and
  - the Statutory Guidance on Minimum Revenue Provision prepared by MHCLG (effective 1 April 2025).
- 1.3 The council's Section 151 Officer has considered the deliverability, affordability and risk associated with the council's capital expenditure plans and treasury management activities. The plans are affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been reviewed and mitigated at an acceptable level. The council has access to specialist advice where appropriate.
- 1.4 Treasury management reports are required to be adequately scrutinised before being recommended to Full Council. This role is

undertaken by the Performance, Assets and Strategy Overview and Scrutiny Committee.

## **2 Treasury management activities**

- 2.1 The council is required to have regard to the relevant CIPFA and MHCLG guidance when carrying out its treasury management activities (see paragraph 1.2). The council is required to set prudential and treasury indicators, including an authorised limit for borrowing, for a minimum of a three-year period and should ensure that its capital plans are affordable, prudent and sustainable.
- 2.2 The Prudential Code states that, where appropriate, the Section 151 Officer should have access to specialised advice to enable them to reach their conclusions in respect of affordability and risk. As such, the Council has retained Mitsubishi UFG (MUFG) as its specialist treasury management advisors.
- 2.3 MUFG's specialist services include the provision of advice to the council on developments and best practice in treasury management, the creditworthiness of potential counterparties, deposit and borrowing interest rates, and the performance and outlook of the wider economy.
- 2.4 The council recognises that its non-treasury investments mean that it may need to consult with specialists in other areas, particularly commercial property. Arrangements are in place to ensure that the Section 151 Officer and relevant senior managers can access appropriate expertise in respect of the council's commercial activities.

## **3 Borrowing policy statement**

- 3.1 The council is permitted to borrow under the framework, introduced with effect from 1 April 2004.
- 3.2 At present the only debt held by the authority relates to:-
  - twenty loans from the Public Works Loan Board (PWLb) for self-financing of the Housing Revenue Account (HRA), totalling £213.6 million (taken out in 2012); and
  - commercial borrowing to fund the Park Street development, totalling £84.2 million.

- 3.3 The Park Street borrowing is in the form of three annuity loans. The council has benefitted from forward-fixing the interest rates on the Park Street borrowing at a weighted average rate of 1.67% - significantly below the rates currently available from PWLB or on the commercial market.
- 3.4 If the council is to deliver its ambitious 10-year new homes programme in the city, the HRA will need to take on additional borrowing in the future to part finance this spend.
- 3.5 It is also assumed that further borrowing will be required to fund General Fund capital expenditure over the next 10 years, in particular in relation to the Civic Quarter project, should this receive the approval of Full Council later in the year.
- 3.6 The council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward-approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.
- 3.7 The government has announced a further one year extension to the arrangement whereby a concessionary PWLB loan rate is available to authorities wishing to take out borrowing for the purpose of financing capital expenditure in their HRA. This arrangement is now in place until March 2027 and enables the Council to borrow at 0.4% lower than would be the case for PWLB borrowing to fund General Fund capital expenditure. As the deadline for the end of the concessionary rate approaches, work will be undertaken to identify the extent to which external borrowing should be undertaken.
- 3.8 The council has set a prudential indicator for the maturity of new borrowing, which requires 100% of new borrowing to have a maturity of at least 5 years. This will allow some flexibility in achieving a portfolio of borrowing which meets the councils long-term cashflow needs, whilst seeking an appropriate balance of refinancing risk against borrowing cost.
- 3.9 Considering the council's need to borrow, the required maturity profile has been reviewed by reference to the council's liability benchmark. This shows the borrowing need in the General Fund

decreasing gradually over the next 20 years or so.

#### **4 Minimum Revenue Provision (MRP) policy statement**

- 4.1 Minimum Revenue Provision (MRP) is the revenue charge that the council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year, it is prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure.
- 4.2 The Local Authorities (Capital Finance and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'.
- 4.3 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.
- 4.4 The Housing Revenue Account share of the CFR is not subject to an MRP charge.
- 4.5 There is no requirement to make an MRP charge on an asset until the financial year after that asset becomes operational.
- 4.6 The government issues statutory guidance on the calculation of MRP. The council is required to have regard to the guidance based on the underlying principle that the provision should be linked to the life of the assets for which the borrowing is required.
- 4.7 However, the guidance is clear that differing approaches can be considered as long as the resulting provision is prudent.
- 4.8 In general, the council will make a minimum revenue provision charge based on the equal instalment method, amortising expenditure equally over the estimated useful life of the asset for which the borrowing is required. However, no provision will be made in respect of expenditure on specific projects where the Chief Financial Officer determines that capital receipts will be generated by the project to repay the debt. Specifically, in respect of the current

capital programme:

- The council has made a loan to a company (which is classed as capital expenditure) to enable it to let intermediate-rent properties. This will be financed from internal borrowing. As this loan is to a wholly-owned subsidiary company and is secured on assets, no MRP will be set aside. However, to ensure that this policy is prudent, the council will review this loan annually and if the loan is renegotiated. Where there is evidence which suggests that the full amount of the loan may not be repaid or is not secured on assets of appropriate value, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
- The council continues to make capital contributions and loans to the Cambridge Investment Partnership (CIP) – a joint venture and deadlock partnership in which the Council has a 50% stake – to facilitate the development of new housing within the city. These payments are classed as capital expenditure. As the payments are appropriately covered by assets in the CIP and as there are detailed plans to demonstrate that all investment in the CIP will be recovered in less than five years with a significant surplus, no MRP will be set aside. However, to ensure that this policy is prudent, the Council will review the position regularly. Where there is evidence which suggests that the finance provided may not be repaid, it will be necessary to reassess the need to commence MRP to recover the impaired amounts from revenue.
- No MRP will be required on bond investments which are treated as capital expenditure under regulation where those bonds are appropriately secured. This security will be reviewed at least annually.

4.9 In the circumstances outlined above when a capital receipt is received in the form of a loan or bond repayment this will be applied in the year of receipt to the CFR thereby reducing the CFR and extinguishing the unfinanced spend incurred in previous financial years.

4.10 The council has borrowed via the money markets to fund the redevelopment of the Park Street car park site. The borrowing comprises three annuity loans. These loans require the council to make a fixed cash repayment every six months comprising interest and repayment of principal over the life of the loans. Over the life of

each loan the interest portion of the repayment reduces as the balance outstanding reduces. As permitted by the relevant statutory guidance, the council has determined that the annuity method is an appropriate approach to provide MRP for Park Street. A hybrid interest rate based on the rates for the agreed loans will be used to calculate MRP.

- 4.11 The council has agreed to finance an element of the capital cost of a new community centre at Clay Farm from internal borrowing. Using the asset life method MRP would normally be made over an asset life of 40 years. However, the element of capital cost funded from internal borrowing will effectively be repaid over a shorter period from receipts of rental income from the tenant and subsidy from the site developer. The Council has decided to make MRP on this accelerated basis in respect of this asset, in line with the receipts generated.
- 4.12 The Council is required to report whether it has made any voluntary payments over and above that required to comply with its Minimum Revenue Provision policy. The Council can confirm that it made a voluntary overpayment of MRP of £9.545 million in the 2019/20 financial year.

## **5 Capital expenditure and financing 2026/27 to 2030/31**

- 5.1 The council undertakes capital expenditure on long-term assets. These activities may either be:
- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, developer contributions, revenue contributions, reserves, etc), which has no resultant impact on the council's borrowing need; or;
  - if insufficient financing is available, or a decision is taken not to apply other resources, the funding of capital expenditure will give rise to a borrowing need.
- 5.2 Estimates of capital expenditure forms one of the required prudential indicators. The table on the following page shows the estimated capital expenditure for the next 5 years. Please note that this includes expenditure already approved, proposed for approval in the 2026/27 Budget Setting Report, and also a forecast of future expenditure not yet brought forward for formal approval.

| <b>Capital expenditure estimates (£m)</b>                           | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>2030/31</b> |
|---------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>General Fund</b>                                                 | <b>107.927</b> | <b>8.797</b>   | <b>9.379</b>   | <b>4.865</b>   | <b>2.965</b>   | <b>4.282</b>   |
| Financed from:                                                      |                |                |                |                |                |                |
| Capital receipts                                                    | (17.104)       | (4.282)        | (1.800)        | (0.150)        | -              | (1.317)        |
| Other contributions and balances                                    | (21.322)       | (4.515)        | (7.579)        | (4.715)        | (2.965)        | (2.965)        |
| General Fund prudential borrowing                                   | (69.501)       | -              | -              | -              | -              | -              |
| <b>HRA</b>                                                          | <b>96.266</b>  | <b>86.330</b>  | <b>91.225</b>  | <b>97.742</b>  | <b>98.915</b>  | <b>98.928</b>  |
| Financed from:                                                      |                |                |                |                |                |                |
| Capital receipts                                                    | (11.598)       | (5.063)        | (4.650)        | (1.291)        | (1.308)        | (1.328)        |
| Other contributions and balances                                    | (20.915)       | (34.185)       | (37.155)       | (33.648)       | (33.747)       | (32.467)       |
| HRA prudential Borrowing                                            | (63.753)       | (47.082)       | (49.420)       | (62.803)       | (63.860)       | (65.133)       |
| <b>Total capital expenditure financed from prudential borrowing</b> | <b>133.254</b> | <b>47.082</b>  | <b>49.420</b>  | <b>62.803</b>  | <b>63.860</b>  | <b>65.133</b>  |

## 6 Prudential and treasury management indicators

- 6.1 The table on the following page shows the Capital Financing Requirement (CFR), which is the underlying need to incur borrowing for a capital purpose. It also shows the indicative debt position over the period. This is termed the Operational Boundary which the council would not normally expect to exceed. Actual debt levels may be lower due to the use of surplus cash balances, timing of capital expenditure and the availability of capital receipts and other sources of non-debt finance. Regulations require that the council's external debt level cannot exceed the Authorised Limit set out on the following page:-

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| <b>CFR and borrowing estimates (£m)</b>                | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>2030/31</b> |
|--------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Capital financing requirement (CFR) at 31 March</b> |                |                |                |                |                |                |
| - General Fund                                         | 173.311        | 172.049        | 170.772        | 169.478        | 168.168        | 166.842        |
| - HRA                                                  | 294.105        | 341.186        | 390.607        | 453.410        | 517.270        | 582.402        |
| <b>Total CFR</b>                                       | <b>467.416</b> | <b>513.235</b> | <b>561.379</b> | <b>622.888</b> | <b>685.438</b> | <b>749.244</b> |
| Movement in CFR                                        | 127.980        | 45.819         | 48.144         | 61.509         | 62.550         | 63.806         |
| External gross debt                                    | 370.710        | 416.529        | 464.673        | 526.182        | 588.732        | 652.538        |
| <b>Authorised Limits</b>                               |                |                |                |                |                |                |
| - External debt                                        | 600.000        | 600.000        | 650.000        | 700.000        | 750.000        | 850.000        |
| - Other long-term liabilities                          | 2.000          | 2.000          | 2.000          | 2.000          | 2.000          | 2.000          |
| <b>Operational Boundary</b>                            |                |                |                |                |                |                |
| - External debt                                        | 477.416        | 523.235        | 571.379        | 632.888        | 695.438        | 759.244        |
| - Other long-term liabilities                          | 1.237          | 1.173          | 1.109          | 1.045          | 1.481          | 1.417          |

6.2 With effect from 1 April 2024, local authorities were required to implement a new accounting standard known as IFRS 16. This standard requires that assets previously recognised as operating leases now, in many cases, need to be accounted for on the balance sheet. Authorities need to recognise an asset corresponding to their 'right to use' assets held under operating leases and a liability corresponding to the payments due under the relevant leases to secure use of the leased assets. The authority's CFR has not been significantly impacted by the implementation of IFRS 16.

6.3 Two additional indicators continue to be reported in Annexe B in accordance with the latest Prudential Code. The council is required to disclose its actual and estimated net income from commercial and service investments as a proportion of its net revenue stream. This indicator is important in the context of understanding the contribution commercial income makes to the council's net budget,

recognising that the council has a significant portfolio of investment properties. The council's Capital Strategy defines the activities which the council classifies as being commercial in nature. This includes car parking and bereavement services, as well as income from investment properties.

- 6.4 This indicator needs to be understood with reference to the environment in which these commercial activities operate. The loans made by the council will typically be project-specific and therefore will not return a constant level of income. The performance of services provided in a competitive marketplace will be subject to variation linked to factors particular to that market. By necessity, the budget setting process evaluates the impact of the current economic conditions on the performance of its commercial activities. Consequently, year-on-year changes in relation to an indicator should not, in isolation, be treated as a cause for concern providing the change is consistent with the council's budget estimates and therefore managed appropriately in the context of medium-term financial planning.
- 6.5 The other additional mandatory indicator is the liability benchmark. This indicator is presented in graph form with separate graphs being produced for the General Fund and the HRA. The format used shows the relationship between the following key elements over the life of the council's debt portfolio:
- a) Existing loan debt outstanding: the council's existing loans, including borrowing for the Park Street project, that are still outstanding in future years.
  - b) CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and forecast MRP.
  - c) Borrowing requirement: this will show separately for the HRA and the General Fund the additional amount which needs to be borrowed to deliver the council's current capital programme. All borrowing is undertaken in the name of the council but the General Fund and HRA need to account separately for the interest payable associated with borrowing undertaken.
  - d) Liability benchmark: this reflects the total amount of borrowing required after taking account of the council's liquidity needs.
  - e) Investment benchmark: this reflects the amount the council should invest based on projected cash balances after reflecting the current capital programme and borrowing assumptions. An

investment benchmark exists where borrowing exceeds balances required to fund the capital programme. The investment benchmark is expressed as a negative amount. The amount the council has available to invest will reduce as the borrowing agreed is used to fund new schemes identified in future capital plans approved as part of the budget setting process. This will be reflected in updates to the liability benchmark presented in future iterations of this document.

- 6.6 It is important to note that the liability benchmark is based on the projected 10-year capital programme and therefore excludes capital expenditure based on future schemes yet to be identified. The effect of this is to show a peak in the council's General Fund CFR in March 2026 by which time the council is expected to have significant unfinanced expenditure within its CFR. This principally relates to CIP projects and the redevelopment of Park Street. The CFR will continue to reduce as the council repays the Park Street borrowing and when loans from the council to CIP are repaid. There will, however, be other capital schemes which come forward for approval in the coming years.
- 6.7 The liability benchmark is intended to be a live indicator which informs the council's decisions about timing and duration of borrowing, hence it informs the borrowing strategy set out in section 3 above. The current liability benchmark indicates that there may be some capacity for the General Fund to provide short-term borrowing to the HRA to meet its borrowing requirement for finite periods. This will be kept under review.

## **7 Investment Strategy**

- 7.1 MHCLG and CIPFA define 'investments' as including both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy.
- 7.2 The council's investment policy has regard to the following: -
- MHCLG's Guidance on Local Government Investments ("the Guidance");
  - CIPFA Treasury Management in Public Services Code of

Practice and Cross Sectoral Guidance Notes 2021 (“the Code”);  
and

- CIPFA Treasury Management Guidance Notes 2021

- 7.3 The council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the council’s risk appetite.
- 7.4 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as other pooled funds which may meet the council’s needs.
- 7.5 The above guidance from the MHCLG and CIPFA places a high priority on the management of risk. This council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:-
- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk.
  - b) The key ratings used to monitor counterparties are the short-term and long-term ratings.
  - c) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this the council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
  - d) Other information sources used will include the financial press, share prices and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
  - e) This council has defined the list of types of investment instruments that the treasury management team are authorised

to use. There are two lists in Annexe A under the categories of 'specified' and 'non-specified' investments.

- f) Specified investments are those with a high level of credit quality and subject to a maturity limit of less than one year.
- g) Non-specified investments are those which could have less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- h) Lending limits (amounts and maturity) for each counterparty will be set through applying the matrix table set out in Annexe A.
- i) Transaction limits are set for each type of investment in Annexe A.
- j) This council sets a limit for its investments which are invested for longer than 365 days.
- k) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
- l) The council has engaged external consultants (Mitsubishi UFG) to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the council in the context of the expected level of cash balances and need for liquidity throughout the year.
- m) All investments will be denominated in sterling.

- 7.6 Information regarding the performance of the council's investments will be provided to the Leadership Team and Cabinet as part of the quarterly budget monitoring process. Benchmark information is also collected and used for comparison purposes.

## **8 Financial asset counterparties**

- 8.1 The full listing of approved counterparties is presented at Annexe A, showing the category under which each counterparty has been approved, the appropriate deposit limit, and current duration limit.
- 8.2 There is no or very low risk to the capital invested (other than the risk of failure of the financial institution) for fixed term deposits and constant net asset value money market funds. Considering this very low level of risk, it is proposed to increase the maximum that can be invested in a single fund by £5 million for enhanced money

market funds (from £5 million to £10 million) and money market funds (from £15 million to £20 million) as set out at Annexe A so that the Council can hold more in the higher yielding funds.

- 8.3 The council continually reviews its investment policy. Recently, the economic climate has created considerable uncertainty. This has impacted asset pricing. The council holds investments in commercial property, both directly owned and through the CCLA Local Authorities' Property Fund. The pricing of both asset types has been particularly impacted. Further volatility in capital values is anticipated over the economic cycle.
- 8.4 The council will continue to monitor the total return generated by its investment in funds, all of which are actively managed by professional fund managers. In this context, it is important to recognise that the income distributions the council receives will not necessarily be subject to the same volatility as capital values. The council recognises the need for it to be able to continue to justify retaining these assets. This is important as one of the consequences of doing so is to bring forward the date when the council will need to borrow to fund its capital programme.
- 8.5 The council has made a loan of £7.5 million to Cambridge City Council Housing Company, a wholly owned subsidiary. This loan earns 2.02% and is secured on the properties owned by the company. The loan is kept under review and the loan facility is periodically renewed.
- 8.6 The council has continued to make loans available to Cambridge Investment Partnership, a joint venture – see paragraph 4.8 for further details.
- 8.7 The council invests in local business bonds issued by Allia Limited. The bonds are secured on the Allia Future Business Centre. The authorised counterparty limit for such investments as set out at Annexe A is £5 million in respect of long-term (5 year) bonds.
- 8.8 The council recognises that there is continuing debate about how best to capture information about the environmental, social and governance (often known as 'ESG') implications of investing decisions taken by the Council.
- 8.9 The council continues to work with MUFG to understand

developments within financial markets which offer the opportunity to have regard for ESG criteria when placing investments. The relevant CIPFA guidance asserts the primacy of 'security, liquidity and yield' considerations when managing the treasury portfolio and the council is required to adhere to that guidance.

- 8.10 Where the council invests for the longer term, there are opportunities to invest in products or counterparties which align with council objectives. Currently, this is reflected in investments in the CCLA Local Authority Property Fund. The CCLA Property Fund provides investors with regular updates about its work to reduce the carbon footprint of its property portfolio and increase the EPC rating of individual properties it owns.

## **9 Interest rates and interest received**

- 9.1 In support of effective forecasting the council needs to be aware of the potential influence of interest rates on its treasury management activities. The council is provided with regular interest rate forecasts by its treasury advisors, MUFG.
- 9.2 Total interest and dividends of £2.5 million are due or have been received in respect of the council's deposits for the period from 1 April to 30 November 2025 at an average rate of 4.50%. The equivalent rate for the eight months to 30 November 2024 was 4.99%. These figures relate solely to the council's traditional treasury management deposits, and exclude interest earned on investments in the CCLA property fund, local bonds, and loans made to the connected entities.
- 9.3 On 18 December 2025, the Bank of England cut base rate by 0.25% to 3.75%. The vote was 5-4 in favour of the cut, but the language used by the MPC emphasised a "gradual downward path" for future interest rates, with the MPC wanting to assess evidence on labour market activity and wage growth before making further cuts.

## Annexe A – Treasury Management Annual Investment Strategy

The full listing of approved counterparties is shown below, showing the category under which the counterparty has been approved, the appropriate deposit limit and current duration limits.

### Current Counterparty List

| MUFG Group Colour                         | Council's Current Deposit Period | Category                        | Limit (£) |
|-------------------------------------------|----------------------------------|---------------------------------|-----------|
| <b>UK Banks and Building Societies: -</b> |                                  |                                 |           |
| Yellow                                    | 60 months                        | UK Banks and Building Societies | 35m       |
| Magenta                                   | 60 months                        | UK Banks and Building Societies | 35m       |
| Pink                                      | 60 months                        | UK Banks and Building Societies | 35m       |
| Purple                                    | 24 months                        | UK Banks and Building Societies | 30m       |
| Blue                                      | 12 months                        | UK Banks and Building Societies | 30m       |
| Orange                                    | 12 months                        | UK Banks and Building Societies | 30m       |
| Red                                       | 6 months                         | UK Banks and Building Societies | 20m       |
| Green                                     | 100 days                         | UK Banks and Building Societies | 10m       |
| No Colour                                 | Not recommended                  | UK Banks and Building Societies | 0m        |

| Name                            | Council's Current Deposit Period | Category        | Limit (£) |
|---------------------------------|----------------------------------|-----------------|-----------|
| <b>Specified Investments: -</b> |                                  |                 |           |
| All UK Local Authorities        | N/A                              | Local Authority | 20m       |

## OFFICIAL

| Name                                                            | Council's Current Deposit Period | Category                           | Limit (£)                                    |
|-----------------------------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------|
| All UK Passenger Transport Authorities                          | N/A                              | Passenger Transport Authority      | 20m                                          |
| All UK Police Authorities                                       | N/A                              | Police Authority                   | 20m                                          |
| All UK Fire Authorities                                         | N/A                              | Fire Authority                     | 20m                                          |
| Debt Management Account Deposit Facility                        | N/A                              | DMADF                              | Unlimited                                    |
| Enhanced Cash Funds (Standard & Poor's: AAAf/S1, Fitch: AAA/S1) | Up to 1 year                     | Financial Instrument               | 10m (per single counterparty)                |
| Enhanced Money Market Funds (not below AAf) - VNAV              | Up to 1 year                     | Financial Instrument               | 10m (per fund)                               |
| Money Market Funds (AAAf) – CNAV, VNAV & LVNAV                  | Liquid Rolling Balance           | Financial Instrument               | 20m (per fund) with no maximum limit overall |
| UK Government Treasury Bills                                    | Up to 6 months                   | Financial Instrument               | 15m                                          |
| Members of a Banking Group                                      | Using MUFG's Credit Criteria     | UK Banks and UK Nationalised Banks | 40m                                          |
| <b>Non-Specified Investments: -</b>                             |                                  |                                    |                                              |
| All UK Local Authorities – longer term limit                    | Over 1 year and up to 5 years    | Local Authority                    | Up to 35m (in total)                         |
| Cambridge City Council Housing (CCHC) Working Capital Loan      | Up to 1 year                     | Loan                               | 200,000                                      |

## OFFICIAL

| <b>Name</b>                                                              | <b>Council's<br/>Current<br/>Deposit Period</b> | <b>Category</b>                               | <b>Limit (£)</b>                 |
|--------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------|----------------------------------|
| Cherry Hinton<br>Community Benefit<br>Society                            | Up to 1 year                                    | Loan                                          | 50,000                           |
| CCHC Investment*                                                         | Rolling Balance                                 | Loan (Asset<br>Security)                      | 7,500,000                        |
| Cambridge Investment<br>Partnership*                                     | Rolling Balance                                 | Loan (Asset<br>Security)                      | 65m                              |
| CCLA Local<br>Authorities' Property<br>Fund                              | Minimum of 5<br>years                           | Pooled UK<br>Property Fund                    | Up to 15m                        |
| Certificates of Deposit<br>(with UK Banking<br>Institutions)             | Liquid Rolling<br>Balance                       | Financial<br>Instrument                       | See limits above                 |
| Certificates of Deposit<br>(with UK Building<br>Societies)               | Liquid Rolling<br>Balance                       | Financial<br>Instrument                       | See limits above                 |
| Certificates of Deposit<br>(with Foreign Banking<br>Institutions)        | Liquid Rolling<br>Balance                       | Financial<br>Instrument                       | 2m (per single<br>counterparty)  |
| Enhanced Cash Funds<br>(Standard & Poor's:<br>AAAf/S1, Fitch:<br>AAA/S1) | Over 1 year and<br>up to 5 years                | Financial<br>Instrument                       | 10m (per single<br>counterparty) |
| Enhanced Money<br>Market Funds (not<br>below AAf) - VNAV                 | Over 1 year and<br>up to 5 years                | Financial<br>Instrument                       | 5m (per fund)                    |
| Commercial Property<br>Investments funded<br>from cash balances          | Over 1 year                                     | Commercial<br>Property                        | 25m (in total)                   |
| Municipal Bonds<br>Agency                                                | N/A                                             | Pooled<br>Financial<br>Instrument<br>Facility | 50,000                           |

OFFICIAL

| Name                               | Council's Current Deposit Period | Category                            | Limit (£)         |
|------------------------------------|----------------------------------|-------------------------------------|-------------------|
| Secured Local Bond – Allia Limited | N/A                              | Local Business Bond                 | Up to 5m in total |
| Supranational Bonds – AAA          | Using MUFG's Credit Criteria     | Multi-lateral Development Bank Bond | 15m               |
| UK Government Gilts                | Over 1 year & up to 30 Years     | Financial Instrument                | 15m               |

**Note:** In addition to the limits above, the total non-specified items over 1 year **(excluding balances with related parties\*)** will not exceed £50m.

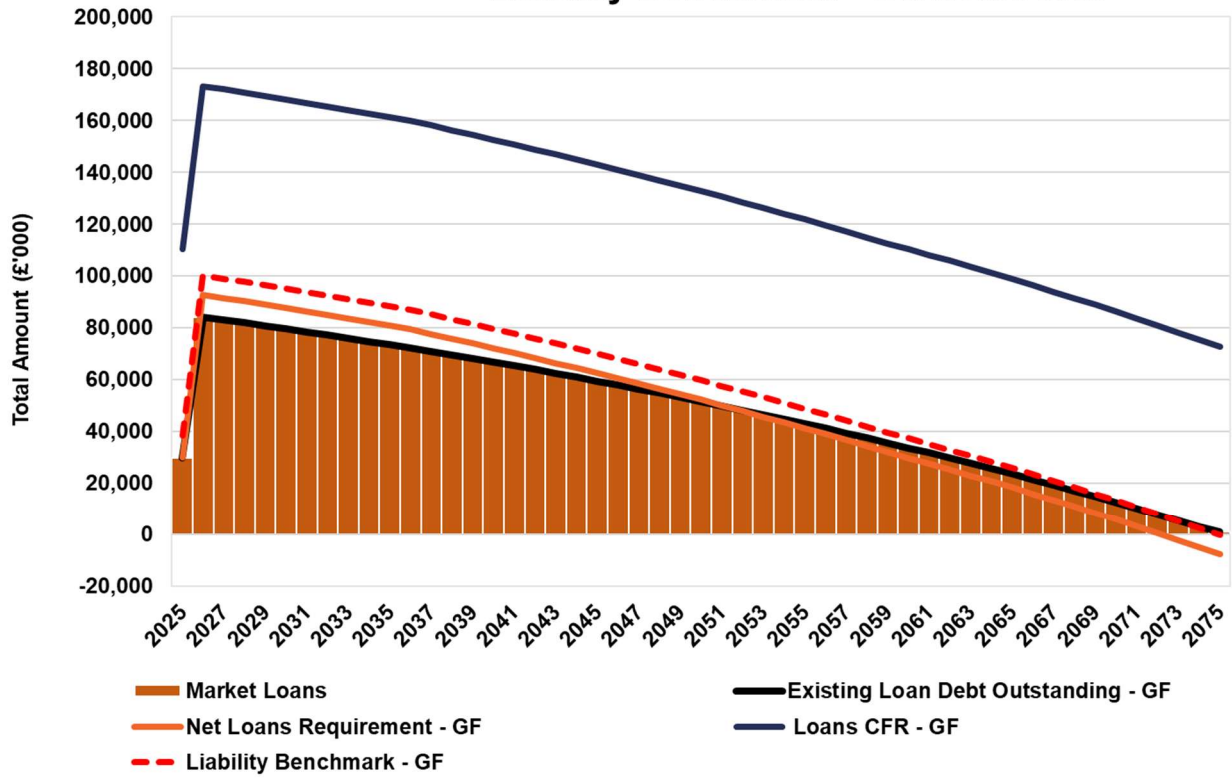
## Annexe B – Prudential and Treasury Management Indicators

| Prudential Indicator Estimates (£m)                                                      | 2025/26        | 2026/27        | 2027/28        | 2028/29        | 2029/30        | 2030/31        |
|------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Capital expenditure</b>                                                               |                |                |                |                |                |                |
| - GF                                                                                     | 107.927        | 8.797          | 9.379          | 4.865          | 2.965          | 4.282          |
| - HRA                                                                                    | 96.266         | 86.330         | 91.225         | 97.742         | 98.915         | 98.928         |
| <b>Total</b>                                                                             | <b>204.193</b> | <b>95.127</b>  | <b>100.604</b> | <b>102.607</b> | <b>101.880</b> | <b>103.210</b> |
|                                                                                          |                |                |                |                |                |                |
| <b>Capital Financing Requirement (CFR) as at 31 March</b>                                |                |                |                |                |                |                |
| - GF                                                                                     | 173.311        | 172.049        | 170.772        | 169.478        | 168.168        | 166.842        |
| - HRA                                                                                    | 294.105        | 341.186        | 390.607        | 453.410        | 517.270        | 582.402        |
| <b>Total</b>                                                                             | <b>467.416</b> | <b>513.235</b> | <b>561.379</b> | <b>622.888</b> | <b>685.438</b> | <b>749.244</b> |
| Movement in CFR                                                                          | 127.980        | 45.819         | 48.144         | 61.509         | 62.550         | 63.806         |
|                                                                                          |                |                |                |                |                |                |
| <b>External gross debt as at 31 March</b>                                                | <b>370.710</b> | <b>416.529</b> | <b>464.673</b> | <b>526.182</b> | <b>588.732</b> | <b>652.538</b> |
|                                                                                          |                |                |                |                |                |                |
| <b>Ratio of net financing costs to revenue stream</b>                                    |                |                |                |                |                |                |
| - GF %                                                                                   | (4.85)         | 1.38           | 1.24           | 1.21           | 1.20           | 0.98           |
| - HRA %                                                                                  | 12.36          | 20.04          | 22.74          | 25.09          | 27.55          | 29.92          |
|                                                                                          |                |                |                |                |                |                |
| <b>Net income from commercial and service investments</b>                                |                |                |                |                |                |                |
| - GF                                                                                     | 17.537         | 18.425         | 18.608         | 18.492         | 18.322         | 18.222         |
| - HRA                                                                                    | 0.621          | 0.625          | 0.641          | 0.777          | 0.792          | 0.808          |
|                                                                                          |                |                |                |                |                |                |
| <b>Ratio of net income from commercial and service investments to net revenue stream</b> |                |                |                |                |                |                |
| - GF %                                                                                   | 60.06          | 59.92          | 60.00          | 58.10          | 63.55          | 59.59          |
| - HRA %                                                                                  | 1.07           | 1.02           | 0.98           | 1.10           | 1.04           | 1.00           |

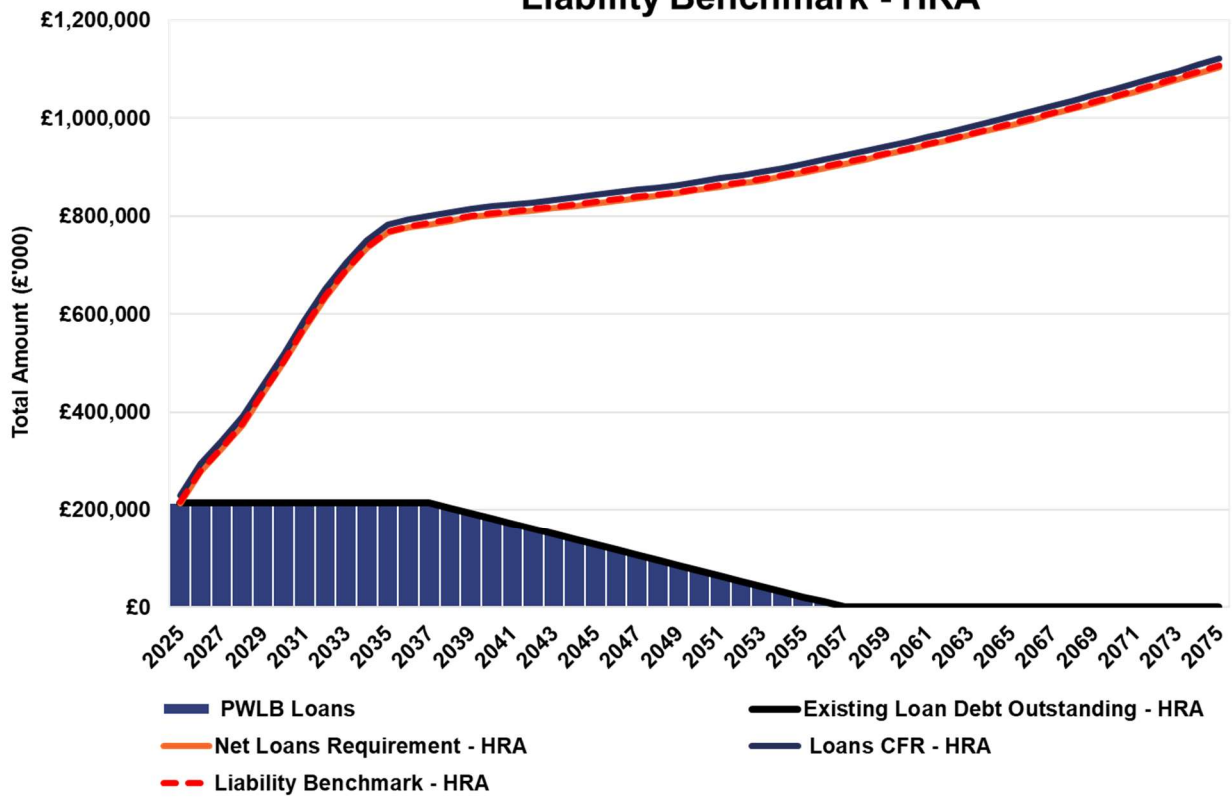
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| Treasury Indicator Estimates (£m)                                                         | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|-------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Authorised limit</b>                                                                   |         |         |         |         |         |         |
| - Borrowing                                                                               | 600.000 | 600.000 | 650.000 | 700.000 | 750.000 | 850.000 |
| - Other long-term liabilities                                                             | 2.000   | 2.000   | 2.000   | 2.000   | 2.000   | 2.000   |
|                                                                                           |         |         |         |         |         |         |
| <b>Operational boundary</b>                                                               |         |         |         |         |         |         |
| - Borrowing                                                                               | 477.416 | 523.235 | 571.379 | 632.888 | 695.438 | 759.244 |
| - Other long-term liabilities                                                             | 1.237   | 1.173   | 1.109   | 1.045   | 1.481   | 1.417   |
|                                                                                           |         |         |         |         |         |         |
| <b>Upper limit for total principal sums deposited for over 364 days and up to 5 years</b> | 50.000  | 50.000  | 50.000  | 50.000  | 50.000  | 50.000  |
|                                                                                           |         |         |         |         |         |         |
| <b>Analysis of exposure to fixed and variable interest rates</b>                          |         |         |         |         |         |         |
| - Net interest on fixed rate borrowing/deposits                                           | 11.311  | 14.264  | 16.892  | 19.847  | 23.107  | 26.417  |
| - Net interest on variable rate borrowing/deposits                                        | (1.675) | (1.532) | (1.574) | (1.699) | (1.843) | (1.986) |
|                                                                                           |         |         |         |         |         |         |
| <b>Maturity structure of new fixed rate borrowing – 5 years and above</b>                 |         |         |         |         |         |         |
| - Upper limit                                                                             | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |
| - Lower limit                                                                             | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

## Liability Benchmark - General Fund



## Liability Benchmark - HRA



## Annexe C – Glossary of Terms and Abbreviations

| Term                                    | Definition                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Authorised limit for external borrowing | Represents a control on the maximum level of borrowing                                                                                                                                                                                                                                                                     |
| Capital expenditure                     | Expenditure capitalised in accordance with regulations i.e. material expenditure either by government directive or on capital assets, such as land and buildings, owned by the council (as opposed to revenue expenditure which is on day-to-day items including employees' pay, premises costs and supplies and services) |
| Capital financing requirement (CFR)     | A measure of the council's underlying borrowing need, i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources                                                                                                                         |
| Certificates of Deposit (CDs)           | Low risk certificates issued by banks which offer a higher rate of return                                                                                                                                                                                                                                                  |
| CIP                                     | Cambridge Investment Partnership                                                                                                                                                                                                                                                                                           |
| CIPFA                                   | Chartered Institute of Public Finance and Accountancy                                                                                                                                                                                                                                                                      |
| Corporate bonds                         | Financial instruments issued by corporations                                                                                                                                                                                                                                                                               |
| Counterparties                          | Financial institutions with which funds may be placed                                                                                                                                                                                                                                                                      |
| Credit risk                             | Risk of borrower defaulting on any type of debt by failing to make payments which it is obligated to do                                                                                                                                                                                                                    |
| Enhanced cash funds                     | Higher yielding funds typically for investments exceeding 3 months                                                                                                                                                                                                                                                         |
| Eurocurrency                            | Currency deposited by national governments or corporations in banks outside of their home market                                                                                                                                                                                                                           |
| External gross debt                     | Long-term liabilities including Private Finance Initiatives and finance leases                                                                                                                                                                                                                                             |
| Government CNAV                         | Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)                                                                                                                                                                                                                                                   |
| HRA                                     | Housing Revenue Account - a ringfenced account for local authority housing where a council acts as landlord                                                                                                                                                                                                                |

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| Term                                   | Definition                                                                                                                                                                                                                                                                               |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HRA Self-Financing                     | A new funding regime for the HRA introduced in place of the previous annual subsidy system                                                                                                                                                                                               |
| Liquidity                              | A measure of how readily available a deposit is                                                                                                                                                                                                                                          |
| Low Volatility Net Asset Value (LVNAV) | Highly liquid sovereign stock based on a Constant Net Asset Value (CNAV)                                                                                                                                                                                                                 |
| MPC                                    | Monetary Policy Committee - The Bank of England Committee responsible for setting the UK's bank base rate                                                                                                                                                                                |
| Minimum Revenue Provision (MRP)        | Revenue charge to finance the repayment of debt                                                                                                                                                                                                                                          |
| Non Ring Fenced Bank (NRFB)            | Government and Bank of England rules apply to all UK banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks                                                                                                            |
| Non-specified investments              | These are investments that do not meet the conditions laid down for specified investments and potentially carry additional risk, e.g. lending for periods beyond 1 year                                                                                                                  |
| Operational boundary                   | Limit which external borrowing is not normally expected to exceed                                                                                                                                                                                                                        |
| PWLB                                   | Public Works Loans Board - an Executive Agency of HM Treasury from which local authorities and other prescribed bodies may borrow at favourable interest rates                                                                                                                           |
| Quantitative Easing (QE)               | A financial mechanism whereby the central bank creates money to buy bonds from financial institutions, which reduces interest rates, leaving businesses and individuals to borrow more. This is intended to lead to an increase in spending, creating more jobs and boosting the economy |
| Ring Fenced Bank (RFB)                 | Government and Bank of England rules apply to all UK Banks which have to split their business into 'core' retail and investment units known as Ring and Non Ring Fenced Banks                                                                                                            |
| Sterling Over Night Index Average      | SONIA is a widely used benchmark based on actual transactions and reflects the average of the interest                                                                                                                                                                                   |

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| Term                            | Definition                                                                                                                                                                                                              |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (SONIA)                         | rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.                                                                                                  |
| Security                        | A measure of the creditworthiness of a counter-party                                                                                                                                                                    |
| Specified investments           | Those investments identified as offering high security and liquidity. They are also sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable |
| Supranational bonds             | Multi-lateral Development Bank Bond                                                                                                                                                                                     |
| UK government gilts             | Longer-term government securities with maturities over 6 months and up to 30 years                                                                                                                                      |
| UK government treasury bills    | Short-term securities with a maximum maturity of 6 months issued by HM Treasury                                                                                                                                         |
| Variable Net Asset Value        | MMF values based on daily market fluctuations to 2 decimal places known as mark-to-market prices                                                                                                                        |
| Weighted Average Life (WAL)     | Weighted average length of time of unpaid principal                                                                                                                                                                     |
| Weighted Average Maturity (WAM) | Weighted average amount of time to maturity                                                                                                                                                                             |
| Yield                           | Interest, or rate of return, on an investment                                                                                                                                                                           |

## MUFG CORPORATE MARKETS INTEREST RATE FORECAST

### Updating of our forecasts 22 December 2025

Comparison of forecasts for Bank Rate today v. previous forecast

| Bank Rate | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 | Jun-28 | Sep-28 | Dec-28 | Mar-29 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 22.12.25  | 3.75   | 3.50   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   |
| 11.08.25  | 3.75   | 3.75   | 3.50   | 3.50   | 3.50   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | -      | -      |
| Change    | 0.00   | -0.25  | 0.00   | -0.25  | -0.25  | -0.25  | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | -      | -      |

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please

note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.

| MUFG Corporate Markets Interest Rate View 22.12.25 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|----------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                    | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 | Jun-28 | Sep-28 | Dec-28 | Mar-29 |
| BANK RATE                                          | 3.75   | 3.50   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   |
| 3 month ave earnings                               | 3.80   | 3.50   | 3.50   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   |
| 6 month ave earnings                               | 3.80   | 3.50   | 3.50   | 3.40   | 3.30   | 3.30   | 3.30   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   |
| 12 month ave earnings                              | 3.90   | 3.60   | 3.60   | 3.50   | 3.40   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   | 3.60   | 3.60   |
| 5 yr PWLB                                          | 4.60   | 4.50   | 4.30   | 4.20   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   |
| 10 yr PWLB                                         | 5.20   | 5.00   | 4.90   | 4.80   | 4.80   | 4.70   | 4.70   | 4.70   | 4.70   | 4.60   | 4.60   | 4.60   | 4.70   |
| 25 yr PWLB                                         | 5.80   | 5.70   | 5.60   | 5.50   | 5.50   | 5.40   | 5.30   | 5.30   | 5.30   | 5.20   | 5.20   | 5.20   | 5.20   |
| 50 yr PWLB                                         | 5.60   | 5.50   | 5.40   | 5.30   | 5.30   | 5.20   | 5.10   | 5.10   | 5.10   | 5.00   | 5.10   | 5.00   | 5.00   |

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The MUFG Corporate Markets forecast for average earnings are averages i.e., rates offered by individual entities may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

#### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

| PWLB borrowing | Current borrowing rates as at 22.12.25 p.m.<br>% | Target borrowing rate now (end of Q4 2027)<br>% | Target borrowing rate previous (end of Q4 2027)<br>% |
|----------------|--------------------------------------------------|-------------------------------------------------|------------------------------------------------------|
| 5 years        | 4.81                                             | 4.10                                            | 4.20                                                 |
| 10 years       | 5.39                                             | 4.70                                            | 4.70                                                 |
| 25 years       | 6.01                                             | 5.30                                            | 5.30                                                 |
| 50 years       | 5.78                                             | 5.10                                            | 5.10                                                 |

**Borrowing advice:** Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

| Average earnings in each year | Now<br>% | Previously<br>% |
|-------------------------------|----------|-----------------|
| 2025/26 (residual)            | 3.80     | 3.90            |
| 2026/27                       | 3.40     | 3.60            |
| 2027/28                       | 3.30     | 3.30            |
| 2028/29                       | 3.30     | 3.50            |
| 2029/30                       | 3.50     | 3.50            |
| Years 6-10                    | 3.50     | 3.50            |
| Years 10+                     | 3.50     | 3.50            |

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

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# Appendix R

**Cambridge City Council**

## **Housing Revenue Account Business Plan 2025/26 for 2026/27 Report and Commentary**

January 2026



savills

## Contents

|     |                                                        |    |
|-----|--------------------------------------------------------|----|
| 1.  | Introduction.....                                      | 2  |
| 1.1 | Background .....                                       | 2  |
| 1.2 | Approach .....                                         | 2  |
| 2.  | Business plan model - Baseline.....                    | 4  |
| 2.1 | Introduction.....                                      | 4  |
| 2.2 | Overview of methodology and assumptions .....          | 4  |
| 2.3 | HRA Business Plan Projections - Baseline .....         | 8  |
| 2.4 | Comparison to benchmarks.....                          | 13 |
| 3.  | Sensitivity and Stress Testing .....                   | 15 |
| 3.1 | Interest Rate Risk .....                               | 15 |
| 3.2 | Cost Inflation Risk.....                               | 15 |
| 3.3 | Future Rent Policy (possible risks and “upside”) ..... | 16 |
| 3.4 | Include Full Net Zero Carbon Investment .....          | 16 |
| 3.5 | Resulting Sensitivity Impact.....                      | 17 |
| 4.  | Summary .....                                          | 19 |
|     | Contact .....                                          | 21 |

# 1. Introduction

## 1.1 Background

Cambridge City Council has retained Savills Affordable Housing Consultancy to support officers in the production of the annual Housing Revenue Account (HRA) Business Plan.

This report summarises the business plan outputs in preparation for the 2026/27 budget year and sets out the financial capacity and capability of the HRA to deliver on the Council's objectives in respect of the delivery of landlord services, stock investment, regeneration and new supply.

Savills have worked with officers to prepare the HRA business plan using the Savills platform for the first time, with the plan commencing financial year 2025/26.

In developing the plan and preparing this report, we have taken account of key economic and inflationary drivers, both national and local, as well a number of policy and related changes at a national level, introduced as a result of, and alongside, the Spending Review in June 2025, subsequent housing policy related consultations during the summer of 2025 and the Autumn Budget in November 2025.

In summary these include:

- High capital investment costs in the existing stock due to high levels of inflation in recent years, updated stock condition data and enhanced investment and building safety standards.
- Significantly increased operating costs based upon a commitment to improve data quality and service delivery standards.
- Increased development costs due to high levels of inflation in recent years, coupled with skills shortages in some areas alongside other market driven pressures.
- Continued high levels of interest rates available from the PWLB, albeit with discounts currently applied for HRA borrowing.
- Potential for continuing pressures on current operating costs which could outweigh income growth in the short-term.
- Government consultations on changes to the Decent Homes Standard and the introduction of a Minimum Energy Efficiency Standard (MEES), both of which inform business planning subject to confirmation by government, expected next year.
- A government consultation on the rate and pace at which rent convergence may be reintroduced, with the outcome now announced.
- Changes to the Right to Buy (RTB), following an extensive government consultation in late 2024, the outcome of which is to restrict access to the RTB whilst also providing a greater degree of flexibility for the reinvestment of RTB receipts, including some measures which are subject to primary legislation yet to be introduced.

At this stage, the plan is based on 2025/26 forecast outturn expenditure and income, and proposed budgets for 2026/27. The plan is therefore subject to further change for in-year variations and budgetary amendments, if these arise, as the business plan goes through the formal approval process.

## 1.2 Approach

This report sets out our findings as follows:

1. The outputs from the latest HRA business plan model in the light of the latest market conditions, national policy changes, local policy initiatives and other factors (as set out above).
2. Outputs from financial modelling and sensitivity testing (where appropriate) to establish alternative delivery scenarios for the business plan.
3. The impact on the metrics and indicators which can form the basis of future investment management and planning decisions for the HRA.

## 2. Business plan model - Baseline

### 2.1 Introduction

The HRA Business Plan financial model, the “baseline” plan, has been developed from information provided by officers, based upon the forecast outturn position for the 2025/26 financial year, and proposed budgets for 2026/27, with the baseline plan model providing the basis for this report.

The model has been developed via a series of meetings with officers to agree the methodology and assumptions.

### 2.2 Overview of methodology and assumptions

#### Overall

The plan is based on overarching principles as set out below.

- 30-year projections launched from 2025/26, based on the forecasts for 2025/26 and proposed budgets for 2026/27.
- Core inflation (subject to scenario testing) projected at:
  - 2.6% for 2027/28
  - 2.0% from 2028/29 onwards.
- Rents increasing at:
  - Rent increases of CPI plus 1.0% for 10 years, in line with the current rent settlement, before reverting to CPI only from April 2036
  - Homes relet at formula rent including the full rent flexibility, with a 3% annual turnover rate assumed.
  - Rent convergence for existing tenants assumed at £1 per week, from April 2027 and £2 per week from April 2028, for the remainder of the rent settlement period.
- Voids levels assumed to be 1.08% in 2026/27, reducing to 0.8% from 2027/28, relying upon improved performance following additional financial investment into the service during 2026/27.
- Bad debts assumed at 1% for 2026/27 and 2027/28, reducing to 0.9% by 2028/29 and 0.8% from 2029/30 onwards, with investment in both staff and IT anticipated to improve collection performance.
- Salary costs assumed to increase at 3.5% in 2027/28, 3.4% in 2028/29 and 2.6% from 2029/30 ongoing, which also takes account of anticipated incremental progression.
- Recharges and overheads assumed to increase by CPI plus 0.6% recognising a significant element of employee related costs are included.
- Outsourced repairs and capital maintenance costs are assumed to increase by 2.74% in 2027/28, 2.59% in 2028/29, 2.74% in 2029/30 and 2.53% from 2030/31 ongoing, which represents a blended rate using a mix of CPI and forecast building cost inflation (BCIS).
- Provision for depreciation increasing at CPI throughout.
- Capital maintenance of the existing tenanted stock (subject to Right to Buy sales) is initially modelled at a total of £515.8m (at today's prices before any adjustment) over 30 years from 2025/26; this provides for the existing capital programme for year 1, before moving to the Stock Condition Survey investment data from year 2, with the Decent Homes backlog assumed to be delivered across the first 6 years. An additional sum of £180m is also incorporated towards delivering Net Zero Carbon (NZC) investment in the housing stock, with this investment beginning in 2030/31 once EPC 'C' has been achieved.
- The overall stock investment profile (excluding the NZC uplift) equates to £67,070 per property, which is broadly in line with national average benchmarks based upon LGA research undertaken in 2024 (which were in the region of £62,000 nationally), but with these averages rising as more condition surveys are completed, to around £69,000 in 2025/26.

- Inclusion of an extensive development programme, with the delivery of an estimated 1,694 homes across the first 11 years of the plan as part of an anticipated programme, reliant on the receipt of significant Homes England Grant through a Strategic Partnership arrangement, to make the programme financially viable.
- To facilitate the delivery of the 1,694 homes, the assumption is made that 414 homes will be demolished across the same timeframe as part of regeneration schemes, a number of which are already vacant or are actively being decanted.
- Inclusion of a long-term programme of acquisition or new build homes at 25 per annum, assumed to deliver a further 575 homes from year 8 and throughout the remainder of the plan, to ensure that future Right to Buy receipts can be appropriately re-invested.
- Interest calculations based upon a portfolio of loans totalling £213.6m attributed to the HRA, with an opening HRA Capital Financing Requirement (CFR) of £230.4m, with interest charged on the internal borrowing of £16.8m at a rate of at 5.50% in 2025/26, 5.15% in 2026/27, 5.35% in 2027/28, 5.25% in 2028/29 and 5.20% from 2029/30 on an ongoing basis.
- New borrowing assumed at a rate of 5.50% in 2025/26, 5.15% in 2026/27, 5.35% in 2027/28, 5.25% in 2028/29 and 5.20% from 2029/30 on an ongoing basis.
- Interest received on HRA cash balances at 3.90% in 2025/26, 3.60% in 2026/27, 3.30% in 2027/28 and 3.50% from 2028/29 ongoing.

The overall methodology within the plan is founded on the following key approaches:

- Borrowing for acquisitions and investment in the existing stock is approximately £760.4m over the life of the plan (£568.3m net new borrowing, with the balance replacing existing loans as they mature), with this currently assumed to be predominantly in respect of development, but with a degree of borrowing required for investment in the existing housing, more so in the first 5 years whilst EPC 'C' is achieved and the Decent Homes backlog is delivered.
- The assumption is made that debt will be repaid during the life of the business plan, as loans reach maturity, but with these repayments currently assumed to be subject to replacement borrowing to maximise the resource available for investment in both new homes and in future energy improvements to the existing housing stock.

We have set out below further details in respect of some of the key inputs and assumptions.

### Rents

Rents follow current guidance with relets to new tenancies at the relevant formula rent, including the discretionary rent flexibility (rather than the outgoing rent).

Void levels are incorporated into the financial model at 1.08% for 2026/27, reducing to 0.80% in 2027/28 on an ongoing basis. This assumes improved voids performance, as a result of planned investment in services in 2026/27, which will need to be carefully monitored to ensure delivery.

The annual contribution to the bad debt provision has been modelled at 1.00% for 2026/27 and 2027/28, reducing to 0.90% in 2028/29 and 0.80% from 2029/30 on an ongoing basis. This assumes improved collection performance in the coming years as a result of investment in both staff and IT systems, which will again need to be carefully monitored.

Rents are assumed to increase annually by CPI plus 1.0% (based upon the preceding September's CPI rate) from April 2026 for 10 years, in line with the current rent settlement announced in June 2025. The rate of inflation as measured by CPI in September 2025 was 3.8%, giving rise to a 4.8% rent increase from April 2026, and this assumption has been incorporated into the baseline business plan.

As part of the Spending Review in June 2025, the government confirmed its intention to reintroduce rent convergence, and in July 2025, issued a consultation paper on the rate and pace of this. The consultation sought views on closing the gap between actual and formula rents each year by either £1 or £2 per week, on

top of the standard CPI plus 1.0% increases, and on whether it should be implemented from April 2026 and should span the full 10 years of the current rent settlement period. The outcome of the consultation is now known, with a delay in implementation, and the reintroduction of rent convergence at £1 per week from April 2027 and £2 per week from April 2028, for the remainder of the rent settlement period.

The reintroduction of rent convergence had initially been assumed in the baseline model at the rate of £2 per week from April 2026, in advance of the announcement from government. Now that the announcement has been made, the business plan has been updated to reflect the confirmed policy change. The original assumption of being able to reintroduce rent convergence at £2 per week from April 2026 has been modelled as a sensitivity, to show the impact of the change in assumption.

Any decision not to reintroduce rent convergence as announced, would be expected to negatively impact the HRA business plan, as would any national decision not to maintain rent increases at a minimum of CPI plus 1.0% for the next 10 years. We have modelled both as sensitivities to demonstrate the potential impact.

#### Right to Buy sales volumes

The level of sales is modelled at 40 in 2025/26, whilst the Council works its way through the influx of applications received in the first three weeks of November 2024 following the government announcement of a return to the pre-2012 maximum discount levels from 21 November 2024.

The discount changes have reduced the maximum discount from £102,400 to £34,000, and as a result the estimated number of future sales has been reduced, with 15 sales per annum forecast from 2026/27, with the potential for this to reduce further once activity levels with the lower discounts are clear.

Estimated sales over the next 30 years account for a stock loss of 6.2% over the plan period (excluding any disposal or regeneration schemes). We have made adjustments to rents and future capital investment assumptions to reflect the stock losses incorporated, but not to management or maintenance costs, as the numbers are not material in terms of the impact on the plan, particularly in the long-term.

#### Capital works to existing properties

The model reflects the proposed capital programme, which is driven by the Stock Condition Survey data from the Councils' Asset Management System. The data for this iteration of the plan has not been updated from data used 12 months ago (but has simply been inflated), as there is currently an exercise in progress to fully refresh the Stock Condition Survey data, which is expected to provide updated assumptions as part of the next iteration of the plan.

This carries a degree of risk in the short-term, but the view that a reasonable level of resource has been incorporated into the plan whilst refreshed Stock Condition Survey data is awaited is borne out by the fact that the level of investment per property over 30 years is £67,070 (excluding the NZC uplift), compared to national sector benchmarks that are currently in the region of £69,000 per property. This provides some comfort that the plan is not significantly under-provided in this area.

The stock investment data currently used to inform the baseline plan is summarised in the table below:

**Table 2.1 – Stock Investment Requirements derived from Asset Management System, including energy uplift (base year prices)**

|                                         | Years 1 to 5 | Years 6 to 10 | Years 11 to 15 | Years 16 to 20 | Years 21 to 25 | Years 26 to 30 | Total       |
|-----------------------------------------|--------------|---------------|----------------|----------------|----------------|----------------|-------------|
| Decent Homes (Codeman)                  | 48,284,495   | 59,285,148    | 56,700,525     | 46,202,661     | 47,803,009     | 49,956,772     | 308,232,611 |
| Other HRA Stock Capital Works           | 7,032,326    | 5,164,793     | 5,106,212      | 5,416,505      | 5,976,854      | 6,396,650      | 35,093,340  |
| Estate Investment Fund                  | 1,072,000    | 0             | 0              | 0              | 0              | 0              | 1,072,000   |
| Energy (Stock to EPC 'C')               | 47,662,000   | 0             | 0              | 0              | 0              | 0              | 47,662,000  |
| Backlog                                 | 32,682,310   | 6,498,978     | 0              | 0              | 0              | 0              | 39,181,288  |
| CCC Fees and External Professional Fees | 3,402,680    | 2,800,710     | 2,644,425      | 2,644,425      | 2,644,425      | 2,644,425      | 16,781,090  |
| Decent Homes Contractor Overheads (11%) | 6,386,130    | 7,545,994     | 7,255,241      | 6,134,608      | 6,372,285      | 6,655,376      | 40,349,635  |
| Disabled Adaptations                    | 4,248,000    | 4,150,000     | 4,150,000      | 4,150,000      | 4,150,000      | 4,150,000      | 24,998,000  |
| New Build Decent Homes                  | 2,431,000    | 0             | 0              | 0              | 0              | 0              | 2,431,000   |
| Net Zero Carbon Contribution            | 0            | 36,000,000    | 36,000,000     | 36,000,000     | 36,000,000     | 36,000,000     | 180,000,000 |
|                                         | 153,200,942  | 121,445,622   | 111,856,403    | 100,548,199    | 102,946,573    | 105,803,224    | 695,800,963 |

The total level of investment anticipated over 30 years is £695.8m, including £180m of resource towards the delivery of Net Zero Carbon from year 6 onwards. This level of investment in Net Zero Carbon will in no way meet this standard across the entire portfolio, with the full cost estimated to be in the region of £418m (in addition to what will be spent to achieve EPC 'C').

#### New Build, Regeneration and Acquisition assumptions

The plan provides for an extensive development programme, with the delivery of an estimated 1,694 homes as part of this programme across the first 11 years of the plan. The programme assumes a significant contribution in the form of Homes England grant (from the Social and Affordable Homes Programme), with £120,000 per eligible home incorporated into the assumptions, assuming the Council is able to secure a Strategic Partnership arrangement with Homes England. The programme will need to be fundamentally reviewed if this is not achieved, and grant will instead need to be sought on a scheme by scheme basis through the continuous market engagement process.

To facilitate the delivery of the 1,694 homes, the assumption is made that 414 homes have either been vacated and removed from the stock during 2025/26, or will be, in the coming months and years, to allow demolition as part of regeneration schemes. These properties have been removed from the business plan, with both rental income and capital investment assumptions adjusted accordingly. Management and revenue repair costs have not been adjusted, as many of the homes have already been vacated.

A long-term programme of new homes is incorporated at 25 per annum, assumed to deliver a further 575 from year 8 and over the remainder of the plan, to ensure that future Right to Buy receipts can be appropriately re-invested. The assumption is made that these homes will be delivered using 50% Right to Buy receipt funding (40% in the last 2 years) and 50% HRA resource or borrowing (60% in the last 2 years), to ensure that the Council continues to deliver more homes than would otherwise be provided if Right to Buy receipts were to be the only source of funding.

New homes are assumed to be introduced at a mix of social and affordable rents, with affordable rents at up to 80% of market rent.

Provision for management, revenue repair and capital maintenance costs for new build homes on a marginal basis is currently made within the plan, recognising that the number of new homes being delivered will be greater than the number either sold under the Right to Buy or demolished as part of regeneration schemes, and that the new homes will be built to higher standards, which will require additional future investment.

#### Interest rates

The Council operates a two-pool approach to managing debt, with a portfolio of loans totalling £213.6m attributed directly to the HRA, with a HRA Capital Financing Requirement of £230.4m leaving notional internal borrowing of £16.8m, with interest charged to the HRA based upon a rate of 5.50% in 2025/26, 5.15% in

2026/27, 5.35% in 2027/28, 5.25% in 2028/29 and 5.20% from 2029/30 onwards, for the remainder of the term of the plan.

New borrowing is assumed at the same market rates, which anticipate longer-term borrowing from the Public Works Loan Board (PWLb) and the ability to re-finance existing borrowing at similar levels, adopting forecasts from the Council's treasury advisors. The HRA preferential rate with the PWLB is now assumed to apply until March 2027, following an announcement of its extension in late January 2026.

The plan currently assumes repayment of debt at loan maturity, but also assumes new borrowing to replace a significant proportion of this to allow investment into the delivery of enhanced services, improvement works to the existing stock and new homes within the HRA.

Internal lending is assumed at an interest rate of 3.90% in 2025/26, 3.60% in 2026/27, 3.30% in 2027/28 and 3.50% from 2028/29 onwards in line with advice from the Council's treasury management function.

## 2.3 HRA Business Plan Projections - Baseline

As set out above, we have modelled the capacity of the business plan not only to meet existing and future service costs, but also to invest in existing homes to ensure stock is maintained at the Decent Homes Standard and to deliver new homes, whilst also demonstrating overall financial sustainability. In doing so, a starting minimum balance for the HRA of £7.4m has been applied, increased to £8.2m from 2026/27.

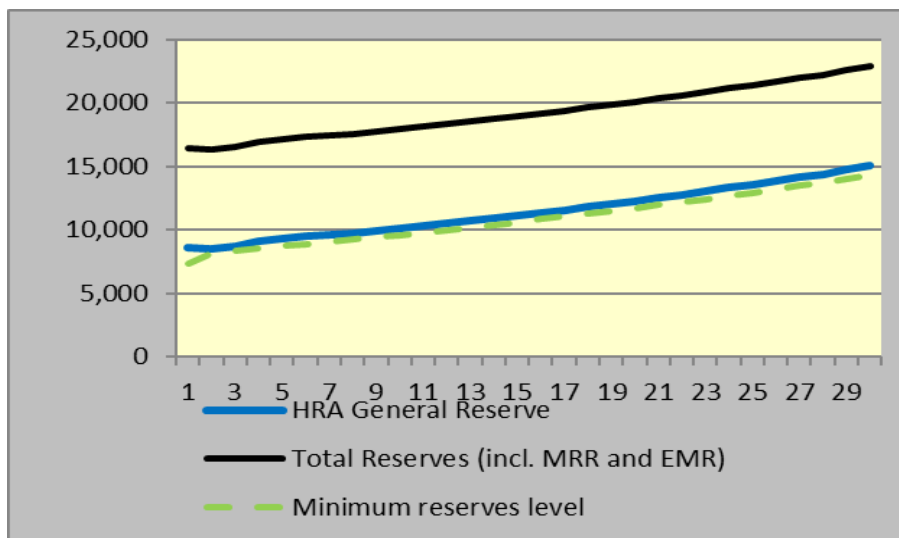
Various methodologies can be applied for arriving at a minimum reserve balance:

1. Equivalent to a period of gross expenditure. In the case of Cambridge £8.2 million is equivalent to 2.4 months of expenditure; elsewhere we have seen 1.7 months set as a basis.
2. A percentage of turnover is also adopted at other LA's, with authorities we have worked with having set the target limit at minimum 10% of turnover, which if adopted by Cambridge, would be £6.1m, in place of the current £8.2m.
3. Finally, a straightforward allowance per unit could be used, which equates to £1,072 per unit whereas values closer to £900 per unit are modelled elsewhere.

Having considered the above benchmarks, the 2026/27 level of minimum reserves of £8.2m included in the business plan is considered prudent against all metrics, and as a result, the Council could consider reviewing the reserves policy in future years.

The chart below shows the projection for HRA reserves, maintaining reserves at, or marginally above the minimum level, with the starting level of £7.4m increased to £8.2m for 2026/27, then inflated annually in line with CPI, with all available remaining resource in the HRA utilised to finance the capital programme.

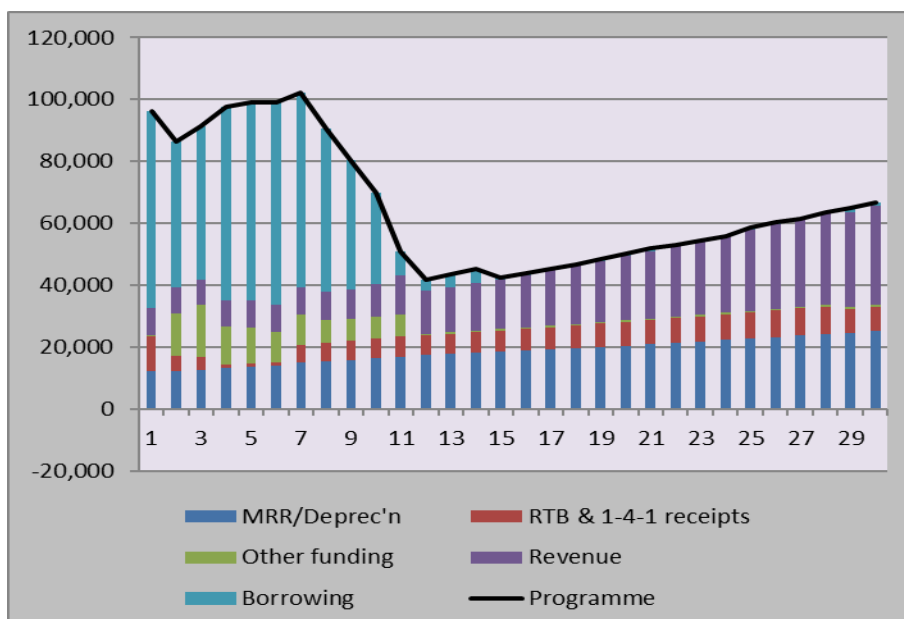
Chart 2.1 – Projected HRA balances (£'000s)



These projections demonstrate that the HRA reserves are able to be maintained at, or above the minimum level set throughout the life of the plan, with any revenue surplus above this level utilised as revenue contributions to capital outlay (RCCO) to fund the capital programme, reducing the need to borrow further. The model maximises available revenue contributions to capital throughout the 30 years, whilst maintaining balances within the HRA revenue reserve at, or above, the agreed level.

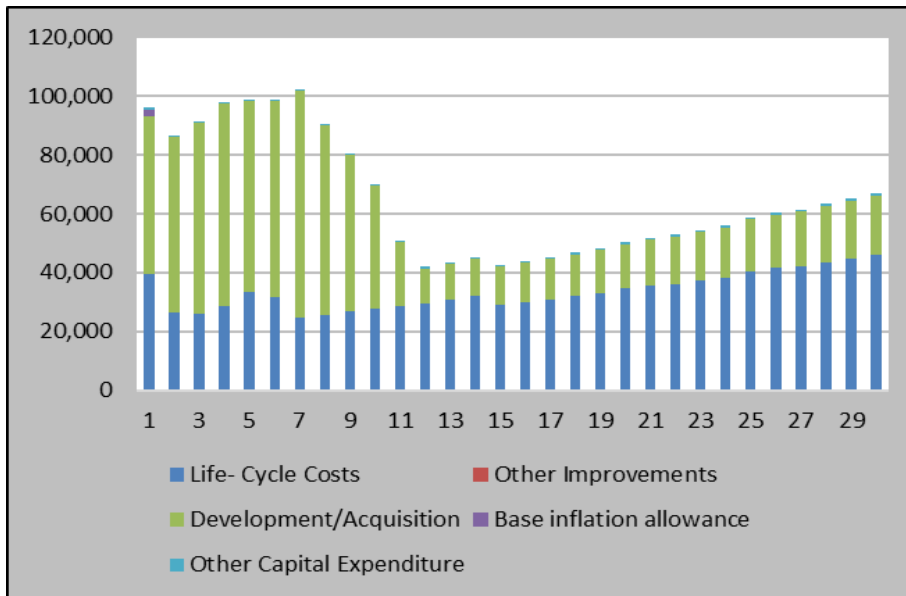
The Council could reduce the use of revenue surpluses to directly finance the capital programme, instead providing for additional expenditure on services, utilising the resource to support additional borrowing, or alternatively setting aside resource to allow repayment of an element of HRA debt. This would however require a review of the proposed capital investment programme, to either reduce investment, or to utilise alternative funding sources.

Chart 2.2 – Projected capital expenditure and financing (£'000s)



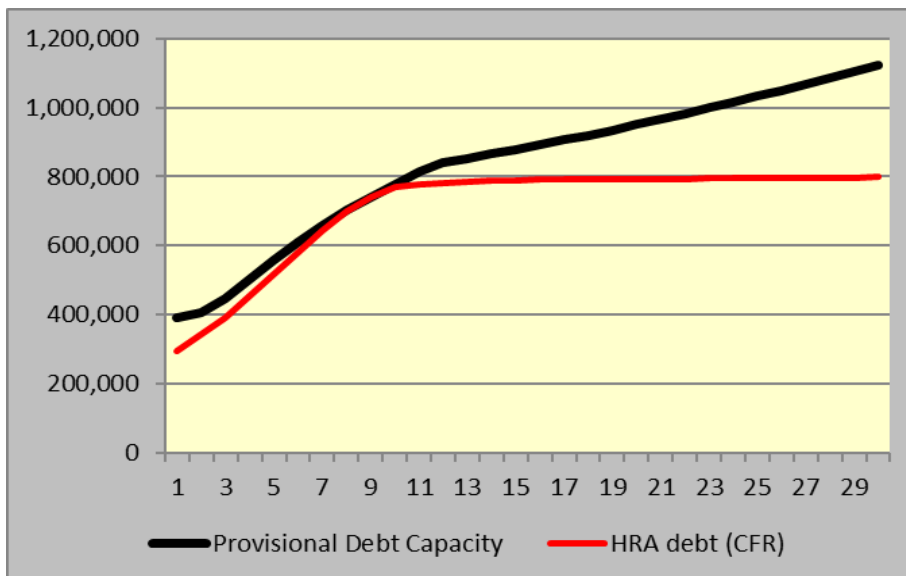
Capital expenditure is fully financed throughout the 30 years as demonstrated by the horizontal black line, with net new borrowing required throughout, to facilitate the delivery of the ongoing programme of new homes, alongside energy improvements to the existing housing stock.

Chart 2.3 – Projected Capital Expenditure Analysis (£'000s)



In order to assist in financing the levels of capital expenditure demonstrated above (charts 2.2 and 2.3) the projected debt (HRA CFR) is demonstrated in the graph below.

Chart 2.4 – Projected debt profile (HRA CFR) and Notional debt capacity “golden rule” (£'000s)



Borrowing is projected to increase across the life of the plan, to a total of £799m by 2054/55, with a degree of net new borrowing required to continue to deliver new homes, alongside taking out new loans in place of existing loans as they mature.

The notional debt capacity in the chart above is measured on the basis of the Interest Cover Ratio<sup>1</sup> (ICR) which sets out one basis for setting a prudent limit on borrowing based upon the underlying net income generated within the plan. Borrowing sits within this measure of debt capacity, as measured by an interest cover ratio of 1.25 throughout the life of the plan, with additional borrowing capacity available, beginning to build from year 11 onwards, once the current development programme, which utilises a significant amount of the capacity in the early years, comes to an end.

The business plan carries risk in terms of the level of borrowing required, particularly across the first 10 years, as the development programme is delivered and the required energy improvements are made to the existing housing stock. During this period there is far less capacity to respond to unforeseen events or to invest elsewhere if the need arises. Borrowing can be supported by available revenue resources but will require careful risk management and regular review to ensure that costs are controlled and new homes are delivered both on time and budget.

The ICR is calculated as operating surplus divided by interest costs, and represents the cover that the HRA has against its interest cost liabilities in any year after taking into account transfers from the HRA to the Major Repairs Reserve (MRR) for depreciation, which in turn is then used to finance the capital programme.

This approach to ICR recognises that the Council has flexibility in the way it uses any HRA net income after depreciation – it can either use this surplus revenue to top up depreciation to the MRR, use surplus revenue as revenue contributions to the capital programme (RCCO), use surplus revenue to borrow against, or use surplus revenue to pay down debt.

The ICR is set to a “golden rule” which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest. For housing associations, the usual definition of operating surplus is EBITDA-MRI (Earnings before Interest, Tax, Depreciation and Amortisation – Major Repairs Included) – which is a measure that takes into account all of the costs associated with future stock maintenance. For the HRA, there is a split between future costs which are charged to revenue and future costs which are charged to capital hence it is appropriate to draw the “net income” level after depreciation.

There are financial pressures within the housing association sector that are parallel to those affecting local authorities and Cambridge City Council. The average ICR for the HA sector in 2024/25 was 0.91 although this captures all capital as well as revenue expenditure; typical lending covenants vary between 1.10 and 1.50 depending on the size and nature of the HA, with 1.25 being a typical “golden rule” expectation. Until the last two years, the ratio has not dropped to below 1 since 2007/08 and highlights that housing associations have had to accept that interest cover will dip below minimum levels in the short-medium term (effectively requiring a “carve out” from their funder covenants in the short-term). In other words, they are having to use some net income to borrow to invest in their stock applying a degree of flexibility in the same way that councils are able to do within the HRA.

For the HRA, operating surplus is best defined as:

- Turnover (dwelling rents, other rents, service charges, contributions)  
less
- Operating Costs (general management, special management, other management, repairs & maintenance, depreciation transfers).

The above definition of ICR works in the HRA context as it determines the revenue surplus before interest, appropriations, and other “below the line” adjustments, and already takes into account a significant element of costs relating to major repairs before comparing to debt interest capacity.

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<sup>1</sup> We draw ICR at Net Operating Income (i.e. turnover less management, maintenance and depreciation); this reflects the resource accounting nature of the HRA and flexibility with which to utilise surplus revenue below that level

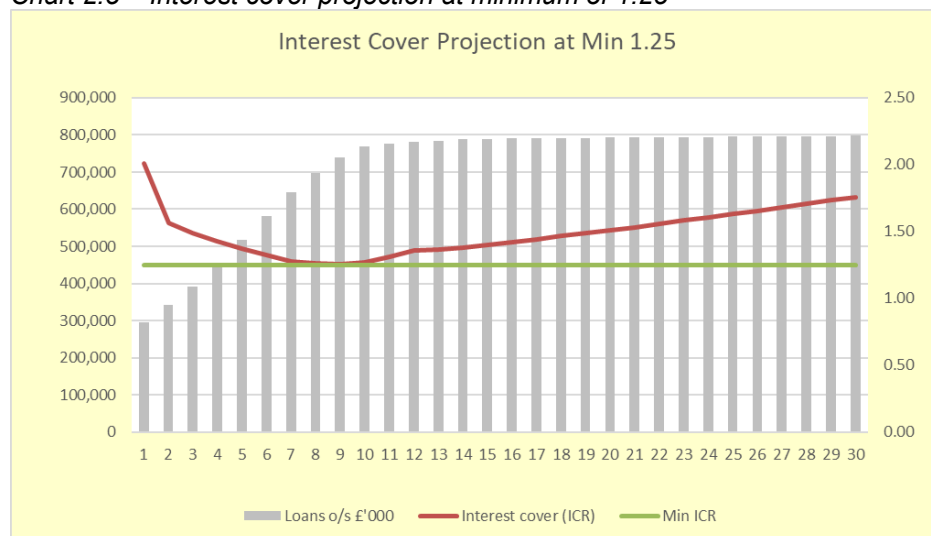
The net operating surplus determining the availability of revenues to cover interest payments can also be expressed in %age terms as “operating margin”. The operating margin within the baseline plan starts at around 30% and rises to circa 44% over the long-term. Margins are considerably above national benchmarks throughout, when compared with other local authorities, and improve further as rents increase at a greater pace than costs and new homes are delivered with higher rents and marginal operating costs assumed for these.

Chart 2.4 shows the provisional debt capacity (prudential borrowing) which is set at the “golden rule” of interest cover ratio (as defined above) at a minimum of 1.25, with borrowing headroom available throughout, but not to any great significant degree until year 11 and throughout the remainder of the life of the plan.

The plan shows a position that is financially viable in terms of HRA revenue projections, with reserves maintained at, or above, minimum levels throughout. The plan is not, however, without risk. The level of debt to be taken on is significant, but critically sits within levels that would be considered “prudent” in risk management terms. The impact on the “golden rules” for setting prudential limits is affected in terms of:

- Forecast levels of debt (HRA CFR) increase throughout the life of the plan predominantly to support the planned investment in the delivery of new homes, but also the investment required in the existing housing stock in the first 5 years.
- There is resource available for debt repayment in later years, but the plan currently assumes this is reinvested in the delivery of energy improvements to the existing housing stock and in the delivery of new homes.
- Forecast borrowing is within the interest cover “golden rule” of 1.25 throughout, with an ICR of 2.01 in 2025/26, reducing to as low as 1.25 in year 9, before rising to 1.76 by year 30, indicating a financially viable position, but with inherent risks that will need to be managed and little additional investment capacity for some time. This is clearly demonstrated in the chart below:

Chart 2.5 – Interest cover projection at minimum of 1.25



A 10-year rent settlement at CPI plus 1.0% in addition to the assumption that rent convergence will be reintroduced at £1 per week from April 2027 and £2 per week from April 2028 are essential to support the interest payments on the borrowing within the plan and to ensure that borrowing remains at levels that are considered “prudent” in risk management terms, particularly over the first 10 years. It is also critical that costs are controlled during the first 10 years of the plan, as the investment capacity is fully committed over this period based upon the expenditure assumptions within the baseline plan.

## 2.4 Comparison to benchmarks

The table below compares data from the Draft Statement of Accounts for Cambridge City Council to that of the majority of other local authorities with a Housing Revenue Account, using available 2024/25 data.

Table 2.2– Statement of Accounts Benchmarking Data 2024/25

|                                                          | Cambridge     | Eastern Region | National      |
|----------------------------------------------------------|---------------|----------------|---------------|
| Management cost gross per unit                           | 1,329         | 2,022          | 2,393         |
| Maintenance cost gross per unit                          | 2,126         | 1,653          | 1,680         |
| <b>M&amp;M gross per unit</b>                            | <b>3,455</b>  | <b>3,675</b>   | <b>4,073</b>  |
| <b>M&amp;M net of non-rent income per unit</b>           | <b>2,509</b>  | <b>2,842</b>   | <b>2,886</b>  |
| Depreciation per unit                                    | 1,575         | 1,380          | 1,196         |
| <b>Operating costs per unit (net of non-rent income)</b> | <b>4,083</b>  | <b>4,222</b>   | <b>4,082</b>  |
| <b>Debt per unit</b>                                     | <b>29,994</b> | <b>24,260</b>  | <b>20,039</b> |
| M&M rent £                                               | 0.39          | 0.50           | 0.53          |
| Depn rent £                                              | 0.24          | 0.24           | 0.21          |
| Financing rent £                                         | 0.15          | 0.15           | 0.14          |
| Surplus/deficit rent £                                   | 0.22          | 0.11           | 0.12          |
| <b>Rent</b>                                              | <b>130.61</b> | <b>113.25</b>  | <b>109.05</b> |

Management and maintenance costs combined are lower than benchmark particularly after netting off non-rent income (i.e. service charges)

Individually management costs are lower than benchmark and maintenance costs are higher, but Cambridge report repairs administration costs in repairs whilst some local authorities report it in management, hence a combined measurement is a more useful comparison.

Depreciation is marginally above benchmarks, both regionally and nationally.

The debt per unit (predominantly resulting from the 2012 Self-Financing Settlement) is high, but so is the rent per unit supporting it, when compared to both regional and national averages.

Represented as a proportion of the rent £, management and maintenance costs are far lower than benchmarks, with rents and operating margins being high, leaving significant surpluses available for RCCO, investment in services or debt repayment. All available resource is currently committed as RCCO to the capital programme to finance investment in the stock, energy improvements and new build.

Increases to budgets from 2026/27 will see the gross management and maintenance cost increase from £3,455 in 2024/25 to an estimated £3,814 – an increase of over 10%, which (given rent increases across the country of 4.8%) is likely to be a higher revenue cost increase than for many authorities.

The management and maintenance cost, net of non-rent income, will increase from £2,509 to £3,042, an increase of over 20%.

These increases are affordable within the business plan, in part as a result of the assumption that rent convergence is reintroduced at £1 per week from April 2027 and £2 per week for April 2028. Any local decision not to reintroduce this, will adversely impact the business plan.

## 3. Sensitivity and Stress Testing

Given the ongoing economic and policy uncertainty in respect of cost inflation, interest rates, rent convergence and the impact of proposed changes to Decent Homes Standard alongside the introduction of a Minimum Energy Efficiency Standard, we have specifically reviewed some sensitivities in respect of the impact of these.

The sensitivities considered are set out in the sections below, with a summary in the set of graphs at the end of the section. These measure the impact of each sensitivity against the closing level of debt, the closing level of HRA reserves and the closing interest cover ratio at the end of the plan.

### 3.1 Interest Rate Risk

Due to the increased levels of borrowing in the business plan in order to facilitate both development and the investment required in the existing housing stock, the level of interest rates will have an impact on the plan. Any requirement for the Council to refinance existing debt will also impact the plan.

The interest rates supplied for use within the plan are based on the Council's view of the treasury sector, with borrowing rates of 5.50% in 2025/26, 5.15% in 2026/27, 5.35% in 2027/28, 5.25% in 2028/29 and 5.20% from 2029/30 onwards, for the remainder of the term of the plan, but the markets, and particularly Government gilts, are difficult to predict.

At the time of writing, PWLB maturity loan rates vary from 4.57% to 6.19% depending upon the term of the loan. The current reduced HRA rate at 60 basis points below the standard PWLB lending rates is now applicable until at least March 2027, following an announcement in late January 2026 of a single year extension. Outside of this, the PWLB certainty rate of 20 basis points below the standard rate will still apply. Therefore the 5.50% rate currently is not considered unrealistic, and is reflective of the rates available to the HRA for longer-term borrowing in the current market place.

However, by way of example, we have demonstrated the impact of:

- Increasing borrowing rates for all new borrowing by 1.00% from 2026/27 onwards
- Reducing borrowing rates for all new borrowing by 1.00% from 2026/27 onwards.

The rates modelled for 2025/26 remain unchanged in both scenarios.

### 3.2 Cost Inflation Risk

Within the plan, we have used inflation indicators as agreed with Cambridge, which assume the Bank of England's core target for inflation of 2% is achieved by 2028/29, with a rate of 2.60% assumed for 2027/28.

Considering both the Bank of England (BoE) and Office of Budget Responsibility (OBR) forecasts for the next 3 years for CPI, this assumption is considered wholly reasonable and is in line with the assumptions being made by a number of other councils.

According to the Bank of England's Monetary Policy Report of Augst 2025 inflation was expected to be:

- 3.8% Quarter 3 2025
- 2.7% Quarter 3 2026
- 2.0% Quarter 3 2027

In December 2025, the Bank of England reduced the base rate to 3.75%, and confirmed that they anticipated the fall back to the 2% inflation target would be quicker.

The Office of Budgetary Responsibility Economic and Fiscal Outlook of November 2025 also supports the view that inflation will return to 2% during 2027, supporting the assumption that this could be the rate assumed for budgets from 2028/29.

To test the impact of varying inflation on the plan we have modelled two scenarios in respect of cost inflation and non-rental income inflation only, as detailed below:

#### Higher general cost and non-rental inflation (CPI)

In this scenario we have modelled inflation for 2027/28 and 2028/29 at 3%, before returning to 2% from 2029/30.

#### Lower general cost and non-rental inflation (CPI)

In this scenario we have modelled inflation falling to below the government's long-term target, with 1% assumed for both 2027/28 and 2028/29, before returning to 2% from 2029/30.

### **3.3 Future Rent Policy (possible risks and “upside”)**

We have considered the impact of changes in both cost and non-rental inflation and interest rates, and now have some certainty over base rent increases for the next 10 years, with the basis for the reintroduction of rent convergence now confirmed.

The Council's baseline position now assumes CPI plus 1% for 10 years from April 2026, with rent convergence assumed to be reintroduced at the rate of £1 per week from April 2027, increasing to £2 per week from April 2028, for the remainder of the 10-year rent settlement period.

To demonstrate the impact on the plan of alternative scenarios, we have modelled two alternative scenarios as detailed below:

- Rent convergence at £2 per week from April 2026, as was assumed in the business plan prior to the recent government announcement
- Rent convergence not being introduced at all

We have modelled the impact of the earlier assumption that rent convergence would be reintroduced at £2 per week from April 2026, to demonstrate the positive impact that this would have had.

We have also modelled rent convergence not being implemented at all, demonstrating the impact of a local decision not to proceed with rent convergence.

This has the potential to make a significant “downside” difference to the resources available in the HRA, which will otherwise allow the Council to consider additional investment to meet repair liabilities and building safety requirements, to meet energy efficiency targets, and to deliver additional new homes.

From a further downside perspective, we have also modelled the impact of early cessation of the 10-year rent settlement, assuming a change in government policy reverts rent increases to CPI only after the first 5 years, recognising that rent policy has been revisited a number of times in the past.

### **3.4 Include Full Net Zero Carbon Investment**

The baseline financial model assumes achievement of the EPC ‘C’ standard by 2030, and then provides for additional investment of £180m, at £7.2m per annum from year 6 towards achieving Net Zero carbon standards across the housing stock.

We have modelled an alternative scenario that assumes a higher level of investment, aimed at achieving Net Zero Carbon across the life of the plan, based upon the Net Zero Carbon costs provided to the Council by Fielden and Mawson a number of years ago.

We have also modelled the impact of removing this additional investment completely, to demonstrate the impact of capital investment that does not bring with it an increased revenue stream, as the delivery of new homes does, for example.

### 3.5 Resulting Sensitivity Impact

The graphs below demonstrate the impact of each sensitivity modelled against the interest cover “golden rule” of 1.25 at year 30, the closing debt position at year 30 and the closing HRA reserves position at year 30.

Chart 3.1: Closing ICR modelled against above sensitivities

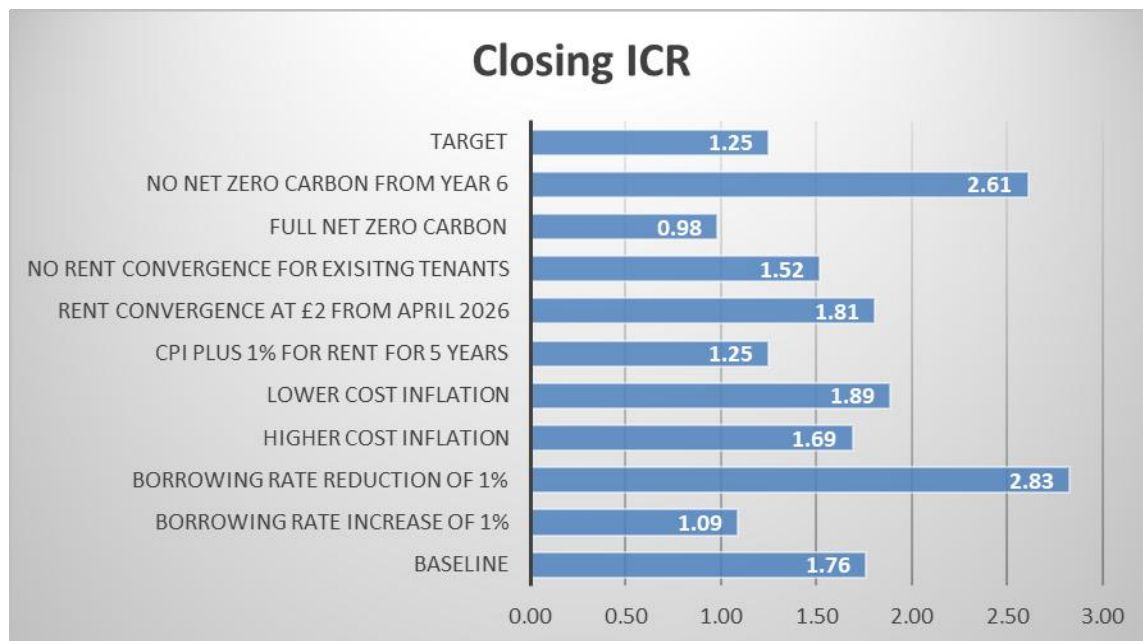


Chart 3.2: Closing HRA Debt modelled against above sensitivities

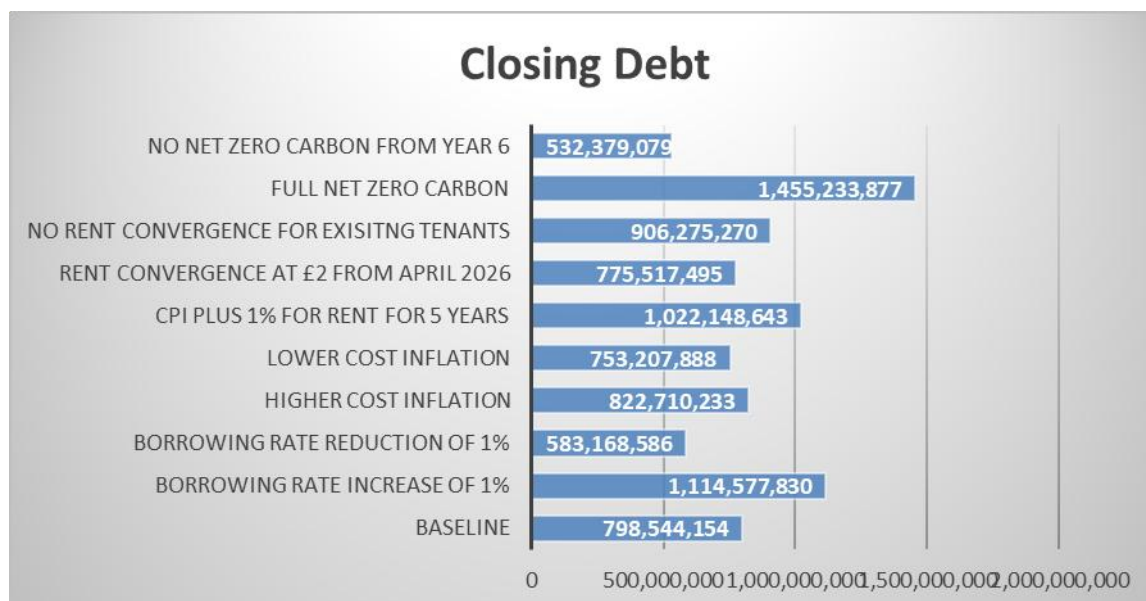
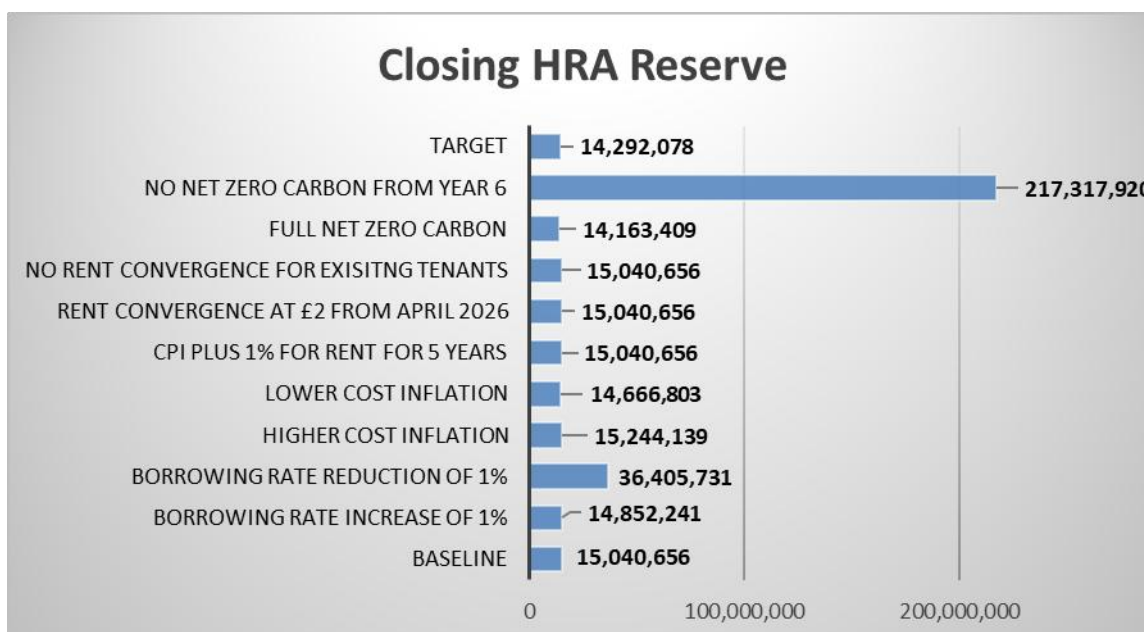


Chart 3.3: Closing HRA Reserves modelled against above sensitivities



As expected, the sensitivities and stress testing exemplified in the charts above highlight that the business plan (and therefore future financial viability of the HRA) is particularly sensitive to future rent setting policy across all elements of the plan, to future movements in interest rates as a result of new borrowing to be undertaken within the plan, and to the level of investment required to meet Net Zero Carbon standards.

Any local decision not to reintroduce rent convergence would increase the closing debt in the plan from £799m to £906m, and would result in borrowing moving to a level considered to be outside of what might be considered “prudent” in risk management terms in years 7 to 11, highlighting the importance of rent convergence to manage the risk in the baseline business plan.

It is evident that the business plan is particularly sensitive to an increase in interest rates, with significant borrowing required over the next 30 years. A 1 % increase in the interest rate for all new or re-financed borrowing would move the plan into a position where borrowing would be at a level above that considered “prudent” in risk management terms, with an ICR of 1.09 by year 30.

It is also clear that there is currently insufficient resource, or available borrowing capacity within a reasonable degree of risk management, to consider the full level of investment to achieve Net Zero Carbon standards across the existing housing stock. However, removal of the Net Zero Carbon investment from year 6 significantly reduces risk and increases capacity for alternative investment, potentially in additional development of new homes. Securing grant towards this investment would also have a positive impact, and should be fully explored.

The Council will, of course, need to keep the plan under close and regular review to ensure that costs are controlled and the delivery of services and investment are able to be maintained over the longer-term, particularly as additional borrowing is committed to.

## 4. Summary

1. The HRA business plan forecast as set out in our modelling for Cambridge shows projections for reserve balances, forecast debt (HRA CFR) and future potential borrowing capacity.
2. The baseline version of the financial model demonstrates a plan that is financially viable, but not without risk, particularly in the early years. There is the ability to maintain a minimum level of HRA reserves throughout, with any surplus revenue resources assumed to be available as revenue funding for the capital programme. Net new borrowing is required throughout the plan, with this predominantly relating to the delivery of new homes, but also to meet the investment need in the existing stock in the early years.
3. The baseline plan is constructed on a sound financial basis but given the inherent potential for changes in respect of rent increases, inflation and interest rates, we have run a number of scenarios which could potentially develop over the coming months.
4. This report is therefore very much a position statement (as of January 2026), and we would expect the plan to develop in the coming months. It is important that the Council continue to keep the plan under regular and rigorous review, particularly given recent government announcements (rent convergence, HRA borrowing rates, changes to the Decent Homes standard, MEES) and the need to borrow extensively, particularly in the early years.
5. The level of investment in the existing stock is included at £67,070 per property over 30 years, excluding the Net Zero Carbon uplift, but it is recognised that the Stock Condition data is now 12 months out of date and that refreshed data is awaited. The level of investment incorporated into the plan is however, in line with national benchmark levels, providing some comfort that there is not a significant under-provision until improved data is available.
6. The Council has reviewed the business plan projections to take account of the announcement on 28 January 2026 in respect of rent convergence, with the delay, and phasing of implementation reducing the resource that was previously assumed to be available. It should also be recognising that the reduced additional income now incorporated into the baseline plan is subject to the Council agreeing to implementation of the policy.
7. The Council will need to borrow extensively to meet both the ambitious development plans and to allow the required investment in the existing housing stock. We have identified how the level of borrowing compares to provisional “golden rules”, with the plan identifying that proposed borrowing would be within levels that are considered “prudent” against standard sector benchmarks throughout. Careful management will still be required to ensure that development delivery is monitored both in terms of cost and timescales and additional risks are identified and mitigated where possible. The anticipated receipt of Homes England Grant towards the delivery of new homes will also need to be carefully monitored, with proposals reviewed if this assumption changes significantly.
8. Financing and interest costs are able to be met from existing reserves and revenues generated within the plan throughout, with HRA reserves maintained at, or above, the desired minimum level. Using the “golden rule”, with an interest cover ratio of 1.25 of net operating income after depreciation, the baseline plan demonstrates that there is little additional investment capacity until after year 10 of the plan, with the ICR falling to 1.25 in year 9, demonstrating that all of the investment capacity is already being utilised across this period, to maximise the delivery of new homes. This metric is only one way to consider the risk associated with borrowing in the HRA, and the Council will continue to need to carefully manage the

borrowing proposed in future years, taking account of any changes in internal or external factors that may introduce additional risk.

9. The business plan reflects operating margins which are well above benchmark at the outset, and improve further as rents increase at a faster pace than costs and new homes are assumed to be delivered with the addition of marginal operating costs. The operating margin increases from 30.2% at the outset to 44.4% by the end of the plan period. It is still imperative that income is received as anticipated and costs are controlled, particularly in the first 10 years whilst borrowing is maximised, as the ability to support the borrowing is predicated upon the income and expenditure assumptions within the plan.
10. The sensitivities modelled show that a reduction in interest rates or positive changes in rent increases would reduce financial risks and add to long-term capacity. Conversely, an increase in interest rates, or constrained rent increases will add pressure to use up that capacity. Any decision not to reintroduce rent convergence will cause borrowing to move to a position above that which might be considered “prudent” in risk management terms for a period of time, reinforcing the view that careful risk management will be required over the short to medium-term.

Savills

January 2026

# Contact

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## Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther Equality and Anti-Poverty Officer at [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) or phone 01223 457046.

Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking.

### 1. Title of strategy, policy, plan, project, contract or major change to your service

General Fund Budget 2026/27 proposals

### 2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

[Agenda for Performance, Assets and Strategy Overview and Scrutiny Committee on Tuesday, 27th January, 2026, 5.30 pm - Cambridge Council](#)

### 3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This Equality Impact Assessment (EqIA) assesses the equality impacts of the General Fund element of the City Council's budget.

An EqIA is undertaken on the budget proposals each year. The budget proposals enable the City Council to set a balanced budget for 2026/27 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the savings required.

This EqIA has been completed for budget proposals that are likely to result in significant service changes or have a directly identifiable equality impact. For some proposals there are minimal or neutral impacts and therefore they have not been included in this document.

This approach is intended to ensure that in making decisions on the Budget, the Council is discharging its Public Sector Equality Duty under the Equality Act 2010.

The 2026/27 budget proposals that are considered as part of this impact assessment are:

- B5363 City Services Operational Health and Safety Capacity
- B5396 Skill Mill
- CAP5337 Car Park Entry and Exit Systems
- CAP5351 Hand Arm Vibration Equipment
- B5335 Cleaning Contracts
- CAP5422 Planned maintenance works at Community Centres
- B5420 Public Safety - Street Lighting
- B5377 Discretionary Housing Payments
- B5424 LIFT (Low-Income Family Tracker)
- B5471 Strengthening Asset and Compliance
- CAP5441 Bereavement Service Capital Works
- B5341 Playground Investments
- TBC Taxi Card

#### 4. Responsible Team and Group

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqIA.

|                                                                                                                                                              |                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?</b><br><br><b>(Please tick all that apply)</b> | <input checked="" type="checkbox"/> Residents<br><input checked="" type="checkbox"/> Visitors<br><input checked="" type="checkbox"/> Staff |
| Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):<br><br><b>N/a</b>  |                                                                                                                                            |

|                                                                                                           |                                                                                    |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>6. What type of strategy, policy, plan, project, contract or major change to your service is this?</b> | Each of the proposals identified will change the level of service to be delivered. |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

**7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)**

☒ Yes

☐ No

If 'Yes' please provide details below:

This is an assessment of the Council's budget proposals and therefore covers all our services. The budget also affects some of the Council's partnership working.

**8. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

This information is based on feedback from Council Officers that lead on the individual Budget proposals and any EqlAs they have produced.

Where EqlAs have been produced separate to this document the most significant impacts have been summarised here rather than reproducing the information from other EqlAs in full.

**9. Potential impacts**

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

**(a) Age - Please also consider any safeguarding issues for children and adults at risk**

**B5363 City Services Operational Health and Safety Capacity**

The creation of a new Health and Safety Manager role would add capacity to support things like personal risk assessments and fire evacuation plans, to support safety at work of people with disabilities/impairments. The likelihood of mobility, visual and hearing impairments increases with age.

**B5396 Skill Mill**

This programme aims to reduce youth reoffending by providing paid environmental work placements and mentoring to high-risk young people who are not in education, employment or training referred by Youth Justice. This is for young people aged 16-18 so

would specifically benefit them. They are able to gain paid employment, and qualifications, and reoffending rates for those participating in Skill Mill are low at 8.5%. It therefore reduces youth crime, while boosting employability.

#### **CAP5337 Car Park Entry and Exit Systems**

This proposal is for updating parking equipment with a more digitalised system. To mitigate a potential negative impact for older users, who are more likely to experience digital exclusion, cash and card payment machines would still be retained.

#### **CAP5351 Hand Arm Vibration Equipment**

New Hand Arm Vibration, Whole Body Vibration, and noise monitoring equipment will help older members of staff as they may be more susceptible to vibration-related injuries or hearing loss.

#### **B5335 Cleaning Contracts**

This funding is required to maintain current service levels and hygiene standards across public toilets; maintaining high cleaning standards supports hygiene and accessibility for all users, and especially for groups who are likely to use toilet facilities more including:

- Families with young children: Parents, especially those with babies and young children, may require public toilets with baby-changing facilities.
- Older people: Older individuals are more likely to have medical conditions, such as incontinence, that necessitate easy access to toilets.

#### **B5420 Public Safety - Street Lighting**

This funding would increase lighting levels resulting in an increased sense of safety for young people more likely to engage in the nighttime economy. Moreover, improved lighting might especially benefit older people who are more likely to have visual and mobility impairments and be at risk of trips and falls.

#### **B5377 Discretionary Housing Payments**

This proposal is to increase the council's ability to award Discretionary Housing Payments (DHPs) to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. DHPs do not take account of age but seek to support sustainable tenancies by funding shortfalls for recipients who are of working age. Young care leavers and previous hostel dwellers may be entitled to higher Local Housing Allowance rates but may still need DHPs as they are less likely to have other sources of financial support.

#### **B5341 Playground Investments**

This bid is to invest in repairing and replacing broken and damaged play equipment. The equipment is used by children and young people, so maintaining it ensures parks remain safe, enjoyable and accessible. Equipment that is not maintained is a safety risk to children that may cause injury, and also reduces the overall play experience.

## **(b) Disability**

### **B5363 City Services Operational Health and Safety Capacity**

The creation of a new Health and Safety Manager role would add capacity to support improved risk management and maintenance, which can help to prevent injury leading to disability and can improve access issues in public spaces. Moreover, this would increase capacity for undertaking personal risk assessments and fire evacuation plans, to support safety at work of people with existing disabilities/impairments.

### **CAP5337 Car Park Entry and Exit Systems**

The proposed updated car parking equipment would take into account needs of disabled users, looking at the possibility of loaded accounts or prepayment to allow barriers to automatically raise on entrance and exit which would minimise the need to visit payment machines that might benefit people who are less mobile. Moreover, to mitigate negative impacts on people who are digitally excluded (which is more likely to be experienced by disabled people), cash and card payment machines would be retained.

### **CAP5351 Hand Arm Vibration Equipment**

New Hand Arm Vibration, Whole Body Vibration, and noise monitoring equipment would help to prevent disability and sickness by detecting harmful levels of vibration and noise early, allowing action to be taken before lasting damage occurs. By reducing exposure, it would help prevent conditions such as Hand Arm Vibration Syndrome, back pain, and hearing loss, supporting long-term employee health and wellbeing.

### **B5396 Skill Mill**

This programme aims to reduce youth reoffending by providing paid environmental work placements and mentoring to high-risk young people referred by Youth Justice who are not in education, employment or training. According to the Youth Justice Legal Centre, in England and Wales 80% of children cautioned or sentenced within the youth justice system have Special Educational Needs and Disabilities or are neurodivergent, so the programme is likely to benefit these groups.

### **B5335 Cleaning Contracts**

This bid would ensure that the council maintains hygiene standards in public toilets ensuring they remain safe and hygienic, thereby preventing long-term illness and disability. Moreover, this benefits disabled users who may use toilets more frequently such as people with gastrointestinal disorders like Crohn's disease and colitis.

#### **B5420 Public Safety - Street Lighting**

This funding would increase lighting levels resulting in an increased sense of safety for people with disabilities, with enhanced visibility benefits for people with visual impairments and mobility challenges to prevent trips and falls. People with disabilities are also at-risk of hate crime so better visibility may be beneficial here. There is a need to ensure that lighting does not create glare or disorientation for people who are neurodiverse.

#### **B5377 Discretionary Housing Payments**

This proposal would increase the amount that the council has to award Discretionary Housing Payments (DHPs) that are used to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. DHPs cannot be awarded if these benefits are not in payment. Disabled households may benefit from receiving DHPs as they may be affected by Local Housing Allowance and Spare Room Subsidy restrictions but they also may be unable to secure more appropriate accommodation due to lack of supply. People may be supported with a Discretionary Housing Payment for lengthy periods of time.

#### **B5471 Strengthening Asset and Compliance**

This bid is to ensure compliance in managing the council's property portfolio. It would ensure the council's assets are maintained, supporting those who have disabilities or health needs. People with physical disabilities may be more affected by maintenance issues as each individual may have specific and unique needs, which could include access needs. Disrepair can be a health and safety issue and exacerbate some health conditions, including mental health issues so maintaining council homes would positively impact these issues.

#### **CAP5441 Bereavement Service Deferred Capital Works**

This bid is for an investment programme of works in the Bereavement Services estate. This includes work such as resurfacing car parks and pathways, replacing flooring and updating exterior lighting, all of which would support those with physical disabilities or access needs to better access bereavement services.

#### **TBC Taxi Card**

This bid would continue to provide support towards taxi costs for residents who are disabled and on low-income for a further two years. It directly supports disabled residents to travel and access services.

**(c) Gender reassignment****B5420 Public Safety**

This funding would increase lighting levels resulting in an increased sense of safety for transgender and non-binary people who may experience increased levels of harassment at night linked to hate crime.

**(d) Marriage and civil partnership**

No impacts have been identified specific to this equality group.

**(e) Pregnancy and maternity****B5335 Cleaning Contracts**

This bid would ensure that the council maintains hygiene standards in public toilets. This would particularly benefit pregnant individuals who require more frequent use of toilets, people who might use public toilets for privacy when breastfeeding or attending to their child's needs, and those with babies and infants requiring public toilets with baby-changing facilities.

**CAP5422 Planned maintenance works at Community Centres**

This funding would maintain the Browns Field and Trumpington Pavilion Community Centres which are used by pre-natal NCT classes and cooking classes for teenage parents

**B5377 Discretionary Housing Payments**

This proposal would increase the amount that the council has to award Discretionary Housing Payments (DHPs). DHPs are used to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. They may be awarded to mothers who are unable to work during pregnancy. Expectant families are also sometimes affected by Local Housing Allowance and Spare Room Subsidy restrictions until the child/ren are born. DHPs can support these households during this time.

**(f) Race – Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.**

**B5396 Skill Mill**

This programme aims to reduce youth reoffending by providing paid environmental work placements and mentoring to high-risk young people referred by Youth Justice who are not in education, employment or training. Children from Black, Asian and mixed ethnic backgrounds make up half of those in the youth justice secure estate (YOI, secure children’s homes and secure training centres) (Roe, 2022). Working with young people within the justice system will benefit those who are from diverse backgrounds.

**B5420 Public Safety**

This funding would increase lighting levels resulting in an increased sense of safety for people of all ethnic groups, may reduce fear of racial harassment at night relating to hate crime.

**B5377 Discretionary Housing Payments**

This proposal would increase the amount that the council has to award Discretionary Housing Payments (DHPs). DHPs are used to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. UK statistics find that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years, which means they may especially benefit from DHPs. Poverty rates are higher among all ethnic minority groups compared with those among the majority White British, therefore it could be that there are proportionally higher numbers of claims from some ethnic minority groups than others when compared to the proportion in population.

**(g) Religion or belief**

**B5335 Cleaning Contracts**

This proposal is to maintain hygiene standards in public toilets. Clean and accessible facilities are important for cultural and religious reasons related to hygiene and dignity.

**CAP5422 Planned maintenance works at Community Centres**

This funding is required to maintain the Browns Field and Trumpington Pavilion Community Centres which are used by an African and a Brazilian Church.

**B5420 Public Safety**

This funding would increase lighting levels resulting in an increased sense of safety for people travelling to and from religious events at night, and people who may feel unsafe due to risk of hate crime associated with hatred towards someone's religion or belief.

### **Bereavement Service Deferred Capital Works**

This bid is for an investment programme of works in the Bereavement Services estate. It includes work to add a pathway to the Islamic and Jewish sections of the burial ground. Currently this is the only section of the cemetery where there is no pathway so it will make access fairer for people of these faiths.

## **(h) Sex**

### **B5420 Public Safety**

This funding would increase lighting levels resulting in an increased sense of safety for women travelling to and from events at night. Women are much more unlikely to feel safe at night than men ([New data shows extent to which women feel unsafe at night | End Violence Against Women](#)).

### **B5377 Discretionary Housing Payments**

This proposal would increase the amount that the council has to award Discretionary Housing Payments (DHPs). DHPs are used to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. Single parents are more likely to be at risk of poverty so require DHPs ([DWP figures show two in five single parents are living in poverty](#)) and women are generally more likely to be single parents (90%) according to ONS 2019. Locally, when looking at Council Tax Reduction (which will cover both housing benefit and Universal Credit claims) of the 1,549 single parent households, 1,463 are women.

## **(i) Sexual orientation**

### **CAP5422 (Planned maintenance works at Community Centres)**

This funding is required to maintain the Browns Field and Trumpington Pavilion Community Centres which are used by a LGBTQ+ youth group.

### **B5420 Public Safety**

This funding would increase lighting levels resulting in an increased sense of safety for LGBTQ+ people at night relating to hate crime.

**(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on:**

- **Low-income groups or those experiencing the impacts of poverty.**
- **People of any age with care experience – this refers to individuals who spent part of their childhood in the care system due to situations beyond their control, primarily arising from abuse and neglect within their families. The term “Care experience” is a description of a definition in law, it includes anyone that had the state as its corporate parent by virtue of a care order in accordance with the Children Act 1989 and amendments.**
- **Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: [https://media.ed.ac.uk/media/1\\_159kt25q](https://media.ed.ac.uk/media/1_159kt25q)).**

**People of any age with care experience**

**B5377 Discretionary Housing Payments**

This proposal is to increase the council’s ability to award Discretionary Housing Payments (DHPs) to prevent homelessness in residents who are in receipt of housing benefit or Universal Credit where housing support is included. Young care leavers may be entitled to higher Local Housing Allowance rates but may still need DHPs as they are less likely to have other sources of financial support.

**Low-income groups or those experiencing the impacts of poverty**

Some groups are more likely to experience poverty than others. Some ethnic minority groups, disabled people and those claiming income-related benefits are disproportionately likely to experience poverty ([JRF](#)).

**B5396 Skill Mill**

Skill Mill provides paid employment to high risk young people who are not in education, employment or training, directly addressing poverty and improving social mobility by providing both qualifications and experience of employment.

**CAP5337 Car Park Entry and Exit Systems**

Reduction in cash payment machines could negatively impact low-income users as they are more likely to rely on cash ([Research Note: An empirical analysis of characteristics associated with cash reliance in the UK | FCA](#)). To mitigate, we will not remove all cash payment machines from any site.

**B5424 LIFT (Low-Income Family Tracker)**

This bid is for a dashboard that would help identify households who will benefit from additional support around income-maximisation and prevent crises such as debt and homelessness. Targeted support will help to reduce poverty amongst the most vulnerable households experiencing low-income and poverty.

**TBC Taxi Card**

This bid would continue to provide support towards taxi costs for residents who are disabled and on low-income for a further two year. It supports those who are disabled and on a low-income to travel and access services.

**10. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqIA accordingly.)**

N/a

**11. Do you have any additional comments?**

This EqIA includes main equality impacts as identified at the time of budget bid submission. As bids are approved and work undertaken, further equality impacts need to be captured by services in individual EqIAs as appropriate.

## 12. Sign off

**Name and job title of lead officer for this equality impact assessment:** Graham Lewis and Lily Simmonite, Community Equity Officers

**Names and job titles of other assessment team members and people consulted:** Helen Crowther, Equity and Community Power Manager; James Elms, City Services Director; Keryn Jalli, Strategic Resettlement and Community Equity Lead; Daniel Morgan, Operations Manager (Crematorium & Parking Services); Don Blair, Senior Operations Manager; Wendy Johnston, Operations Team Leader - Street Cleansing; Richard Brown, Strategic Community Facilities Lead; Sarah Steggles, Team Manager, Public Safety; Naomi Armstrong, Benefits Manager; Laura Adcock, Strategic Health and Wellbeing Lead; Sean Cleary, Assistant Director Homes & Commercial; Ian Ross, Recreation Development Manager; Clarissa Norman, Customer Support Manager.

**Date of EqlA sign off:** 16<sup>th</sup> January 2026

**Date of next review of the equalities impact assessment:** EqlAs on the council's budget setting process are produced annually

**Date to be published on Cambridge City Council website:** 19 January 2026

## Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking.

### 1. Title of strategy, policy, plan, project, contract or major change to your service

Housing Revenue Account (HRA) budget proposals 2026/27

### 2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

[Agenda for Performance, Assets and Strategy Overview and Scrutiny Committee on Tuesday, 27th January, 2026, 5.30 pm - Cambridge Council](#)

### 3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This EqIA considers equality impacts of budget proposals for the HRA at the point that they go to the Performance, Assets and Strategy Overview and Scrutiny Committee.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced Housing Revenue Account budget for 2026/27 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the efficiency savings required to allow the strategic reinvestment of resource into new areas.

This EqIA has been completed for budget proposals that are likely to result in significant service changes or have a directly identifiable equality impact. For some proposals there are minimal or neutral impacts and therefore they have not been included in this document.

This approach is intended to ensure that in making decisions on the Budget, the Council is discharging its Public Sector Equality Duty under the Equality Act 2010.

The 2026/27 budget proposals that are considered as part of this impact assessment are:

- B5463 City Homes Legal Costs
- B5466 Increased Cost of Void Repairs
- B5464 Damp, Condensation and Mould (DCM) Repairs
- B5469 External Wall Insulation (EWI) Inspections
- B5442 City Services Operational Health and Safety Capacity
- B5445 Housing Repairs Function
- B5443 Strengthening Asset and Compliance
- B5454 Universal Credit Bot
- B5455 Voicescape
- B5461 Low Income Family Tracker (LIFT)
- B5453 Housing Management Teams

#### 4. Responsible Team and Group

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqIA.

|                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?</b><br><br><b>(Please tick all that apply)</b>                                                                                                                                                                    | <input checked="" type="checkbox"/> Residents<br><input checked="" type="checkbox"/> Visitors<br><input checked="" type="checkbox"/> Staff |
| <p>Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):</p> <p>This EqIA specifically considers any equalities impact for City Council tenants and leaseholders, or for staff associated in delivery of services to this client group.</p> |                                                                                                                                            |

|                                                                                                           |                                                                                    |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>6. What type of strategy, policy, plan, project, contract or major change to your service is this?</b> | Each of the proposals identified will change the level of service to be delivered. |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

|                                                                                                                                                                  |                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No |
| <p>If 'Yes' please provide details below:</p>                                                                                                                    |                                                                        |

This is an assessment of the Council's Housing Revenue Account budget proposals and therefore covers all of our landlord related services, and as such will involve multiple council departments.

## **8. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

This information is based on feedback from Council Officers that lead on the individual Budget proposals and any EqlAs they have produced.

Where EqlAs have been produced separate to this document the most significant impacts have been summarised here rather than reproducing the information from other EqlAs in full.

## **9. Potential impacts**

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

### **(a) Age - Please also consider any safeguarding issues for children and adults at risk**

#### **B5464 Damp, Condensation and Mould (DCM) Repairs**

This bid would fund work to help prevent damp and mould. Prolonged exposure to mould can lead to respiratory conditions that have substantial and long-term impacts on individuals, which can result in disability as defined by the Equality Act 2010. Some protected characteristic groups are especially likely to benefit from this work if they are at greater risk of severe health impacts from damp and mould, including older people, and children and young people whose organs are still developing and are therefore more likely to suffer from physical conditions such as respiratory problems ([Understanding and addressing the health risks of damp and mould in the home - GOV.UK](#)).

#### **B5442 City Services Operational Health and Safety Capacity**

The creation of a new Health and Safety Manager role would add capacity to support things like personal risk assessments and fire evacuation plans, to support safety at work of people with disabilities/impairments. The likelihood of mobility, visual and hearing impairments increases with age, which may mean there is especially a positive impact of this bid for older people.

**B5469 External Wall Insulation (EWI) Inspections**

This bid is to meet the council's obligations for external wall insulation (EWI) which requires regular inspection. Regular inspection and maintenance of external wall insulation systems ensures that these systems continue to function as intended, and supports tenants with warmer, more energy efficient homes. This can have a positive impact for reducing fuel poverty, which disproportionately affects specific groups. Older people are affected by the health impacts of cold homes, as are children and young people. Households with dependent children have the highest prevalence of fuel poverty ([instituteofhealthequity.org](https://www.instituteofhealthequity.org)).

**(b) Disability****B5463 City Homes Legal Costs**

This bid is for increased legal costs to cover rising numbers of complex cases and an anticipated increase in the need for enforcement action. Some complex cases are due to mental health issues and a deepening vulnerability amongst tenants, so additional support and legal advice is needed to ensure that we have explored every aspect (including making reasonable adjustments where appropriate) and complied fully with our Public Sector Equality Duty (PSED) as well as adhering to pre-court protocols before taking possession action.

Disabled people are generally more likely to be in poverty ([JRF](#)) and therefore could be more affected by enforcement action. Debt is also linked to mental health issues, both as a cause and an outcome ([Debt and mental health | Mental Health Foundation](#)). Advice for staff at an earlier stage on complex cases could offer alternative courses of action that might prevent further debt for the tenant, and may potentially prevent court action. To mitigate potential negative impacts, possession is a last resort after other avenues to support and work with the tenant have been exhausted.

**B5466 Increased Cost of Void Repairs**

This bid is for increased budget to deliver void repairs. Properties are increasingly in disrepair at tenancy termination. It would ensure properties are ready and maintained for new tenants, and turnaround is delivered in good time, which supports those on the housing list due to disability as they may be more likely to be on the priority list for social housing.

**B5464 Damp, Condensation and Mould (DCM) Repairs**

This bid would fund work to help prevent damp and mould. Prolonged exposure to mould can lead to respiratory conditions that have substantial and long-term impacts on individuals, which can result in disability as defined by the Equality Act 2010. The presence of damp and mould can also affect tenants' mental health. This could be due to worries about the health impacts, unpleasant living conditions, and destruction of property and belongings, for instance. Moreover, some protected characteristic groups are at greater risk of severe health impacts from damp and mould, including people with pre-existing long-term health conditions or disabilities at risk of their condition worsening, people with existing mental health conditions, and people who have mobility issues making it more difficult for them to get out of a home with damp and mould and into fresh air. ([Understanding and addressing the health risks of damp and mould in the home - GOV.UK](#))

**B5442 City Services Operational Health and Safety Capacity**

The creation of a new Health and Safety Manager role would add capacity to support improved risk management and maintenance, which can help to prevent injury leading to disability and can improve access issues in public spaces. Moreover, this would increase capacity for undertaking personal risk assessments and fire evacuation plans, to support safety at work of people with existing disabilities/impairments.

**B5445 Housing Repairs Function**

This bid is to ensure repairs can be carried out on council housing units. It would ensure properties are maintained for tenants of council homes. Living in a well-maintained home has positive impacts on physical and mental health for council tenants, thereby preventing disability or preventing the exacerbation of existing conditions.

**B5443 Strengthening Asset and Compliance**

This bid is to ensure compliance in managing the council's property portfolio. It would ensure the council's assets are maintained, supporting those who have disabilities or health needs. People with physical disabilities may be more affected by maintenance issues as each individual may have specific and unique needs, which could include access needs. Disrepair can be a health and safety issue and exacerbate some health conditions, including mental health issues so maintaining council homes would positively impact on people with existing health conditions/disabilities.

**B5469 External Wall Insulation (EWI) Inspections**

This bid is to meet the council's obligations for external wall insulation (EWI) which requires regular inspection. Regular inspection and maintenance of external wall insulation systems ensures that these systems continue to function as intended, and supports tenants with warmer, more energy efficient homes. This can have a positive impact for reducing fuel poverty, which disproportionately affects specific groups. Disabled people are more likely to experience fuel poverty, due to lower income, higher living costs, and higher energy bills related to additional needs and spending more time at home ([instituteofhealththequity.org](https://instituteofhealththequity.org) p.15).

**(c) Gender reassignment**

No impact has been identified specific to this equality group.

**(d) Marriage and civil partnership**

No impact has been identified specific to this equality group.

**(e) Pregnancy and maternity****B5464 Damp, Condensation and Mould (DCM) Repairs**

This bid would fund work to help prevent damp and mould. Prolonged exposure to mould can lead to respiratory conditions that have substantial and long-term impacts on individuals, which can result in disability as defined by the Equality Act 2010. Some protected characteristic groups are especially likely to benefit from this work if they are at greater risk of severe health impacts from damp and mould, including pregnant women, their unborn babies and women who have recently given birth, who may have weakened immune systems ([Understanding and addressing the health risks of damp and mould in the home - GOV.UK](#)).

**(f) Race – Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.****B5463 City Homes Legal Costs**

This bid is for increased legal costs to cover rising numbers of complex cases and anticipated increase in enforcement action.

Possession action may disproportionately negatively impact people from some ethnic minority groups as they are more likely to be in poverty. For instance, according to UK statistics 56% of people in Bangladeshi and 49% of people in Pakistani households are in poverty, as well as 40% of households headed by people from Black African backgrounds ([JRF](#)).

**B5469 External Wall Insulation (EWI) Inspections**

This bid is to meet the council’s obligations for external wall insulation (EWI) which requires regular inspection. Regular inspection and maintenance of external wall insulation systems ensures that these systems continue to function as intended, and supports tenants with warmer, more energy efficient homes. This can have a positive impact for reducing fuel poverty, which disproportionately affects specific groups. Black households are the more likely than other ethnicities to be fuel poor (15%) ([Households in fuel poverty - GOV.UK Ethnicity facts and figures](#)).

**(g) Religion or belief**

No impact has been identified specific to this equality group.

**(h) Sex****B5469 External Wall Insulation (EWI) Inspections**

This bid is to meet the council's obligations for external wall insulation (EWI) which requires regular inspection. Regular inspection and maintenance of external wall insulation systems ensures that these systems continue to function as intended, and supports tenants with warmer, more energy efficient homes. This can have a positive impact for reducing fuel poverty, which disproportionately affects specific groups. Single parent families are more likely to be in fuel poverty than other household types ([Annual Fuel Poverty Statistics report 2025](#)), and single-parent families are more likely to be lone-mother ([Families and households in the UK - Office for National Statistics](#)).

**B5453 Housing Management Teams**

This bid is to expand the Housing Management team, providing additional staffing resource. Greater capacity for Housing Officer Teams via tenancy audits allows tenant issues to be picked up proactively and dealt with in a timely manner such as where tenants are experiencing domestic abuse. This could particularly benefit women who are more likely to experience domestic abuse of all kinds ([Gov.uk](#)).

**(i) Sexual orientation**

No impact has been identified specific to this equality group.

**(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on:**

- Low-income groups or those experiencing the impacts of poverty.
- People of any age with care experience – this refers to individuals who spent part of their childhood in the care system due to situations beyond their control, primarily arising from abuse and neglect within their families. The term “Care experience” is a description of a definition in law, it includes anyone that had the state as its corporate parent by virtue of a care order in accordance with the Children Act 1989 and amendments.
- Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: [https://media.ed.ac.uk/media/1\\_159kt25q](https://media.ed.ac.uk/media/1_159kt25q)).

**Low-income/poverty****B5463 City Homes Legal Costs**

This bid is for increased legal costs to cover rising numbers of complex cases and anticipated increase in enforcement.

Possession action may negatively impact those who are on low-incomes and or in receipt of benefits. The poverty rates of people claiming income-related benefits are much higher than the national average poverty rate ([JRF](#)).

Tenants will understandably prioritise food, heat and other bills above paying the rent during times of crisis so engaging with tenants at an early stage is imperative if we are to avoid court action. However, when court action becomes unavoidable we need to ensure we have robust processes in place and are able to give sound advice and make appropriate assessments. Additional funding would support this.

#### **B5466 Increased Cost of Void Repairs**

This bid is for increased budget to deliver void repairs. Properties are increasingly in disrepair at tenancy termination. It would ensure properties are ready and maintained for new tenants, and turnaround is delivered in good time, which supports those on the housing list due to low income.

#### **B5469 External Wall Insulation (EWI) Inspections**

This bid is to meet the council's obligations for external wall insulation (EWI) which requires regular inspection. Regular inspection and maintenance of external wall insulation systems ensures that these systems continue to function as intended, and supports tenants with warmer, more energy efficient homes. This can have a positive impact for reducing fuel poverty, which disproportionately affects specific groups. Those renting from local authorities are more likely than other tenure types to be in fuel poverty ([Who are the fuel poor 2025.pdf](#)).

#### **B5454 Universal Credit Bot**

This bid is to implement a system to automate Universal Credit rent verifications and other related processes to save staff time. Making the process more efficient would be beneficial to all tenants who require support with their rent account as it would free up officer time to provide that support.

#### **B5455 Voicescape**

This bid is to implement a digital caseload manager which would improve rent collection and reduce arrears. Reduced arrears and fewer evictions will have a positive impact on the most vulnerable. Some ethnic minority groups, disabled people and those claiming income-related benefits are disproportionately likely to experience poverty ([JRF](#)).

#### **B5461 Low Income Family Tracker (LIFT)**

This bid is for a dashboard that would help identify households who will benefit from additional support around income-maximisation and prevent crises such as debt and homelessness. Targeted support will help to reduce poverty amongst the most vulnerable households experiencing low-income and poverty.

Some groups are more likely to experience poverty than others. Some ethnic minority groups, disabled people and those claiming income-related benefits are disproportionately likely to experience poverty ([JRF](#)).

**B5453 Housing Management Teams**

This bid is to expand the Housing Management team with additional resource. Capacity for Housing Officer Teams via tenancy audits allows tenant issues to be picked up proactively and dealt with in a timely manner, which can have a positive impact on tenant wellbeing. Capacity in resident engagement would allow for us to hear from more diverse voices and increase our offer to tenants who wish to be more involved with our delivery of services.

Capacity for tenancy sustainment can support tenants who are in arrears or facing other tenancy related issues such as hoarding that may put their tenancy at risk. Some groups are more likely to experience poverty than others. Some ethnic minority groups, disabled people and those claiming income-related benefits are disproportionately likely to experience poverty ([JRF](#)).

**Note on impacts relating to intersectionality and care experience**

Many of the bids have a positive impact for people experiencing low income and poverty, and as indicated above for individual bids, some groups are more likely to experience poverty than others including disabled people, some ethnic groups and single parents (who are more likely to be women). People with care experience are also more likely to experience poverty and/or low-income so will benefit from many of these bids.

**10. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)**

N/a

**11. Do you have any additional comments?**

This EqlA includes main equality impacts as identified at the time of budget bid submission. As bids are approved and work undertaken, further equality impacts need to be captured by services in individual EqlAs as appropriate.

## 12. Sign off

**Name and job title of lead officer for this equality impact assessment:** Graham Lewis and Lily Simmonite, Community Equity Officers

**Names and job titles of other assessment team members and people consulted:** Helen Crowther, Equity and Community Power Manager; Samantha Shimon, Assistant Director Housing & Health; Anna Hill, Strategic Housing Management Lead; Sue Amner, Income Manager; James Elms, City Services Director; Brigitte Wilson, Delivery Assurance Manager; Peter Gale, Senior Operations Manager; Sean Cleary, Assistant Director Homes & Commercial.

**Date of EqlA sign off:** 18th December 2025

**Date of next review of the equalities impact assessment:** EqlAs are produced for HRA budget proposals annually.

**Date to be published on Cambridge City Council website:** 19 January 2026

## Fees and Charges 2026/27

The general inflation assumption (target) for income and charges is 3.5% for 2026/27. All areas are required to review fees and charges (including property rental income based on detailed projections and rent reviews) and, if any specific review results in material additional or reduced income, then these are identified and included in the Budget Setting Report (BSR) as budget proposals.

| Group                | Charges                      | Contacts         |
|----------------------|------------------------------|------------------|
| Communities          | Environmental Services       | Yvonne O'Donnell |
|                      | HMOs, Enforcement            |                  |
|                      | Control of Dogs              |                  |
| City Services        | Parking                      | Daniel Morgan    |
|                      | Parking (Open Spaces)        | Anthony French   |
|                      | Moorings                     |                  |
|                      | Allotments                   |                  |
|                      | Markets                      | Tim Jones        |
|                      | Taxi Testing                 | Peter Birch      |
|                      | Parks & Open Spaces Lettings | Ashley Read      |
|                      | Grazing                      | Guy Belcher      |
|                      | Bill Posting                 | Don Blair        |
|                      | Trolley Collection           |                  |
|                      | Sports and Recreation        | Ian Ross         |
| Corporate            | Guildhall Lettings           | Dan Kalley       |
| Shared Waste Service | Shared Waste                 | Bode Esan        |
| Shared Planning      | Land Charges                 | Charlene Harper  |
| All Licensing        | Business Licensing           | Yvonne O'Donnell |
|                      | Taxi Licensing               |                  |
|                      | Licensing & Gambling Act     |                  |
|                      | Animal Licensing             |                  |
|                      | Scrap Metal Dealers          |                  |
|                      | Street Trading               | Tim Jones        |
| HRA                  | Parking Permits              | Anna Hill        |
|                      | Access Licences              |                  |
|                      | Electric Vehicle Charging    | Jo Ashton        |

## Communities

| Charge Type and description                                                                                                                                                                                                      | Discretionary or Statutory | Charges 2025/26<br>£                                    | Proposed Charges 2026/27<br>£                           | % Increase<br>2025/26 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|---------------------------------------------------------|-----------------------|
| <b>Environmental Health and Public Safety</b>                                                                                                                                                                                    |                            |                                                         |                                                         |                       |
| Pest Control Treatments for Residential, (rats, mice & cockroaches) - initial visit and up to 2 re-visits. (Charge applicable to those not in receipt of benefits). Please Note - Inclusion of this line is subject to approval. | Discretionary              | 96.00                                                   | 100.00                                                  | 4.2%                  |
| Pest Control Treatments for Residential (wasp nest)                                                                                                                                                                              | Discretionary              | N/A                                                     | 75.00                                                   | -                     |
| Pest Control Treatments for Residential (other)                                                                                                                                                                                  | Discretionary              | N/A                                                     | Actual Costs                                            |                       |
| Pest Control Treatments for Businesses / Commercial per hour ( minimum half hour)                                                                                                                                                | Discretionary              | 117.19                                                  | 121.25                                                  | 3.5%                  |
| House / Car Alarms (fee includes administration costs)                                                                                                                                                                           | Discretionary              | Actual Costs                                            | Actual Costs                                            | -                     |
| Food Surrender and Disposal                                                                                                                                                                                                      | Discretionary              | Actual Costs                                            | Actual Costs                                            | -                     |
| Food Register - entire register printed                                                                                                                                                                                          | Discretionary              | 1,069.00                                                | 1,106.50                                                | 3.5%                  |
| Online Highfield Courses                                                                                                                                                                                                         | Discretionary              | 33.00                                                   | 34.00                                                   | 3.0%                  |
| Examination following on-line courses                                                                                                                                                                                            | Discretionary              | Actual Costs                                            | Actual Costs                                            | -                     |
| Tailored Training                                                                                                                                                                                                                | Discretionary              | Actual Costs                                            | Actual Costs                                            | -                     |
| Mentoring Training per hour                                                                                                                                                                                                      | Discretionary              | 90.00                                                   | 93.00                                                   | 3.3%                  |
| Primary Authority Partnership Scheme per hour                                                                                                                                                                                    | Discretionary              | 90.00                                                   | 93.00                                                   | 3.3%                  |
| Contaminated Land (per Enquiry/Polygon)                                                                                                                                                                                          | Discretionary              | 259.71                                                  | 268.80                                                  | 3.5%                  |
| Food Hygiene Ratings (FHRS) Rescore                                                                                                                                                                                              | Discretionary              | 228.00                                                  | 236.00                                                  | 3.5%                  |
| Smoke Control Areas CPN                                                                                                                                                                                                          | Statutory                  | Case by case basis using agreed matrix, maximum of £300 | Case by case basis using agreed matrix, maximum of £300 | -                     |
| Statutory Fee for all stray dogs**                                                                                                                                                                                               | Statutory                  | 25.00                                                   | 25.00                                                   | 0.0%                  |
| Collection and transportation cost of stray dogs in normal office hours                                                                                                                                                          | Discretionary              | 84.05                                                   | 87.00                                                   | 3.5%                  |
| Kennels registration and vet checking fee                                                                                                                                                                                        | Discretionary              | 65.60                                                   | 67.90                                                   | 3.5%                  |
| Daily kennel charges                                                                                                                                                                                                             | Discretionary              | 20.50                                                   | 21.20                                                   | 3.4%                  |
| ** Externally set fees and charges                                                                                                                                                                                               |                            |                                                         |                                                         |                       |

## Communities - Housing General Fund

| Charge Type and description                                                                                                                                                                                                                                         | Discretionary or Statutory | Charges 2025/26 £                                                                                                                                                       | Proposed Charges 2026/27 £                                                                                                                                              | % Increase 2026/27 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Licences:</b>                                                                                                                                                                                                                                                    |                            |                                                                                                                                                                         |                                                                                                                                                                         |                    |
| HMO Licences - New Applications                                                                                                                                                                                                                                     | Discretionary              | 1,094.81                                                                                                                                                                | 1,133.00                                                                                                                                                                | 3.5%               |
| HMO Licence - Renewals                                                                                                                                                                                                                                              | Discretionary              | 1,094.81                                                                                                                                                                | 1,133.00                                                                                                                                                                | 3.5%               |
| HMO Licence - Renewals - if submitted at least 8 weeks prior to expiry of current licence                                                                                                                                                                           | Discretionary              | 985.01                                                                                                                                                                  | 1,000.00                                                                                                                                                                | 1.5%               |
| Assisted application                                                                                                                                                                                                                                                | Discretionary              | Cost                                                                                                                                                                    | Cost                                                                                                                                                                    | 0.0%               |
| <b>Enforcement Activity*</b>                                                                                                                                                                                                                                        |                            |                                                                                                                                                                         |                                                                                                                                                                         |                    |
| Financial penalty for non compliance (not belonging to one of the approved Property Redress schemes).                                                                                                                                                               | Statutory                  | Double the monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000                                                                             | Double the monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000                                                                             | 0.0%               |
| Subsequent offences                                                                                                                                                                                                                                                 | Statutory                  | 5,000.00                                                                                                                                                                | 5,000.00                                                                                                                                                                | 0.0%               |
| Financial penalty for non compliance with the Smoke and Carbon Monoxide Regulations.                                                                                                                                                                                | Statutory                  | Double the monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000                                                                             | Double the monthly Local Housing Allowance Rate for the property, up to a maximum of £5,000                                                                             | 0.0%               |
| Fixed penalty for failure to produce an Energy Performance Certificate, EPC, as per the requirements of the Energy Act 2016                                                                                                                                         | Statutory                  | 200.00                                                                                                                                                                  | 200.00                                                                                                                                                                  | 0.0%               |
| Financial Penalty for failure to comply with The Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015, MEES                                                                                                                               | Statutory                  | Maximum financial penalty of up to £5,000 taking into account the fine criteria and individual maximum penalties specified under Regulation 40 on a case by case basis. | Maximum financial penalty of up to £5,000 taking into account the fine criteria and individual maximum penalties specified under Regulation 40 on a case by case basis. | 0.0%               |
| Financial Penalties for: "relevant housing offences" Housing Act 2004 as amended by the Housing and Planning Act 2016. Breaches of Regulation 3 of The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 sections (4), (5a), (6). | Statutory                  | Case by case basis using reviewed Civil Penalties Matrix, maximum of £30,000 per offence, (inc's 15% discount in original calculated penalty if paid in 28 days).       | Case by case basis using reviewed Civil Penalties Matrix, maximum of £30,000 per offence, (inc's 15% discount in original calculated penalty if paid in 28 days).       | 0.0%               |
| Charge for the service of an Improvement Notice under the Housing Act 2004                                                                                                                                                                                          | Statutory                  | 404.35                                                                                                                                                                  | 418.50                                                                                                                                                                  | 3.5%               |
| Charge for the service of a Prohibition Order under the Housing Act 2004                                                                                                                                                                                            | Statutory                  | 366.35                                                                                                                                                                  | 379.17                                                                                                                                                                  | 3.5%               |
| Charge for the service of an Emergency Remedial Action Notice under the Housing Act 2004                                                                                                                                                                            | Statutory                  | 343.12                                                                                                                                                                  | 355.13                                                                                                                                                                  | 3.5%               |
| Charge for the review of Suspended notices or orders served under the Housing Act 2004                                                                                                                                                                              | Statutory                  | 122.47                                                                                                                                                                  | 126.76                                                                                                                                                                  | 3.5%               |
| <b>Training and other services</b>                                                                                                                                                                                                                                  |                            |                                                                                                                                                                         |                                                                                                                                                                         |                    |
| Delivering training and other discretionary services for landlords and agents (Includes development, promotion, overheads and associated costs)                                                                                                                     | Discretionary              | At Cost                                                                                                                                                                 | At Cost                                                                                                                                                                 | 0.0%               |
| Landlord training (per delegate)                                                                                                                                                                                                                                    | Discretionary              | At Cost                                                                                                                                                                 | At Cost                                                                                                                                                                 | 0.0%               |

\*Note - Awaiting the commencement of the majority of enforceable provisions of the Renters Rights Act 2025 from 1st May 2026 which will include further provisions that we as a council can issue Financial / Civil Penalties to those responsible for private rented sector housing in the city as an alternative to prosecution as well as the maximum statutory penalty amounts increasing for each breach or offence to £7,000 / £40,000 as applicable.

City Services - Parking  
All fees are Discretionary

Daytime tariff applies between the following hours:

8am to 6pm Monday to Saturday  
10am to 6pm on Sundays

Evenings and Overnight tariff applies from 6pm to 8am (10am on Sundays)

| MULTISTOREY CAR PARKS (Pay on foot) | 2025/26          |                   | 2026/27          |                   | 2026/27 from 2025/26 |          |
|-------------------------------------|------------------|-------------------|------------------|-------------------|----------------------|----------|
|                                     | Monday to Friday | Saturday & Sunday | Monday to Friday | Saturday & Sunday | Comparisons % Change |          |
| Grand Arcade                        | Weekdays         | Weekends          | Weekdays         | Weekends          | Weekdays             | Weekends |
| 1hr                                 | £3.60            | £4.60             | £3.70            | £4.70             | 2.8%                 | 2.2%     |
| 2hrs                                | £7.20            | £9.20             | £7.40            | £9.40             | 2.8%                 | 2.2%     |
| 3hrs                                | £10.80           | £13.80            | £11.10           | £14.10            | 2.8%                 | 2.2%     |
| 4hrs                                | £15.70           | £18.90            | £16.00           | £19.20            | 1.9%                 | 1.6%     |
| 5hrs                                | £26.40           | £29.40            | £26.80           | £29.70            | 1.5%                 | 1.0%     |
| over 5 hrs                          | £33.10           | £36.10            | £33.50           | £36.50            | 1.2%                 | 1.1%     |
| evenings & overnight (per hour)     | £1.50            | £1.50             | £1.80            | £1.80             | 20.0%                | 20.0%    |

| Queen Anne Terrace              | Weekdays | Weekends | Weekdays | Weekends | Weekdays | Weekends |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| 1hr                             | £2.30    | £3.00    | £2.60    | £3.30    | 13.0%    | 10.0%    |
| 2hrs                            | £4.60    | £6.00    | £5.30    | £6.60    | 15.2%    | 10.0%    |
| 3hrs                            | £6.90    | £9.00    | £8.00    | £9.90    | 15.9%    | 10.0%    |
| 4hrs                            | £9.20    | £11.30   | £10.70   | £13.00   | 16.3%    | 15.0%    |
| 5hrs                            | £11.50   | £13.60   | £13.40   | £15.60   | 16.5%    | 14.7%    |
| 6hrs                            | £15.60   | £18.00   | £18.00   | £21.00   | 15.4%    | 16.7%    |
| over 6 hrs                      | £21.00   | £24.00   | £24.00   | £26.00   | 14.3%    | 8.3%     |
| evenings & overnight (per hour) | £0.00    | £0.00    | £0.00    | £0.00    | 0.0%     | 0.0%     |

| Park Street                     | Weekdays | Weekends | Weekdays | Weekends | Weekdays | Weekends |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| 1hr                             | £3.60    | £4.60    | £3.70    | £4.70    | 2.8%     | 2.2%     |
| 2hrs                            | £7.20    | £9.20    | £7.40    | £9.40    | 2.8%     | 2.2%     |
| 3hrs                            | £10.80   | £13.80   | £11.10   | £14.10   | 2.8%     | 2.2%     |
| 4hrs                            | £15.70   | £18.90   | £16.00   | £19.20   | 1.9%     | 1.6%     |
| 5hrs                            | £26.40   | £29.40   | £26.80   | £29.70   | 1.5%     | 1.0%     |
| over 5 hrs                      | £33.10   | £36.10   | £33.50   | £36.50   | 1.2%     | 1.1%     |
| evenings & overnight (per hour) | £1.50    | £1.50    | £1.80    | £1.80    | 20.0%    | 20.0%    |

| Grafton East                    | Weekdays | Weekends | Weekdays | Weekends | Weekdays | Weekends |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| 1hr                             | £3.00    | £3.90    | £3.10    | £4.00    | 3.3%     | 2.6%     |
| 2hrs                            | £6.00    | £7.80    | £6.20    | £8.00    | 3.3%     | 2.6%     |
| 3hrs                            | £9.00    | £11.70   | £9.30    | £12.00   | 3.3%     | 2.6%     |
| 4hrs                            | £14.00   | £16.60   | £14.40   | £17.00   | 2.9%     | 2.4%     |
| 5hrs                            | £23.00   | £26.00   | £23.50   | £26.50   | 2.2%     | 1.9%     |
| over 5 hrs                      | £30.00   | £33.00   | £30.60   | £33.70   | 2.0%     | 2.1%     |
| evenings & overnight (per hour) | £1.20    | £1.20    | £1.30    | £1.30    | 8.3%     | 8.3%     |

| Grafton West                    | Weekdays | Weekends | Weekdays | Weekends | Weekdays | Weekends |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| 1hr                             | £3.00    | £3.90    | £3.10    | £4.00    | 3.3%     | 2.6%     |
| 2hrs                            | £6.00    | £7.80    | £6.20    | £8.00    | 3.3%     | 2.6%     |
| 3hrs                            | £9.00    | £11.70   | £9.30    | £12.00   | 3.3%     | 2.6%     |
| 4hrs                            | £14.00   | £16.60   | £14.40   | £17.00   | 2.9%     | 2.4%     |
| 5hrs                            | £23.00   | £26.00   | £23.50   | £26.50   | 2.2%     | 1.9%     |
| over 5 hrs                      | £30.00   | £33.00   | £30.60   | £33.70   | 2.0%     | 2.1%     |
| evenings & overnight (per hour) | £1.20    | £1.20    | £1.30    | £1.30    | 8.3%     | 8.3%     |

| SURFACE CAR PARKS                    |                                 |                                                     |                        |          |  |
|--------------------------------------|---------------------------------|-----------------------------------------------------|------------------------|----------|--|
| ADAM AND EVE STREET<br>Pay & Display |                                 | Monday to Saturday 8am to 6pm<br>Sunday 10am to 6pm |                        |          |  |
| Maximum stay 2 hours                 | 2025/26                         | 2026/27                                             | Evenings and overnight |          |  |
| Charges                              | £1.40 for 30 mins<br>(£2.80/hr) | £1.50 for 30 mins<br>(£3.00/hr)                     | Free                   |          |  |
|                                      |                                 |                                                     |                        | % change |  |
|                                      |                                 |                                                     |                        | 7.1%     |  |

| CASTLE HILL CAR PARK<br>Pay & Display | Monday to Saturday 8am to 6pm<br>Sunday 10am to 6pm |         |                        |          |
|---------------------------------------|-----------------------------------------------------|---------|------------------------|----------|
| Charges                               | 2025/26                                             | 2026/27 | Evenings and overnight | % change |
| Up to 2 hours                         | £2.80                                               | £3.20   | Free                   | 14.3%    |
| 2-4 hours                             | £5.60                                               | £6.40   |                        | 14.3%    |
| over 4 hours                          | £8.90                                               | £10.00  |                        | 12.4%    |
| Sunday - all day charge               | £4.50                                               | £5.00   |                        | 11.1%    |
| Weekly ticket (7 days)                | £42.00                                              | £45.00  |                        | 7.1%     |

| GWYDIR STREET CAR PARK<br>Pay & Display | Monday to Saturday 8am to 6pm |                              |                        |          |
|-----------------------------------------|-------------------------------|------------------------------|------------------------|----------|
| Maximum stay 2 hours                    | 2025/26                       | 2026/27                      | Evenings and overnight | % change |
| Charges                                 | £1.20 for 30 mins (£2.40/hr)  | £1.30 for 30 mins (£2.60/hr) | Free                   | 8.3%     |

| RIVERSIDE CAR PARK<br>Pay & Display | Monday to Saturday 8am to 6pm |                        |                        |          |
|-------------------------------------|-------------------------------|------------------------|------------------------|----------|
| Maximum stay 8 hours                | 2025/26                       | 2026/27                | Evenings and overnight | % change |
| Charges                             | £1 for 30 mins (£2/hr)        | £1 for 30 mins (£2/hr) | Free                   | 0.0%     |

| Lammas Land<br>Pay & Display    | 1 April to 31 October: Charges apply from 8am to 6pm – the barrier closes at 10pm<br>1 November to 31 March: Charges apply from 8am to 6pm, then parking is free until the barrier closes at 9pm |         |          |          |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|----------|
| Monday - Friday                 | 2025/26                                                                                                                                                                                          | 2026/27 | Evenings | % change |
| Up to 2 Hours                   | £2.80                                                                                                                                                                                            | £2.90   | Free     | 3.6%     |
| Up to 4 Hours                   | £6.50                                                                                                                                                                                            | £6.70   |          | 3.1%     |
| Up to 5 Hours                   | £13.00                                                                                                                                                                                           | £13.30  |          | 2.3%     |
| Up to 8 Hours (Maximum allowed) | £25.00                                                                                                                                                                                           | £25.50  |          | 2.0%     |
| Saturday - Sunday               | 2025/26                                                                                                                                                                                          | 2026/27 | Evenings | % change |
| Up to 2 Hours                   | £2.80                                                                                                                                                                                            | £2.90   | Free     | 3.6%     |
| Up to 4 Hours                   | £6.50                                                                                                                                                                                            | £6.70   |          | 3.1%     |
| Up to 5 Hours (Maximum allowed) | £12.00                                                                                                                                                                                           | £12.30  |          | 2.5%     |

| Cherry Hinton Hall<br>Pay & Display | Charges for parking between 10am and 3pm<br>Maximum five-hour stay, no return within two hours<br>Free at all other times |         |                        |          |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------|------------------------|----------|
| Monday to Friday                    | 2025/26                                                                                                                   | 2026/27 | Evenings and overnight | % change |
| Up to 1 Hour                        | £1.00                                                                                                                     | £1.10   | Free                   | 10.0%    |
| Up to 2 Hours                       | £2.50                                                                                                                     | £2.70   |                        | 8.0%     |
| Up to 3 Hours                       | £4.00                                                                                                                     | £4.30   |                        | 7.5%     |
| Up to 4 Hours                       | £5.50                                                                                                                     | £5.90   |                        | 7.3%     |
| Up to 5 Hours                       | £7.00                                                                                                                     | £7.50   |                        | 7.1%     |
| Saturday - Sunday                   | 2025/26                                                                                                                   | 2026/27 | Evenings and overnight | % change |
| Up to 1 Hour                        | £1.00                                                                                                                     | £1.10   | Free                   | 10.0%    |
| Up to 2 Hours                       | £2.00                                                                                                                     | £2.20   |                        | 10.0%    |
| Up to 3 Hours                       | £3.00                                                                                                                     | £3.30   |                        | 10.0%    |
| Up to 4 Hours                       | £4.00                                                                                                                     | £4.40   |                        | 10.0%    |
| Up to 5 Hours                       | £5.00                                                                                                                     | £5.50   |                        | 10.0%    |

| SEASON TICKET CHARGES - Business Permits                                 |                               |                               |  |          |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------|--|----------|
| Queen Anne Terrace & Grafton Centre car parks                            | Quarterly Fee 2025/26 inc VAT | Quarterly Fee 2026/27 inc VAT |  | % change |
| 24/7 Premium (Grafton East, Grafton West & Queen Anne Terrace car parks) | £1,250.00                     | £1,250.00                     |  | 0.0%     |
| Monday-Friday 8am -6pm (one car park*)                                   | £825.00                       | £825.00                       |  | 0.0%     |
| Monday-Friday 24/5 (one car park*)                                       | £1,000.00                     | £1,000.00                     |  | 0.0%     |
| Night owl 6pm to 8am, 7 nights a week (one car park*)                    | £530.00                       | £530.00                       |  | 0.0%     |

Note \* excluding Grand Arcade & Park Street car parks

## DISABLED BADGE HOLDERS

**Multi Storey car parks:** First three hours parking free, on production of a valid Blue Badge to the City Council at the Grand Arcade, Grafton East, Grafton West, Queen Anne Terrace and Park Street car parks.

Where durations of stay are in excess of three hours the normal car park charges will apply as if from the first hour, i.e. the fourth will be charged as if it were the first hour, the fifth as if it were the second hour, etc.

**Adam & Eve, Castle Hill Gwydir Street and Riverside pay & Display car parks:** Three hours free parking during charging hours when a valid Blue Badge and time clock is displayed

**City Services**

| Charge Type and description                                                                 | Discretionary or Statutory | Charges 2025/26 £ | Proposed Charges 2026/27 £ | % Increase 2026/27 |
|---------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------------------|--------------------|
| <b>Taxi Vehicle Testing by the Garage</b>                                                   |                            |                   |                            |                    |
| Mechanical Fitness Test (Twice Yearly)                                                      | Discretionary              | 74.83             | 74.83                      | 0.0%               |
| Re-test if works carried out at a separate garage and returned within 10 days               | Discretionary              | 37.93             | 37.93                      | 0.0%               |
| Re-test if works carried out at a separate garage and returned after 10 days                | Discretionary              | 79.95             | 79.95                      | 0.0%               |
|                                                                                             |                            |                   |                            |                    |
| <b>Markets</b>                                                                              |                            |                   |                            |                    |
|                                                                                             |                            |                   |                            |                    |
| <b>Cambridge Retail Market</b>                                                              |                            |                   |                            |                    |
| <b>Monday - Tuesday rents</b>                                                               |                            |                   |                            |                    |
| General Market Weekday Premium                                                              | Discretionary              | 22.25             | 23.00                      | 3.4%               |
| General Market Weekday Standard                                                             | Discretionary              | 12.50             | 13.00                      | 4.0%               |
|                                                                                             |                            |                   |                            |                    |
| <b>Wednesday - Friday rents</b>                                                             |                            |                   |                            |                    |
| General Market Weekday Premium                                                              | Discretionary              | 22.25             | 23.00                      | 3.4%               |
| General Market Weekday Standard                                                             | Discretionary              | 18.50             | 19.20                      | 3.8%               |
|                                                                                             |                            |                   |                            |                    |
| <b>General Market Weekend Premium</b>                                                       |                            |                   |                            |                    |
| General Market Weekend Standard                                                             | Discretionary              | 45.00             | 46.70                      | 3.8%               |
|                                                                                             | Discretionary              | 38.00             | 39.45                      | 3.8%               |
|                                                                                             |                            |                   |                            |                    |
| <b>Hot Food Premium</b>                                                                     |                            |                   |                            |                    |
| Casual Trading Premium                                                                      | Discretionary              | 8.50              | 8.80                       | 3.5%               |
|                                                                                             | Discretionary              | 7.50              | 7.50                       | 0.0%               |
|                                                                                             |                            |                   |                            |                    |
| <b>*Storage Units</b>                                                                       |                            |                   |                            |                    |
|                                                                                             | Discretionary              | 18.40             | 19.10                      | 3.8%               |
|                                                                                             |                            |                   |                            |                    |
| <b>All Saints Craft Fair</b>                                                                |                            |                   |                            |                    |
| Monday - Friday rents                                                                       | Discretionary              | 20.00             | 20.00                      | 0.0%               |
| Saturday rent                                                                               | Discretionary              | 38.00             | 39.45                      | 3.8%               |
|                                                                                             |                            |                   |                            |                    |
| <b>All Markets - Administration Fees</b>                                                    |                            |                   |                            |                    |
| Variations Fee - applicable for any changes that result in the production of a new licence. | Discretionary              | 35.00             | 35.00                      | 0.0%               |
|                                                                                             |                            |                   |                            |                    |
| <b>Mooring Fees*</b>                                                                        |                            |                   |                            |                    |
| Tariff Class 30 - vessel up to 5 metres                                                     | Discretionary              | 1,093.00          | 1,130.00                   | 3.4%               |
| Tariff Class 32 - vessel under 3 metres                                                     | Discretionary              | 1,093.00          | 1,130.00                   | 3.4%               |
| Tariff Class 33 - Vessel 3 to 5 metres                                                      | Discretionary              | 1,093.00          | 1,130.00                   | 3.4%               |
| Tariff Class 34 - Vessel 5 to 7.5 metres                                                    | Discretionary              | 1,166.00          | 1,206.00                   | 3.4%               |
| Tariff Class 35 - Vessel 7.5 to 10 metres                                                   | Discretionary              | 1,239.00          | 1,281.00                   | 3.4%               |
| Tariff Class 36 - Vessel 10 to 12.5 metres                                                  | Discretionary              | 1,312.00          | 1,356.00                   | 3.4%               |
| Tariff Class 37 - Vessel 12.5 to 15 metres                                                  | Discretionary              | 1,385.00          | 1,432.00                   | 3.4%               |
| Tariff Class 38 - Vessel 15 to 20 metres                                                    | Discretionary              | 1,458.00          | 1,508.00                   | 3.4%               |
| Tariff Class 39 - Vessel over 20 metres                                                     | Discretionary              | 1,605.00          | 1,660.00                   | 3.4%               |
| Tariff Class 51 - Any other vessel                                                          | Discretionary              | 1,605.00          | 1,660.00                   | 3.4%               |
|                                                                                             |                            |                   |                            |                    |
| <i>* All charges are subject to VAT.</i>                                                    |                            |                   |                            |                    |
|                                                                                             |                            |                   |                            |                    |
| <b>** Externally set fees and charges</b>                                                   |                            |                   |                            |                    |
|                                                                                             |                            |                   |                            |                    |

## City Services - Open Spaces

| Charge Type and description                                                                      | Discretionary or Statutory | Charges 2025/26 £                             | Proposed Charges 2026/27 £                    | % Increase 2026/27 |
|--------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------|-----------------------------------------------|--------------------|
| <b>Allotments</b>                                                                                |                            |                                               |                                               |                    |
| Standard size is 10 rods (300 m2)                                                                |                            |                                               |                                               |                    |
| Allotment Full size                                                                              | Discretionary              | 78.00                                         | 80.75                                         | 3.5%               |
| Allotment Half size                                                                              | Discretionary              | 39.00                                         | 40.50                                         | 3.8%               |
| Allotment starter plot                                                                           | Discretionary              | 28.00                                         | 29.00                                         | 3.6%               |
| <b>Parks, Commons &amp; Open Spaces</b>                                                          |                            |                                               |                                               |                    |
| <b>Grazing</b>                                                                                   |                            |                                               |                                               |                    |
| Cows                                                                                             | Discretionary              | 75.00                                         | 77.70                                         | 3.6%               |
| Cows - 10 or more (per beast)                                                                    | Discretionary              | 45.00                                         | 46.60                                         | 3.6%               |
| <b>Parks &amp; Open Spaces Lettings</b>                                                          |                            |                                               |                                               |                    |
| Application Fee - all applicants (may be returnable for local events if criteria met) (Plus VAT) | Discretionary              | 150.00                                        | 155.00                                        | 3.3%               |
| Filming on parks and open spaces (Non Commercial)                                                | Discretionary              | Free                                          | Free                                          | 0.0%               |
| Filming on parks and open spaces (Commercial)                                                    | Discretionary              | Negotiable                                    | Negotiable                                    | 0.0%               |
| Daily Hire - Fairs #                                                                             | Discretionary              | 600.00                                        | 621.00                                        | 3.5%               |
| Daily Hire - Circuses #                                                                          | Discretionary              | 500.00                                        | 518.00                                        | 3.6%               |
| Setting up/Pulling down days (For events where hire fee is more)                                 | Discretionary              | 280.00                                        | 290.00                                        | 3.6%               |
| Ongoing business use e.g. fitness classes (per quarter)                                          | Discretionary              | 440.00                                        | 455.00                                        | 3.4%               |
| Non Commercial Public Events ‡                                                                   | Discretionary              | 350.00                                        | 365.00                                        | 4.3%               |
| National Charities ‡                                                                             | Discretionary              | 265.00                                        | 275.00                                        | 3.8%               |
| Local events / demos ‡                                                                           | Discretionary              | Free                                          | Free                                          | 0.0%               |
| Fun Runs and Charity Walks (Local Charity Run/100% beneficiary)(under 500 participants)          | Discretionary              | Free                                          | Free                                          | 0.0%               |
| Commercial Public Events on City Centre Parks: ‡                                                 | Discretionary              | Negotiable                                    | Negotiable                                    | 0.0%               |
| - minimum charge for lettings up to and over 1,000 sq. metres                                    | Discretionary              | 1,125.00                                      | 1,170.00                                      | 4.0%               |
| - additional charge per square metre for lettings over 1,000 sq. metres                          | Discretionary              | 2.50                                          | 2.60                                          | 4.0%               |
| Commercial Public Events on Other Parks & Open Spaces: ‡                                         | Discretionary              | Negotiable                                    | Negotiable                                    | 0.0%               |
| - minimum charge for lettings up to and over 1,000 sq. metres                                    | Discretionary              | 590.00                                        | 610.00                                        | 3.4%               |
| - additional charge per square metre for lettings over 1,000 sq. metres                          | Discretionary              | 2.50                                          | 2.60                                          | 4.0%               |
| Use of a Premises Licence for external event providers                                           | Discretionary              | At Pro rata cost per day of total licence fee | At Pro rata cost per day of total licence fee | 0.0%               |
| Provision of Wi-Fi facility for commercial events                                                | Discretionary              | Free Where Existing                           | Free Where Existing                           | 0.0%               |
| Internal Event/Cambridge Live - No Fees                                                          | Discretionary              | 160.00                                        | 165.50                                        | 3.4%               |
| Internal Event/Cambridge Live - Fee Paying                                                       | Discretionary              | 215.00                                        | 222.50                                        | 3.5%               |
| <b>Bill Posting</b>                                                                              |                            |                                               |                                               |                    |
| A4 size poster                                                                                   | Discretionary              | 7.20                                          | 7.45                                          | 3.5%               |
| A3 size poster                                                                                   | Discretionary              | 8.20                                          | 8.50                                          | 3.7%               |
| A2 size poster                                                                                   | Discretionary              | 11.20                                         | 11.60                                         | 3.6%               |
| A1 size poster                                                                                   | Discretionary              | 15.40                                         | 15.95                                         | 3.6%               |
| A0 size poster                                                                                   | Discretionary              | 49.20                                         | 50.95                                         | 3.6%               |
| <b>Trolley Collection</b>                                                                        |                            |                                               |                                               |                    |
| Trolleys-Council collection and delivery of trolley back to store immediately                    | Discretionary              | 75.85                                         | 78.50                                         | 3.5%               |
| Council collection and storage of trolleys collected 1st Week                                    | Discretionary              | 82.00                                         | 84.85                                         | 3.5%               |
| Council collection and storage of trolleys collected 2nd Week                                    | Discretionary              | 104.55                                        | 108.25                                        | 3.5%               |
| Council collection and storage of trolleys collected 3rd Week                                    | Discretionary              | 127.10                                        | 131.50                                        | 3.5%               |
| Council collection and storage of trolleys collected 4th Week                                    | Discretionary              | 148.63                                        | 153.85                                        | 3.5%               |
| Council collection and storage of trolleys collected 5th Week                                    | Discretionary              | 174.25                                        | 180.35                                        | 3.5%               |
| Council collection and storage of trolleys collected 6th Week                                    | Discretionary              | 192.70                                        | 199.50                                        | 3.5%               |
| Council collection and storage of trolleys disposed of after 6 weeks                             | Discretionary              | 194.75                                        | 201.50                                        | 3.5%               |

‡ to include fun runs, cycle rides and charity walks, up to 500 participants

† to include fun runs, cycle rides and charity walks, over 500 participants

# A sealed bid process may be applicable where more than one application is made for dates

## City Services - Sport & Recreation

| Charge Type and description                                                                                              | Charges 2025/26<br>£ | Proposed<br>Charges 2026/27<br>£ | % Increase<br>2026/27 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|-----------------------|
| <b>Sports &amp; Recreation Charges (including VAT)</b>                                                                   |                      |                                  |                       |
| <b>Sports Facilities</b>                                                                                                 |                      |                                  |                       |
| <b>Cricket</b>                                                                                                           |                      |                                  |                       |
| Adult Per pitch                                                                                                          | 52.75                | 54.50                            | 3.3%                  |
| Including Pavilion                                                                                                       | 68.75                | 71.00                            | 3.3%                  |
| Junior per pitch (Under 16's)                                                                                            | 33.25                | 34.25                            | 3.0%                  |
| Including Pavilion                                                                                                       | 41.00                | 42.25                            | 3.0%                  |
| <b>Football &amp; Rugby</b>                                                                                              |                      |                                  |                       |
| Per pitch including Pavilion                                                                                             | 67.75                | 70.00                            | 3.3%                  |
| Junior per pitch including Pavilion (Under 16's)                                                                         | 37.00                | 38.25                            | 3.4%                  |
| 8-a-side pitch                                                                                                           | 27.50                | 28.50                            | 3.6%                  |
| <b>American Football</b>                                                                                                 |                      |                                  |                       |
| Per pitch (including 4 changing rooms)                                                                                   | 118.50               | 122.50                           | 3.4%                  |
| Junior (Under 16's) per pitch (including 4 changing rooms)                                                               | 59.00                | 61.00                            | 3.4%                  |
| <b>Rounders</b>                                                                                                          |                      |                                  |                       |
| Per Pitch                                                                                                                | 28.75                | 29.75                            | 3.5%                  |
| Per Pitch - Junior (Under 16's)                                                                                          | 14.75                | 15.25                            | 3.4%                  |
| <b>Tennis</b>                                                                                                            |                      |                                  |                       |
| <b>Court hire for 45 minutes per court</b>                                                                               |                      |                                  |                       |
| <b>Peak Time - Mon-Sun 12:00-14:30 &amp; 18:00 - 20:00</b>                                                               |                      |                                  |                       |
| Jesus Green & Christs Pieces - Hire per court - Peak                                                                     | 5.00                 | 3.00                             | (40.0%)               |
| Jesus Green & Christs Pieces - Hire per court - Off Peak                                                                 | 2.00                 | 3.00                             | 50.0%                 |
| Nightingale, Lammas Land, Coleridge, Cherry Hinton, Trumpington                                                          | FREE                 | FREE                             | 0.0%                  |
| <b>Abbey 3G Pitch</b>                                                                                                    |                      |                                  |                       |
| Match Rate - (2hours full pitch)                                                                                         | 130.00               | 135.00                           | 3.8%                  |
| Full Pitch - Peak                                                                                                        | 67.50                | 69.50                            | 3.0%                  |
| Full Pitch Weekend/Off Peak                                                                                              | 57.50                | 59.50                            | 3.5%                  |
| Half Pitch - Peak                                                                                                        | 45.50                | 47.00                            | 3.3%                  |
| Half Pitch Weekend / Off Peak                                                                                            | 40.00                | 41.50                            | 3.8%                  |
| 1/4 Pitch - Peak                                                                                                         | 25.00                | 25.80                            | 3.2%                  |
| 1/4 Pitch Weekend / Off Peak                                                                                             | 21.00                | 21.75                            | 3.6%                  |
| <b>Partner / Concessionary Rates</b>                                                                                     |                      |                                  |                       |
| Full Pitch - Peak                                                                                                        | 62.50                | 64.50                            | 3.2%                  |
| Full Pitch Weekend/Off Peak                                                                                              | 52.50                | 54.50                            | 3.8%                  |
| Half Pitch - Peak                                                                                                        | 40.00                | 41.50                            | 3.8%                  |
| Half Pitch Weekend / Off Peak                                                                                            | 32.00                | 33.00                            | 3.1%                  |
| 1/4 Pitch - Peak                                                                                                         | 21.00                | 21.75                            | 3.6%                  |
| 1/4 Pitch Weekend / Off Peak                                                                                             | 18.00                | 18.75                            | 4.2%                  |
| <b>Changing Room Hire - Per Game</b>                                                                                     |                      |                                  |                       |
| Additional Changing Room (per room)                                                                                      | 16.00                | 16.50                            | 3.1%                  |
| <b>Swimming Services*</b>                                                                                                |                      |                                  |                       |
| The charges relating to the swimming services are the <b>HEADLINE</b> prices                                             |                      |                                  |                       |
| These charges are the <b>MOST</b> the Leisure Contractor can charge for an activity                                      |                      |                                  |                       |
| The Leisure Contractor can <b>REDUCE</b> any or all of the activity prices <b>BELOW</b> the headline price if they wish. |                      |                                  |                       |
| <b>Parkside Pools Hires</b>                                                                                              |                      |                                  |                       |
| Main Pool Hire - per hour (Non Commercial)                                                                               | 160.50               | 165.00                           | 2.8%                  |
| Main Pool Hire - per hour ( <b>Commercial</b> )                                                                          | 430.00               | 450.00                           | 4.7%                  |
| Lane Hire                                                                                                                | 29.75                | 30.50                            | 2.5%                  |
| Diving Pool - per hour (Non Commercial)                                                                                  | 92.50                | 95.00                            | 2.7%                  |
| Diving Pool - per hour ( <b>Commercial</b> )                                                                             | 134.00               | 140.00                           | 4.5%                  |
| Children's Pool Hire - per hour (Non Commercial)                                                                         | 60.00                | 62.00                            | 3.3%                  |
| Children's Pool Hire - per hour ( <b>Commercial</b> )                                                                    | 75.00                | 78.00                            | 4.0%                  |
| Flumes                                                                                                                   | 72.00                | 74.00                            | 2.8%                  |
| Non-City LEA School Swim                                                                                                 | 2.30                 | 2.35                             | 2.2%                  |
| <b>Abbey Pool Hires</b>                                                                                                  |                      |                                  |                       |
| Pool Hire - per hour (Non Commercial)                                                                                    | 106.00               | 110.00                           | 3.8%                  |
| Pool Hire - per hour ( <b>Commercial</b> )                                                                               | 134.50               | 140.00                           | 4.1%                  |
| Learner Pool Hire - per hour (Non Commercial)                                                                            | 53.00                | 55.00                            | 3.8%                  |
| Learner Pool Hire - per hour ( <b>Commercial</b> )                                                                       | 75.00                | 78.00                            | 4.0%                  |
| Gala Hire - per hour (City Clubs)                                                                                        | 195.50               | 200.00                           | 2.3%                  |
| Gala Hire - per hour ( <b>Commercial</b> )                                                                               | 295.00               | 310.00                           | 5.1%                  |
| Non-City LEA School Swim                                                                                                 | 2.30                 | 2.35                             | 2.2%                  |

| Charge Type and description                                                   | Charges 2025/26<br>£ | Proposed<br>Charges 2026/27<br>£ | % Increase<br>2026/27 |
|-------------------------------------------------------------------------------|----------------------|----------------------------------|-----------------------|
| <b>Kings Hedges Pool Hires</b>                                                |                      |                                  |                       |
| Pool Hire - per hour - Non Commercial                                         | 49.50                | 51.00                            | 3.0%                  |
| Pool Hire - per hour - <b>(Commercial)</b>                                    | 75.00                | 78.00                            | 4.0%                  |
| <b>Jesus Green Outdoor Pool Hires</b>                                         |                      |                                  |                       |
| Pool hire per Hour - Non Commercial                                           | 137.50               | 142.50                           | 3.6%                  |
| Pool hire per Hour - <b>(Commercial)</b>                                      | 376.00               | 395.00                           | 5.1%                  |
| <b>Health Suites</b>                                                          |                      |                                  |                       |
| <b>Abbey Pool</b>                                                             |                      |                                  |                       |
| Sauna & Swim                                                                  | 9.50                 | 9.75                             | 2.6%                  |
| <b>Exercise Referral</b>                                                      |                      |                                  |                       |
| Client Assessment - Outside of Healthwise facilities                          | 11.25                | 11.50                            | 2.2%                  |
| Community Class (Healthy You PLUS) - Outside of Healthwise facilities         | 4.40                 | 4.50                             | 2.3%                  |
| Community 5 Class Pass (Healthy You PLUS) - Outside of Healthwise facilities  | 20.00                | 21.00                            | 5.0%                  |
| Community 10 Class Pass (Healthy You PLUS) - Outside of Healthwise facilities | 40.00                | 42.00                            | 5.0%                  |
| <b>Annual Membership Cards</b>                                                |                      |                                  |                       |
| Adult Residents (up to 20% discount)                                          | 15.50                | 16.00                            | 3.2%                  |
| Adult Students (up to 30% Discount)                                           | 10.50                | 11.00                            | 4.8%                  |
| Adult Concessions (up to 50% Discount)                                        | 6.00                 | 6.20                             | 3.3%                  |
| Junior Residents (up to 20% discount)                                         | 6.00                 | 6.20                             | 3.3%                  |
| Junior Concessions (up to 50% Discount)                                       | 3.00                 | 3.10                             | 3.3%                  |
| Non City Residents - Adults (upto 20% Discount)                               | 50.00                | 55.00                            | 10.0%                 |
| Non City Residents - Juniors (Upto 20% Discount)                              | 25.00                | 27.50                            | 10.0%                 |
| <b>Cherry Hinton Village Centre</b>                                           |                      |                                  |                       |
| <b>Activity</b>                                                               |                      |                                  |                       |
| Main Hall per Hour - Adult                                                    | 56.50                | 58.00                            | 2.7%                  |
| Main Hall per Hour - Junior (17yr & Under)                                    | 32.75                | 33.50                            | 2.3%                  |
| Large Meeting Room per hour - (Community)                                     | 25.50                | 26.00                            | 2.0%                  |
| Large Meeting Room per hour - <b>(Commercial)</b>                             | 37.00                | 38.00                            | 2.7%                  |
| Small Meeting Room per hour - (Community)                                     | 13.50                | 14.00                            | 3.7%                  |
| Small Meeting Room per hour - <b>(Commercial)</b>                             | 22.50                | 23.25                            | 3.3%                  |
| Admission on Sports Bookings per person                                       | 0.30                 | 0.30                             | 0.0%                  |
| Badminton Court per hour - Adult                                              | 16.00                | 16.50                            | 3.1%                  |
| Badminton Court per hour - Junior (17yr & Under)                              | 9.25                 | 9.50                             | 2.7%                  |

Corporate

| Charge Type and description                                                                                    | Discretionary or Statutory | Charges 2025/26<br>£    | Proposed Charges<br>2026/27<br>£ | % Increase<br>2026/27 |
|----------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|-----------------------|
| <b>Guildhall Meeting Rooms, Committee Rooms Council Chamber and Members Lounge</b>                             |                            |                         |                                  |                       |
| Guildhall Meeting Rooms (per hour)                                                                             | Discretionary              | 17.00                   | 17.00                            | 0.0%                  |
| Committee Room (s)                                                                                             | Discretionary              | 35.00                   | 35.00                            | 0.0%                  |
| Council Chamber                                                                                                | Discretionary              | 115.00                  | 115.00                           | 0.0%                  |
| Members Lounge                                                                                                 | Discretionary              | 17.00                   | 17.00                            | 0.0%                  |
| Exhibition area                                                                                                | Discretionary              | 12.00                   | 12.00                            | 0.0%                  |
| Internal City Council Hirer - Office hours                                                                     | Discretionary              | No charge               | No charge                        | 0.0%                  |
| Internal City Council Hirer - Out of office Hours, bank holiday and weekends                                   | Discretionary              | Actual Cost of staffing | Actual Cost of staffing          | 0.0%                  |
| Shared Services/Greater Cambridge Partnership - Office hours up to half a day                                  | Discretionary              | No charge               | No charge                        | 0.0%                  |
| Shared Services/Greater Cambridge Partnership - Other times - per hour*                                        | Discretionary              | Hourly Rate as above    | Hourly Rate as above             | 0.0%                  |
| Public Sector Partner - Office hours up to half a day **                                                       | Discretionary              | No charge               | No charge                        | 0.0%                  |
| Public Sector Partner - Other times - per hour **                                                              | Discretionary              | Hourly Rate as above    | Hourly Rate as above             | 0.0%                  |
| Community & Voluntary Sector - Office hours up to half a day **                                                | Discretionary              | No charge               | No charge                        | 0.0%                  |
| Community & Voluntary Sector - Other times - per hour **                                                       | Discretionary              | Hourly Rate as above    | Hourly Rate as above             | 0.0%                  |
| Commercial Hires - per hour **                                                                                 | Discretionary              | Hourly Rate as above    | Hourly Rate as above             | 0.0%                  |
| **Includes Staffing charge                                                                                     |                            |                         |                                  |                       |
| All customers will pay for additional costs of refreshments plus the cost of external Audio Visual use support |                            |                         |                                  |                       |

| Charge Type and description                                           | Discretionary or Statutory | Charges 2025/26<br>£ | Proposed<br>Charges 2026/27<br>£ | % Increase<br>2026/27 |
|-----------------------------------------------------------------------|----------------------------|----------------------|----------------------------------|-----------------------|
| <b>Shared Waste Service</b>                                           |                            |                      |                                  |                       |
| <b>Hazardous domestic collections</b>                                 |                            |                      |                                  |                       |
| Per Item (Fridge / Freeze / CRT Monitor / TV / Microwaves etc.)       | Discretionary              | 31.00                | 32.50                            | 4.8%                  |
| <b>Domestic collections - Bulky Collections</b>                       |                            |                      |                                  |                       |
| One to three items (excluding hazardous items)                        | Discretionary              | 38.00                | 40.00                            | 5.3%                  |
| More than three items (per item and maximum 9 items)                  | Discretionary              | 6.20                 | 6.50                             | 4.8%                  |
| Charge to empty contaminated bin / additional empty (per bin)         | Discretionary              | 37.00                | 39.00                            | 5.4%                  |
| Clearance of rubbish from bin stores                                  | Discretionary              | By quote             | By quote                         | 0.0%                  |
| <b>Bins</b>                                                           |                            |                      |                                  |                       |
| Delivery of bin(s) for new property                                   | Discretionary              | 96.00                | 100.00                           | 4.2%                  |
| Additional approved black bin - Large families etc.                   | Discretionary              | 61.00                | 63.50                            | 4.1%                  |
| Replacement of any damaged bin                                        | Discretionary              | FREE                 | FREE                             | 0.0%                  |
| Replacement of any lost bin                                           | Discretionary              | 30.00                | 30.00                            | 0.0%                  |
| Additional blue bin charge (in excess of 2 bins in total) per bin     | Discretionary              | 30.00                | 30.00                            | 0.0%                  |
| Additional green bin charge - per additional bin (October to October) | Discretionary              | 50.00                | 52.00                            | 4.0%                  |
| Additional garden waste capacity for flats (per 1100l bin)            | Discretionary              | 91.00                | 95.00                            | 4.4%                  |

| Charge Type and description                                                                                                                                                                                                                                                                                                        | Discretionary or Statutory              | Charges 2025/26 £                                           | Proposed Charges 2026/27 £                                  | % Increase 2026/27 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--------------------|
| <b>Land Charges</b>                                                                                                                                                                                                                                                                                                                |                                         |                                                             |                                                             |                    |
| LLC1 Official Search in respect of one parcel of land                                                                                                                                                                                                                                                                              | Discretionary                           | 46.00                                                       | 47.00                                                       | 2.2%               |
| <b>Residential Search *</b>                                                                                                                                                                                                                                                                                                        |                                         |                                                             |                                                             |                    |
| CON29R                                                                                                                                                                                                                                                                                                                             | Discretionary                           | 154.00                                                      | 156.00                                                      | 1.3%               |
| LLC1 and CON29R (Full Residential Search)                                                                                                                                                                                                                                                                                          | Discretionary                           | 200.00                                                      | 203.00                                                      | 1.5%               |
| Additional Parcels of Land                                                                                                                                                                                                                                                                                                         | Discretionary                           | 19.00                                                       | 25.00                                                       | 31.6%              |
| Additional Parcels of Land LLC1                                                                                                                                                                                                                                                                                                    | Discretionary                           | 1.00                                                        | 3.00                                                        | 200.0%             |
| <b>Commercial Search</b>                                                                                                                                                                                                                                                                                                           |                                         |                                                             |                                                             |                    |
| CON29R**                                                                                                                                                                                                                                                                                                                           | Discretionary                           | 280.00                                                      | 285.00                                                      | 1.8%               |
| LLC1 and CON29R (Full Commercial Search)                                                                                                                                                                                                                                                                                           | Discretionary                           | 326.00                                                      | 332.00                                                      | 1.8%               |
| Additional Parcels of Land                                                                                                                                                                                                                                                                                                         | Discretionary                           | 31.00                                                       | 30.00                                                       | (3.2%)             |
| Additional Parcels of Land LLC1                                                                                                                                                                                                                                                                                                    | Discretionary                           | 1.00                                                        | 3.00                                                        | 200.0%             |
| <b>Additions</b>                                                                                                                                                                                                                                                                                                                   |                                         |                                                             |                                                             |                    |
| Additional Enquiries *                                                                                                                                                                                                                                                                                                             | Discretionary                           | 29.00                                                       | 30.00                                                       | 3.4%               |
| Historic File Request (per address)                                                                                                                                                                                                                                                                                                | Discretionary                           | 50.00                                                       | 52.00                                                       | 4.0%               |
| Invalid planning applications**                                                                                                                                                                                                                                                                                                    | Discretionary                           | 10% of application fee for closed or withdrawn applications | 10% of application fee for closed or withdrawn applications | 0.0%               |
| Hard copy planning applications handling fee - Major applications (per application)**                                                                                                                                                                                                                                              | Discretionary                           | 105.58                                                      | 105.58                                                      | 0.0%               |
| Hard copy planning applications handling fee - General & Other applications (per application)**                                                                                                                                                                                                                                    | Discretionary                           | 52.79                                                       | 52.79                                                       | 0.0%               |
| <b>CON290 (Optional Enquiries) *</b>                                                                                                                                                                                                                                                                                               |                                         |                                                             |                                                             |                    |
| Q4 - Road Proposals                                                                                                                                                                                                                                                                                                                | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q5 - Advertisements                                                                                                                                                                                                                                                                                                                | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q6 - Completion Notices                                                                                                                                                                                                                                                                                                            | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q7- Parks & Countryside                                                                                                                                                                                                                                                                                                            | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q8 - Pipelines                                                                                                                                                                                                                                                                                                                     | Discretionary                           | 0.00                                                        | 0.00                                                        | 0.0%               |
| Q9 - House in Multiple Occupation                                                                                                                                                                                                                                                                                                  | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q10- Noise Abatement and other Nuisances                                                                                                                                                                                                                                                                                           | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q11 - Urban Development Areas                                                                                                                                                                                                                                                                                                      | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q12 - Enterprise Zones                                                                                                                                                                                                                                                                                                             | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q13 - Inner Urban Development Areas                                                                                                                                                                                                                                                                                                | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q14 - Simplified Planning Zones                                                                                                                                                                                                                                                                                                    | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q15 - Land Maintenance Notices                                                                                                                                                                                                                                                                                                     | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q16 - Mineral Consultation Areas***                                                                                                                                                                                                                                                                                                | Discretionary but set by County Council | 15.68                                                       | 15.68                                                       | (0.0%)             |
| Q17 - Hazardous Substance Consents                                                                                                                                                                                                                                                                                                 | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q18 - Environmental & Pollution Notices                                                                                                                                                                                                                                                                                            | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q19 - Food Safety Notices                                                                                                                                                                                                                                                                                                          | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q20 - Hedgerow Notices                                                                                                                                                                                                                                                                                                             | Discretionary                           | 19.00                                                       | 20.00                                                       | 5.3%               |
| Q21 - Flood Defence and Land Drainage Consents***                                                                                                                                                                                                                                                                                  | Discretionary but set by County Council | 15.68                                                       | 15.68                                                       | (0.0%)             |
| Q22 - Common Land, Town and Village Greens***                                                                                                                                                                                                                                                                                      | Discretionary but set by County Council | 31.37                                                       | 31.37                                                       | 0.0%               |
| <b>Discretionary services (including Pre-application work and Planning and Performance Agreements (PPAs)) will be charged for on a case by case basis. This charge will be based on full recovery of the cost of delivering the agreed work. Officer time will be charged at the following rate according to the officer band:</b> |                                         |                                                             |                                                             |                    |
| Executive Director                                                                                                                                                                                                                                                                                                                 | Discretionary                           | 340.00                                                      | 357.00                                                      | 5.0%               |
| Grade 10 Assistant Director                                                                                                                                                                                                                                                                                                        | Discretionary                           | 217.00                                                      | 228.00                                                      | 5.1%               |
| Grade 9                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 192.00                                                      | 201.00                                                      | 4.7%               |
| Grade 8                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 181.00                                                      | 189.00                                                      | 4.4%               |
| Grade 7                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 170.00                                                      | 177.00                                                      | 4.1%               |
| Grade 6                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 142.00                                                      | 149.00                                                      | 4.9%               |
| Grade 5                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 131.00                                                      | 137.00                                                      | 4.6%               |
| Grade 4                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 118.00                                                      | 123.00                                                      | 4.2%               |
| Grade 3                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 98.00                                                       | 102.00                                                      | 4.1%               |
| Grade 2                                                                                                                                                                                                                                                                                                                            | Discretionary                           | 90.00                                                       | 93.00                                                       | 3.3%               |
| The full direct cost of any external consultants, contractors or agency staff incurred by the Planning Service in the delivery of the discretionary service will also be included in any fees charged for the work done. Agency hourly rates charged at agency rates plus £28/hour overhead.                                       |                                         |                                                             |                                                             |                    |

#### Notes

\* Includes VAT

\*\*These are existing fees. Awaiting legal agreement to confirm the new fees

\*\*\*These fees are set by the County Council and are provisional pending them being set in February

## Licensing

| Charge Type and description                             | Discretionary or Statutory | Charges 2025/26 £ | Proposed Charges 2026/27 £ | % Increase 2026/27 |
|---------------------------------------------------------|----------------------------|-------------------|----------------------------|--------------------|
| <b>Skin Piercing</b>                                    |                            |                   |                            |                    |
| Skin Piercing – Premises                                | Discretionary              | 175.00            | 181.00                     | 3.4%               |
| Skin Piercing - Practitioners                           | Discretionary              | 63.50             | 65.50                      | 3.1%               |
| <b>Sex Establishments</b>                               |                            |                   |                            |                    |
| Sexual Entertainment Venues (new & variation)           | Discretionary              | 3,616.00          | 3,742.00                   | 3.5%               |
| Sexual Entertainment Venues (renewal)                   | Discretionary              | 1,070.00          | 1,107.00                   | 3.5%               |
| Sexual Entertainment Venues (transfer)                  | Discretionary              | 1,070.00          | 1,107.00                   | 3.5%               |
| Sex Shop / Sex Cinema (new & variation)                 | Discretionary              | 3,350.00          | 3,467.00                   | 3.5%               |
| Sex Shop / Sex Cinema (renewal)                         | Discretionary              | 1,070.00          | 1,107.00                   | 3.5%               |
| Sex Shop / Sex Cinema (transfer)                        | Discretionary              | 1,070.00          | 1,107.00                   | 3.5%               |
| <b>Drivers</b>                                          |                            |                   |                            |                    |
| Disclosure & Barring Service Check (DBS) *              | Discretionary              | 49.50             | 49.50                      | 0.0%               |
| Knowledge Test                                          | Discretionary              | 100.00            | 105.00                     | 5.0%               |
| New Licence Fee                                         | Discretionary              | 310.00            | 300.00                     | (3.2%)             |
| Annual Renewal Fee                                      | Discretionary              | 200.00            | 225.00                     | 12.5%              |
| 3 Yearly Renewal Fee                                    | Discretionary              | 305.00            | 270.00                     | (11.5%)            |
| Replacement Badges                                      | Discretionary              | 28.00             | 30.00                      | 7.1%               |
| DVLA Data Check * (New service provider)                | Discretionary              | 6.75              | 6.85                       | 1.5%               |
| DVLA Data Check * (New service provider) 3 year licence | Discretionary              | 20.25             | 20.55                      | 1.5%               |
| Change of Details                                       | Discretionary              | 25.00             | 25.00                      | 0.0%               |
| Replacement Licence                                     | Discretionary              | 28.00             | 24.00                      | (14.3%)            |
| Knowledge Test Retest                                   | Discretionary              | 80.00             | 75.00                      | (6.3%)             |
| <b>Vehicles</b>                                         |                            |                   |                            |                    |
| Hackney Carriage Licence (new)                          | Discretionary              | 310.00            | 300.00                     | (3.2%)             |
| Private Hire Licence (new)                              | Discretionary              | 260.00            | 250.00                     | (3.8%)             |
| Hackney Carriage Ultra Low Emission Vehicle (new)       | Discretionary              | 155.00            | 150.00                     | (3.2%)             |
| Private Hire Ultra Low Emission Vehicle (new)           | Discretionary              | 130.00            | 125.00                     | (3.8%)             |
| Hackney Carriage Zero Emission Vehicle (new)            | Discretionary              | 0.00              | 0.00                       | 0.0%               |
| Private Hire Zero Emission Vehicle (new)                | Discretionary              | 0.00              | 0.00                       | 0.0%               |
| Hackney Carriage Licence Renewal                        | Discretionary              | 235.00            | 215.00                     | (8.5%)             |
| Private Hire Licence Renewal                            | Discretionary              | 220.00            | 200.00                     | (9.1%)             |
| Hackney Carriage Ultra Low Emission Vehicle (renewal)   | Discretionary              | 117.50            | 107.50                     | (8.5%)             |
| Private Hire Ultra Low Emission Vehicle (renewal)       | Discretionary              | 110.00            | 100.00                     | (9.1%)             |
| Hackney Carriage Zero Emission Vehicle (renewal)        | Discretionary              | 0.00              | 0.00                       | 0.0%               |
| Private Hire Zero Emission Vehicle (renewal)            | Discretionary              | 0.00              | 0.00                       | 0.0%               |
| Plate Deposit                                           | Discretionary              | 45.00             | 45.00                      | 0.0%               |
| Hackney Carriage Replacement Plate                      | Discretionary              | 45.00             | 45.00                      | 0.0%               |
| Private Hire Replacement Plate                          | Discretionary              | 50.00             | 50.00                      | 0.0%               |
| Change of Ownership                                     | Discretionary              | 100.00            | 100.00                     | 0.0%               |
| Crest - self adhesive                                   | Discretionary              | 18.00             | 20.00                      | 11.1%              |
| Crest - magnetic                                        | Discretionary              | 20.00             | 23.00                      | 15.0%              |
| Replacement Licence                                     | Discretionary              | 28.00             | 24.00                      | (14.3%)            |
| Change of Details                                       | Discretionary              | 25.00             | 25.00                      | 0.0%               |
| Non - Driver Proprietor renewal                         | Discretionary              | 30.00             | 35.00                      | 16.7%              |
| Non - Driver Proprietor                                 | Discretionary              | New               | 45.00                      | -                  |
| Change of Vehicle registration PHV                      | Discretionary              | 50.00             | 50.00                      | 0.0%               |
| Change of Vehicle resgistration HCV                     | Discretionary              | 45.00             | 45.00                      | 0.0%               |
| <b>Operators Licence</b>                                |                            |                   |                            |                    |
| Private Hire Operators Licence (New)                    | Discretionary              | 315.00            | 416.00                     | 32.1%              |
| Private Hire Operators Licence (Renewal - 1 Year)       | Discretionary              | 300.00            | 365.00                     | 21.7%              |
| Private Hire Operators Licence (renewal - 5 Year)       | Discretionary              | 1,165.00          | 1,370.00                   | 17.6%              |
| Replacement Licence                                     | Discretionary              | 28.00             | 24.00                      | (14.3%)            |
| Change of Details                                       | Discretionary              | 25.00             | 25.00                      | 0.0%               |
| <b>Training</b>                                         |                            |                   |                            |                    |
| Highfield Level 2 Award for Personal Licence Holders    | Discretionary              | 105.00            | 109.00                     | 3.8%               |
| <b>Licensing Act 2003 (**Statutory Set)</b>             |                            |                   |                            |                    |
| Personal Licence                                        | Statutory                  | 37.00             | 37.00                      | 0.0%               |
| New Premises Licence (or full variation)                | Statutory                  | Various           | Various                    | 0.0%               |
| Annual Fee                                              | Statutory                  | Various           | Various                    | 0.0%               |
| Minor Variation                                         | Statutory                  | 89.00             | 89.00                      | 0.0%               |
| Temporary Event Notice                                  | Statutory                  | 21.00             | 21.00                      | 0.0%               |
| Change of Designated Premises Supervisor                | Statutory                  | 23.00             | 23.00                      | 0.0%               |
| <b>Pavement Licensing</b>                               |                            |                   |                            |                    |
| Pavement Licence - New                                  | Statutory                  | 370.00            | 383.00                     | 3.5%               |
| Pavement Licence - Renewal                              | Statutory                  | 155.00            | 160.00                     | 3.2%               |

| Charge Type and description                                                                                             | Discretionary or Statutory | Charges 2025/26 £ | Proposed Charges 2026/27 £ | % Increase 2026/27 |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------------------|--------------------|
| <b>Gambling Act 2005 (**Statutory Set)</b>                                                                              |                            |                   |                            |                    |
| Bingo Club (New)                                                                                                        | Statutory                  | 2,625.00          | 2,625.00                   | 0.0%               |
| Bingo Club (Annual Fee)                                                                                                 | Statutory                  | 900.00            | 900.00                     | 0.0%               |
| Small Society Lottery (New)                                                                                             | Statutory                  | 40.00             | 40.00                      | 0.0%               |
| Small Society Lottery (Annual)                                                                                          | Statutory                  | 20.00             | 20.00                      | 0.0%               |
| Betting Premises (New)                                                                                                  | Statutory                  | 2,250.00          | 2,250.00                   | 0.0%               |
| Betting Premises (Annual Fee)                                                                                           | Statutory                  | 540.00            | 540.00                     | 0.0%               |
| Family Entertainment Centre (Annual Fee)                                                                                | Statutory                  | 500.00            | 500.00                     | 0.0%               |
| Adult Gaming Centre (New)                                                                                               | Statutory                  | 1,500.00          | 1,500.00                   | 0.0%               |
| Adult Gaming Centre (Annual Fee)                                                                                        | Statutory                  | 900.00            | 900.00                     | 0.0%               |
| <b>Animal Licensing</b>                                                                                                 |                            |                   |                            |                    |
| Zoo                                                                                                                     | Discretionary              | 700.00            | 724.00                     | 3.4%               |
| Dangerous Wild Animals (Plus Vet fees)                                                                                  | Discretionary              | 345.00            | 357.00                     | 3.5%               |
| Variation of a licence requiring a re-inspection (Plus Vet fees)                                                        | Discretionary              | 61.50             | 63.50                      | 3.3%               |
| <b>Exhibiting animals:</b>                                                                                              |                            |                   |                            |                    |
| Fees on application                                                                                                     | Discretionary              | 91.00             | 94.00                      | 3.3%               |
| Initial rating or re-rating fee                                                                                         | Discretionary              | 155.50            | 161.00                     | 3.5%               |
| Maintenance fee (3 years)                                                                                               | Discretionary              | 451.00            | 466.00                     | 3.3%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 156.00            | 161.00                     | 3.2%               |
| Copy of licence or change of details not requiring an inspection                                                        | Discretionary              | 13.50             | 14.00                      | 3.7%               |
| <b>Selling animals as pets:</b>                                                                                         |                            |                   |                            |                    |
| Fees on application                                                                                                     | Discretionary              | 91.00             | 94.00                      | 3.3%               |
| Initial rating or re-rating fee                                                                                         | Discretionary              | 257.00            | 266.00                     | 3.5%               |
| Maintenance fee: one year                                                                                               | Discretionary              | 150.00            | 155.00                     | 3.3%               |
| two years                                                                                                               | Discretionary              | 300.00            | 310.50                     | 3.5%               |
| three years                                                                                                             | Discretionary              | 451.00            | 466.00                     | 3.3%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 257.00            | 266.00                     | 3.5%               |
| Copy of licence or change of details not requiring an inspection                                                        | Discretionary              | 13.50             | 14.00                      | 3.7%               |
| <b>Riding Establishment:</b>                                                                                            |                            |                   |                            |                    |
| Fees on application                                                                                                     | Discretionary              | 91.00             | 94.00                      | 3.3%               |
| Initial rating or re-rating fee ( plus additional vets fee not included)                                                | Discretionary              | 51.00             | 53.00                      | 3.9%               |
| Maintenance fee: one year                                                                                               | Discretionary              | 150.00            | 155.00                     | 3.3%               |
| two years                                                                                                               | Discretionary              | 300.00            | 310.50                     | 3.5%               |
| three years                                                                                                             | Discretionary              | 451.00            | 466.00                     | 3.3%               |
| Variation of a licence requiring a re-inspection (plus vets fee not included)                                           | Discretionary              | 51.00             | 53.00                      | 3.9%               |
| Copy of licence or change of details not requiring an inspection                                                        | Discretionary              | 13.50             | 14.00                      | 3.7%               |
| <b>Dog Breeding:</b>                                                                                                    |                            |                   |                            |                    |
| Fees on application                                                                                                     | Discretionary              | 91.00             | 94.00                      | 3.3%               |
| Initial rating or re-rating fee ( plus additional vets fee not included)                                                | Discretionary              | 51.00             | 53.00                      | 3.9%               |
| Maintenance fee: one year                                                                                               | Discretionary              | 150.00            | 155.00                     | 3.3%               |
| two years                                                                                                               | Discretionary              | 300.00            | 310.50                     | 3.5%               |
| three years                                                                                                             | Discretionary              | 451.00            | 466.00                     | 3.3%               |
| Variation of a licence requiring a re-inspection (plus vets fee not included)                                           | Discretionary              | 51.00             | 53.00                      | 3.9%               |
| Copy of licence or change of details not requiring an inspection                                                        | Discretionary              | 13.50             | 14.00                      | 3.7%               |
| <b>Animal Boarding:</b>                                                                                                 |                            |                   |                            |                    |
| Fees on application: up to 10 animals                                                                                   | Discretionary              | 91.00             | 94.00                      | 3.3%               |
| Initial rating or re-rating fee                                                                                         | Discretionary              | 156.00            | 161.00                     | 3.2%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 156.00            | 161.00                     | 3.2%               |
| Fees on application: 11- 30 animals                                                                                     | Discretionary              | 207.00            | 214.00                     | 3.4%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 207.00            | 214.00                     | 3.4%               |
| Fees on application: 31-60 animals                                                                                      | Discretionary              | 257.00            | 266.00                     | 3.5%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 257.00            | 266.00                     | 3.5%               |
| Fees on application: 61-99 animals                                                                                      | Discretionary              | 310.00            | 321.00                     | 3.5%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 310.00            | 321.00                     | 3.5%               |
| Fees on application: 100 or more animals                                                                                | Discretionary              | 360.00            | 372.00                     | 3.3%               |
| Variation of a licence requiring a re-inspection                                                                        | Discretionary              | 360.00            | 372.00                     | 3.3%               |
| Maintenance fee: one year                                                                                               | Discretionary              | 150.00            | 155.00                     | 3.3%               |
| two years                                                                                                               | Discretionary              | 300.00            | 310.50                     | 3.5%               |
| three years                                                                                                             | Discretionary              | 451.00            | 466.00                     | 3.3%               |
| Copy of licence or change of details not requiring an inspection                                                        | Discretionary              | 13.50             | 14.00                      | 3.7%               |
| <b>Scrap Metal Dealers</b>                                                                                              |                            |                   |                            |                    |
| Site Licence                                                                                                            | Discretionary              | 540.00            | 559.00                     | 3.5%               |
| Conversion to collector's licence                                                                                       | Discretionary              | 65.50             | 68.00                      | 3.8%               |
| Change of licensee name                                                                                                 | Discretionary              | 65.50             | 68.00                      | 3.8%               |
| Addition of site                                                                                                        | Discretionary              | 540.00            | 559.00                     | 3.5%               |
| Removal of site                                                                                                         | Discretionary              | 65.50             | 68.00                      | 3.8%               |
| Change of Site Manager                                                                                                  | Discretionary              | 159.00            | 164.50                     | 3.5%               |
| Replacement of lost or damaged licence                                                                                  | Discretionary              | 59.50             | 61.50                      | 3.4%               |
| Collector's licence                                                                                                     | Discretionary              | 232.00            | 240.00                     | 3.4%               |
| Conversion to site licence                                                                                              | Discretionary              | 467.00            | 483.00                     | 3.4%               |
| Change of name (e.g. status)                                                                                            | Discretionary              | 65.60             | 68.00                      | 3.7%               |
| Replacement of lost or damaged licence                                                                                  | Discretionary              | 59.50             | 61.50                      | 3.4%               |
| <b>Street Trading</b>                                                                                                   |                            |                   |                            |                    |
| 12 month food licence pitch                                                                                             | Discretionary              | 2,886.00          | 2,886.00                   | 0.0%               |
| 12 month retail licence pitch                                                                                           | Discretionary              | 2,727.00          | 2,727.00                   | 0.0%               |
| 8 month food licence pitch                                                                                              | Discretionary              | 2,165.00          | 2,165.00                   | 0.0%               |
| 8 month retail licence pitch                                                                                            | Discretionary              | 2,045.00          | 2,045.00                   | 0.0%               |
| 4 month food licence pitch                                                                                              | Discretionary              | 722.00            | 722.00                     | 0.0%               |
| 4 month retail licence pitch                                                                                            | Discretionary              | 682.00            | 682.00                     | 0.0%               |
| * These charges are shown net of VAT                                                                                    |                            |                   |                            |                    |
| ** Externally set fees and charges                                                                                      |                            |                   |                            |                    |
| <b>Please note that all licensing fees not set by statute were approved at Licensing Committee on 26th January 2026</b> |                            |                   |                            |                    |

Housing Revenue Account (HRA)

| Charge Type and description                                  | Discretionary or Statutory | Charges 2025/26 £      | Proposed Charges 2026/27 £ | % Increase 2026/27 |
|--------------------------------------------------------------|----------------------------|------------------------|----------------------------|--------------------|
| HRA                                                          |                            |                        |                            |                    |
| Resident Parking Permits for City Homes                      | Discretionary              | 30.00                  | 31.00                      | 3.3%               |
| Visitor Parking Permits for City Homes                       | Discretionary              | 30.00                  | 31.00                      | 3.3%               |
| Replacement Resident/ Visitor Parking Permits for City Homes | Discretionary              | 12.00                  | 12.40                      | 3.3%               |
| Temporary Resident Permit                                    | Discretionary              | 12.00                  | 12.40                      | 3.3%               |
| Access Licences on Housing Land                              | Discretionary              | Variable - Minimum £20 | Variable - Minimum £20     | 0.0%               |
| Electric Vehicle Charges on Pod Point App - Member (per kwh) | Discretionary              | 0.37                   | 0.38                       | 3.5%               |
| Electric Vehicle Charges on Pod Point App - Public (per kwh) | Discretionary              | 0.50                   | 0.52                       | 3.5%               |
| * These charges are shown VAT Inclusive                      |                            |                        |                            |                    |