

GENERAL PURPOSES COMMITTEE



Tuesday, 24 March 2020

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

Shire Hall
Castle Hill
Cambridge
CB3 0AP

**Kreis Viersen Room
Shire Hall, Castle Hill, Cambridge, CB3 0AP**

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1. Apologies for absence and declarations of interest

*Guidance on declaring interests is available at
<http://tinyurl.com/ccc-conduct-code>*

2. Minutes - 28th January 2020

[available at

https://cambridgeshire.cmis.uk.com/ccc_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDet

Minutes - 28th January 2020 and Action Log

3. Petitions and Public Questions

OTHER DECISION

4. Finance Monitoring Report - January 2020

KEY DECISIONS

- 5. Integrated Finance Monitoring Report for the period ending 31st January 2020**

OTHER DECISIONS

- 6. Treasury Management Report - Quarter 3 Update 2019-20**
- 7. Transformation Fund Monitoring Report Quarter 3 2019-20**
- 8. Transformation Fund Bid - Cambridgeshire Lifeline Project Business Case**
- 9. Joint Health and Wellbeing Strategy Consultation**
- 10. General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies Groups and Panels**

The General Purposes Committee comprises the following members:

Councillor Steve Count (Chairman) Councillor Roger Hickford (Vice-Chairman)

Councillor Anna Bailey Councillor Ian Bates Councillor Simon Bywater Councillor Steve Criswell Councillor Lorna Dupre Councillor Peter Hudson Councillor David Jenkins Councillor Elisa Meschini Councillor Lucy Nethsingha Councillor Tom Sanderson Councillor Josh Schumann Councillor Mathew Shuter and Councillor Joan Whitehead

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

Clerk Email: michelle.rowe@cambridgeshire.gov.uk

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution:

<https://tinyurl.com/CommitteeProcedure>

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GENERAL PURPOSES COMMITTEE

Minutes-Action Log – Agenda Item No.2



Cambridgeshire
County Council

Introduction:

This log captures the actions arising from the General Purposes Committee on 28th January 2020 and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 16th March 2020.

Minutes of 28th January 2020

Item No.	Item	Action to be taken by	Action	Comments	Completed
229.	MINUTES – 17TH DECEMBER 2019 AND ACTION LOG	S French S Wilkinson	Nearly Zero Energy Buildings Requirements for New Public Buildings: Requested that a confidential note be circulated to the Committee detailing the numbers and capital costs of those building projects post planning.		Outstanding
233.	IMPLEMENTATION OF SOFTWARE DEFINED NETWORKING SOLUTION AS PART OF SHIRE HALL DATA CENTRE MOVE	S Smith	Requested the name of the independent company providing advice.	The company used was Expert Thinking.	Completed

235.	NO CAR ZONES – OUTSIDE SCHOOLS	M Staton	To confirm whether the City Council's air quality monitoring equipment monitored particulates or nitrogen oxides.	<p>The AQ Mesh monitor the following pollutants:</p> <p>Nitrogen dioxide (NO₂)</p> <p>Particulate Matter of the following size fractions: PM₁₀ - particulates smaller than 10 microns in diameter, PM_{2.5} – particulates smaller than 2.5 microns in diameter and PM₁ – particulates smaller than 1 micron in diameter.</p> <p>It also monitors temperature and humidity which is useful when interpreting the results.</p>	Completed
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FINANCE MONITORING REPORT – JANUARY 2020

To: **General Purposes Committee**

Meeting Date: **24th March 2020**

From: **Director of Corporate and Customer Services
Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To present to General Purposes Committee (GPC) the January 2020 Finance Monitoring Report for Corporate Services and LGSS Cambridge Office.**

The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of January 2020.

Recommendation: **The Committee is asked to review, note and comment upon the report.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 General Purposes Committee receives the Corporate Services and LGSS Cambridge Office Finance Monitoring Report at all of its meetings, where it is asked to both comment on the report and potentially approve recommendations, to ensure that the budgets for which the Committee has responsibility, remain on target.

2. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the January 2020 Finance Monitoring report.

2.2 Revenue:

- At the end of January, Corporate Services (including the LGSS Managed, Deputy Chief Executive and Financing Costs) is forecasting an underspend of £1,873k.

There is one new material exception to report this month.

- At the end of January, the LGSS Cambridge Office budget is forecasting an overspend of £589k.

There are no new material exceptions to report this month.

2.3 Capital:

- At the end of January, Corporate Services & Transformation and LGSS Managed are forecasting an in-year underspend of -£562k on capital after the full £2,016k capital programme variations budget has been used. There is one new significant variance by value (over £250k) to report.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

This report sets out details of the overall financial position for Corporate Services / LGSS and this Committee.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Consultation Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

This report does not contain officer clearances as it is a monitoring report.

Source Documents	Location
CS and LGSS Cambridge Office Finance Monitoring Report (January 2020)	1 st Floor, Octagon, Shire Hall, Cambridge

Service	Corporate Services, LGSS Managed and LGSS Cambridge Office
Subject	Finance Monitoring Report – January 2020

Appendix A

KEY INDICATORS

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Green	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

CONTENTS

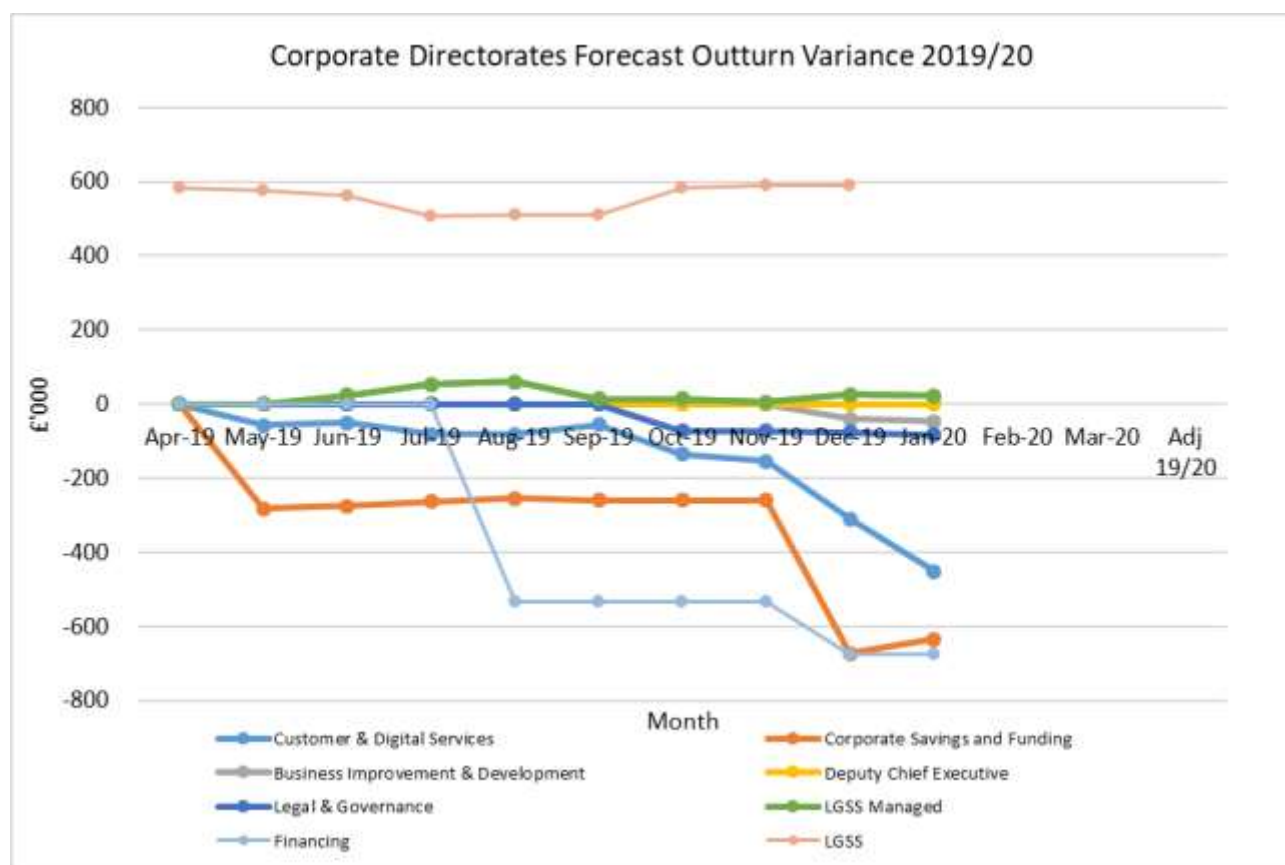
Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information: By Directorate Narrative on key issues in revenue financial position	2-5
2	Capital Executive Summary	Summary of the position of the Capital programme within Corporate Services and LGSS Managed	6
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	6
4	Technical Note	Explanation of technical items that are included in some reports	6
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services and LGSS Managed	7-8
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	9-10
Appx 3	Capital Position	This will contain more detailed information about Corporate Services and LGSS Managed' Capital programme, including funding sources and variances from planned spend.	11-13
Appx 4	Savings Tracker*	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	14-15
Appx 5	Technical Appendix*	Twice yearly, this will contain technical financial information for Corporate Services and LGSS managed showing: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of Corporate Services • Service reserves 	16-20
Appx 6	Service Level Financial information	Detailed financial table for LGSS Cambridge Office	21
Appx 7	Service commentaries	Detailed notes on financial position of LGSS Cambridge Office that are predicting not to achieve their budget	22

Appx 8	Technical Appendix*	This will contain technical financial information for LGSS Cambridge Office: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of LGSS Cambridge Office • Service reserves 	23
*These appendices are not included each month as the information does not change as regularly			

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services, Financing costs and LGSS Managed is forecasting an underspend of £1,873k at the end of January, an increase of £122k since December.



1.2 Summary of Revenue position by Directorate

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %
-310	Customer & Digital Services	6,802	5,287	-452	-6.6%
-673	Corporate Savings & Funding	758	0	-635	-83.8%
-41	Business Improvement & Development	969	1,644	-48	-5.0%
0	Deputy Chief Executive	2,139	1,615	-0	0.0%
-76	Legal & Governance	1,532	1,202	-83	-5.4%
-677	Financing Costs	27,558	10,750	-677	-2.5%
26	LGSS Managed	10,916	8,295	22	0.2%
-1,751	Total	50,675	28,794	-1,873	-3.7%

The service level budgetary control report for Corporate Services, Financing Costs and LGSS Managed for January 2020 can be found in [appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for December 2019 can be found in [appendix 6](#). Pressures and deficits within LGSS Operational budgets are the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council or Milton Keynes Council, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

Further analysis can be found in [appendix 2](#) for Corporate Services and [appendix 7](#) for LGSS Cambridge Office.

1.3 Significant Issues

At the end of 2020, the overall Corporate Services and LGSS Managed forecast position is an underspend of £1,873, around 4% of budget

Significant issues are detailed below:

Customer & Digital Services

Corporate and Customer Services budgets are currently predicting an underspend of £452k, which is an increase of £142k from the previous forecast. This is mainly due to a further increase of forecast underspend in Customer Services and IT & Digital Services, due to staff vacancies, changes in income of £138k, and an underspend of £11k on software expenditure..

Corporate Savings and Funding

Corporate Savings and Funding budgets are currently predicting an underspend of £123k, which is an increase of £38k from the previous forecast. This is due to an increase of forecast underspend in Central Services and Organisation-Wide Risks.

The favourable variance in this area is principally the result of:

- £589k – to offset the pressure reported by the LGSS Cambridge office. As anticipated during business planning, previous savings plans related to further growth of LGSS have not been delivered – the LGSS model is currently subject to review, with a several services repatriated to CCC and other areas under consideration.
- £427k – to offset the pressure reported against shared services with Peterborough City Council, as described in [appendix 2](#)

This budgetary provision was made during business planning to offset the risks on shared services in particular, although in actuality it has transpired that the costs of LGSS disaggregation and risks are lower this year than expected during budgeting, whereas the overspend on PCC shared services is greater than expected.

Business Improvement & Development

Business Improvement & Development budgets are currently predicting an underspend of £48k. This is due to additional income in Business Intelligence and BID Director and Business Support.

There are no new material exceptions to report this month.

Resources Directorate

Resources Directorate budgets are currently predicting a balanced position, which is the same as the last month.

There are no new material exceptions to report this month.

Legal and Governance

The Legal and Governance budget is currently predicting an underspend of £83k, which is an increase of £7k from previous forecast.

There are no new material exceptions to report this month.

LGSS Managed

LGSS Managed budgets are currently predicting an overspend of £22k, which is a decrease of £4k from previous forecast.

There are no new material exceptions to report this month.

Financing Costs

The Financing Costs budget is currently predicting an underspend of £677k. This is mainly due to changes following updates to the Debt charges model and additional income from a Section 106 contribution.

There are no new material exceptions to report this month.

LGSS Cambridge Office

LGSS Cambridge Office budgets are currently predicting an overspend of £589k, which is the same as last month.

There are no new material exceptions to report this month.

2. Capital Executive summary

2019/20 In Year Pressures/Slippage

At the end of January 2020 the capital programme forecast position is an underspend of £562k.

Corporate Services and Transformation schemes have a capital budget of £7.8m in 2019/20 and there is expenditure of £4.7m to date. The total scheme forecast is on budget. The total scheme forecast is expected to underspend by £90k.

LGSS Managed has a capital budget of £3.239m in 2019/20 and there is expenditure of £3.1m to date. The total scheme forecast is expected to underspend by £472k.

There is one new material exceptions to report this month:

IT Strategy

The Programme Manager for the IT Strategy was appointed in quarter 3. The key activities during this period was to establish the workstreams, projects, reporting and governance to support the delivery of the IT Strategy. A detailed resource plan has been developed, including the apportionment of costs between PCC and CCC.

The IT Strategy has a capital budget of £1.3m, in 19/20 the scheme is forecast to underspend by £1,188k this financial year due to slippage in the start date for projects within the Office 365 workstream.

Details of the currently forecasted capital variances and funding can be found in [appendix 3](#).

3. Savings Tracker Summary

The savings tracker is produced quarterly, and the latest savings tracker can be found in [appendix 4](#).

4. Technical Notes

On a biannual basis, a technical financial appendix will be included as [appendix 5](#) for Corporate Services and [appendix 8](#) for LGSS Cambridge office.

This appendix will cover:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of corporate services and LGSS Managed from other services (but not within corporate services and LGSS Managed), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

The appendices to this report can be viewed in the [online](#) version of the report.

**INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING
31ST JANUARY 2020**

To: **General Purposes Committee**

Date: **24 March 2020**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **2020/002** *Key decision:* **Yes**

Purpose: **To present financial information to assess progress in delivering the Council's Business Plan.**

Recommendations: **General Purposes Committee (GPC) is recommended to:**

- a) **Note the additional 2019/20 contributions of £677k expected in relation to the Combined Authority funded Wisbech Town Centre Access Study scheme, as set out in section 6.7;**
- b) **Approve additional prudential borrowing of £808k in 2020/21 for the Outdoors Centres scheme, as set out in section 6.8;**
- c) **Approve additional prudential borrowing of £1m in 2020/21 for the A14 Improvement Scheme contribution, as set out in section 6.9;**
- d) **Approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments grant (£188,008) to the corporate grants account within Funding Items, as set out in Appendix 3.**

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1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.

2. OVERVIEW

- 2.1 The following summary provides the Authority's forecast financial position at year-end and its key activity data for care budgets.

Finance and Key Activity

Revenue budget outturn

+£0.9m (0.2%)
variance at end of
year

RED

This is a £0.335m decrease
in the revenue pressure
since last month's forecast.

This is a £23.793m
decrease in the in-year
capital expenditure
compared to last month's
forecast.

Capital programme outturn

-£57.4m (-16.4%)
variance at end of year

GREEN

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Jan 20	May 19	Trend since May 19
Nursing	497	489	Stayed the same
Residential	935	873	Increasing
Community	1,566	1,476	Increasing

Adults aged 18+ receiving long term services

	Jan 20	May 19	Trend since May 19
Nursing	58	45	Increasing
Residential	362	376	Stayed the same
Community	2,641	2,855	Decreasing

Children open to social care

	Jan 20	Apr 19	Trend since Apr 19
Children in Care	737	783	Decreasing
Child Protection	346	581	Decreasing
Children in need *	1,907	2,207	Decreasing

* Number of open cases in Children's Social Care (minus Children in Care and Child Protection)

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£0.6m (+0.2%). This is largely within People & Communities (P&C) (£4.2m pressure), Commercial & Investment (C&I) (£1.7m pressure), and LGSS Operational (£0.6m pressure), partially offset by forecast underspends of -£2.9m in Place & Economy, -£1.2m in Corporate Services, -£0.7m in CS Financing, -£0.5m in Funding Items and -£0.4m in Public Health. See section 3 for details.
- The Capital Programme is forecasting a -£57.4m underspend at year-end after the capital programme variations budget has been utilised in full. See section 6 for details.

3. REVENUE BUDGET

3.1 A more detailed analysis of financial performance is included below:

Key to abbreviations

CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per Business Plan £000	Forecast Variance (Dec) £000	Service	Current Budget for 2019/20 £000	Actual (Jan) £000	Forecast Variance (Jan) £000	Forecast Variance (Jan) %	Overall Status	DoT
57,504	-2,610	Place & Economy	53,771	39,799	-2,878	-5.4%	Green	↑
254,936	4,345	People & Communities	263,422	201,090	4,247	1.6%	Red	↑
390	-199	Public Health	390	-6,829	-390	-	Green	↑
10,221	-1,100	Corporate Services	12,200	9,748	-1,218	-10.0%	Green	↑
14,048	26	LGSS Managed	10,916	8,295	22	0.2%	Green	↑
-9,502	1,335	Commercial & Investment	-8,706	-493	1,679	-	Amber	↓
28,161	-677	CS Financing	27,558	10,750	-677	-2.5%	Green	↔
355,758	1,120	Service Net Spending	359,551	262,361	785	0.2%	Amber	↑
20,357	-504	Funding Items	18,447	9,709	-504	-2.7%	Green	↓
376,115	616	Subtotal Net Spending	377,998	272,070	281	0.1%	Amber	↑
		Memorandum items:						
8,161	589	LGSS Operational	6,103	6,787	589	9.7%	Amber	↔
	1,205	Grand Total Net Spending	384,101	278,857	870	0.2%	Red	↑
170,024		Schools	170,024					
554,300		Total Spending 2019/20	554,125					

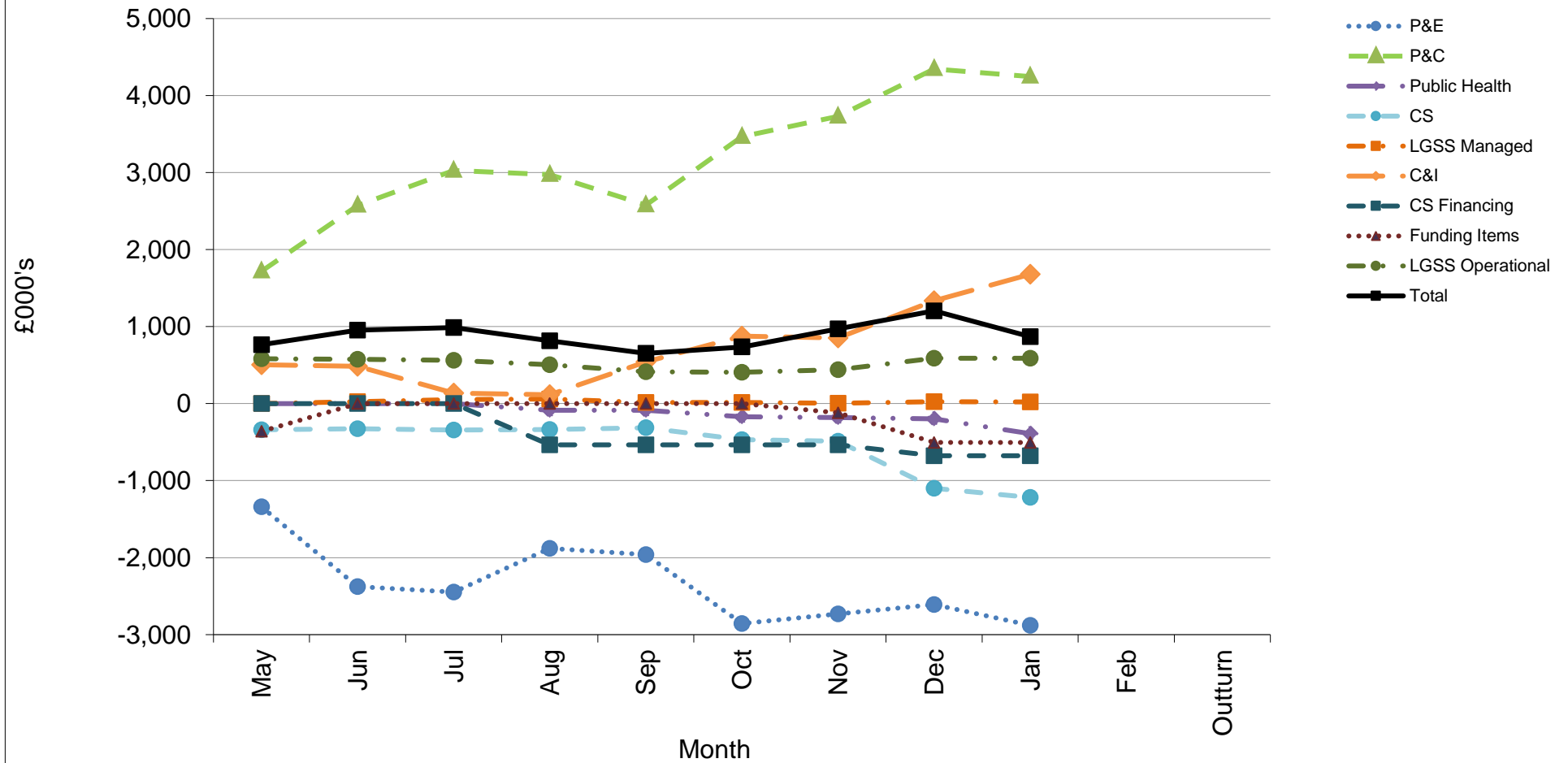
¹ The budget figures in this table are net.

² For budget virements between Services throughout the year, please see [Appendix 1](#).

³ The budget of £390k stated for Public Health is cash limit budget. In addition to this, Public Health has a budget of £24.7m from ring-fenced public health grant, which makes up its gross budget.

⁴ The 'Funding Items' budget comprises the £8.7m Combined Authority Levy, the £407k Flood Authority Levy and £9.3m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.

Forecast Outturn Position 2019/20



3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** -£2.878m (-5.4%) underspend is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • Local Infrastructure Maintenance and Improvement – a £0.852m pressure is forecast of which £0.707m relates to a change since last month. The principal pressure is £650k for the use of Rhino (patching machinery) for crack sealing circa 100 sites and £45k for the hire of an additional patcher until the end of March 2020. 	+0.852	(+14%)
<ul style="list-style-type: none"> • Parking Enforcement– a -£0.961m underspend is forecast. This is an increase of -£0.311m on the underspend position previously reported in May, of which -£0.179m relates to a change since last month. Bus lane enforcement is providing additional income in excess of the budget set. This income is difficult to predict and therefore the financial position will be monitored on a regular basis, and the forecast updated accordingly. 	-0.961	(-%)
<ul style="list-style-type: none"> • A combination of more minor variances sum with the above to lead to an overall outturn of -£2.878m. For full and previously reported details see the P&E Finance Monitoring Report, (https://tinyurl.com/v5ytkx8). 		

3.2.2 **People & Communities:** +£4.247m (+1.6%) pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • SEND Specialist Services (0-25 years)– a +£10.5m pressure is currently forecast. This is an increase of +£1.5m on the position previously reported in November and relates in full to a change since last month. Initial in-year pressures have been forecast for a number of Dedicated Schools Grant (DSG) funded High Needs Block budgets including funding for special schools and units (£4.3m), top-up funding for mainstream schools and Post-16 provision (£3.5m), out of school tuition (£3.2m) and SEN Placements (£0.6m). These are partially offset by a -£1.1m underspend on wider Special Educational Needs and Disability (SEND) Specialist services. A SEND Project Recovery team has been set-up to oversee and drive the delivery of the SEND recovery plan to address the current pressure on the High Needs Block. As previously reported in 2018/19 we saw a total DSG pressure across SEND services of £8.7m, which, combined with, underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019/20. Current estimates forecast an in-year pressure of approximately £10.5m as a result of the continuing rise in Education, Health and Care Plans (EHCPs). This is a ring-fenced grant and, as such, pressures do not currently affect the Council's bottom line but are carried forward as a deficit balance into the next year. 	+10.500	(+19%)
<ul style="list-style-type: none"> • Financing DSG – a -£10.5m required contribution from DSG is forecast. This is an increase of -£1.5m on the required contribution previously reported in November, which relates in full to a change since last month. This represents the amount that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These pressures are primarily Funding to Special Schools and Units 	-10.500	(-11%)

(£4.3m), High Needs Top Up Funding (£3.5m), Out of School Tuition (£3.2m) and SEN Placements (£0.6m), partially offset by SEND Specialist Services (-£1.1m) underspend, as reported above.

- Home to School Transport – Special** – a +£0.950m pressure is forecast. This is an increase of £0.250m on the position previously reported in November, which relates in full to a change since last month. We are continuing to see significant increases in pupils with Education Health Care Plans (EHCPs) and those attending special schools, leading to a corresponding increase in transport costs. Between 1st April 2019 and 1st January 2020 there was an increase in the number of pupils with EHCPs of 448 (10.5%), compared with 347 (9%) over the same period last year. Alongside this, we are seeing an increase in complexity of need resulting in assessments being made that the child/young person requires individual transport, and, in many cases, a passenger assistant to accompany them. A strengthened governance system around requests for costly exceptional transport requests introduced in 2018/19 is resulting in the avoidance of some of the highest cost transport as is the use of personal transport budgets offered in place of costly individual taxis. The [P&C Finance Monitoring Report](https://tinyurl.com/wnlkfjs) (<https://tinyurl.com/wnlkfjs>) outlines further actions being taken to mitigate the position.

+0.950	(+10%)
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- A combination of more minor variances sum with the above to lead to an overall outturn of +£4.247m. For full and previously reported details see the [P&C Finance Monitoring Report](https://tinyurl.com/wnlkfjs), (<https://tinyurl.com/wnlkfjs>).

3.2.3 **Public Health:** -£0.390m (-%) underspend is forecast for year-end.

- | | £m | % |
|--|--------|------|
| <ul style="list-style-type: none"> Behaviour Change / Preventing Long Term Conditions – an underspend of -£0.283m is forecast, of which -£0.215m relates to a change since last month. The underspend is a combination of costs around the Integrated Lifestyle contract being lower than the budget allocation, and lower than expected activity on NHS health checks - budgets were set assuming some growth but activity so far is at a similar level to 2018/19. | -0.283 | (-%) |
- A combination of more minor variances sum with the above to lead to an overall outturn of -£0.390m. For full and previously reported details see the [PH Finance Monitoring Report](https://tinyurl.com/tf2yspq), (<https://tinyurl.com/tf2yspq>).

3.2.4 **Corporate Services:** -£1.218m (-10.0%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

3.2.5 **LGSS Managed:** +£0.022m (+0.2%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

3.2.6 **CS Financing:** -£0.677m (-2.5%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

- 3.2.7 **Commercial & Investment:** +£1.679m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance Monitoring Report](https://tinyurl.com/tg46n88), (<https://tinyurl.com/tg46n88>).
- 3.2.8 **Funding Items:** -£0.504m (-2.7%) underspend is forecast at year-end. There are no exceptions to report this month.
- 3.2.9 **LGSS Operational:** +£0.589m (+9.7%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8gcmy), (<https://tinyurl.com/st8gcmy>).

Note: exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

4. SAVINGS TRACKER

- 4.1 The “Savings Tracker” report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2019-20 Business Planning process. Currently, the Council is on track to deliver £13.2m of savings against its original plan. Blue rated savings total £1.6m, exceeding the target on those initiatives. Green rated savings total £6.9m. The Savings Tracker as at the end of quarter 3 is included as **Appendix 4** to this report.

It is also important to note the relationship with the reported position within this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

- 4.2 A summary of Business Plan savings by RAG rating is shown below:

BLUE			GREEN			AMBER			RED			BLACK				
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Total Original Savings	Total Variance
	£000	£000		£000	£000		£000	£000		£000	£000		£000	£000	£000	£000
3	-670	-946	40	-6,939	0	5	-4,700	1,326	3	-2,566	1,269	6	-910	910	-15,785	2,559

5. KEY ACTIVITY DATA

- 5.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C Finance Monitoring Report](https://tinyurl.com/wnlkfjs), (<https://tinyurl.com/wnlkfjs>) (section 5).

6. CAPITAL PROGRAMME

6.1 A summary of capital financial performance by service is shown below:

2019-20							TOTAL SCHEME	
Original 2019/20 Budget as per Business Plan £000	Forecast Variance - Outturn (Dec) £000	Service	Revised Budget for 2019/20 £000	Actual-Year to Date (Jan) £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) %	Total Scheme Revised Budget (Jan) £000	Total Scheme Forecast Variance (Jan) £000
43,908	-17,433	P&E	60,914	21,340	-18,185	-29.9%	422,898	-
129,267	-0	P&C	101,627	75,253	-0	0.0%	678,460	-12,685
3,457	-	CS	7,863	4,770	-90	-1.1%	25,077	-
2,827	-354	LGSS Managed	3,239	3,121	-472	-14.6%	5,524	-187
90,443	-15,775	C&I	175,459	120,121	-38,608	-22.0%	374,378	-
-	-	Outturn adjustment	-	-	-	-	-	-
269,902	-33,562	Total Spending	349,102	224,605	-57,355	-16.4%	1,506,337	-12,872

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2019/20 of £30.8m and is currently forecasting an in-year underspend of -£5.0m at year-end.
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

6.2 A summary of the use of capital programme variations budgets by services is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget.

2019-20					
Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Jan) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Jan) £000
P&E	-13,505	-31,690	13,505	100.00%	-18,185
P&C	-13,399	-11,324	11,324	84.52%	-0
CS	-1,431	-1,521	1,431	100.00%	-90
LGSS Managed	-585	-1,057	585	100.00%	-472
C&I	-26,312	-64,920	26,312	100.00%	-38,608
Outturn adjustment	-	-	2,075	-	-
Total Spending	-55,232	-110,512	55,232	100.00%	-57,355

- 6.3 As at the end of January 2020, Place & Economy schemes, C&I schemes, LGSS Managed and Corporate Services schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£18.2m, -£38.6m, -£0.5m and -£0.1m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no adjustment has been made to the outturn.
- 6.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.
- 6.4.1 **Place & Economy:** a -£18.2m (-29.9%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	Forecast Spend - Outturn (Jan)	Forecast Spend - Outturn Variance (Jan)	Variance Last Month (Dec)	Movement	Breakdown of Variance	
					Underspend/pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
£90m Highways Maintenance schemes						
6,316	5,546	-770	+128	-898	0	-770
An in-year underspend of -£0.8m is forecast on the £90m Highways Maintenance schemes. This is a change of -£898k on last month's position.						
There have been underspends within the Operating the Network budget mainly due to drainage schemes not being able to proceed. It was agreed to bring forward four other schemes, totalling £823k approx. to be delivered in 2019/20 to utilise the underspend. The new schemes which were originally scheduled to be delivered under the £90m Highways Maintenance schemes have been moved to Operating the Network budget. The drainage schemes will be delivered in the next financial year.						
Wisbech Town Centre Access Study						
1,182	1,528	346	0	346	0	346
An in-year pressure of -£0.3m is forecast on the Wisbech Town Centre Access Study scheme. This is a change of +£346k on last month's position.						
This project was originally shown within the Combined Authority Schemes. However, the work has been separated out onto a unique capital group to facilitate easier tracking. For this year the work will be invoiced and dealt with alongside all the other Combined Authority schemes. Negotiations are ongoing regarding further funding; the £346k pressure is expected to be covered in future months- the position will continue to be monitored and updated accordingly.						

- For full and previously reported details see the [P&E Finance Monitoring Report](https://tinyurl.com/v5ytkx8), (<https://tinyurl.com/v5ytkx8>).

6.4.2 **People & Communities:** a balanced budget is forecast at year-end.

Revised Budget for 2019/20	Forecast Spend - Outturn (Jan)	Forecast Spend - Outturn Variance (Jan)	Variance Last Month (Dec)	Movement	Breakdown of Variance	
					Underspend/pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
Basic Need - Primary						
34,420	32,820	-1,600	-1,086	-514	-2,058	458
An in-year underspend of -£1.6m is forecast across Basic Need – Primary schemes. This is a change of -£0.6m on the position previously reported in November of which -£0.5m relates to a change since last month. This is primarily due to changes on the scheme outlined below:						
Chatteris Additional Places						
4,600	2,500	-2,100	-1,700	-400	0	-2,100
£1.6m rephasing is anticipated in 2019/20 due to issues around Highways and planning permission. This scheme has now been combined with that listed separately for Cromwell Community College (see below), following approval from the Department for Education (DfE) to a proposal to extend the school's age range to enable it to provide all-through education, 4-19. A further £0.5m rephasing adjustment has been made on receipt of the contractor's revised cashflow.						
Basic Need - Secondary						
51,096	42,735	-8,360	-6,786	-1,574	-658	-7,702
An in-year underspend of -£8.4m is forecast across Basic Need – Secondary schemes. This is a change of -£1.57m on the position previously reported in November, which relates in full to a change since last month. This is primarily due to changes on the schemes as outlined below:						
Fenland Secondary						
5,000	150	-4,850	-4,700	-150	0	-4,850
None of the applications submitted to the Department for Education (DfE) to establish the new secondary as free school were approved. Further delays have occurred as work to determine the final specification for the scheme and the associated project cost are being reconsidered.						
Cromwell Community College, Chatteris						
5,500	3,400	-2,100	-1,600	-500	0	-2,100
£1.5m rephasing is anticipated in 2019/20 due to issues around Highways and planning permission. This scheme has now been combined with that listed separately for Chatteris Additional Places (see above), following approval from the DfE to a proposal to extend the school's age range to enable it to provide all-through education, 4-19. A further £0.5m spend adjustment has been made on receipt of the contractor's revised cashflow.						
Cambourne Village College						
5,550	4,100	-1,450	0	-1,450	0	-1,450
Reduction due to completion of project on site and release of unspent contingency and risk register allowances. Also, phase 3b and 3c pre-construction works fees included in contractor contract sum will not be spent now, as works are being reconsidered and not progressed. It is likely to proceed as a separate new project, rather than Cambourne West works. Also, it is not expected that any spend on ICT will be incurred this year.						
Northstowe Secondary						
32,000	32,500	500	0	500	0	500
Spend forecast adjusted inline with the latest contractor cashflow forecast.						
Specialist Provision						
4,073	5,370	1,297	1,497	-200	0	1,297
An in-year pressure of +£1.3m is forecast across Specialist Provision schemes. This is a change of -£0.25m on the position previously reported in October, of which -£0.2m relates to a change since last month. This is primarily due to revised accelerated spend on the Highfields Phase 2 scheme as outlined below:						

Highfields Phase 2						
3,600	5,000	1,400	1,600	-200	0	1,400
Revised spend forecast received from contractor. Value of works higher than anticipated for 2019-20 due to pre-fabricated construction and works progressing ahead of schedule, which means that the project is likely to complete in May 2020.						
Cultural & Community Services						
5,157	3,308	-1,849	-1,426	-423	0	-1,849
An in-year underspend of -£1.8m is forecast across Cultural & Community Services schemes. This is a change of -£0.4m on the position previously reported in November, which relates in full to a change since last month. This is primarily due to changes on the scheme as outlined below:						
Community Hubs – Sawston						
1,603	1,180	-423	0	-423	0	-423
Work is ongoing to complete the new Sawston Community Hub. The spend profile has been updated as per the latest Business Case which was presented at Capital Programme Board.						
P&C Capital Variation						
-13,399	-2,075	11,324	8,584	2,740	0	11,324
As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £11.3m underspend is balanced by use of the capital variations budget; this is an increase of £2.9m on the use of the variations budget previously reported in November, of which £2.7m relates to a change since last month. The increase relates primarily to the increased in-year underspends on Basic Need-Primary, Basic Need- Secondary, Specialist Provision and Cultural & Community Services as reported above, together with more minor variances.						

- For full and previously reported details see the [P&C Finance Monitoring Report](https://tinyurl.com/wnlkfjs), (<https://tinyurl.com/wnlkfjs>).

6.4.3 **Corporate Services:** a -£0.1m (-1.1%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	Forecast Spend - Outturn (Jan)	Forecast Spend - Outturn Variance (Jan)	Variance Last Month (Dec)	Movement	Breakdown of Variance	
					Underspend/pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
IT Strategy						
1,338	150	-1,188	0	-1,188	0	-1,188
An in-year underspend of -£1.2m is forecast on the IT Strategy schemes, which relates in full to a change since last month. The Programme Manager for the IT Strategy was appointed in quarter 3. The key activities during this period were to establish the workstreams, projects, reporting and governance to support the delivery of the IT Strategy. A detailed resource plan has been developed, including the apportionment of costs between PCC and CCC. The in-year underspend is due to rephasing in the start date for projects within the Office 365 workstream.						
Corporate Services Capital Variations						
-1,431	0	1,431	108	1,323	0	1,431
As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget. Therefore the £1.188m IT Strategy underspend above and a combination of more minor underspends is balanced by full utilisation of the capital variations budget.						

- For full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

6.4.4 **LGSS Managed:** a -£0.5m (-14.6%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

6.4.5 **Commercial & Investment:** a -£38.6m (-22.0%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	Forecast Spend - Outturn (Jan)	Forecast Spend - Outturn Variance (Jan)	Variance Last Month (Dec)	Movement	Breakdown of Variance	
					Underspend/pressure	Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Investments/Multi Class Credit						
124,605	104,605	-20,000	0	-20,000	0	-20,000
An in-year underspend of -£20m is forecast. This relates in full to a change since last month. In January General Purposes Committee (GPC) approved an additional £20m budget for Commercial Investments, the proposed investment will be funded through £20m of capital receipts. These receipts will be made available by swapping a further £20m of borrowing to fund our commercial property investments. This will release £20m of capital receipts for our commercial property acquisitions for investment in a Multi-Class Credit pooled fund.						
General Purposes Committee had previously agreed £73m of borrowing to fund commercial property acquisitions this year, and this change increases that figure to £93m. The Council has spent, or has committed to spend, £105m on commercial property investments in 2019/20.						
Investment in the CCC asset portfolio						
3,034	2,030	-1,004	0	-1,004	0	-1,004
An in-year underspend of -£1.0m is forecast. This relates in full to a change since last month. There has been a delay in the timeline around initiating building work, due to delays to the planning process and therefore expenditure will need to be pushed back into the next financial year.						
Shire Hall Relocation						
7,971	6,481	-1,490	0	-1,490	0	-1,490
An in-year underspend of -£1.5m is forecast. This relates in full to a change since last month. Delays to work starting onsite in Alconbury due to site remediation issues (now resolved) have resulted in some project costs needing to be pushed back into the next financial year.						

- For full and previously reported details see the [C&I Finance Monitoring Report](https://tinyurl.com/tg46n88), (<https://tinyurl.com/tg46n88>).

6.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:

6.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details see the [P&E Finance Monitoring Report](https://tinyurl.com/v5ytkx8), (<https://tinyurl.com/v5ytkx8>).

6.5.2 **People & Communities:** a -£12.685m (-1.9%) total scheme underspend is forecast. There are no exceptions to report this month; for full details see the [P&C Finance Monitoring Report](https://tinyurl.com/wnlkfjs), (<https://tinyurl.com/wnlkfjs>).

6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](https://tinyurl.com/st8qcmv), (<https://tinyurl.com/st8qcmv>).

6.5.4 **LGSS Managed:** a -£0.069m (-1.0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance Monitoring Report](#), (<https://tinyurl.com/st8qcmv>).

6.5.5 **Commercial & Investment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance Monitoring Report](#), (<https://tinyurl.com/tg46n88>).

6.6 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	16.0	0.5	-0.3	1.9	18.2	19.8	1.6
Basic Need Grant	6.9	-	-	-	6.9	6.9	-
Capital Maintenance Grant	4.7	-	-	-1.1	3.5	3.5	-
Devolved Formula Capital	1.0	2.0	-	-0.2	2.8	2.8	-
Specific Grants	8.4	0.0	-	1.1	9.5	7.7	-1.8
S106 Contributions & Community Infrastructure Levy	19.4	3.3	-12.8	0.5	10.4	10.1	-0.3
Capital Receipts	45.4	10.4	-10.5	-0.6	44.7	17.2	-27.5
Other Contributions	24.6	3.3	-	5.7	33.5	16.2	-17.3
Revenue Contributions	10.1	-	-	-	10.1	10.1	-
Prudential Borrowing	133.4	22.2	-13.4	67.2	209.4	197.3	-12.0
TOTAL	269.9	41.7	-37.0	74.5	349.1	291.7	-57.4

¹ Reflects the difference between the anticipated 2018/19 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2019/20 Business Plan, and the actual 2018/19 year end position.

6.7 Key funding changes (of greater than £0.25m or requiring approval):

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding - Other contributions	P&E	+£0.7	<p>A net increase in contributions of +£677k is expected in relation to the Wisbech Town Centre Access Strategy, which is a Combined Authority (CA) scheme. This is in line with an increase in the level of work expected to be carried out by CCC on this scheme compared to the level anticipated in November. The Combined Authority is invoiced on a monthly basis for work on CA schemes. <i>[Please note that this is a reduction of £346k on the amount anticipated in the December Integrated Finance Monitoring Report.]</i></p> <p>General Purposes Committee is asked to note the additional 2019/20 contributions of £677k expected in relation to the Combined Authority funded Wisbech Town Centre Access Study scheme.</p>

6.8 At the February Commercial & Investment (C&I) Committee meeting C&I Committee recommended to General Purposes Committee (GPC) that an additional £808k capital investment is made in 2020/21 into property at the three Cambridgeshire Outdoor centres to fund essential repair, maintenance and reconstruction, facilitating the continued compliant operation of the centres. £99k for the most urgent health and safety and safeguarding work has already been approved under the delegated authority of the Chief Finance Officer. The costs are broken down as follows:

	2019–20 (£)	2020–21 (£)
Grafham Water Centre: workshop	0	440,461
Grafham Water Centre: other costs	33,879	175,500
Grafham Water Centre total	33,879	615,961
Stibbington Centre	6,240	139,386
Burwell House	59,046	52,260
Total for three centres	99,165	807,607

The purpose of the investment is to carry out essential maintenance work identified by the Property Team in collaboration with the staff of each Outdoors Centre. The cost of reactive maintenance is highly likely to increase in the near future if proactive investment is not made into properties – particularly with regards to the workshop at the Grafham Water Centre. Compliance with health and safety and safeguarding regulations already means that several buildings at the Grafham Water Centre are not fully operational. Accordingly, there is a high risk that the centres will be unable to offer some or all of the products which they currently provide to customers if investment is not made into property at the centres. This would result in a significant loss of income and reputational damage.

Further information can be found in the paper [here](#). The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (including the initial £99k) will start in 2021/22 at £51k, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £808k in 2020/21 for the Outdoors Centres scheme.

- 6.9 At the March Economy and Environment (E&E) Committee meeting, E&E Committee recommended to General Purposes Committee (GPC) that the £1m contribution towards the A14 Improvement Scheme for 2020/21 is funded from prudential borrowing.

The Cambridgeshire and Peterborough Combined Authority (CPCA) is the Local Transport Authority, and receives funding for Local Transport Plan (LTP) capital grants from the Department for Transport (DfT), including the Integrated Transport Block (ITB) grant. In the past few years since its establishment, the CPCA has passported the LTP capital grant funding to the County Council. In September 2013 the County Council Cabinet agreed a contribution of £25m paid over a maximum period of 25 years towards the A14 Improvement Scheme. It was identified that the funding for this would come from a top slice of the ITB capital grant. The ITB funding was much higher at that time. The value of the ITB funding has since been reduced from around £10m to £3.19m per year.

The first £1m contribution to the A14 is expected to be due in 2020/21 when Highways England has delivered the improvement scheme. Currently no decision has yet been taken on where within the ITB this £1m per annum funding for the A14 will come from for 2020/2021 and given the ITB funding has reduced in recent years it is proposed to ask General Purposes Committee (GPC) to approve it is instead funded from Prudential Borrowing.

Further information can be found in the paper [here](#). As a result of this change in funding to borrowing; the increase in the annual cost of borrowing for Place and Economy schemes will start in 2021/22 at £53k, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £1m in 2020/21 for the A14 Improvement Scheme contribution.

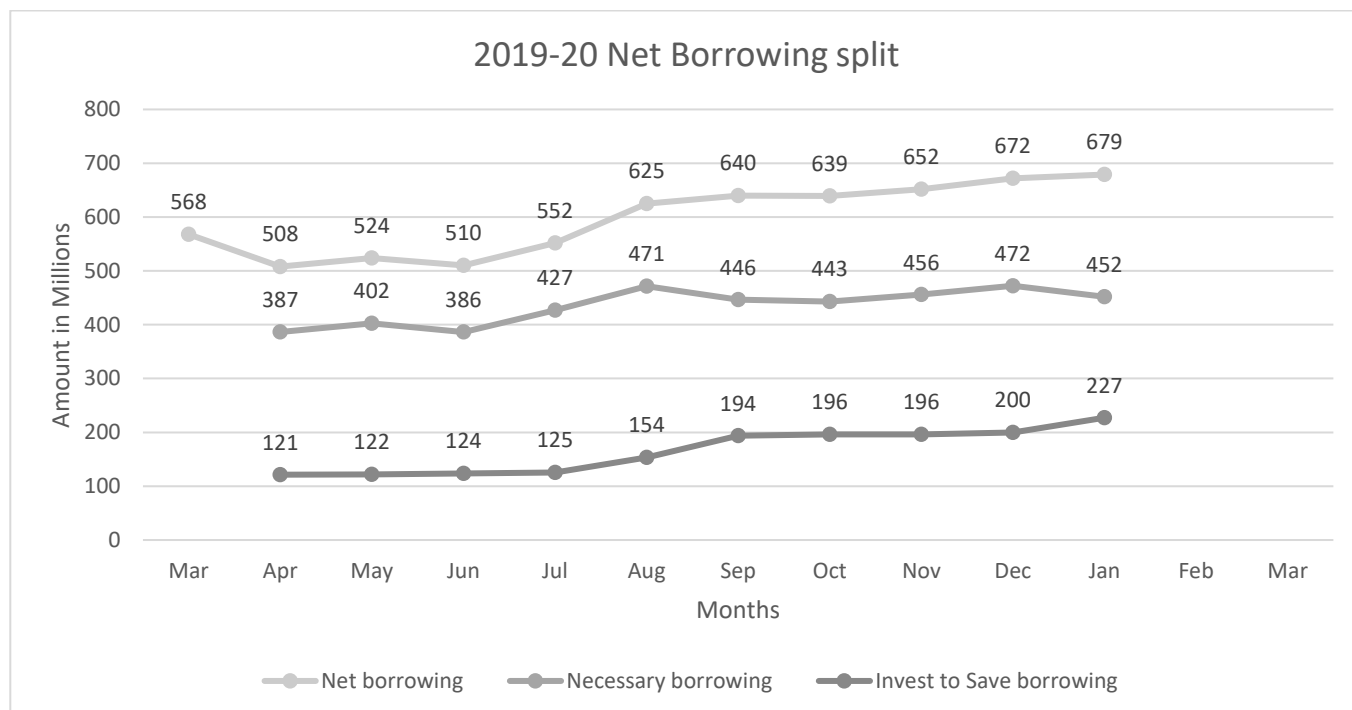
7. BALANCE SHEET

- 7.1 A more detailed analysis of balance sheet health issues is included below:

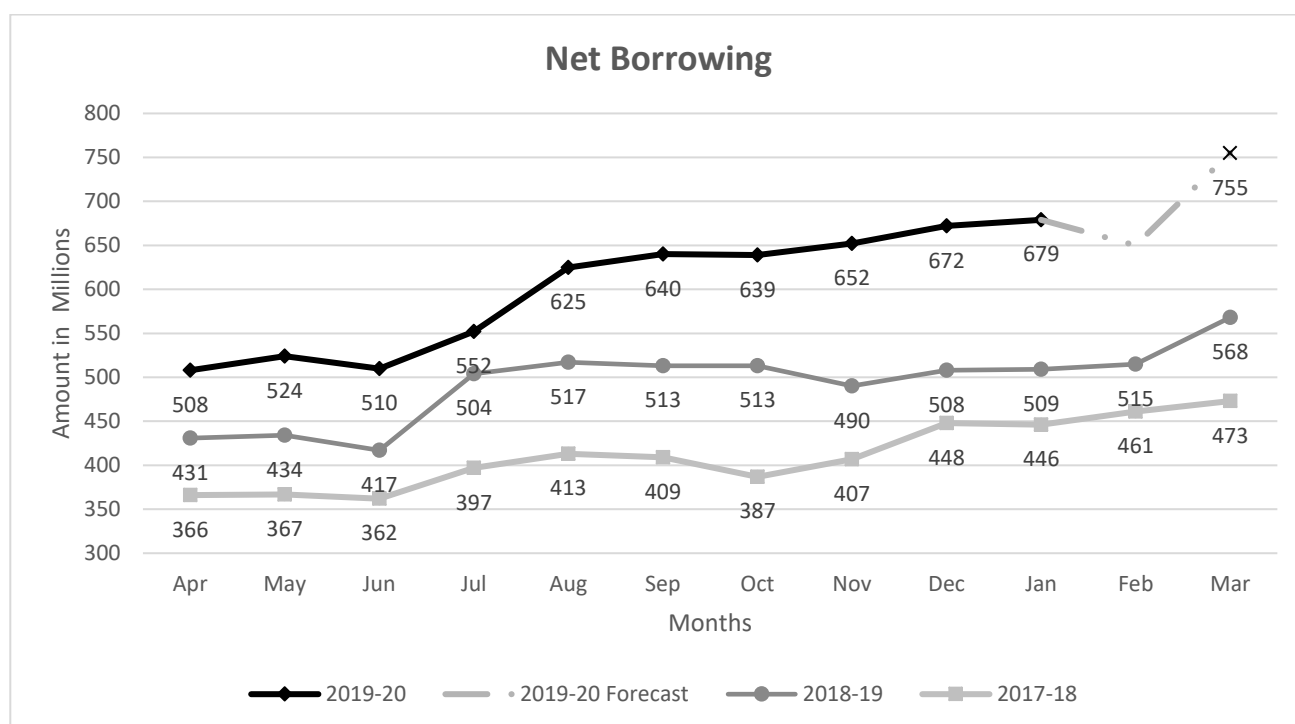
Measure		Year End Target	Actual as at the end of Jan 2020¹
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£5.08m
	Sundry	£1.71m	£2.25m

¹ The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £3.66m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

- 7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2019-20, it is estimated that £227m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



7.3 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of January 2020, investments held totalled £75m (excluding 3rd party loans) and gross borrowing totalled £755m, equating to a net borrowing position of £679m.



7.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2018-19 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2019-20 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

- 7.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2019-20 TMSS was set in February 2019, it anticipated that net borrowing would reach £732.1m by the end of this financial year. Based on the 2018-19 outturn position and subsequent revisions to the capital programme, this is now forecast to be £755.0m by the end of this financial year.
- 7.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner.
- 7.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.
- 7.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](http://tiny.cc/5qfggz), (<http://tiny.cc/5qfggz>).
- 7.9 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 A good quality of life for everyone

There are no significant implications for this priority.

8.2 Thriving places for people to live

There are no significant implications for this priority.

8.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

This report provides the latest resources information for the Council and so has a direct impact.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Consultation Implications

No public engagement or consultation is required for the purpose of this report.

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	Location
P&E Finance Monitoring Report (January 20) P&C Finance Monitoring Report (January 20) PH Finance Monitoring Report (January 20) CS and LGSS Cambridge Office Finance Monitoring Report (January 20) C&I Finance Monitoring Report (January 20) Capital Monitoring Report (January 20) Report on Debt Outstanding (January 20)	1 st Floor, Octagon, Shire Hall, Cambridge

APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	254,936	390	57,504	28,161	10,221	14,048	-9,502	8,161	20,357
Greater Cambridge Partnership budgets not reported in CCC budget					-602				
Budget Build correction- Impact of Local Government Pay offer on CCC Employee Costs					-430	430			
External audit fees budget transfer					27	-27			
19/20 Council tax income generation proposal to precept income codes					200				
Transfer of Cultural & Community Services from P&E to P&C	4,721		-4,721						
Movement of Contract Efficiency saving target from Corporate Services					49		-49		
Inflation allocation adjustment for Children's Services Legal from CS	30				-30				
Remove Traded Services Central income target from Central Services Risks budget.					-58		58		
Correction of apprenticeship levy					-7	7			
Correction of staffing budget					48			-48	
Community & Safety – Trading Standards moving from P&E to P&C	694		-694						
Review of 2019-20 budget as approved by GPC at 16th July 2019 meeting, Agenda item 5a	2,360				-322	-250	122		-1,910
Transfer Concessionary Fares budget to P&E	-12		12						
Adjustment to match revised LGSS Law SLA						-5		5	
Transfer of commercial scheme debt charges budget				-603			603		
Transfer P&E Management restructure savings			-22		22				
Repatriation of the Professional Finance Services from LGSS to Corporate Services as approved by GPC 22nd Oct 2019					1,631			-1,631	
Repatriation of the Democratic & Members' Services from LGSS to Corporate Services as approved by GPC 22nd Oct 2019					1,438	-1,053		-385	
Allocation of £230k School Improvement Grant to P&C as approved by GPC 26th Nov 2019	230								
Transfer from Fostering to Communications	-23				23				
Transfer from Democratic Services to Place Planning and Organisation Service	8				-8				
Transfer Insurance budgets in line with annual Insurance Fund processes	479		1,692			-2,233	62		
Current budget	263,422	390	53,772	27,558	12,201	10,917	-8,706	6,103	18,447
Rounding	0	0	0	0	1	1	0	-1	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2019	2019-20		Forecast Balance 31 March 2020	Notes
		Movements in 2019-20	Balance at 31 Jan 2020		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,850	4,699	17,549	16,679	
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	112	-26	86	313	
subtotal	12,962	4,673	17,635	16,992	
Earmarked					
- Specific Reserves					
5 Insurance	4,060	-1,335	2,725	2,725	
subtotal	4,060	-1,335	2,725	2,725	
- Equipment Reserves					
6 P&C	8	0	8	8	
7 P&E	0	0	0	0	
8 CS	3	0	3	3	
9 C&I	56	0	56	0	
subtotal	67	0	67	11	
Other Earmarked Funds					
10 P&C	1,008	-130	878	878	Includes liquidated damages in respect of the Guided Busway
11 PH	2,886	98	2,984	2,258	
12 P&E	5,571	-959	4,612	3,437	
13 CS	3,193	239	3,432	3,548	
14 LGSS Managed	63	0	63	0	Savings realised through change in MRP policy.
15 C&I	600	0	600	679	
16 Transformation Fund	24,504	2,014	26,518	22,638	
17 Innovate & Cultivate Fund	1,561	-360	1,201	893	
subtotal	39,386	902	40,288	34,331	
SUB TOTAL	56,475	4,240	60,715	54,059	
Capital Reserves					
- Services					
18 P&C	29,463	0	29,463	29,463	Section 106 and Community Infrastructure Levy balances.
19 P&E	6,069	691	6,760	1,000	
20 LGSS Managed	0	0	0	0	
21 C&I	20,415	13,549	33,964	0	
22 Corporate	54,694	16,003	70,696	61,138	
subtotal	110,641	30,243	140,883	91,601	
GRAND TOTAL	167,116	34,483	201,599	145,660	

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Fund Description	Balance at 31 March 2019	2019-20		Forecast Balance 31 March 2020	Notes
		Movements in 2019-20	Balance at 31 Jan 2020		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	0	0	0	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,660	0	3,660	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,273	0	7,273	7,273	

APPENDIX 3 – RECOMMENDATIONS FROM DECEMBER 19 REPORT

The December 19 Integrated Finance Monitoring Report included the following recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Finance Monitoring Report to be presented at a meeting of GPC was the November report, on 28th January 2020.

GPC is asked to approve the recommendations in the December report, which is published online [here](#).

December 19 Integrated Finance Monitoring Report

One recommendation concerning revenue funding, found in section 5.1:

5.1 Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments Grant

The Council is due to receive an additional £188k in 2019/20 from the Ministry for Housing, Communities and Local Government (MHCLG) for Business Rates Relief; Reconciliation of Authorities' 2018/19 Tax Loss Payments. Local Authorities receive interim section 31 grant payments during the year based on 2018/19 NNDR1 forecasts which recompense authorities for their individual reduction in non-domestic rating income in 2018/19. Following receipt of NNDR3 returns for 2018/19 and a reconciliation process, MHCLG has issued a new grant determination to reimburse local authorities who had previously under forecasted the amount of business rates relief given in 2018/19. As a result Cambridgeshire County Council's additional allocation for 2019/20 is £188,008.

It is proposed that this additional income is held in the corporate grants section of Funding items, and transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval.

General Purposes Committee is asked to approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments grant (£188,008) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

Savings Tracker 2019-20

				Investment £000				Prior Years	Planned Savings 2019-20 £000					Prior years	Forecast Savings 2019-20 £000									
				7,378	2,486	1,529	1,528	-21,509	-5,431	-1,998	-1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559				
RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 19-20 £000	Actual Investment - 19-20 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Blue	A/R.6.114	Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities	A three-year programme of work was undertaken in Learning Disability Services from 2016/17 to ensure service-users had the appropriate level of care - this saving is the remaining impact of part-year savings made in 2018/19.	1,536	1,520	0	0	-5,481	0	0	0	0	-200	-3,992	-250	-148	-52	-20	-470	-270	No	-135.00	↑	On track to over-achieve
Amber	A/R.6.126	Learning Disabilities - Converting Residential Provision to Supported Living	This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence.	0	0	0	0	0	0	0	0	0	-250	0	0	0	0	-20	-20	230	No	92.00	↓	This is a complex and very volatile area for savings delivery, with challenge from family carers, service user advocates and housing providers. This has slowed delivery of this saving, with only a small element expected to be achieved.
Blue	A/R.6.127	Care in Cambridgeshire for People with Learning Disabilities	Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying an alternative placement which is closer to home. To be approached on a case by case basis and will involve close work with the family and the person we support. Will also involve ensuring out of county placements are cost effective and are appropriately funded by the NHS.	120	120	0	0	0	0	0	0	0	-250	0	-200	-478	-65	-63	-806	-556	No	-222.40	↑	On track to over-achieve
Green	A/R.6.128	Better Care Fund - Investing to support social care and ease pressures in the health and care system	The Improved Better Care Fund is a grant from Central Government for adult social care, to ensure that the health and social care market is not destabilised by pressures on Adult Social Care. A proportion of the funding will be taken as a saving in order to offset increased cost in social care as a result of demand rising and legislative pressures. The IBCF also provides targeted investment in social care services that will promote better outcomes for patients and social care services. The funding has not been confirmed beyond 2019/20, and so at this stage this remains a temporary saving.	0	0	0	0	-7,200	-1,300	0	0	0	-1,300	-7,200	-1,300	0	0	0	-1,300	0	No	0.00	↓	On track
Amber	A/R.6.132	Mental Health Social Work PRISM Integration Project	The introduction of social workers and social care support staffing into the community / primary care health services (PRISM) will deliver improved mental health outcomes for Cambridgeshire residents and reduce demand for services through a focus on prevention, early intervention and strengths-based approach.	340	0	0	0	0	-50	-75	-50	-25	-200	0	-10	-28	0	-27	-75	125	No	62.50	↓	A change of direction regarding implementation of PRISM has meant that the original model for savings delivery is no longer appropriate. Whilst alternative savings plans are being considered, it is expected that there will be a shortfall against the target, reflecting upwards demand pressures in relation to the provision of care.
Blue	A/R.6.133	Impact of investment in Occupational Therapists	OT involvement in reablement goal-setting and review will improve outcomes at the end of the pathway through achieving greater service user independence at the end of reablement.	0	0	0	0	0	-50	-100	-50	-20	-220	0	-50	-100	-110	-80	-340	-120	No	-54.55	↑	On track to over-achieve
Green	A/R.6.143	Review of Support Functions in Adults	A review of support functions to ensure that capacity is aligned appropriately to the needs of the services supported.	100	4	0	0	0	-150	0	0	0	-150	0	-150	0	0	0	-150	0	Yes	0.00	↔	On track
Red	A/R.6.174	Review of Supported Housing Commissioning	An ambitious saving of £1m was included in the 2018-23 Business Plan linked to a review of commissioning arrangements for supported housing. Following a detailed review of contract opportunities over the last 12 months, a reduction in the overall saving level is required. The remaining saving will be achieved through working with district partners and providers to redesign services.	250	0	0	0	0	-146	-146	-146	-146	-583	0	-80	-80	-80	-42	-282	301	No	44.94	↔	Expected to be delivered over 2 years into 2020/21 - this revised phasing was agreed when Council set the 2019-24 budget, with the service finding mitigations in-year to offset the revised phasing.
Amber	A/R.6.176	Adults Positive Challenge Programme	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This work will focus on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer, and has already had success in 2018/19 through a fast-forward element of the programme.	500	239	1,500	1,500	0	-1,349	-983	-884	-584	-3,800	0	-591	-781	-700	-978	-3,051	749	No	19.71	↓	Evidence of slower than expected delivery in some workstreams, with cases of interventions not having avoided as much cost as expected or as quickly as expected. In particular, a large proportion of the saving was expected to come from the use of Technology Enabled Care – this already contributes millions to savings year on year but delivering above this has proven slower than expected and we expect to see benefits in future years. Over-delivery in Reablement is a positive, and analysis shows further evidence of the impact of 'changing the conversation' work, which has demonstrated demand is being managed. Savings are not 'claimed' against this work without robust evidence that programme interventions are having an impact
Green	A/R.6.177	Savings through contract reviews	Several contracts have been retendered throughout 17/18 and 18/19 and have delivered efficiencies, which can now be taken as savings. The largest of these was a retender of domiciliary care block car rounds in late 2017/18.	0	0	0	0	0	-412	0	0	0	-412	0	-412	0	0	0	-412	0	Yes	0.00	↔	Complete
Green	A/R.6.211	Safer Communities Partnership	A review of the required management and support functions within the team will be undertaken depending on the outcome of funding bids, and could deliver a saving of £30,000 during 2019/20.	0	0	0	0	0	-30	0	0	0	-30	0	-30	0	0	0	-30	0	Yes	0.00	↔	Complete
Green	A/R.6.212	Strengthening Communities Service	The deletion of a recently vacant Community Protection Project Officer post. The community led no cold calling zones project, which was coordinated by the previous post holder, has now successfully concluded.	0	0	0	0	0	-30	0	0	0	-30	0	-30	0	0	0	-30	0	Yes	0.00	↔	Complete

				Investment £000				Prior Years	Planned Savings 2019-20 £000					Prior years	Forecast Savings 2019-20 £000									
				7,378	2,486	1,529	1,528	-21,509	-5,431	-1,998	-1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559				
RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 19-20 £000	Actual Investment - 19-20 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.213	Youth Offending Service - efficiencies from joint commissioning and vacancy review	The full year impact of savings realised as a result of the Commissioning of Appropriate Adults and Reparation Services with Peterborough City Council and Cambridgeshire Constabulary. The removal of all capacity within the Youth Offending Service to spot purchase time limited support programmes, tailored to meet individual needs, which may be over and above the core offer. The removal of a part time vacant case holding post,and part time vacantSeniorYOSOfficer post.		0	0	0	-124	-40	0	0	0	-40	-192	-40	0	0	0	-40	0	Yes	0.00	↔	Complete
Green	A/R.6.214	Youth Support Services	Removal of a staff training budget for Youth Staff (£10k), a reduction in staff capacity and the Community Reach Fund (£30k)		0	0	0	0	-40	0	0	0	-40	0	-40	0	0	0	-40	0	Yes	0.00	↔	Complete
Green	A/R.6.252	Total Transport - Home to School Transport (Special)	Saving to be made through re-tendering contracts, route reviews, looking across client groups and managing demand for children requiring transport provision		0	0	0	0	-83	-28	0	0	-110	0	-28	-27	-28	-27	-110	0	Yes	0.00	↔	Complete
Green	A/R.6.253	Children in Care - Mitigating additional external residential placement numbers	There is currently a shortage of foster placements due to increased numbers of children in care both locally and nationally. This has resulted in a growing number of young people being placed in much higher cost residential placements. This business case describes how we will seek to mitigate 3 of the 8 additional residential placements expected and hence requiring a reduced contribution to the placement budget from demography funding.	705	92	0	18	0	-125	-125	-125	-125	-500	0	-125	-125	-125	-125	-500	0	No	0.00	↔	On track
Green	A/R.6.254	Children in Care - Fee negotiation and review of high cost placements	Negotiation of external placement costs and review of high cost placements. This will be delivered by: - Cost discounts - Volume/long term discounts - Reviewing packages of support for all purchased placement types - Reviewing high cost placements	50	16	50	10	0	-50	-50	-50	-50	-200	0	-50	-50	-50	-50	-200	0	No	0.00	↔	On track
Green	A/R.6.255	Children in Care - Placement composition and reduction in numbers	Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours. This business case is targeted at reducing demand in the system and delivering sustainable savings by reducing costs associated with higher numbers of children in care in the system as well as increasing in-house fostering numbers and reducing the number of independent agency placements, which are more costly.	0	0	0	0	0	-336	-325	-325	-325	-1,311	0	-336	-325	-325	-325	-1,311	0	No	0.00	↔	On track
Green	A/R.6.258	Children's home changes (underutilised)	Anticipated savings resulting from the closure of the Victoria Road children's home that is currently underutilised. The budget associated with the residential element of the children's home is £600K per annum. The placement costs of the young people living in the provision until mid-June is in the region of £230K per annum, resulting in a full year saving of around £350K per annum.	0	0	0	0	0	-350	0	0	0	-350	0	-350	0	0	0	-350	0	Yes	0.00	↔	Complete
Green	A/R.6.259	Early Years Service	A review of services provided by the Early Years Service in light of the links with Peterborough and growing traded services.	0	0	0	0	0	-50	-50	-50	-50	-200	0	-50	-50	-50	-50	-200	0	Yes	0.00	↔	Complete
Green	A/R.6.260	Reduction of internal funding to school facing traded services	A reduction to the internal funding of the ICT Service and the PE and Sports Advisory Service recognising a reduction in LA usagee	0	0	0	0	0	-38	-38	-38	-37	-151	0	-38	-38	-38	-37	-151	0	No	0.00	↔	On track
Green	A/R.6.261	Schools Intervention Service	Reduction in capacity of the service in line with the reduced number of maintained schools that require a direct service	0	0	0	0	0	-25	-25	-25	-25	-100	0	-25	-25	-25	-25	-100	0	Yes	0.00	↔	Complete
Black	A/R.6.263	Term time only contracts	A voluntary change to term time only contracts (or annualised hours) for staff in the Education Directorate where this is appropriate for their role.	0	0	0	0	0	-7	-8	-7	-8	-30	0	0	0	0	0	0	30	No	100.00	↓	Saving unachieved in 2019/20 however mitigating savings have been made elsewhere to offset this
Green	A/R.6.264	Review of Therapy Contracts	Savings will be delivered by reviewing existing arrangements but further details are unavailable at this time due to commercial confidence.	0	0	0	0	0	0	0	0	0	-321	0	0	0	0	-321	-321	0	No	0.00	↔	On track
Green	A/R.7.101	Early Years subscription package	Proposal to develop Early Years subscription package for trading with settings.	0	0	0	0	0	-4	-4	-4	-4	-16	0	-4	-4	-4	-4	-16	0	No	0.00	↔	On track

				Investment £000				Prior Years	Planned Savings 2019-20 £000					Prior years	Forecast Savings 2019-20 £000									
				7,378	2,486	1,529	1,528	-21,509	-5,431	-1,998	-1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559				
RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 19-20 £000	Actual Investment - 19-20 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	A/R.7.103	Attendance and Behaviour Service income	A review of charging models and use of school absence penalty notices within the Attendance and Behaviour Service	0	0	0	0	0	-12	-13	-12	-13	-50	0	-12	-13	-12	-13	-50	0	Yes	0.00	↔	Complete
Black	B/R.6.103	Shared Service: Historic Environment	Income generation shared services with Peterborough.	0	0	0	0	0	0	0	0	0	-10	0	0	0	0	0	0	10	No	100.00	↔	Shared service with PCC, still at discussion stage.
Green	B/R.6.105	Transformation of the Infrastructure & Growth Service into a profit centre.	The service recovers its operating costs through recharge and development related income. A large proportion of this is for external clients, such as the Combined Authority & GCP. Commerical operation of the service will maximise income opportunities and standardise the approach to working with external clients.	0	0	0	0	0	0	0	0	0	-79	0	-79	0	0	0	-79	0	No	0.00	↔	Already taken from base budget
Green	B/R.6.202	Highways Maintenance	Utilising a greater proportion of the on-street parking surplus to fund highways and transport works as allowed by current legislation.	0	0	0	0	0	0	0	0	0	-350	0	-350	0	0	0	-350	0	No	0.00	↔	Change of funding source to accommodate savings
Amber	B/R.6.206	Highways Shared Services Model	Creation of a single, shared highway service across Cambridgeshire and Peterborough.	0	0	0	0	0	0	0	0	0	-150	0	-12	-13	-12	-13	-50	100	No	66.67	↔	The £150k shared service saving will not be achieved until 20/21. However there are savings within Road Safety of £50k which will mitigate this shortfall.
Green	B/R.6.210	Household Recycling Centre changes	Implementation of a permitting system for vans and trailers.	0	0	0	0	0	0	0	0	0	-60	0	-15	-15	-15	-15	-60	0	No	0.00	↔	Saving in 19/20 to be made via vacancy saving within the team.
Green	B/R.6.214	Street Lighting - contract synergies	Annual saving from joint contract drafting with partners. This will not lead to any reduction in street lighting provision.	800	228	0	0	-227	0	0	0	0	11	-227	11	0	0	0	11	0	No	0.00	↔	Funding adjustment
Red	C/R.6.101	Sharing with other Councils	A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts.	400	267	0	0	0	0	0	0	0	-500	0	0	0	-73	0	-73	427	No	85.40	↔	Shared Services saving from 18/19 to be met before progress can be made against this target. This target has been significantly reduced based on actual experience to date through the Business Plan for 2020/21.
Black	C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	0	0	0	0	-20	0	0	0	0	-10	-20	0	0	0	0	0	10	No	100.00	↔	Saving not expected to be met, as costs are not reducing as anticipated.
Black	C/R.7.101	BP 19/20 - Council Tax: Increasing Contributions	We will seek to work with Cambridgeshire District Councils to identify the best possible activities to drive up increased payment of Council Tax in Cambridgeshire. Based upon these discussions, we will procure support to undertake a process of identifying residents who are incorrectly paying less Council Tax than they should be, notify them and bill them appropriately, bringing in additional revenue. We may also seek to support arrangements to enable people who are genuinely unable to pay their Council Tax by offering more flexible payment terms. Based upon previous work in this area, there is a reasonable likelihood that this activity could be commissioned on a no-win-no-fee basis, with the Local Authority only having to pay if the work undertaken is successful.	0	0	0	0	0	0	0	0	0	-200	0	0	0	0	0	0	200	No	100.00	↓	The Council tax income saving has been rep phased to 2021-22 as set out in the 2020-25 Business Plan. This reflects the increased lead time required to develop and embed the cross-county initiative which supports delivery of this saving. The extension of initial development work is expected to increase the income saving that can be achieved in future years.
Green	D/R.6.999	LGSS operational savings	Savings being driven out by the Milton Keynes Council partnership, from LGSS income growth and from efficiencies following the introduction of the new ERP system.	0	0	0	0	0	0	0	0	0	-159	0	0	0	0	0	-159	0	No	0.00	↔	
Black	D/R.6.999	LGSS trading savings	Saving predicated on growth in LGSS' trading base through acquiring a fourth partner and further customer growth. With much of the work to achieve this on hold whilst the review of the LGSS operating model is completed there is risk around the delivery of this saving.	0	0	0	0	0	0	0	0	0	-460	0	0	0	0	0	0	460	No	100.00	↔	Saving predicated on securing a fourth partner which is not possible whilst the review of the LGSS operating model is ongoing.
Amber	D/R.6.999	LGSS additional savings	Additional LGSS savings ask above and beyond the savings share between the three partners. This will need to be delivered through a reduced service offering to CCC and options are being drawn up by LGSS for consideration by CCC for the delivery of this saving.	0	0	0	0	0	0	0	0	0	-300	0	0	0	0	0	-178	122	No	40.67	↓	No further savings are anticipated in 2019/20 - awaiting the outcomes of the LGSS operating model review.
Green	E/R.6.031	NHS Health Checks - IT software contract decommissioned	NHS Health Checks is a cardiovascular risk assessment offered to people aged to 40 to 74 year olds every five years who do not have a diagnosed health condition. GP practices are commissioned to identify and invite eligible individuals to have an NHS Health Check. A robust data collection process is required to manage patient data and to ensure that anonymized data is sent to the Local Authority as part of the performance monitoring and payment system to the GPs. In 2017 after securing agreement from the Clinical Commissioning Group (CCG) which has responsibility for practice systems new software was commissioned to sit on GP practice systems. The introduction of GPPR compromised the security of the software as it could not meet fully the GDPR requirements and therefore the contract was decommissioned. The IT company fully agreed with this approach and assumed any additional cost for removing systems already in practices. GP practice systems have developed rapidly and they are now able to manage NHS Health Check data electronically and share anonymized data with the Local Authority at no cost to the Local Authority.	0	0	0	0	0	-41	0	0	0	-41	0	-41	0	0	0	-41	0	No	0.00	↔	

				Investment £000				Prior Years	Planned Savings 2019-20 £000					Prior years	Forecast Savings 2019-20 £000									
				7,378	2,486	1,529	1,528	-21,509	-5,431	-1,998	-1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559				
RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 19-20 £000	Actual Investment - 19-20 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	E/R.6.032	NHS Health Checks Funding	There has been a recurrent underspend on the NHS Health Checks Programme since the transfer of the funding from the NHS to the Local Authority which has reflected fairly stable activity levels.	0	0	0	0	0	-13	-13	-13	-13	-50	0	-13	-13	-13	-13	-50	0	No	0.00	↔	
Green	E/R.6.033	Drug & Alcohol service - funding reduction built in to new service contract	Savings will be secured through the re-commissioning of the Cambridgeshire Adult Drug and Alcohol Treatment Services, which will enable transformational changes to be undertaken. The Drugs and Alcohol Joint Strategic Needs Assessment, (2016) indicated changes in needs that are addressed in the new service model. An aging long-term drug using population that enter and re-enter the Service has complex health and social problems that do not require intensive acute drug treatment services but more cost effective support services to ensure their good mental and physical health and social support needs are met. Strengthened recovery services using cost-effective peer support models to avoid readmission, different staffing models and a mobile outreach service.	0	0	0	0	0	-162	0	0	0	-162	0	-162	0	0	0	-162	0	No	0.00	↔	
Green	E/R.6.035	Children 5-19 - Mental Health Training for Children’s workforce	This proposal ceases funding for intensive training for a relatively small number of the young people’s workforce each year, delivered face to face by Cambridgeshire and Peterborough NHS Foundation Trust. Instead it is proposed that Public Health staff work together with the Heads of Early Help to establish a clear specification of the training requirements and success criteria for an e-learning training package with less intensive face to face training in 2019/20, focussed on the mental health training needs of Young People’s workers in the Early Help Teams.	0	0	0	0	0	-36	0	0	0	-36	0	-36	0	0	0	-36	0	No	0.00	↔	
Green	E/R.6.036	Children’s 0-19 Services - Healthy Child Programme - Proposal previously agreed in 2017/18 business planning process	<p>This £238k savings proposal was previously discussed by Health Committee in the autumn 2017 business planning round. It was agreed to fund the £238k saving from public health reserves in 2018/19, to allow further time to develop the 0-19 Healthy Child integration programme (and associated savings) for implementation in 2019/20.</p> <p>The Healthy Child programme is a universal-progressive, needs-based service delivered at 4 levels: Community, Universal, Universal Plus (single agency involvement) and Universal Partnership Plus (multi-agency involvement). All children, young people and families are offered a core programme of evidence based, early intervention and preventative health care with additional care and support for those who need it.</p> <p>The 0-19 Healthy Child Programme (HCP) consists of Health Visiting (0-5yrs), Family Nurse Partnership (for vulnerable teenage parents), and School Nursing (5-19yrs). It is delivered by CCS in Cambridgeshire and CPFT in Peterborough. The 2018/19 budget allocations are £8,926,739 in Cambridgeshire and £3,695,226 in Peterborough. Total approximately £12.6 million. Savings will be achieved by integrating the two services with a common management structure, and redesigning the service model to achieve savings through improved skill mix. A Transformation Board including commissioners, public health and senior management from the two provider organisations has been set up to oversee the project from design to implementation.</p> <p>The positive impact of this integration is that it will reduce duplication freeing up workforce capacity to improve areas of poor performance across the HCP particularly in mandated 0-5 checks. There will be an increased focus on areas of need so workforce and services will be resourced to ensure there is an improvement in outcomes and reduced inequalities. The Benson modelling tool has been used to model the workforce requirements and various options</p>	0	0	0	0	0	-238	0	0	0	-238	0	-238	0	0	0	-238	0	No	0.00	↔	
Green	E/R.6.037	Children’s 0-19 Services - Healthy Child Programme - Additional savings proposal for 2018/19	See description for proposal E/R.6.036. This proposal is for additional savings associated with integration of the 0-19 Healthy Child integration programme, not previously discussed in autumn 2017.	0	0	0	0	0	-160	0	0	0	-160	0	-160	0	0	0	-160	0	No	0.00	↔	
Green	E/R.6.038	Public Health Directorate - In house staff rationalisation	It has been possible to build on the efficiencies created by creating a joint public health directorate across Cambridgeshire County Council and Peterborough City Council, by merging two team leader posts in the joint public health commissioning unit. In addition it is proposed to delete three vacant posts in the public health directorate. The saving will be shared across Cambridgeshire County Council and Peterborough City Council, and some of the saving is offset by a technical change to the recharge across the two Councils.	0	0	0	0	0	-80	0	0	0	-80	0	-80	0	0	0	-80	0	No	0.00	↔	
Green	E/R.6.039	Reduce Long Acting Reversible Contraception (LARCs) funding in line with audit results and completion of clinician training	LARCs are commissioned from GP practices. The Clinical Commissioning Group (CCG) recharges the LA for the cost of the contraception devices. Audits have been undertaken of the services which revealed that the recharges included the cost of items for which the LA is not liable i.e. injectable contraception and the use of devices for gynaecological purposes. In addition the training programme for clinicians to ensure that there is capacity in the system to accommodate retiring GPs has now been completed.	0	0	0	0	0	-15	-15	-15	-15	-60	0	-15	-15	-15	-15	-60	0	No	0.00	↔	

				Investment £000				Prior Years	Planned Savings 2019-20 £000					Prior years	Forecast Savings 2019-20 £000									
				7,378	2,486	1,529	1,528	-21,509	-5,431	-1,998	-1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559				
RAG	Reference	Title	Description	Budgeted Investment - Prior Years £000	Actual Investment - Prior Years £000	Budgeted Investment - 19-20 £000	Actual Investment - 19-20 £000	Original Saving - Prior Years	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	E/R.6.040	Reduce immunisations promotion budget	In 2016/17 funding of £20k per annum was allocated by Cambridgeshire County Council for promotion of immunisations. Since then childhood immunisation rates have improved, although still with some further work to do, and the PHE/NHS England screening and immunisations team have been actively taking forward further improvement measures. It is proposed to mainstream promotion of immunisations within the wider health protection and communications functions. £7k will be allocated to the health protection budget and the remaining £13k taken as a saving.	0	0	0	0	0	-9	0	0	0	-13	0	-13	0	0	0	-13	0	No	0.00	↔	
Green	E/R.6.041	Expected operational savings across Public Health staffing and contracts	In-year vacancy savings and efficiencies within demand-led contracts.	0	0	0	0	0	0	0	0	-109	-109	0	0	0	0	-109	-109	0	No	0.00	↔	Will be made through staff vacancies and any other underspends on demand led spending.
Black	F/R.6.001	BP 19/20 Contract Efficiency	A review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processes may assist in driving down costs.	0	0	0	0	0	0	0	0	0	-200	0	0	0	0	0	0	200	No	100.00	↔	Any savings made in 2019/20 will go towards the savings target carried forward from 2018/19 which was not met in that year.
Green	F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119	0	0	0	0	-39	0	0	0	0	-19	-39	0	0	0	-19	-19	0	No	0.00	↔	
Green	F/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.	0	0	0	0	-15	0	0	0	0	16	-15	0	0	0	0	16	0	No	0.00	↔	
Green	F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.	0	0	0	0	-97	0	0	0	0	-16	-95	0	0	0	0	-16	0	No	0.00	↔	
Green	F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17.	0	0	0	0	-877	0	0	0	0	-8	-877	0	0	0	0	-8	0	No	0.00	↔	
Green	F/R.7.106	Utilisation/commercialisation of physical assets	One Public Estate Asset plan Maximise the income generated from parking Venue request tool	0	0	0	0	0	0	0	0	0	-21	0	0	0	0	0	-21	0	No	0.00	↔	
Red	F/R.7.113	Invest to Save Housing Schemes - Income Generation	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	2,577	0	-21	0	-6,923	0	0	0	0	-1,483	-2,747	0	0	0	0	-942	541	No	36.48	↓	Dependent on land values and This Land's readiness for construction loans. An update on This Land is going to the March C&I Committee.
Green	F/R.7.127	Renewable Energy Soham - Surplus to Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.	0	0	0	0	-187	0	0	0	0	-5	-187	0	0	0	0	-5	0	No	0.00	↔	
Green	G/R.6.004	Capitalisation of interest on borrowing	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.	0	0	0	0	-319	0	0	0	0	11	-319	0	0	0	0	11	0	No	0.00	↔	

Key to RAG ratings:

Total saving	Over £500k	100-500k	Below 100k
Black	100% non-achieving	100% non-achieving	100% non-achieving
Red	% variance more than 19%	-	-
Amber	Underachieving by 14% to 19%	% variance more than 19%	% variance more than 19%
Green	% variance less than 14%	% variance less than 19%	% variance less than 19%
Blue	Over-achieving	Over-achieving	Over-achieving

TREASURY MANAGEMENT REPORT – QUARTER THREE UPDATE 2019-20

To: **General Purpose Committee**

Meeting Date: **24th March 2020**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **To provide the quarterly update on the Treasury Management Strategy 2019/20, approved by Council in February 2019.**

Recommendation: **The General Purposes Committee is recommended to note the Treasury Management Report.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management recommends that Members be updated on treasury management activities regularly (annual, mid-year or quarterly reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

2. ECONOMIC CLIMATE

- 2.1 A detailed commentary from the Council's treasury advisors of the current economic climate is provided at **Appendix A** to this report. In brief summary, Q3 2019/20 saw:
- Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, with a slight dip in quarter 2, and quarter 3 back up to +0.4%.
 - The Monetary Policy Committee (MPC) abstained from increasing the Bank Rate.
 - Growth in employment picked up again to 24,000 in the three months to October 2019. Furthermore, the unemployment rate remained at 3.8 percent, its lowest rate since 1975.

3. INTEREST RATE FORECAST

- 3.1 The latest forecast for UK Bank Rate along with Public Works Loan Board (PWLB) borrowing rates (certainty rate) from the Council's treasury advisors is set out in Table 1 below.
- 3.2 The long term forecast for Bank Rate is 2.25%, and all PWLB certainty rates are above 2.25%; this means there is little value in borrowing from the PWLB currently. PWLB rates remain at an all-time high meaning that all local authorities are reassessing their risk appetite in terms of either seeking cheaper alternative sources of borrowing, or switching to short term borrowing in the money markets.
- 3.3 This follows the first 10 months of 2019 when there was a sharp fall in longer term PWLB rates to completely unprecedented, historically low levels - until the Treasury unexpectedly added 1% to all PWLB rates from 9th October 2019. Since then, gilt yields and PWLB rates have been rising. During the summer of 2019, the Council borrowed £100m (in two tranches) on a long term basis from the PWLB to optimise its long term borrowing position, in view of the very low rates at that time.
- 3.4 The sharp increase in PWLB borrowing rates may provide an opportunity for the UK Municipal Bonds Agency (UKMBA) to kick start bond issuance on behalf of the sector, which would be seen as an alternative borrowing mechanism. UKMBA are poised to review the current strategy and remove the following huddle of "joint and several liability" (JSL), which saw borrowers having to commit to cover liability caused by defaults on payment of other participants. Cambridgeshire County Council (CCC) is an investor in the UKMBA. During quarter 4, it is understood that the agency successfully issued a 5 year, £350m bond on behalf of Lancashire County Council. The offer was substantially cheaper than PWLB

and was significantly oversubscribed, partly reflecting prevailing market uncertainty. Lancashire County Council has a separate Moody's rating.

- 3.5 The PWLB rates shown in Table 1 below are inclusive of the new increased margins and certainty rate discount. These forecasts are based on the outcome of the Brexit agreement and the assumption that we will negotiate a trade deal.

Table 1: Interest Rate Forecast (%)

Link Asset Services Interest Rate View													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

- 3.6 To incentivise the construction of new infrastructure, in the Autumn Budget 2017 the Government announced that it would make available £1bn of lending at the Local Infrastructure Rate of gilts + 60bps to English local authorities. The Council was notified during Q3 that it was successful in its bid to HM Treasury to access £60.8m of borrowing at the Local Infrastructure Rate for the following energy schemes:

Project title	Anticipated borrowing requirement (£m) ¹
North Angle Solar Farm, Soham	23.2
Babraham Smart Energy Grid	11.4
Stanground Closed Landfill Energy Project	9.7
Trumpington Smart Energy Grid	7.0
Swaffham Prior Community Heat Scheme	3.2 ²
Woodston Closed Landfill Energy Project	2.5
Schools Energy Programme	2.0
Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	1.8 ³
Total anticipated expenditure	60.8

¹ Anticipated borrowing requirement as at date of bid submission (29th March 2019)

² 50% of total project budget; £3.2m anticipated grant funding from the Heat Networks Delivery Unit

³ 50% of total project budget; £1.8m anticipated ERDF grant funding

This will enable the Council to borrow from the PWLB at a discount of 1.4% from normal rates, as the expenditure for those energy schemes is incurred over coming years.

4. INVESTMENTS

- 4.1 The Treasury Management Strategy Statement (TMSS) for 2019/20, which includes the Annual Investment Strategy, was approved by Council in February 2019. It sets out the Council's investment priorities as being:
1. Security of Capital;
 2. Liquidity; and then
 3. Yield
- 4.2 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity.
- 4.3 At 31st March 2019 investment balances totalled £29.6m, held in Money Market Funds, Call/Notice accounts and the CCLA Property Fund. This figure excludes third party loans and share capital. Due to the nature of various government funding streams and timing of capital expenditure, the level of funds available for investment purposes during Q1 was £72.7m, Q2 was £107.2m and Q3 was £82.4m.

In November 2019, the Commercial and Investment - Investment Working Group reviewed a proposal to invest funds into the CCLA Diversified Income Fund, under the Treasury Management Strategy. As a result, £1.5m was subsequently placed in this fund. The diversified income fund is considered to be a medium term investment, due to the facility to withdraw funds at short notice alongside the need to take a medium to longer term view about changes in underlying capital values. The asset class covered by the diversified income funds are split between assets and equity; please see Fig's 1 & 2, which shows both the asset and equity allocation as at 31/12/2019.

Fig 1.

Asset allocation at 31 December 2019

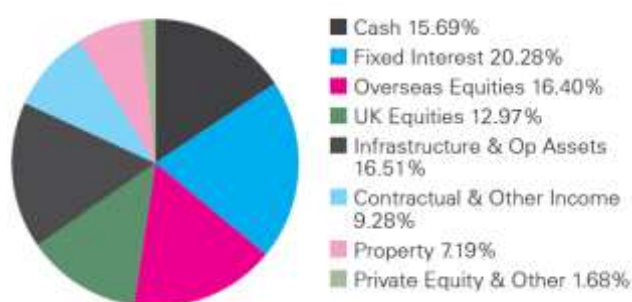
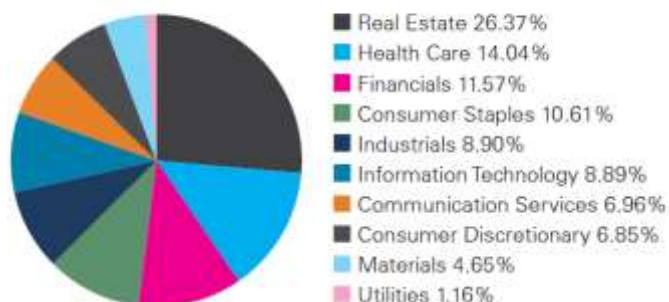


Fig 2.

Equity portfolio sector breakdown at 31 December 2019



- 4.4 The Council's overall investment in Q3, including the CCLA Property Fund and Diversified Income Fund, as well as third-party investment, averages £114.7m. The average excluding Third Party investment is £110.3m. This is shown in Fig's 3 & 4, along with the average overall investment for 2019/20 as at 31/12/2019.

Fig 3. Overall average investment, including third-party investment

Date	Deals	Average Balance	Weighted Average Rate
April average		£44,758,341.92	1.07561%
May average		£87,481,706.78	0.36085%
June average		£70,593,302.21	2.54133%
2019/2020 Q1 average		£67,829,475.10	1.26447%
July average		£64,076,886.13	0.86063%
August average		£82,895,062.00	0.51901%
September average		£136,504,760.99	0.76881%
2019/2020 Q2 average		£94,035,578.50	0.71569%
October average		£122,400,416.35	0.68356%
November average		£123,516,175.18	0.61866%
December average		£98,598,893.25	0.91883%
2019/2020 Q3 average		£114,744,172.32	0.72890%
2019/2020 average		£92,291,706.58	0.85465%

Fig 4. Overall average investment, excluding third-party investment

Date	Deals	Average Balance	Weighted Average Rate
April average		£40,271,066.92	0.84055%
May average		£82,994,431.78	0.20815%
June average		£66,106,027.21	2.49762%
2019/2020 Q1 average		£63,342,200.10	1.12840%
July average		£59,589,611.13	0.68558%
August average		£78,418,296.68	0.36680%
September average		£132,044,635.99	0.68719%
2019/2020 Q2 average		£89,560,698.06	0.59230%
October average		£117,940,291.35	0.58895%
November average		£119,056,050.18	0.52250%
December average		£94,050,381.16	0.80799%
2019/2020 Q3 average		£110,254,264.71	0.62851%
2019/2020 average		£87,807,697.40	0.73548%

- 4.5 Table 2 below summarises the maturity profile of the Council's investment portfolio at the end of Q3 2019/20 (excluding third party loans):

Table 2 - Investment maturity profile at end of Q3 2019/20

Product	Access Type	Maturity Period					
		0d	0-3m	3-6m	~5yrs	Total	
		£m	£m	£m	£m	£m	%
Money Market Funds	Same-Day	5.9				5.9	7.2
Bank Call Account	Instant Access	15.0				15.0	18.2
Certificate of Deposits	Fixed Term / Tradeable		50.0	0.0		50.0	60.6
Pooled Property Fund	Redemption Period Applies				10.1	10.1	12.2
Pooled Diversified Income Fund	Redemption request – two business days				1.5	1.5	1.8
Total		20.9	50.0	0.0	11.6	82.5	100.0
%		25.3	60.6	0.0	14.1	100.0	

- 4.6 Set out below are details of the amounts outstanding on loans and share equity investments classed as capital expenditure advanced to third party organisations at the end of Q3:

Table 3 - Loans/Equity holdings in This Land Ltd

Loan Summary	Amount (£m)	Repayment Year
Bridging Loan	8.500	2020/21
Loans for land acquired from third parties	2.040	2021/22
Construction & Development loans	7.100	2029/30
Loans for land acquired from CCC	78.872	2028/29
Total Loans	96.512	
Equity holding	3.951	Continuous
Total Loans/Equity in This Land Ltd	100.463	

Table 4 - Third Party Loans

Loan Counterparty	Original Amount (£m)	Amount Outstanding (£m)	Repayment Year
Arthur Rank Hospice Charity	4.000	3.600	2042/43
Estover Playing Field 2015 CIC (Guaranteed by March Town Council)	0.350	0.305	2024/25
Wisbech Town Council	0.150	0.150	2043/44
VIVA Arts & Community Group*	0.300	0.300	2043/44
Total Third Party Loans	4.800	4.435	

* This loan was advanced on December 10th 2019; the purpose of the loan is for Viva to undertake a capital project which will facilitate the development of a community arts facility at Mill, Soham.

Table 5 - Cashflow Loans

Loan Counterparty	Amount (£m)
LGSS Law Ltd	0.325

- 4.7 Investment balances are forecast to reduce by the financial year end as internal resources from temporary positive cashflow surpluses are applied to fund expenditure demands in lieu of fully funding the borrowing requirement (internal borrowing) on a net basis. This process effectively reduces the cost of carrying additional borrowing at a higher cost than the income that could be generated through short term investment of those balances, as well as reducing investment counterparty credit risk.
- 4.8 In Q3 the Council's investments held with CCLA Property Fund, returned an average dividend of 4.39% on the Council's investment held in the CCLA Property Fund. Any impact upon latest budget projections for the financial year are reported through the Budget Monitoring process.

Table 6 - Average Benchmark Performance – Q3 2019/20

	Benchmark	Benchmark Return	Council Performance
Q1 (First Qtr)	3m LIBID	0.68%	1.31%
Q2 (Sec Qtr)	3m LIBID	0.64%	1.15%
Q3(This Qtr)	3m LIBID	0.66%	2.52%
Q1+2+3 (YTD)	3m LIBID	0.66%	1.66%

- 4.9 Leaving market conditions aside, the Council's return on investments is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument:
- Credit risk is the consideration of the likelihood of default and is controlled through the creditworthiness policy approved by Council.
 - The duration of an investment introduces liquidity risk; the risk that funds cannot be accessed when required.

- Interest rate risk; the risk that arises from fluctuating market interest rates.

4.10 These factors and associated risks are actively managed by the Cambridgeshire County Council Finance team.

5. BORROWING

- 5.1 The Council can raise cash through borrowing in order to fund expenditure on its capital programme for the benefit of Cambridgeshire. The amount of new borrowing needed each year is determined by capital expenditure plans and projections of the Capital Financing Requirement, underlying borrowing requirement, forecast cash-backed reserves and both current and forecast economic conditions.
- 5.2 The Council will continue to utilise short to medium-term borrowing from other local authorities via the Council authorised broker as PWLB rates are not favourable at present. The Council intends to keep a proportion of the borrowing portfolio short-dated; in doing so, the Council will also be in the position to take up any funding opportunities that could arise in the near term. However, as the year-end draws to a close, the interest rate for short term borrowing tends to worsen.
- 5.3 Also, to take advantage of low-interest rates and an increase in supply to the market, during Q3 the Council repaid on maturity a total of £104m short-term loans from other local authorities; £41m of this was short-dated loans, borrowed for cash flow.

Loans raised during Q3 amounted to £111m, of which £41m was the short-dated loan for cash flow (payable within 1 to 20 days). The remaining £70m was split as follows:

- £40m short-term borrowing, maturing within 1 year with an average rate of 1.02%
- £30m fixed-term loans, maturing within 2 years with an average rate of 1.47%.

- 5.4 Therefore overall borrowing outstanding increased during Q3 compared to Q2 by £6.92m. At Q2, the Council held £748.2m of borrowing, of which £218.5m matures in less than 1 year. At the end of Q3, the Council held £755.0m of borrowing, of which £230.5m matures in less than 1 year.

- 5.5 Table 7 below sets out the maturity profile of the Council's borrowing portfolio at the end of Q3. £374.5m is held with the PWLB, £320m from other local authorities, £45m in market loans and £15.5m in a single market Lender Option Borrower Option (LOBO) loan.

Table 7 - Borrowing Maturity Profile – Q3 2019/20

Term Remaining	Borrowing	
	£m	%
Under 12 months	230.5	30.5
1-2 years	120.0	15.9
2-5 years	42.5	5.6
5-10 years	80.4	10.7
10-20 years	102.3	13.6
20-30 years	43.6	5.8
30-40 years	45.0	5.9
40-50 years	40.0	5.3
Over 50 years	50.5	6.7
TOTAL	755.0	100.0

- 5.6 Market LOBO loans are included in Table 7 at their final maturity rather than their next potential call date. In the current low interest rate environment, the likelihood of lenders exercising their option to increase the interest rates on these loans - and so triggering the Council's option to repayment at par - is considered to be low.
- 5.7 The Council is in an internally borrowed cash position and balances will need to be replenished at some point in the future (subject to expenditure demands). This strategy is prudent while investment returns are lower than the cost of servicing debt and also serves to mitigate counterparty risk. The Council therefore plans to maintain this internal borrowing position but will closely monitor those reserves, balances and cashflows supporting this approach.

6. BORROWING RESTRUCTURING

- 6.1 No borrowing rescheduling was undertaken during the Q3. Rescheduling opportunities are limited in the current economic climate. For PWLB loans, due to the spread between the carrying rate of existing borrowing and early redemption rates, substantial exit (premium) costs would be incurred. For market borrowing, the lender uses the certainty of the loans cashflow profile to hedge against forecast interest rate movements and so would pass the cost of unwinding these instruments onto the Council as an exit (premium) cost. Officers continue to monitor the position regularly.

7. TREASURY AND PRUDENTIAL INDICATORS

- 7.1 The Council's Treasury and Prudential Indicators (affordability limits) were approved alongside the TMSS. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits.
- 7.2 During the financial year to date the Council has operated within the Treasury and Prudential Indicators set out in the Council's TMSS, shown in **Appendix B**.

8. BANKING PROVIDER

- 8.1 As reported to the General Purposes Committee in July 2019, the Council commenced a tender for banking services to coincide with the expiration of the current contract with Barclays Bank PLC. NatWest Bank were successful in that procurement process, and the mobilisation and implementation process has now begun with that bank to enable switchover of accounts and all associated payment, income and internet banking processes during 2020. CCC and LGSS have established project governance around this programme of work, supported by the implementation team at NatWest.

9. ALIGNMENT WITH CORPORATE PRIORITIES

9.1 A good quality of life for everyone

There are no significant implications for this priority.

9.2 Thriving places for people to live

There are no significant implications for this priority.

9.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

9.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

10. SIGNIFICANT IMPLICATIONS

10.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Decisions on treasury management, which are driven by the capital programme and the Council's overall financial position, will impact the Debt Charges Budget and are reported through the Budget Monitoring process.

10.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this category.

10.3 Statutory, Legal and Risk Implications

The Council continues to operate within the statutory requirements for borrowing and investments. Further details can be found within the Prudential Indicators in Appendix C.

10.4 Equality and Diversity Implications

There are no significant implications for this category.

10.5 Engagement and Communications Implications

There are no significant implications for this category.

10.6 Localism and Local Member Involvement

There are no significant implications for this category.

10.7 Public Health Implications

There are no significant implications for this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
None	Not applicable

Appendix A

Economic Commentary; Extract from Treasury Advisors (Link Asset Services)

UK

During the quarter ended 31 December 2019 (*quarter 3 of 2019*):

- The Conservative Party secured a large majority in the general election;
- GDP rose by 0.4% q/q in Q3, but weakened at the start of Q4;
- The fundamentals that determine consumer spending softened a little, but remained healthy;
- Inflation remained below the Bank of England's 2% target;
- There was a widespread rise in investors' global interest rate expectations;
- The Monetary Policy Committee kept Bank Rate on hold at 0.75%, but struck a more dovish tone;
- Andrew Bailey was appointed to take over as Bank of England Governor, (from the March MPC meeting).

The economy posted a solid rise in activity in Q3 of 0.4% q/q, but that will probably be the highpoint as Q4 looks like it was much weaker. Indeed, much of the boost in Q3 reflected a faster recovery in exports than imports from a Brexit-deadline driven dip in Q2. This won't be repeated. And the monthly data for October show that imports have now also recovered. What's more, the timelier PMI surveys are pointing to a contraction in GDP in Q4 of around 0.2%. Admittedly, the surveys have been weaker than the official data recently so we are not expecting GDP to fall. But monthly GDP didn't rise at all in October and we don't expect it to do any better in November and December. Overall, we are expecting no GDP growth in Q4.

Consumer spending growth fell from +0.5% q/q in Q2 to +0.3% q/q in Q3 and the fundamentals that determine consumer spending have started to soften. Consumer confidence has remained relatively weak and employment rose by just 24,000 in the three months to October. The unemployment rate is still at its 45 year low of 3.8% and the tightness in the labour market means that wage growth is still reasonably strong. Wage growth on the measure excluding bonuses was 3.5% in October. And with inflation having fallen to 1.5% in November, well below the Bank of England's 2% target, real wage growth has remained close to its recent highs.

CPI inflation stayed at 1.5% in November, depressed by a smaller rise in cigarette prices than in November 2018 and downward pressure from one or two core components, including hotel accommodation and clothing. Looking ahead to 2020, inflation is likely to spend more time below the 2% target than above it. After all, agricultural commodity prices point to a fall back in food price inflation to 0% by the middle of 2020. And the recent slide in wholesale electricity and gas prices suggest utility prices will pull down inflation again when the price cap is reviewed in April 2020.

Meanwhile, investors have revised up their **interest rate expectations**. At the start of October the market was pricing in more than one 25bps rate cut from 0.75% within a year and then for interest rates to stay close to 0.25%. Now, however, they are pricing in less than one rate cut over the next two years and then for interest rates to climb back to 0.75%. This is partly because of the strengthening in global interest rate expectations. And it's partly because a large Conservative Party majority, a possible Brexit deal and a fiscal stimulus early next year should support GDP growth and could eventually lead to interest rate hikes. Indeed, the key reason most MPC members decided to keep interest rates on hold at December's meeting appears to be to allow greater time to assess whether Brexit uncertainty is fading. The Bank noted that "there was no evidence yet about the extent to which policy uncertainties among companies and households had declined" and that "initial information would not become available until early next year."

That said, **the MPC** maintained its dovish stance. And there was no alteration to the guidance in the minutes that "if global growth fails to stabilise or if Brexit uncertainties remain entrenched, monetary

policy may need to reinforce the expected recovery in GDP growth and inflation". As a result, a cut in the coming months is possible if the economic news fails to improve. So we think that the markets are right to price in a 22% or so chance of the MPC cutting rates from 0.75% to 0.50% by March.

The confirmation that **Andrew Bailey** will take over from Mark Carney as Governor of the Bank of England on 16th March 2020 doesn't change the outlook for monetary policy. As Bailey has never served on the MPC, we don't know whether he's a dove, a hawk or somewhere in between. Our first insight will be at his appearance in front of the Treasury Committee probably in January or February and his first MPC meeting will be 26th March 2020. (Carney will extend his term as Governor from 31st January to 15th March to fill the gap.) In any case, as it is very rare for new Governors to come in and change the dial on monetary policy on day one. Bailey's appointment doesn't change our forecast that monetary policy will remain unchanged until 2021.

A boost to GDP growth of about 0.4% in the 2020/21 financial year is already in the bag due to the £13.4bn (0.6% of GDP) rise in **government spending** in September's Spending Round. And we expect that a £20bn (1% of GDP) rise in public investment in the next Budget will add an extra 0.25% to GDP growth in both 2020 and 2021. This may generate a gradual rise in the quarterly rate of GDP growth from 0.0% q/q in Q4 2019 to around 0.5% q/q by the end of 2020. But this won't show up in the average annual growth rate for the whole of 2020, which may ease from 1.3% in 2019 to 1.0%. Indeed, we think that growth won't pick up until 2021, when we expect it to rise to 1.8%.

Turning to the **financial markets**, in the immediate post-election aftermath the pound soared to around \$1.35 and €1.21, its highest level since mid-2018. However, the commitment not to extend the transition period beyond 2020 saw the pound give up all of its post-election gains and more. We think that sterling will struggle to get much above \$1.35 as long as there is a risk of something like a no deal Brexit at the end of 2020.

By contrast, the post-election jump in **UK equities** could just be the start of a sustained rally.

Meanwhile, **10 year gilt yields** have been pushed up from 0.47% at the start of October to 0.87% at the end of December by the upward revision to global interest rates. But a fiscal boost and improved sentiment could eventually lead to tighter monetary policy and push up gilt yields even further. We think that the 10 year gilt yield could be 1.25% by the end of 2021.

Elsewhere, in the **US** the markets have revised up their expectations for interest rates from expecting two cuts over the next two years to giving up on the Fed doing much at all. We agree that interest rates are unlikely to go anywhere over the next few years but we are more optimistic on GDP growth over the next couple of years than the market.

We think economic growth in **the euro-zone** will be sluggish until mid-2020 and then recover more gradually than the ECB, among others, assumes. The most reliable business surveys have stopped falling in the past few months, but still suggest that growth has more-or-less stalled. More fundamentally, the main components of demand are likely to be weak next year. Household consumption growth is slowing because employment is softening, and wage growth is also coming off the boil. Business investment also looks set to slow sharply. And fiscal policy will probably be only mildly expansionary.

Appendix B

Treasury and Prudential Indicators

Prudential Indicator	2019/20 Indicator	2019/20 Q3
Authorised limit for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	----- £1,088.0m -----	
Operational boundary for external debt (Inc' loans raised to on-lend to Housing & Investment Company)	----- £1,058.0m -----	
Capital Financing Requirement (CFR) <i>[Including PFI and Finance Lease Liabilities]</i>	£1,008.0m	£913.60m
Ratio of financing costs to net revenue streams	9.2%	8.4%
Upper limit of fixed interest rates based on net debt	150%	103%
Upper limit of variable interest rates based on net debt	65%	-3%
Principal sums invested > 364 days (exc' third party loans)	£50.0m	£11.5m
Maturity structure of borrowing limits:-		
Under 12 months	Max. 80% Min. 0%	30.5%
12 months to 2 years	Max. 50% Min. 0%	15.9%
2 years to 5 years	Max. 50% Min. 0%	5.6%
5 years to 10 years	Max. 50% Min. 0%	10.7%
10 years and above	Max. 100% Min. 0%	37.3%

- The Treasury Management Code of Practice guidance notes requires that maturity is determined by the earliest date on which the lender can trigger repayment, which in the case of LOBO loans is the next break/call point. This approach differs to Table 7 at paragraph 5.5 above, which instead shows the Council's LOBO loan at maturity date as the likelihood of the option being exercised is low.

TRANSFORMATION FUND MONITORING REPORT QUARTER 3 2019-20

To: General Purposes Committee

Meeting Date: 24th March 2020

From: Kelly Allen, Head of Transformation

Electoral division(s): All

Forward Plan ref: Not applicable **Key decision:** No

Purpose: To outline progress in delivery of the projects for which transformation funding has been approved at the end of the second quarter of the 2019/20 financial year.

Recommendation: It is recommended that the Committee note and comment on the report and the impact of transformation fund investment across the Council.

<i>Officer contact:</i>		<i>Member contacts:</i>	
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Tel:		Tel:	01223 706398

1. BACKGROUND

- 1.1 General Purposes Committee (GPC) has responsibility for the stewardship of the Transformation Fund, approving business cases for new proposals and reviewing progress of the existing projects.
- 1.2 The Transformation Fund provides one off funding to encourage projects where an invest to save, invest to improve, or invest to innovate bid can underpin service improvements and deliver improved outcomes and future efficiencies.
- 1.3 This report provides GPC with an overview of how the proposals which are currently drawing down funding are delivering improved outcomes as well as financial objectives. Service Committees continue to review relevant projects in detail as appropriate.
- 1.4 To date, GPC have approved £19.6m of investments since the inception of the Transformation Fund in 2016. There is currently £20.1m funding available to allocate to further investments.
- 1.5 Further proposals are being drafted and due to be submitted to GPC for consideration in March 2020.

2.0 OUTCOMES FOR CURRENT PROJECTS

- 2.1 The table below gives an overview of the projects currently drawing down funding. The table shows their current financial RAG rating across the lifetime of the project and outlines the non-financial outcomes and benefits anticipated from each project.

Project	Brief description of project	Outcomes and benefits
Total Transport C/R.5.102 GREEN	Scrutinising contract services to ensure the Council delivers the most efficient mainstream school transport services whilst ensuring all eligible pupils receive free transport in line with the Council's policy on journey times.	<ul style="list-style-type: none">• More effective and co-ordinated Home to School Transport service• Improved experience for service users
Support Investment in modernising social care payments C/R.5.002 GREEN	Investing in modern payment mechanisms in social care; including payment cards and establishing a direct debit system	<ul style="list-style-type: none">• Provide an efficient and easy to engage with system for service users
Looked After Children (LAC) Placement budget savings C/R.5.007 BLUE	Funded the campaign to recruit more in house foster carers (launched in September 2018) to reduce the reliance on independent fostering association (IFA) foster carers, a review of high cost placements and fee negotiations with IFA providers.	<ul style="list-style-type: none">• Increased the number of in house foster carers to place children with LAC are placed in the most appropriate placement with the right level of care and support. Since September 2018 there has been an increase of 21.8% (36 households) against the overall long term/short term and link

		foster carer cohort.
Case reviews of specialist transport provisions C/R.5.009 GREEN	Provide additional capacity within the Social, Education Transport Team to review LAC Transport processes and provision	<ul style="list-style-type: none"> To ensure that all placements are offering value for money and to deliver savings
Library Service C/R.5.010 GREEN	To provide time limited business development capacity. Investment to also include budget for marketing, minor building works, and investments in new technology solutions	<ul style="list-style-type: none"> Maximising the impact of libraries to communities Generating new income streams
Adults Positive Challenge Programme C/R.5.018 AMBER	Design and create financially sustainable services that managed demand and enables residents to live fulfilled lives, build on people's strengths and support people in a way that works for them.	<ul style="list-style-type: none"> Putting choice and independence directly into the hands of individuals and communities. addressing citizens' needs early on to prevent them from escalating building self-sufficient and resilient communities
Additional capacity in financial assessment team GREEN	Continuing the programme of reassessing clients in receipt of adult social care services more regularly to ensure full contributions are being collected.	<ul style="list-style-type: none"> This is to ensure that the correct client contribution is being charged in line with updated Care Act guidance and upcoming changes to the CCC Fairer Contributions Policy

2.2 The table below shows the trend in RAG rating over the previous four quarters for all current projects.

	Financial RAG				
Project	Q3 2018-19	Q4 2018-19	Q1 2019-20	Q2 2019-20	Q3 2019-20
Total Transport	Green	Green	Green	Green	Green
Support Investment in modernising social care payments	Green	Green	Green	Green	Green
Looked After Children (LAC) Placement budget savings	Blue	Blue	Blue	Blue	Blue
Case reviews of specialist transport provisions	Green	Green	Green	Green	Green
Library Service	Green	Green	Green	Green	Green
Adults Positive Challenge Programme	Not started	Not started	Green	Amber	Amber
Additional capacity in financial assessment team	Not started	Not started	Not started	Not started	Green

3.0 FINANCIAL OUTCOMES FOR CURRENT PROJECTS

3.1 The table below summarises the overall financial performance of the current projects drawing down funding as of the first quarter (Q3) of the 2019/20 financial year.

RAG Rating (lifetime of saving)	No. of projects	Investment to Q3 (including prior years) (£000)	Total Investment Committed (including approved future years allocation) (£000)	Savings / income to Q3 (including previous years' savings achieved) (£000)	Forecast savings / income up to end of 2019/20 (including previous years' savings achieved) (£000)	Budgeted future years savings (as per 2019/20 Business Plan, 2020/21 onwards) (£000)
Blue	1	274	705	-2,693	-2,818	0
Green	5	459	824	-2,821	-2,871	0
Amber	1	1583	3,000	-2,072	-3,051	-3,800
Red	0	0	0	0	0	0
Total	7	2,317	4,529	-7,856	-8,740	-3,800

3.2 There are currently no projects rated as Red from a financial delivery perspective at the end of Q3 2019/20.

3.3 The Adults Positive Challenge Programme is the only project rated as Amber in this period, details in the table below.

PROJECT: Adults Positive Challenge			AMBER
Investment to date	Total project Investment Committed	Savings to date	Total scheme savings anticipated (over two years)
£1,583,000	£3,000,000	-£2,072,000	-£7,600,000
Update / Details on Amber status The current forecast end of year position for 2019/20 is £3,051m, a shortfall against the £3.8m target of £749k. This is mostly from slower than expected delivery of work in TEC as recruitment has had to take place and work transferred to Mosaic, as well as the rigorous work that is needed to evidence the impact of the workstreams. It is expected that the impact of work in the last months of 2019/20 financial year will allow the rest of this saving to be realised in 2020/21 financial year.			

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 A good quality of life for everyone

The individual Transformation Fund bids identify where the specific project supports this outcome.

4.2 Thriving places for people to live

There are no significant implications for this priority.

4.3 The best start for Cambridgeshire's children

The individual Transformation Fund bids identify where the specific project supports this outcome.

4.4 Net zero carbon emissions for Cambridgeshire by 2050

The individual Transformation Fund bids identify where the specific project supports this outcome.

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The resource implications are captured on the savings tracker showing expenditure from the transformation fund and the actual and anticipated return on investment.

5.1.1 Transformation team resource as at 31 Dec 2019 = 30.9 FTEs

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

No significant implications – in some instances the procurement process has taken longer than anticipated creating some delay in the expenditure and impact of the transformation investments – these are described within the commentary for each project.

5.3 Statutory, Legal and Risk Implications

There are no significant impacts for this category.

5.4 Equality and Diversity Implications

There are no significant implications within this category from this report – individual community impact assessments were completed for all projects as part of the original business case.

5.5 Engagement and Communications Implications

There are no significant impacts for this category.

5.6 Localism and Local Member Involvement

There are no significant impacts for this category.

5.7 Public Health Implications

There are no significant impacts for this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes – Chris Malyon and Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	N/A
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	N/A
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
None	Not applicable

CAMBRIDGESHIRE LIFELINE PROJECT BUSINESS CASE

To: **General Purposes Committee**

Meeting Date: **24th March 2020**

From: **Jane Crawford-White, Service Development Manager,
Technology Enabled Care Services**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To consider a Transformation Fund bid to support the business case for the Cambridgeshire Technology Enabled Care Service to become a Lifeline Provider that includes a tender for an Alarm Receiving Centre for a four year contract.**

Recommendation: **The Committee is asked to approve the application for up to £172,406 Transformation Funding over the next two years.**

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Jane Crawford-White	Names:	Cllr Anna Bailey
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1. INVESTMENT PROPOSAL SUMMARY TRANSFORMATION FUND BID

Bid Title	Lifeline Project
Service Area / Directorate	Early Intervention and Prevention, Adults Services, People and Communities
Sponsoring Director	Charlotte Black - Service Director, Adults

Brief Description of Bid	<p>The proposal is that Cambridgeshire Technology Enabled Care (TEC) becomes a Lifeline provider so that the income from the charges to customers funds the provision of the service.</p> <p>Transformation funding of £173k is required at the start of the project to cover the overall expenditure until the service can completely cover its own costs. In year 3 the income from customers covers the cost of the service and makes a net saving of £82k. In year 4 this rises to a net saving of £175k. The net saving in year 5 of £183k will then continue annually based on stable numbers of connections.</p> <p>The charge for the service will be kept under review to ensure costs continue to be covered, and the service will review opportunities to expand or deliver more efficiently, which may see a return on investment over the longer term.</p>
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Type of Bid	Invest to Advance and Invest to Save
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Strategic Links	Finance, Procurement, Commissioning, Transformation, Technology Enabled Care
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Pay Back Period in Years	3
Savings/Investment Ratio over 5 Years	£182,608 = 1.06 ROI, plus cost avoidance and non-financial benefits

2. BACKGROUND

- 2.1. The County Council will need to plan for the telephone digital switch over in 2023 – 2025 and how it impacts on all the customers who have connected telecare. In Cambridgeshire this is currently estimated to be between 12,000 and 15,000 people who live in sheltered accommodation and people who have a Lifeline in their own home. This group of people will be the most affected by the digital switchover because they rely on land line connections and the Alarm Receiving Centres (ARC) who are slow to upgrade to fully digital platforms. This project will make a significant contribution to preparing for the switch over for those people with Lifelines in their own homes. The Housing Providers will remain responsible for the preparation for the digital switchover for people living in sheltered accommodation.

- 2.2. The proposal is that Cambridgeshire's Technology Enabled Care (TEC) becomes a Lifeline provider so that the income from the charges to customers funds the provision of the service. The business case is based on the purchase of digital Lifelines with connectivity via mobile sim cards and/or internet protocol. TEC will also tender for an Alarm Receiving Centre with a digital platform that enables integration with the Lifeline and sensors and detectors in people's homes. The move from analogue to digital enables the transmission of larger volumes of data that transforms telecare from being a reactive service to being preventative and even predictive.
- 2.3. Transformation Funding of up to £39k was approved as part of the Adults Positive Challenge Programme in April 2019 for the discovery phase of the project (including input from subject matter expertise (SME)), which has resulted in this business case with next steps for successful implementation. The main business case was approved at Cambridgeshire and Peterborough Joint Commissioning Board in January 2020, and subsequently has been submitted to go to Adults Committee on the 12th March 2020.
- 2.4. TEC is a key service that is part of the Prevention and Early Intervention Services for adult social care, working closely with Adult Early Help, Reablement, Sensory Services and the Enhanced Response Service. Increasing the uptake of TEC is a core part of the Adults Positive Challenge Programme. This proposal will enhance the ability of TEC to achieve their targets and is an essential step prior to further developments and opportunities.

3. MAIN ISSUES: THE PROPOSAL

- 3.1. The proposal is for the TEC service to become a Lifeline provider the team would need two staff to install the Lifelines, the sensors and the key safe in one visit. Business Support would be needed to manage the referrals, recording on the client information system and the finance system, completing reviews at six weeks and liaising with the ARC (total 3 FTE). A competitive tender process will need to be completed to secure a 4 year contract for the ARC. The ARC will provide the 24/7 monitoring of the Lifeline activations and instigating a response from family, Enhanced Response Service or emergency service.
- 3.2. Customers would be charged a flat rate for the 24/7 monitoring, installation, withdrawals and maintenance. All customers would be charged irrespective of whether they had a care package or not. However for those on benefits and who are in receipt of a Council funded care package who undergo a financial assessment, the assessment will take into account their payment for a community alarm system as Disability Related Expenditure (DRE) as per The Care Act's Care and Support Statutory Guidance. The Guidance specifically states "Community Alarms" as a key example areas of DRE that must be considered as part of someone's financial assessment to determine their care charge. This recommendation will not require any changes to the most recent Adult Social Care charging policy to accommodate this.

- 3.3. The provision of Lifelines is not a statutory social care provision. There is no specific guidance for social care on the charging for Lifelines, provision is generally a housing provider responsibility. People who are becoming frail and vulnerable will generally consider having a Lifeline as the first support service that is taken up often several years before care is needed. Therefore in the first couple of years of the Lifeline service the overwhelming majority of people will not be in receipt of care. This charging option is supported at Joint Commissioning Board as preferred for the process for setting up of the advance quarterly billing cycles that is distinct and separate from the care billing cycles. The processes and resources needed for Finance Teams will be simpler and manageable within existing capacity.
- 3.4. The proposed rate of charging Customers is £5 per week. The Customer would have a six week trial period funded by the Council, the current retention rate is 75%. This initiative has been very successful at increasing the numbers of people with Lifelines. There would be no additional charges for installation, the numbers of sensors, the keysafe and the Enhanced Response Service. Benchmarking has been completed with other Local Authorities on their charging regime and their rates of charges. The rate of £5 is competitive and it avoids the separate up-front costs of an installation (£30-40) and a keysafe (£45 – 60) that can be a deterrent for the Customer agreeing to have a Lifeline.
- 3.5. The Cambs TEC Lifeline service would be implemented with new Customers only. There is no changes proposed for any existing Lifeline Customers. Based on current rates of TEC Lifeline installations, there are 73 new connections made per month and 55 (75%) retained at the six week review. The contract with the ARC is based on a charge per connection per week following soft market testing. The value of the four year contract for the Alarm Receiving Centre is expected to be £160,614.

	Number of connections	Value of the contract with ARC (£)
End of year 1	663	12,398
End of year 2	1326	31,360
End of year 3	1989	50,322
End of year 4	2652	66,535
		Total 160,614

- 3.6. Transformation funding of £172,406 is required at the start of the project to cover the overall expenditure until the service can completely cover its own costs. In year 3 the income from customers covers the cost of the service and makes a net saving of £81,599. In year 4 this rises to a net saving of £174,520. The net saving in year 5 of £183k will then continue annually based on stable numbers of connections at a charge of £5p/w. The charge for the service will be kept under review to ensure costs continue to be covered, and the service will review opportunities to expand or deliver more efficiently, which may see a return on investment over the longer term.

£5pw charge	Total income	Total costs + equipment	Transformation Fund required	Net saving*
Y1	70,265	212,087	141,822	
Y2	245,050	275,634	30,584	
			172,406	
Y3	420,810	339,211		-81,599
Y4	567,450	392,930		-174,520
Y5	583,050	400,442		-182,608

* The project will start in 2020/21. The financial modelling will be confirmed once the start date is confirmed and tender complete. The above figures are accurate assuming a full 12 months in year one.

- 3.7. Section 93 Local Government Act 2003 gives local authorities the power the charge for services that they have a power but not a duty to provide. The level of income is restricted to the amount it costs to provide the services. It is important for them not to make a profit. They are not constrained in how they calculate costs. They can include the full cost of all aspects of the service provision. To that end the model factors in staff time allocated to the project and their corporate allocation.
- 3.8. The provision of Lifelines, TEC and the Enhanced Response Service are often the first services provided from Adult Social Care. The meeting of irregular and on demand needs of Service Users with these preventative services is effective at postponing the requirement for regular long term social care. Looking at the activity of the Enhanced Response Service in the 9 months since April 2019 ERS has responded to 4,366 calls where there was no family member to respond. They have attended 1,668 calls for a fall and provided 1,170 people with personal care that is not part of a regular care package. This team has avoided 4,113 calls going to the Ambulance Service. Family members also respond to Lifeline activations that in reality make the greatest contribution to avoiding and postponing the need for health and social care. Lifeline provision enables people to continue living in their own home for as long as possible and at the same time gives family members peace of mind that their relative can summon assistance whenever it is needed day or night.
- 3.9. It is noted that overall cost avoidance attributed to the increased use of TEC in the county is forecast to be around £5.8m for 2019/20. Although the financial benefits costed for this project clearly show the direct savings and surplus that could be achieved, as the Lifeline is one aspect of this overall TEC cost avoidance, there are indirect financial benefits to the council for undertaking this project that will simplify the whole process and hopefully increase use of TEC.

3.10. Performance Measures

Measure of Performance Improvement	Baseline	20/21	21/22	22/23	23/24
Number of Lifeline connections	55 per month	275*	950 (new 675)	1642 (new 692)	2352 (new 710)
Retention rate at 6 week review	75%	75%	77%	79%	81%
Number of reviews instigated by activation history/ERS concern	0	12	47	82	118

*Figures for 20/21 based on 5 months activity and assumption of start date in November 2020

3.11 Risks and Contingencies

The Project group has completed a risk assessment. The table below includes the main risks that scored 15 or over (red) and 8-14 (amber) with their planned mitigation.

Risk	Risk level	Mitigation
Something not working at digital switchover	red	Proposal that Cambs TEC becomes a Lifeline provider. TEC purchases digital Lifelines only. TEC procures an Alarm Receiving Centre with digital platform. TEC liaises with other Lifeline providers in Cambs to minimise risks
Lifeline provision in Cambs very different from Peterborough	amber	Need for simplification greater in Cambs but ensure model proposed could include Peterborough at a future date
Costs of business case based on ARC charges of 55p per connection per week	amber	Completed extensive pre tender discovery work. Consultation with Telecare Services Association
Digital Lifelines more expensive than standard Lifelines and are reliant on roaming sim cards	amber	Secured quotes from several main Lifeline suppliers. Assumed all customers would need sim card and included these costs in business case. Some customers may have broadband that can be utilised that would reduce overall costs of sim cards
Income is lower than expected due to lower referral rates to TEC but also higher numbers of people with care package and on benefits	amber	Communications strategy to raise awareness of TEC with public to promote awareness of TEC and referrals. Council website has a self-referral form to TEC. Baseline of TEC caseload has just 28% cases in receipt of care package. New

		referrals less likely to have a care package therefore impact delayed.
Not being competitive when compared with other Lifeline providers in the local area	amber	Benchmarking completed with other local providers. Retain advantages of reduced upfront charges and a free to customer for a trial period. Promote the extra advantages of Cambs TEC being part of other services in Prevention and Early Intervention and particularly the Enhance Response Service.
Equipment purchase through the Integrated Community Equipment Service (ICES) contract, however ICES contract is due for retender in March 2021	amber	Ensure ICES Commissioner is fully aware of this project and includes it in the refreshment of the specification for the ICES contract
Reduced income due to customers refusing to pay or inability to afford payments	amber	Develop guidance on managing hardship. Managers have discretion to fund Lifeline based on levels of risk of the individuals circumstances

3.12. Summary

The Cambridgeshire Lifeline Project is an important service development that delivers considerable advantages to Customers, TEC and Adult Social Care. It minimises the risks for the digital switchover, increases the preventative and early intervention offering and is essential for a further two proposals. The Committee are asked to support Transformation Funding of £172, 406 for the start of the project. In year 3 the project will be covering its operational costs and will make a net saving of £182,608 in year 5. Future years will make similar savings as year 5 and still provide health and social benefits to individuals.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1. A good quality of life for everyone

A good quality of life for everyone – The recommended proposals have been considered alongside the need to support people to live healthy and independent lives and to prepare to minimise the risks around the telephone digital switchover and enhance the provision of preventative and early interventions in adult social care.

4.2. Thriving places for people to live

There are no significant implications for this priority

4.3. The best start for Cambridgeshire's children

There are no significant implications for this priority

4.4 **Net zero carbon emissions for Cambridgeshire by 2050**

There are no significant implications for this priority

5. **SIGNIFICANT IMPLICATIONS**

5.1. **Resource Implications**

The report above sets out implications at section 3.7.

5.2. **Procurement/Contractual/Council Contract Procedure Rules Implications**

A tender for a four year contract for an Alarm Receiving Centre will need to be completed as per current Council procedures. David Isaacs from Procurement has been engaged and will support this process.

5.3. **Statutory, Legal and Risk Implications**

The following bullet points set out details of significant implications:

- As per 3.5 above, as per the procurement of a suitable ARC there will be associated legal advice required for the contract.
- Risks and mitigating actions are listed in the Adults Committee report at section 2.50. These are to be managed via the implementation plan.
- The statutory implications are outlined above in the Adults Committee report at sections 2.11 and 2.25.

5.4. **Equality and Diversity Implications**

A Community Impact Assessment has been completed details in Adults Committee report

5.5. **Engagement and Communications Implications**

A communications campaign is needed to promote the new service to the public and professionals, produce leaflets and update the new service on the TEC website

5.6. **Localism and Local Member Involvement**

There has been engagement with Chair of the Adults Committee, Councillor Anna Bailey, who endorses charging proposal at section 3.2 - 3.4 above. This report will be discussed in full at opposition leads and Chairs and Vice Chairs pre-meetings. There will also be engagement with Councillor Steve Count ahead of the March GPC.

5.7. **Public Health Implications**

This project enables the TEC service to move from being reactive to being preventative and to further develop with intelligent Lifelines to ultimately become predictive, improving the lives of some of the most vulnerable in society.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer	Yes or No Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Emily Gutteridge
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes or No Name of Officer: Charlotte Black
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Laurence Gibson

Source Documents	Location
1. Report to Adults Committee 2. Report to Joint Commissioning Board 3. Full financial costings 4. Implementation Plan 5. Risk Log 6. Specification for Alarm Receiving Centre	<p>All documents are saved in the CCC Assistive Technology projects area and are available on request.</p> <p>Contact Jane.Crawford-White@cambridgeshire.gov.uk</p>

JOINT HEALTH AND WELLBEING STRATEGY CONSULTATION

To: **General Purposes Committee**

Meeting Date: **24th March 2020**

From: **Director of Public Health**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To present the draft Cambridgeshire and Peterborough Health and Wellbeing Strategy to General Purposes Committee for consultation and highlight the links with the draft Think Communities Health Deal Agreement.**

Recommendation: **General Purposes Committee is asked to discuss and comment on the draft Joint Health and Wellbeing Strategy from the perspective of Committees across the Council**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 Health and wellbeing boards were established under the Health and Social Care Act 2012 to act as a forum in which key leaders from the local health and care system could work together to improve the health and wellbeing of their local population. They became fully operational on 1 April 2013 in all 152 local authorities with adult social care and public health responsibilities.
- 1.2 The Cambridgeshire Health and Wellbeing Board is chaired by the Deputy Leader Councillor Roger Hickford and the Vice-Chair is Jan Thomas, the Accountable Officer for the Cambridgeshire & Peterborough Clinical Commissioning Group (CCG).
- 1.3 Developing a Joint Health and Wellbeing Strategy (JHWS) to meet the needs identified in their Joint Strategic Needs Assessment (JSNA) is a statutory requirement of all Health and Wellbeing Boards.
- 1.4 Alongside the development of the draft JHWS, the Think Communities team has been working with partners to develop a draft Think Communities Health Deal Agreement.

2. MAIN ISSUES

Developing the joint Health and Wellbeing Strategy

- 2.1 Cambridgeshire and Peterborough Health and Wellbeing Boards have chosen to work together through a 'Whole System' Joint Sub-Committee, which includes the full membership of both Boards, to develop one Joint Health and Wellbeing Strategy across Peterborough and Cambridgeshire. This will increase the strategic impact of the JHWS on the wider health system. Councillor Holdich (Peterborough City Council Leader) currently chairs this 'Whole System Joint Sub-Committee', and in the longer term the Chair will alternate between Peterborough and Cambridgeshire.
- 2.2 The approach to developing the new Joint Health and Wellbeing Strategy (JHWS) was to discuss the key findings of the Cambridgeshire and Peterborough Joint Strategic Needs Assessment (JSNA) for health and wellbeing, with a wide range of local stakeholders. These discussions focussed on health and wellbeing outcomes where we face challenges as a system - for example the impact of population growth on infrastructure and demand for services; significant inequalities between communities; or outcomes where the system as a whole does worse than average. These discussions helped to develop the key priorities and areas of focus for the JHWS.
- 2.3 The four priorities identified for the JHWS are:

Priority 1: Places that support health and wellbeing

Priority 2: Helping children achieve the best start in life

Priority 3: Staying healthy throughout life

Priority 4: Quality health and social care

Further detail of the background to these priorities, the areas of focus within them, and the proposed actions for the Health and Wellbeing Board and partner agencies are described

within the Strategy documents on the consultation weblink and attached as **Annexes A, B, C and D.**

Alignment with the Think Communities Health Deal Agreement

- 2.4 Communities we live in are fundamental to our health, and we are taking a 'Think Communities' approach to the Joint Health and Wellbeing Strategy. Our Think Communities System Ambition is to develop a public sector workforce that listens, engages with and aligns to communities and each other, through mobilisation of citizens and communities into positive action and commits to delivering services in ways that support communities to drive lasting change.
- 2.5 The draft Think Communities Health Deal Agreement (**Annex E**) identifies how the System partners will commit to working collaboratively with the focus on place /local communities whilst aiming to empower people to take responsibility to improve their health outcomes. Supporting the health and well-being of our communities is fundamental to Local Government, and the NHS, therefore we recognise that many of the most important factors which affect our residents' health are social, economic and environmental.
- 2.6 The Think Communities approach is based on place and partners supporting Communities /individuals to be enabled to take back responsibility, rather than organisations working in silos. The action needed to address the Wider Determinants of Health can be challenging therefore we need to adopt a much more holistic approach to delivering solutions with Communities which contribute to the delivery of some of the Health and Well-being priorities.

The consultation process

- 2.7 The consultation on the draft JHWS was launched on February 7th 2020 and will close on 30th April. The consultation documents and questionnaire are available on weblink <https://consultcambs.uk.engagementhq.com/health-and-wellbeing-strategy-consultation>

The consultation documents include the full draft Joint Health and Wellbeing Strategy, an Executive Summary, and an Easy Read version which has been tested with HealthWatch Access Champions.

Hard copies of the consultation documents will be made available in libraries, or by request from the Public Health administrative team.

Hard copies of the Easy Read version are being sent to organisations working with people with learning disabilities.

- 2.8 Presentations and/or workshops on the Joint Health and Wellbeing Strategy consultation are in process of being planned for the following Committees and Boards, although at the time of writing some are still to be confirmed.
- Peterborough City Council Health Scrutiny Committee
 - Cambridgeshire County Council Health Committee, Communities and Partnerships Committee, and General Purposes Committee
 - A relevant Committee, Panel or Workshop in all District and City Councils

- A relevant forum at the Cambridgeshire and Peterborough Combined Authority
- Cambridgeshire Public Service Board
- The Sustainable Transformation Partnership (STP) Board and relevant Alliances and Clinical Sub-Groups.
- The CCG Governing Body
- Cambridgeshire and Peterborough HealthWatch Board
- Patient Participation Groups and Forums
- Partnership Boards (for Older People, Mental Health, People with Disabilities)
- Voluntary Sector Chief Executives Group
- Cambridgeshire Countywide Community Safety Board
- Safer Peterborough Partnership
- Cambridgeshire & Peterborough Executive Safeguarding Board
- Think Communities Senior Officer Board
- Children's Health and Wellbeing Executive Board
- Cambridgeshire Sub-Regional Housing Board
- Planning Policy Officers Group
- Public Health Reference Group
- Cambridgeshire and Peterborough Smoke Free Alliance

The Health and Wellbeing Strategy presentation includes slides prepared by the Think Communities team, outlining the Think Communities approach and the draft Think Communities Health Deal Agreement.

- 2.9 A progress report on the consultation was taken to the Cambridgeshire and Peterborough Health and Wellbeing Boards Joint Whole- System Sub-Committee meeting on March 5th 2020. There has already been feedback on the importance of promoting physical activity, the use of green space and best use of leisure services as something which could be more prominent in the strategy.

The consultation feedback report together, with the final draft of the JHWS as modified in response to the consultation, will be taken to the Joint Whole System Sub-Committee for approval on June 4th 2020.

Implementing the Strategy

- 2.10 The Health and Wellbeing Board does not hold its own budget, but works as forum to bring local organisations and leaders together, to develop a joint approach to health and wellbeing.
- 2.11 One outcome of the pre-consultation discussions with stakeholders, was that for most of the key issues in the JHWS we were able to identify a multi-agency board or group which was already addressing the strategic priority or focus area of concern. In some cases this group had agreed a multi-agency plan across Cambridgeshire and Peterborough to achieve this. Sometimes, other key stakeholders were not aware of this work – leading to a risk of duplication and fragmented working across the wider system.
- 2.12 A key proposed outcome from the JHWS is therefore to 'keep it simple' – highlighting, endorsing and signposting to existing multi-agency Boards and groups, which are addressing key health and wellbeing issues. The role of the Health and Wellbeing Board

then becomes to implement the key priorities in the Strategy through existing partnership infrastructure with existing multi-agency Boards and groups taking responsibility for implementing focus areas and actions in the JHWS. This would prevent unnecessary duplication, and would steer the work of these multi-agency groups towards the JHWS priorities. They would be expected to prepare more detailed action plans, and report back regularly on progress. Key outcome metrics for each focus area (based on the outcomes for residents included in the strategy) would also be regularly monitored by the HWB Board, which can provide strategic challenge, support and 'unblocking' where necessary.

Implications for the General Purposes Committee

- 2.13 The JHWS includes priorities and actions across the range of the work of the Council. This means that all Committees potentially have an interest in how the services and policies they oversee can contribute to JHWS priorities. Committee Chairs are asked to contribute to the discussion, and provide comment on behalf of their Committees.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The purpose of the JHWS is to improve people's health and wellbeing, which is an important aspect of quality of life. Priority 3 is 'Staying healthy throughout life' and Priority 4 is 'Quality health and social care'.

3.2 Thriving places for people to live

Priority 1 of the JHWS is 'Places that support health and wellbeing'

3.3 The best start for Cambridgeshire's children

Priority 2 of the JWHS is 'Helping children achieve the best start in life'

3.4 Net zero carbon emissions for Cambridgeshire by 2050

Climate change is a significant threat to health and wellbeing. Focus area 1.1 of the JHWS is 'Housing Developments and Transport which support residents' health and address climate change'. Under this focus area there is a proposed action 'The Health and Wellbeing Board can endorse and support member organisations' Climate Change Strategies and Action Plans as these develop'.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The draft JHWS does not have direct financial implications for the organisations involved at this point. The plans and actions outlined are expected to be delivered within existing system resources. The consultation process will require officer time, prioritised within existing workloads as this is a statutory strategy; and there have been limited costs for

design, printing (delivered in-house through Peterborough City Council design and print service) and social media.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

4.3 Statutory, Legal and Risk Implications

The production of a Joint Health and Wellbeing Strategy to meet the needs identified in the Joint Strategic Needs Assessment is a statutory duty of Health and Wellbeing Boards.

4.4 Equality and Diversity Implications

The draft JHWS includes a focus on addressing inequalities in health and wellbeing demonstrated through the joint strategic needs assessment.

4.5 Engagement and Communications Implications

The report sets out details of significant implications in paragraphs 2.7, 2.8 and 2.9.

4.6 Localism and Local Member Involvement

The focus on place through a Think Communities Health Deal Agreement is set out in paragraphs 2.4-2.6

4.7 Public Health Implications

The purpose of the JHWS is to work together to improve a wide range of public health and care outcomes.

This report does not contain officer clearances as it is a consultation document.

Source Documents	Location
Cambridgeshire and Peterborough Joint Strategic Needs Assessment Core Dataset (2019)	https://cambridgeshireinsight.org.uk/jsna/published-joint-strategic-needs-assessments/
HealthWatch 'What would you do?' Consultation Report	http://www.healthwatchcambridgeshire.co.uk/sites/default/files/final_-_camb_and_pboro_what_would_you_do_report.pdf

Annexes A - D

Joint Health and Wellbeing Strategy Consultation Paper to Health Committee

Weblinks to Annexes A-D

Annex A: Draft Cambridgeshire and Peterborough Health and Wellbeing Strategy (2020-24)

<https://consultcambs.uk.engagementhq.com/3218/documents/3920>

Annex B: Executive Summary: Draft Cambridgeshire and Peterborough Joint Health and Wellbeing Strategy

<https://consultcambs.uk.engagementhq.com/3218/documents/3930>

Annex C: Consultation Questionnaire

<https://consultcambs.uk.engagementhq.com/health-and-wellbeing-strategy-consultation>

Annex D: Draft Health and Wellbeing Strategy Easy Read

<https://consultcambs.uk.engagementhq.com/3218/documents/3940>

Think Communities Health Deal Agreement

Think Communities Approach

It is an approach to public services that will fundamentally evolve and change the relationship between the Public Sector and Communities.

It will transform the way the public sector delivers its services.

It will see the public sector have a much greater focus and understanding of working within place – joining up the system in innovative ways and delivering our services closer to communities to meet the needs.

It is about understanding the strengths and specific issues within specific areas and working with communities to improve lives.

Our System Ambition

A public sector workforce that listens, engages with and aligns to communities and each other, through mobilization of citizens and communities into positive action. The System commits to delivering services in ways that support communities to drive lasting change.

The Think Communities Health Deal Agreement requires the System partners to commit to working collaboratively with the focus on place /populations to aim to empower people to take responsibility to improve their health outcomes.

Why we have this ambition-

· We need to do something fundamentally different.

- Demand for public services is increasing at an alarming rate, often in the context of reducing budgets.
- Forecasts show that this is not likely to change anytime soon.
- Health Inequalities remain with some outcomes are not improving.
- And the system has become too complex.

Interdependencies across the System

Supporting the health and wellbeing of our communities is fundamental to Local Government, as well as to the NHS, we recognise that many of the most important factors which affect our residents' health are social, economic and environmental.

The Health and Wellbeing Board is the place where politicians, health and social care professionals and other leaders across the system work together to solve problems and lead change to benefit our residents. The Health and Well-being Boards signed Memorandum of Understanding (2018) by the Partners stating how they will work together.

The Cambridgeshire and Peterborough Sustainable Transformation Partnership (STP) has prepared their local Five-Year Plan as part of the wider NHS Long Term Plan. This will reflect national guidance from NHS England and local needs for health and care services. It is essential that the Health and Wellbeing Strategy and the STP response to the NHS Long Term Plan are aligned and complementary.

The Public Service Board has also set out its Four Grand Challenges for Cambridgeshire and Peterborough outlined below.

1. Giving people a good start in life.
2. Ensuring that people have good work.
3. Creating a place where people want to live.
4. Ensuring that people are healthy throughout their lives.

The Think Communities approach acknowledges the significant impact that housing, household income and employment, access / use of green space, and environmental issues have on a person's health. Partners know that local residents who present to health services are also the users of other public sector services, therefore the whole sector understands the importance of collective preventative activity to reduce poor health outcomes.

The Think Communities Health Deal Agreement recognises the need to focus on addressing the Wider Determinants of Health to improve health outcomes within our local communities. The Agreement outlines the transformation needed by Public Sector partners to work collaboratively with their Communities to create the conditions needed to enable Communities to take action.

The communities we live in are fundamental to our health outcomes and taking a 'Think Communities' approach based on place, rather than a silo approach based on organisations is at the core of the Strategy. The local health issues are often clear, while the actions we can take locally to address them can be more challenging therefore we need to adopt a much more holistic approach to delivering solutions with Communities.

What can the System do to deliver?

The System Partners recognises the impact on Health Outcomes caused through the Wider Determinants of health which can differ from community to community or geographical location.

Understanding the root causes maybe stemming from Housing, Employment, lack of Green Spaces, Family events / experiences, Education, Lifestyle choices etc.

The System recognises the contribution and resources that Partners can bring to help deliver change and improved outcomes.

Who are the Communities in need?

We need to be able to identify which Communities we are focusing on as System Partners these Communities maybe defined by -

Place – in that the Community belongs to a geographical area

Person – Individuals /families who are in contact with services on a frequent basis.

Community- which could be defined by people who have aspects in common such as Faith, Ethnicity, Longterm Conditions, Isolation, Falls

What are we agreeing to deliver moving forward?

Supporting a set of shared Values developed with our communities to -

Live in an area with good community spirit.

Have enjoyable activities and not be lonely.

Keep Children and young people safe and having fun.

Live in a clean, green and rubbish free area.

Be part of a Community and valued whatever their differences.

Culture change

As a System we will support cultural change through organisational development programmes designed to develop the capacity of our workforce to work across organisational boundaries. Leading to the purposeful creation of a shared culture across our workforce's where individuals can clearly see their role in supporting our communities to become resilient.

Collective delivery of Local priorities

To take some of the Priorities from the Health and Wellbeing Strategy and work at a Community Level to design and deliver improvements that address local health inequalities and improve health outcomes at an individual and Community level.

The Think Communities approach can support the delivery of some of the Health and Wellbeing Strategy priorities by utilising local data and intelligence

For example -

Promote Workplace Health Diabetes

Best start in Life Obesity/Lifestyles

Loneliness Mental wellbeing

Housing/ Homelessness Employment

What this will mean for Citizens and Communities?

Having more say on decisions that impact their lives and where they live and utilising Community Based Assets.

Understanding the community better by building clear area profiles to understand the opportunities, risks and challenges.

Building stronger local connections and community networks.

Working in partnership with the public sector and other organisations to focus on the issues most important in their area.

Focusing more on prevention than cure.

What does this mean for the System?

Letting go - people and communities do not always want and need services involved and can be empowered to take back responsibility for their lives.

Recognising that local places have different strengths and challenges and working through local System groups develop solutions with the Community.

Accepting that communities usually know best.

Working in a way that makes sense to communities, not offering one size fits all approaches and therefore build on the data and local intelligence.

Building greater collaboration with partners and local people equals better outcomes.

Developing a connection to a 'place' and really understanding the key issues for that area.

Training our workforce – so that they can work in new ways to support the local community.

GENERAL PURPOSES COMMITTEE AGENDA PLAN

Agenda Item No.10



Cambridgeshire
County Council

Notes

Committee dates shown in bold are confirmed.

Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.

* indicates items expected to be recommended for determination by full Council.

+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
24/03/20	1. Minutes – 28/01/20	M Rowe		11/03/20	16/03/20
	2. Finance and Performance Report (January)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st January 2020	R Barnes	2020/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	K Allen	Not applicable		
	5. Treasury Management Report – Quarter 3	Kim Kent-Augustin	Not applicable		
	6. Transformation Fund Bid - Request to become a Lifeline Provider	J Crawford-White	Not applicable		
	7. Joint Health and Wellbeing Strategy Consultation	Liz Robin	Not applicable		
<i>[28/04/20] Provisional Meeting</i>	1. Finance and Performance Report (February)	T Kelly	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	2. Integrated Finance Monitoring Report for the Period Ending 29th February 2020	R Barnes	2020/002		
	3. Performance Report – Quarter 4	A Mailer	Not applicable		
02/06/20	1. Minutes – 24/03/20	M Rowe		19/05/20	22/05/20
	2. Finance and Performance Report – Outturn 2019-20	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st March 2020	R Barnes	2020/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	Kim Kent-Augustin	Not applicable		
	5. Corporate Directorates' Risk Register	T Barden	Not applicable		
	6. Transformation Fund Bid – Library Services	F Hernandez	Not applicable		
14/07/20	1. Minutes – 02/06/20			01/07/20	06/07/20
	2. Finance and Performance Report (May)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st May 2020	R Barnes	2020/016		
	4. Transformation Fund Monitoring Report Quarter 4 2019/20	K Allen	Not applicable		
	5. Performance Report – Quarter 1	A Mailer	Not applicable		
<i>[18/08/20] Provisional Meeting</i>					
22/09/20	1. Minutes – 02/06/20	M Rowe		09/09/20	14/09/20
	2. Finance and Performance Report (July)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st July 2020	R Barnes	2020/017		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	4. Treasury Management Report – Quarter One Update 2020-21	Kim Kent-Augustin	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 1 2020-21	K Allen	Not applicable		
20/10/20	1. Minutes – 22/09/20	M Rowe		07/10/20	12/10/20
	2. Finance and Performance Report (August)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st August 2020	R Barnes	2020/018		
24/11/20	1. Minutes – 20/10/20	M Rowe		11/11/20	16/11/20
	2. Finance and Performance Report (September)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 30th September 2020	R Barnes	2020/019		
	4. Treasury Management Report – Quarter 2*	Kim Kent-Augustin	Not applicable		
	5. Draft 2020/21 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Transformation Fund Monitoring Report Quarter 2 2020-21	K Allen	Not applicable		
	7. Corporate Directorates' Risk Register	T Barden	Not applicable		
	8. Performance Report – Quarter 2	A Mailer	Not applicable		
22/12/20	1. Minutes – 24/11/20	M Rowe		09/12/20	14/12/20
	2. Finance and Performance Report (October)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st October 2020	R Barnes	2020/020		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	5. Draft Revenue and Capital Business Planning Proposals for 2021-22 to 2025-2026 (whole Council)	C Malyon	Not applicable		
	6. Treasury Management Strategy	Kim Kent-Augustin	Not applicable		
26/01/21	1. Minutes – 22/12/20	M Rowe		13/01/21	18/01/21
	2. Finance and Performance Report (November)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st November 2021	R Barnes	2021/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Business Plan*	C Malyon	Not applicable		
	6. Consultation Report	S Grace	Not applicable		
	7. Transformation Fund Investments for Business Planning 2020-21 to 2024-25	A Askham	Not applicable		
	8. Performance Report – Quarter 3	A Mailer	Not applicable		
[23/02/21] Provisional Meeting					
23/03/21	1. Minutes – 26/01/21	M Rowe		10/03/20	15/03/20
	2. Finance and Performance Report (January)	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st January 2021	R Barnes	2021/002		
	4. Transformation Fund Monitoring Report Quarter 3 2019/20	K Allen	Not applicable		
	5. Treasury Management Report – Quarter 3	Kim Kent-Augustin	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
[20/04/21] Provisional Meeting					
15/06/21	1. Minutes – 23/03/21	M Rowe		02/06/21	07/06/21
	2. Finance and Performance Report – Outturn 2020-21	T Kelly	Not applicable		
	3. Integrated Finance Monitoring Report for the Period Ending 31st March 2021	R Barnes	2021/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	Kim Kent-Augustin	Not applicable		
	5. Performance Report – Quarter 4	A Mailer	Not applicable		

