

# GENERAL PURPOSES COMMITTEE



**Date: Tuesday, 15 September 2015**

**Democratic and Members' Services**

Quentin Baker

LGSS Director: Law, Property and Governance

**10:00hr**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**Kreis Viersen Room  
Shire Hall  
Cambridge  
CB3 0AP**

## **AGENDA**

Open to Public and Press

### **CONSTITUTIONAL MATTERS**

- |          |  |        |
|----------|--|--------|
| <b>1</b> | <b>Apologies and Declarations of Interest</b>  | oral   |
|          | <i>Guidance for Councillors on declaring interests is available at <a href="http://tinyurl.com/ccc-dec-of-interests">http://tinyurl.com/ccc-dec-of-interests</a></i> |        |
| <b>2</b> | <b>Minutes - 28th July 2015 and Action Log</b>   | 5 - 28 |
| <b>3</b> | <b>Petitions</b>   | oral   |

### **KEY DECISIONS**

- |          |   |          |
|----------|---|----------|
| <b>4</b> | <b>Integrated Resources and Performance Report for the period ending 31st July 2015</b> | 29 - 72  |
| <b>5</b> | <b>Strategy for Supporting New Communities</b>  | 73 - 104 |

<b>6</b>	<b>Less than best consideration disposal - Cromwell Museum building, Huntingdon</b>	<b>105 - 112</b>
----------	---	------------------

## **OTHER DECISIONS**

<b>7</b>	<b>Business Planning - Service Committee Review of the Draft 2016-26 Capital Programme</b>	<b>113 - 124</b>
<b>8</b>	<b>East Barnwell Community Centre</b>	<b>125 - 130</b>
<b>9</b>	<b>Treasury Management Quarter One Report</b>	<b>131 - 150</b>
<b>10</b>	<b>Engagement with Members - Revised Protocol for Strategic Assets</b>	<b>151 - 164</b>
<b>11</b>	<b>Corporate Risk Register Update</b>	<b>165 - 180</b>
<b>12</b>	<b>Finance and Performance Report - July 2015</b>	<b>181 - 210</b>
<b>13</b>	<b>General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies, Partnership Liaison and Advisory Groups, and Internal Advisory Groups and Panels</b>	<b>211 - 222</b>

The General Purposes Committee comprises the following members:

Councillor Steve Count (Chairman) Councillor Mac McGuire (Vice-Chairman) Councillor Anna Bailey Councillor Ian Bates Councillor David Brown Councillor Paul Bullen Councillor Edward Cearnas Councillor Steve Criswell Councillor Roger Hickford Councillor John Hipkin Councillor David Jenkins Councillor Lucy Nethsingha Councillor Tony Orgee Councillor Peter Reeve Councillor Michael Tew Councillor Ashley Walsh 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

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request: <http://tinyurl.com/cccfilm-record>.

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 <http://tinyurl.com/cambs-constitution>.

The Council does not guarantee the provision of car parking on the Shire Hall site and you will need to use nearby public car parks <http://tinyurl.com/cccfarm-park> or public transport



## **GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday, 28th July 2015

**Time:** 10.00a.m. – 2.30p.m.

**Present:** Councillors Bailey, Bates, D Brown, Bullen, Cearns, Count (Chairman), Criswell, Hickford, Hipkin, Jenkins, McGuire (Vice-Chairman), Nethsingha, Orgee, Reeve, Tew, Walsh and Whitehead

### **123. DECLARATIONS OF INTEREST**

Councillor Jenkins declared a non-statutory disclosable interest under the Code of Conduct in relation to Minute 135, as Chairman of Histon and Impington Parish Council, which had an interest in one farm.

### **124. MINUTES – 19TH MAY 2015 AND ACTION LOG**

The minutes of the meeting held on 19th May 2015 were agreed as a correct record and signed by the Chairman. The Action Log and following updates were noted:

- the contract for the construction of a Solar Farm at Triangle Farm, Soham had been signed week beginning 20 July 2015. In response to a query, it was noted that the ending of the Green Deal Finance Company would not impact on this project.
- the Treasury Strategy Review Working Group had developed a protocol for improved engagement of members in property decisions, which would be submitted to the next meeting for approval. **Action Required.**
- the final draft of the Accountable Body Agreement was still awaiting sign off by the Local Enterprise Partnership's Legal Team. **Action Required.**

### **125. PETITIONS**

No petitions were received.

### **126. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31ST MARCH 2015**

The Committee received the operational report detailing the resources and performance position for the financial year 2014/15. It was noted that this management report preceded the production of the Council's formal Statement of Accounts on which the audit opinion would be formed. As a result of balance sheet activities being reviewed, a number of Year End Adjustments had been identified for approval. During discussion, Members noted responses from the Chief Finance Officer (CFO) as follows:

- the anticipated costs associated with the implementation of the new Operating Model for Business Planning had not yet been defined. Detailed plans would need to be in place to draw down the reserve to the value of £1m. It was therefore noted that these proposals would need to be presented to a future meeting. **Action Required.**

- a reserve to the value of £56k was proposed to back-scan payroll and pensions data currently held in the Octagon in order to create better utilisation of space.
- the Council had a number of significant contracts. A reserve to the value of £893k was therefore proposed to mitigate against potential contract disputes with providers in order to avoid a charge to revenue. Councillor Jenkins requested a briefing on any potential disputes. **Action Required.**

It was resolved unanimously to:

- a) Note the Council's year end resources and performance position for 2014/15.
- b) Approve the following year end adjustments:
  - o A reserve to the value of £893k to mitigate against potential contract disputes;
  - o A reserve to the value of £56k in respect of back-scanning work; and
  - o A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the Operating Model for Business Planning (section 3.2.10)

## 127. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MAY 2015

The Committee received the first report of the year detailing financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position was showing a forecast year end overspend of nearly £4.0m. The CFO reminded Members that this was not unusual for this time of year but for the first time he was identifying the significant real threat of an overspend at year end. He urged Policy and Service Committee Chairs to challenge and review financial statements at their committee meetings. Attention was drawn to the fact that the Capital Programme was likely to incur slippage and as a result an upfront saving of just under £900k had been identified.

The Chairman asked for monthly Integrated Resources and Performance Reports to be circulated electronically to the Committee if its reserve date was not used. **Action Required.** During discussion, members made the following comments:

- expressed concern that the Committee was being asked to note remedial action currently being taken without receiving an explanation as to how the overspend would be addressed. It was suggested that the Chairs of Policy and Service Committees should be asked to feedback to the next meeting on how their committees intended to address the overspend. The Chairman proposed, with the unanimous agreement of the Committee, to amend the recommendations to reflect this.
- the need to review the presentation of the Strategy and Commissioning Directorate overspend on page 7. It was currently misleading as it did not reflect the full impact of the Home to School Transport – Special overspend. The CFO confirmed that the figure had been netted off to reflect how information was set out in the Business Plan. He agreed to show it as a separate item in future reports. The Chairwoman of

Children and Young People Policy and Service Committee reported that radical solutions such as the Council purchasing its own fleet of mini buses to address the overspend were being considered. It was noted that the Cambridgeshire Future Transport Member Steering Group was looking at this issue. She drew attention to the increasing demands placed on the Looked After Children (LAC) budget. Members asked for the individual times unit cost totals used for LAC to be applied to Adults.

- expressed concern that the Key Performance Indicator relating to proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted had been removed rather than split into school sectors. The Committee asked for it to be reinstated in the next report. **Action Required.**
- suggested that the table on page 3 needed to show the current status as Red and not Amber if the overspend was not expected to dissipate by year-end.
- queried whether the bus lane enforcement income was being used to subsidise the shortfall in Park and Ride income. The Chairman of Economy and Environment Policy and Service Committee confirmed that he would investigate whether it was even possible to cross-subsidise. **Action Required.** The CFO reminded the Committee that the net figure was used in the report as reflected in the Business Plan.
- queried how the shortfall in Park and Ride income was predicated. The Chairman of Economy and Environment Policy and Service Committee agreed to investigate. **Action Required.**
- queried the removal of £20.0m from the ETE Capital Programme. The CFO reminded the Committee of the change in funding arrangements and the consequential impact on the revenue budget.
- expressed concern that the Council had not yet moved to outcome focussed budgets. The CFO explained that it was a significant step to move from an incremental silo to a corporate outcome approach. As it was an evolving process, it was likely that it would not be available for the 2016/17 budget. As a result, it was proposed to use a hybrid (traditional/outcome) approach for this budget.
- expressed concern about the impact of the recommendations on borrowing interest payments. The CFO reminded the Committee that the Capital Programme had been approved by Council. He drew attention to the fact that the Capital Strategy was on the Committee's agenda. However, it was important to note that the Capital Programme did have revenue consequences. The Chairman added that there was actually a net reduction proposed in the Capital Programme budget and the CFO confirmed that the proposals were altering the incidence of the borrowing requirement rather than increasing it.

It was resolved unanimously to:

- ai) Analyse resources and performance information and note the remedial action currently being taken.

- aii) Invite Committee Chairs to report at the next meeting of General Purposes Committee on actions in place to address emerging overspends.
- b) Approve the transfer of £200k from the General Reserve to LGSS Managed to address the budget error that arose when creating the 2015/16 base budget in relation to the City Deal (section 3.2.5).
- c) Approve the use of the full £31.9m capital carry forward funding in 2015/16 (section 6.5).
- d) Approve that the remaining £20.0m budget in relation to the Science Park Station scheme be removed from the Economy, Transport and Environment (ETE) capital programme in 2015/16 (section 6.5).
- e) Approve that the additional Growth Deal funding of £1m in 2015/16 be allocated in full to ETE (section 6.5).
- f) Approve that the 2015/16 element of the second tranche of the Cycle City Ambition grant of £1.48m be allocated in full to ETE (section 6.5).
- g) Approve an increase of £1.24m to the Prudential Borrowing requirement in 2015/16 to offset the reduction in funding received from the Department for Education (DfE) RE: Condition, Suitability and Maintenance funding (section 6.5).
- h) Approve the -£5.8m rephasing of Children, Families and Adults (CFA's) S106 funding in 2015/16 (section 6.5).
- i) Approve the -£7.1m rephasing of CFA's Prudential Borrowing requirement in 2015/16 (section 6.5).
- j) Approve the inclusion of the additional CFA capital schemes into the 2015/16 and 2016/17 capital programme, along with the associated Prudential Borrowing requirement of £3.2m in 2015/16 and £2.6m in 2016/17 (section 6.5).
- k) Approve CFA's additional Prudential Borrowing requirement of £1.5m in 2015/16 (section 6.5).

## **128. EAST BARNWELL COMMUNITY CENTRE**

The Committee received an update report on the work undertaken to explore the risks and benefits of revisiting mixed use options for the development of the East Barnwell Community Centre site. Attention was drawn to the background to the project, which was based in the most deprived Ward in the City. Since the start of the project, Group Leaders had in March 2015 asked for one change, which was to revisit the mixed use option to ensure that the full commercial value of the Council's assets was being realised. An on-site workshop had recently been convened to allow Group Leaders to meet local stakeholders and key Members to explore further the risks and benefits of revisiting options for development of the site. The Committee was therefore asked to consider whether to proceed with the original proposal or consider mixed use, which would result in further delay. It was noted that additional borrowing would be required to deliver Options 2 and 3.



The Chairman exercised his discretion and invited City Councillor Richard Johnson who had submitted his request to speak after the deadline for public speaking to address the Committee. Councillor Johnson speaking as the Local Member for Abbey Ward expressed his gratitude to the Chairman and Group Leaders for their commitment to redevelop the site in strained financial circumstances. However, he was concerned that the project could be threatened if the Committee decided to deviate from the original proposal. The facility was badly needed and much good will had already been fostered in the local community. He was fearful that this could be lost and that City Council partnership funding via Section 106 developer contribution could be put at risk. He felt that any change to the original proposal would add unnecessary risk. He urged the Committee to be bold and move forward with the project as soon as possible.

In response to a question, Councillor Johnson reported that the Section 106 funding could be put at risk if the project was delayed as the developer could ask for this funding back.

Speaking as a Local Member, Councillor Whitehead reported that the project, which was ready to proceed, had already incurred costs and these would be wasted if the Committee decided not to go ahead. Alternative arrangements were in place for community groups who the Centre needed to come back in order to generate income. She outlined other ways the Council could make income locally including developing the Barnwell Library and Malta Road sites. The previous proposal for flats on the site had been considered inappropriate because it was on a busy congested road opposite McDonalds and there would be insufficient parking to cover both residential and community use. There was also a potential conflict between the two in relation to the amount of noise likely to be generated from the youth club and wedding receptions. The outdoor multi use games area was likely to cause both a light and noise disturbance for the residents of the flats, which could affect the successful operation of the Centre.

During discussion, members made the following comments:

- the need for a timetable for Options 2 and 3. Members were informed that it was difficult to estimate timescales but it had taken six to nine months to procure a contractor after a feasibility study for Option 1. However, it was acknowledged that timings could be different for the other options.
- queried the risk of the Council losing Section 106 funding. The Chairman explained the history of this development and the fact he had signed it off in January 2014 as Cabinet Portfolio Holder because of this same risk. Another Member informed the Committee that there had been a culture change at the City Council in relation to back loading capital projects and there was now a greater risk the money could disappear.
- queried whether the advice from the City Council's Planning Department had changed. It was noted that the circumstances around conversations had changed. City Council officers had been more positive about possible mixed use compared to last year. The Chief Planning Officer had attended the on-site workshop.

- requested that officers identify the amount of affordable housing needed in relation to Options 2 and 3.
- acknowledged the issues around delivering the project late but expressed concern that Option 1 would result in a building not fit for purpose. The Council was also looking to maximise its assets and build revenue streams.
- queried whether further discussions had taken place with neighbours. It was noted that there had only been superficial talks so far as officers had not wanted to undermine the democratic process.
- queried whether the Council was aware of the full picture in relation to what services could be brought in to the Community Hub to cross benefit the Council. It was noted that the site where the Centre was located was very tight and given the services planned it would be a struggle to include partner organisations. Members were informed that there could be a further opportunity to locate the Police and Health on site.
- highlighted the tension between considerations which applied to the whole of the Council and those which were intensely local. However, it was important to bear in mind the Council's financial situation. A mixed use development would not only help the Council's challenging finances but could also provide housing for key workers. The Local Member expressed concern that the needs of the community centre would be secondary to the housing. She urged the Committee to bear in mind the conflicts of interest.

Two Group Leaders who attended the workshop informed the Committee of the reasons why the options for mixed use should be considered. It was acknowledged that borrowing would be necessary but it was essentially for an invest to save project. It was noted that the site was set back from the main road and there were a lot of three storey buildings nearby. There was also an opportunity for the Council to make a considerable return as the ground and access to utilities had already been paid for.

The Committee highlighted the importance of a time limit for Option 3. The Chairman proposed, with the unanimous agreement of the Committee, to amend recommendation (c) to reflect the need to develop Heads of Terms within six months.

The Chairman proposed an amendment, seconded by Councillor Jenkins, to remove option (a) and request a report in two months detailing further information including discussions with neighbours on options (b) and (c). On being put to the vote the amendment was carried.

It was resolved to agree:

- to remove option (a) and receive a report in two months detailing further information including discussions with neighbours on the following options:
  - (b) Develop a Council only site mixed development including the redesigned community facilities; and

- (c) Develop proposals for a wider development including the redesigned community facilities, providing that the Heads of Terms could be developed within six months of the meeting of General Purposes Committee held on 28 July 2015.

## 129. OVERVIEW OF THE BUSINESS PLANNING PROCESS

The Committee considered a report setting out the Business Planning process and proposed timetable for the forthcoming year. It also identified the role the Committee would have in the Business Plan setting process for 2016/17 and its responsibilities in delivering the current Plan as set out in the Council's Constitution. Attention was drawn to the fact that the report reflected the principles and timetable for the new 'operating model' approach to Business Planning.

Members requested clarification of the timetable in relation to the Target Operating Model (TOM) "to develop savings proposals", and the Directorates "to develop savings proposals", which appeared to be taking place at the same time. The CFO reported that the timing of the two activities was coterminous. He reminded the Committee that both Business Planning models would be taking place at the same time.

The Committee stressed the need to move faster to the new TOM, which was not about developing savings proposals but more about outcome based finance operations. Members stated that it would require changes to the Council's current approach rather than may. It was felt that the timetable on page 7 was too silo based as there was a need for Services to work together. Another Member highlighted the importance of service transformation and queried whether senior management might have a conflict of interest. The Chief Executive reminded the Committee that Strategic Management Team (SMT) needed to deliver and change services at the same time.

It was suggested that there needed to be a test run at outcome based finance allocation. Another Member felt that the Council should just introduce it straight away. The CFO explained that the approach was well developed in CFA compared to ETE, which was a more infrastructure based service. He explained that the Commissioning Strategy would set outcomes. In response, it was stressed that the Council needed to be more radical than that to avoid the danger of increasing services.

Other Members felt that culture change was happening as demonstrated by the Library Service. It was considered too much of a risk to just jump to the TOM. However, there was a need to reflect this new cross cutting approach in the timetable in order to see the big picture, which was based on service redesign and not savings. One Member raised the need for the Council to consider as part of the new TOM whether it was more economical for it to provide services rather than commission them.

The Chief Executive reported that there had been a considerable amount of energy and vigour spent on this issue but inevitably there would be a transition. The Chairman asked that Group Leaders be invited to the next SMT workshop in order to improve their understanding of this issue. **Action Required.** The Chairman further proposed, with the unanimous agreement of the Committee, to amend recommendation (b) to reflect the Committee's enthusiasm for a rapid transition to an outcome-based approach to

business planning. The Committee also requested a briefing note detailing how the TOM would work. **Action Required.**

It was resolved unanimously to:

- a) note the Business Planning timetable
- b) note the responsibilities that it had in both the Business Plan Setting Process and the on-going delivery of the Plan and General Purposes Committee's enthusiasm for a rapid transition to an outcome-based approach to business planning.

### **130. BUSINESS PLANNING – MEDIUM TERM FINANCIAL STRATEGY**

The Committee received a report setting out the Council's Medium Term Financial Strategy for the next five years. This strategy was updated annually at the commencement of the business planning process. Its core purpose was to provide a financial framework within which individual service proposals could be developed before Council approved the budget and the Business Plan in February. The CFO explained that the Council would need to revisit assumptions made in the report following the announcement of the Government Spending Review.

The Chairman proposed, with the unanimous agreement of the Committee, to delete recommendation (b) and instead consider a more imaginative approach to allocating savings arising from service pressure and investments at a GPC/SMT workshop.

**Action Required.**

It was resolved unanimously to:

- a) Acknowledge the indicative departmental cash limits; and
- b) Recommend the Medium Term Financial Strategy to Council for approval.

### **131. BUSINESS PLANNING – CAPITAL STRATEGY**

The Committee considered the Council's Capital Strategy detailing all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. The Strategy had been revised as part of the 2016-17 business planning process, with respect to the new outcome-based Operating Model approach to Business Planning.

Members requested the inclusion of income generating capital projects in future reports in order to reflect the overall borrowing picture. The CFO confirmed that this information could be provided but had been excluded because there was no net impact on the fund.

One Member expressed his concerns about the Council's level of debt if it kept borrowing particularly given the Governor of the Bank of England's warning that interest rates were likely to rise. The Chairman acknowledged that if interest rates increased then debt charges would go up and the Council could hit its advisory ceiling. He

explained that the Council needed to take a decision on each issue by analysing the risk involved. He was of the view that the advisory limit on the level of debt charges, which had only been in operation for a year, should be kept at existing levels. The Chairman proposed the first bullet of recommendation b) as the preferred option, seconded by Councillor Criswell.

It was resolved to recommend to Council:

- a) Revisions to the Capital Strategy to align it with the Operating Model approach, including that prioritisation of capital proposals would be undertaken using an amended version of the Investment Appraisal process that reflected the new outcome-based focus of Business Planning.
- b) that the advisory limit on the level of debt charges (and therefore prudential borrowing) should be kept at existing levels, which were higher than the level of debt charges approved in the 2015-20 Business Plan;
- c) That borrowing related to Invest to Save/Earn schemes should continue to be excluded from the advisory debt charges limit.

#### **132. SOHAM, NORTHERN GATEWAY, MARKETING UPDATE**

The Committee received an update on the marketing of the Council-owned land in Soham Northern Gateway following a report presented on 6th January 2015.

It was resolved unanimously to:

note the current situation in respect of marketing of Council owned land in the Soham Northern Gateway.

#### **133. BUSINESS CASE FOR THE FORMATION OF THE GREATER CAMBRIDGE CITY DEAL HOUSING DEVELOPMENT AGENCY**

The Committee considered the Business Case for the formation of the Housing Development Agency (HDA). The Chairman clarified that the “Electoral division(s)” should include South Cambridgeshire. The CFO when introducing the report proposed an alteration to recommendation (c), which was agreed by the Committee, to delete “City Deal Board” and replace it with three shared service partners (*Note – the words “city deal” have since been added after the word “three” for clarity*).

Attention was drawn to the purpose of the HDA, which would make best use of land and funding made available by the City Deal partners to deliver new housing, and acquire new housing land and deliver additional housing through innovate partnership and funding mechanisms. There were three ways of setting up the HDA illustrated in the Business Case, which included the District Councils’ preference of a Shared Service Model, and the County Council’s preferred vehicle of a company construct. It was noted that no option precluded development outside of the City Deal area. One Member raised the need for a textual amendment to 2.1 to change “minimising” to expediting.

The Committee welcomed the proposal for a joint authority to deliver housing particularly as an additional 4,000 new dwellings were required by 2031 and an additional 33,000 had been identified in local plans. In response to a query as to why the HDA was restricted to three partners, it was noted that whilst this had been the set up it could work on a wider basis. One Member highlighted the importance of not neglecting the rest of the County. He also queried whether local government was equipped to move to a more entrepreneurial role. It was therefore important that staff had the capacity and expertise to undertake this work.

There was disappointment at the limited reference to affordable housing on page 11. It was suggested that it should be a main objective of the three partners and be delivered as part of the HDA activity. The CFO explained that the HDA was a delivery vehicle and not a housing association. The concept was to build a mix of tenure for the host authorities. The Chairman added that the Council would not own anything instead it would be a customer of a commercial vehicle like Cambridge City and South Cambridgeshire District Councils and the University of Cambridge. The Chief Executive explained that each landowner would put land in and set the brief.

One Member expressed support for recommendation (c) the establishment of a Company construct and requested the detail of the company and its governance to be brought back to Committee for ratification as soon as possible.

It was resolved to:

- (a) Make comment on the business case for the establishment of the HDA;
- (b) Agree to the establishment of the HDA and the associated governance arrangements contained within the business case;
- (c) Request that the three city deal shared service partners agree to the establishment of a Company construct for the HDA to become operational by the end of 2016; and
- (d) Ask that the detail of the company and its governance be brought back to this Committee for ratification in due course

#### **134. RECRUITMENT STRATEGY REPORT**

The Committee was informed of the steps being taken by Children, Families and Adults Services to recruit and retain social care staff. Although the report had been considered by Adults and Children and Young People Policy and Service Committees, the approval of General Purposes Committee was needed to transfer funding. Attention was drawn to the case for change, it was noted that the role of social care had changed and it was important that the Council had a high quality workforce of permanent staff. It currently had to use agency staff to address a 15% vacancy gap in the workforce. The proposed increase in salary following a re-evaluation of roles would bring the Council in line with other authorities. It was noted that a virement was needed in 2015/16 but the increase in cost would be addressed through the Business Planning process for 2016/17.

The Chairwoman of Children and Young People Policy and Service Committee reported that paying agency staff had resulted in an overspend in the CFA budget. She hoped that by investing more it would be possible to recruit senior staff thereby reducing the overall spend in future. In response to a query regarding the reasons for staff leaving, it was noted that there were lots of reasons including moving out the county and other domestic ones. It was acknowledged that it would be stretch to manage the budget pressure associated with this proposal but it was difficult to see how the Council could deliver changes without a qualified permanent workforce. It was suggested that one of the mitigating benefits of higher pay was an increase in motivation and commitment.

One Member expressed serious concerns about the possibility of starting a price war as neighbouring authorities would be experiencing the same problems. He suggested that the Council should set up its own agency and work in partnership with neighbouring authorities to identify innovative ideas. The Committee was informed that this increase would not place the Council near the top of the pay scale. The process had been conducted as part of a role re-evaluation and pay had been benchmarked appropriately. The Council was committed to investigating the possibility of setting up its own agency. It was noted that a Board had been established to consider recruitment and retention and there was a regional Human Resources/Organisational Workforce Development Group who had agreed a memorandum of co-operation to cap agency rates.

Other Members commented that the quality of service was dependent on many complex factors. The transition of Children's Social Care from special measures to one of the best in the country must also be a factor in helping to attract staff. The Vice-Chairman of Children and Young People Policy and Service Committee commented that pay rates were only part of the package. He suggested that the Committee should receive a report on the Council's Recruitment and Retention Strategy in October. The Chairman proposed, with the unanimous agreement of the Committee, to include an additional recommendation (c) to reflect this request. **Action Required.**

It was resolved to:

- a) review and comment on the proposed measures to improve recruitment and retention of social care staff.
- b) approve the in-year revenue virement of £0.74m set out in paragraph 5.1.1 and confirm that the future full year costs (£1.59m) would be addressed by Children, Families and Adults through the Business Planning process; and
- c) ask officers to come back with an action plan in October with a strategy for retention and recruitment of social care staff including the potential of creating a council owned agency, measures to reduce reliance on agency staff and measures to increase the overall pool of resource.

## **135. COUNTY FARMS ESTATE STRATEGIC REVIEW**

The Committee considered a report detailing a strategic review of the Council's 34,000 acre estate. Attention was drawn to the background and a number of issues associated with the proposed review. There was an outline programme which would involve consultations with stakeholders. In response to queries, it was noted that the

programme should also reflect the role of the Treasury Strategy Review Working Group. Members were informed that it was proposed to engage external consultants who had the expertise to carry out the review.

The Committee acknowledged the importance of the review but raised the need to not lose sight of the principles which made the estate management so special. It was therefore important that this review had a clear risk assessment. It was further suggested that the review should also consider environmental costs.

One Member acknowledged the need for a review but expressed concern about the proposal to engage external consultants. He felt that the Council had sufficient in-house expertise to conduct the review, which would avoid the need to spend £125k to £135k on consultants. Another Member queried the purpose of the review in particular the need to avoid pricing out people who had lived on the estate for sometime. He therefore felt that the pricing of the estate should be more precise. The CFO reminded the Committee that the review was being conducted at the request of Members who wanted to assess the options in relation to a significant part of the Council's real estate.

One Member who had been involved in a previous review queried whether officers had the time or the capacity to conduct the review in-house. The Head of Strategic Assets highlighted the need to present Members with a comprehensive evidence base to enable them to assess the options. He explained that there would be a significant service impact on his team if the review was conducted in-house, and it also did not have access to market data. Another Member acknowledged the concerns raised but felt that the Council could obtain a robust evidence base without incurring additional cost. It was suggested that the review could be undertaken and only the pieces of land where development was a possible option could be valued without the need to value the whole estate.

Councillor Bullen proposed an amendment, seconded by Councillor Hickford, to remove the following wording "on the basis set out in this report". The Chairman proposed, with the agreement of the Committee, to then add a proposal to delegate the decision to allocate appropriate resources to progress the review to the CFO in consultation with the Chairman of General Purposes Committee. On being put to the vote the amendment was carried.

It was resolved:

to endorse the proposal to carry out a review of the County Farms Estate, in consultation with Treasury Strategy Review Working Group, and to delegate to the Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, the decision to allocate appropriate resources to progress the review.

*As set out in Part 4.4, Section 18 of the Council's Constitution, Councillor Reeve asked for his vote against this recommendation to be recorded.*

## **136. FINANCE AND PERFORMANCE REPORT – OUTTURN 2014/15**

The Committee was presented with the Outturn Finance and Performance report for Corporate Services and LGSS Cambridge Office for 2014-15. It also included the



intended uses of Corporate Services carry forward account in 2015-16 and future financial years.

It was resolved unanimously to:

- a) review, note and comment on the report;
- b) approve the use of the Corporate Services carry forward reserve on projects in 2015-16 and future years as detailed in Section 3.2 of this report.

#### **137. FINANCE AND PERFORMANCE REPORT – MAY 2015**

The Committee was presented with the May 2015 Finance and Performance report for Corporate Services and LGSS Cambridge Office. The Chief Executive reminded the Committee that it was responsible for approving mitigating measures to address any overspends in this area.

It was resolved to review, note and comment on the report.

#### **138. APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND ADVISORY GROUPS, AND INTERNAL ADVISORY GROUPS AND PANELS**

The Committee considered appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups. During discussion of outside bodies, it was agreed to no longer appoint representatives to the following: two vacancies on Ditchburn Place/Stanton House Management Committee; the Evelyn Boake Charitable Trust (Cherry Trees Club); Relate Cambridge; and St Columba Centre Management Committee. At the request of the UKIP Group Leader, it was also agreed to remove Councillor Rylance as the Council's representative on Camsight.

Following discussion of Internal Advisory Groups and Panels, it was noted that there were two vacancies on the Council's Diversity Group. In response to a request from the CFO, it was agreed to change the name of the Treasury Strategy Review Working Group to the Investment Review Group. A new description would be developed and Councillor Hipkin would no longer be a member of this group. In relation to Partnership Liaison and Advisory Groups, it was also noted that the Eastern Agri-Tech Programme Delivery Board had been transferred as an appointment for the Economy and Environment Policy and Service Committee to make.

It was resolved unanimously to:

- (i) agree the appointments to outside bodies as detailed in Appendix 1 including the appointment of Councillor McGuire to the Conservators of the River Cam.
- (ii) agree appointments to the Member Development Panel and the Council's Diversity Group, and review and continue to refer appointments to the other internal advisory groups and panels, as detailed in Appendix 2, to the relevant policy and service committee. It was also agreed to delegate to the Chief Executive, in consultation with the relevant Group Leaders, the appointment of a

UKIP and Independent Group representative to the Diversity Group. **Action Required.**

- (iii) agree appointments including the appointment of Councillor Hoy to the Fenland Crime Reduction Partnership, and continue to refer appointments to the other partnership liaison and advisory groups, as detailed in Appendix 3, to the relevant policy and service committee.

#### **139. GENERAL PURPOSES COMMITTEE AGENDA PLAN**

The Committee was asked to review its agenda plan. It was noted that the following items had been added to the agenda plan for 15 September 2015 meeting: LGSS Revenue and Benefits Joint Committee, and the Transfer of the Freehold of the Cromwell Museum Building to Huntingdon Town Council. The Chairman informed the Committee that the number of items for this meeting would be monitored in case the reserve date in August was needed.

It was resolved unanimously to note the agenda plan including two additional items for the September meeting.

#### **140. GENERAL PURPOSES COMMITTEE TRAINING PLAN**

The Committee discussed its training plan proposed for 2015/16. The Chairman suggested that the training plan was likely to be very comprehensive in the first year after an election but lighter in following years with a focus more on updates, which should encompass everything.

It was resolved unanimously to:

- agree the training plan that had been developed as set out as Appendix 1 to the report.

#### **141. BURWELL, DEVELOPMENT OF LAND IN NEWMARKET ROAD**

The Committee received an update on proposals for the development of the Council's land at Newmarket Road in Burwell. Attention was drawn to the background, it was noted that in order to progress the project through to implementation, the Council would need to enter into a number of different types of agreement and contract.

Speaking as the Local Member, Councillor Brown expressed his support for the recommendation. He drew attention to the map attached at Appendix 1 and explained that five years ago a village consultation had identified the need for 100 houses on this land at Slade Farm in Newmarket Road in Burwell. Since then there had been 9 public meetings, two door to door surveys, numerous meetings and public exhibitions, which had identified the need for 350 homes. He informed the Committee that East Cambridgeshire District Council had a policy that 10% of houses must be self built. The proposal in the report showed a 100% rented scheme across the site. He therefore queried what had happened to the self build element. He also asked if the Local Member could be invited to attend Treasury Strategy Review Working Group meetings for this item.

The Head of Strategic Assets reported that the self build element would be considered as part of the planning application discussions. It was important to note that retaining ownership of the completed housing units was therefore not a foregone conclusion. The CFO reported that, in the worst case, the viability of the site would work with 100% rental. Some Members reported that they had expressed concerns about the site being 100% rental.

It was resolved to authorise the Chief Finance Officer, in consultation with the Chairman of General Purposes Committee (GPC) and the Treasury Strategy Review Working Group to enter into appropriate agreements outlined in this report required to implement the development by the Council of the land at Newmarket Road in Burwell.

#### **142. CAMBRIDGE, MILTON ROAD, COMMUNITY HUB**

The Committee was asked to decide on the preferred procurement option for progressing the proposed replacement of Milton Road Library in Cambridge, and the construction of a new Community Hub building. Attention was drawn to the background to the proposal, which had resulted in the Effective Property Asset Management Board accepting a recommendation to redevelop the site in 2013. Significant progress had been made since then, which had included working with the developer, Hill, who had developed the Great Shelford scheme. There were four potential options for the Committee to consider. Planning permission and public and community consultation would be required depending on the option selected

The Chairman informed the Committee that it had received written representation from the following: The Friends of Milton Road Library; Joan Simms; G Singer; Marcus Smith and Anne Hamill; Bethan Hayward; and Martin Aitken. He had also received further representations which had been received too late to pass on to the Committee.

The Chairman invited local resident and representative of the Ascham Road Residents Association, Dr Mike Kemp, to address the Committee. He thanked Dr Kemp for providing the Committee with a list of key points.

Dr Kemp expressed concern that the Council had been very economical with the information made available. All the background, financial and risk information, pros and cons were contained in confidential appendices which made it impossible for the public to form a view on the options or to be satisfied that elected Members had sufficient information. He had submitted a complaint on this issue but had not yet received a response. The draft plans for the redevelopment showed 8/9 flats in a three storey building with a significant expanded footprint. He felt that the site was being over developed as it would take light from surrounding buildings and cause parking problems. He therefore proposed that the Council should adapt the existing building which would be cheaper, faster and lower risk. He presented the Committee with a 266 signature petition protesting at the proposal collected by people who had attended St Laurence Parish Mass on 26 July 2015.

The Chairman invited Mr Michael Bond, Treasurer of the Chesterton Community Association, to address the Committee. He thanked Mr Bond for providing the Committee with a list of key points.

Mr Bond reported that Milton Road Library had not been built on good ground and had started to fail after a few years of opening. The Association was of the view it would be too expensive to refurbish the existing library. He acknowledged the parking concerns raised by the previous speaker. He explained that parking was currently a significant problem, which had been exacerbated by commuters parking to avoid restrictions in other areas. There was also no resident parking provision around the site. He informed the Committee that developers did ask for their money back if Section 106 funding was not spent within five years. It was possible that funding could also be switched to other projects. He reported that the Association would like to see the site redeveloped as West Chesterton had few community facilities.

The Chairman invited Local Member, Councillor Scutt, to address the Committee. Councillor Scutt explained that there were varying views locally about this project. She informed Members that she had been a member of the steering group longer than she had been a councillor and some people were enthusiastic and others were not. She acknowledged the genuine concerns of Ascham Road Residents and the need for West Chesterton to have a community space. She highlighted a number of concerns she had about the project as follows: the need to go to tender; there should be no change of use of the library and community room elements in the future; and the project should be cost neutral with the developer paying for the refit and providing other compensation. If the Committee was minded to approve redevelopment, she felt that the Council should be a lot tougher with any developer as the return would be significantly above the figure detailed in the confidential appendix. She had investigated the time limit on the Section 106 funding and as far as she was aware it was not contingent on the new building.

The Chairman invited Mr Bond to clarify the situation regarding the Section 106 funding. It was noted that the next meeting of the North Area Committee would consider and review competing bids. It was therefore possible that there might be some reallocation of funding. One Member asked about local concerns if the site was converted to residential use. Councillor Scutt reported that the community would be up in arms if their Library was removed.

The Committee queried the Council's plans for its other buildings further up Ascham Road. The Head of Community and Cultural Services reported that she could not comment on the school but it was noted that back office library functions had been consolidated on the site. There were therefore no plans for that site at the moment. The level of consultation which had taken place was also queried. It was noted that extensive consultation had taken place in 2013 which had resulted in the establishment of a Steering Group. Information had been published at various times on the website and discussions had taken place at the North Area Committee. Members were informed that public consultation would form part of the planning application process.

One Member expressed his support for Option c) whilst others favoured Option d). In relation to Option c), the Member was of the view that the private developer, Hill, was a highly reputable company; this view was supported by the Local Member for Great Shelford. It was therefore important the Committee did not let the experience of the third floor of the Central Library affect its decision. This proposal had support from the Friends of Milton Road Library and the Chesterton Community Association. The Council had therefore drawn up a scheme with partners who were good to work with which was ready to go to access time limited Section 106 funding. In response,

Members queried how this proposal would operate in relation to the Council's contract procedures.

Other Members were of the view that the Council should self develop using the Housing Development Agency as the vehicle to take this work forward in order to achieve the best revenue stream. They felt that the Committee should heed Councillor Scutt's advice and be robust with developers. It was suggested that if the Council approved Option d), it should take the opportunity in consultation with the local community to develop further up Ascham Road to achieve a better scheme. The Chairman acknowledged that this scheme provided the perfect opportunity to remove the element of private profit from work for the community.

Councillor Bullen proposed recommendation d), seconded by Councillor McGuire. On being put the vote, it was resolved to:

- d) Self-develop – Cambridgeshire County Council reviews the parameters for delivering a viable and sustainable scheme for the provision of a new library and community building, procuring planning, design and construction resources from the market, managing and funding the development by retaining revenue producing elements of the site.

Chairman



## **GENERAL PURPOSES COMMITTEE**

### **Minutes-Action Log**



#### **Introduction:**

This log captures the actions arising from the General Purposes Committee on 28th July 2015 and updates members on the progress on compliance in delivering the necessary actions.

This is the updated action log as at.

### **Minutes of 28th July 2015**

<b>Item No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Action</b>	<b>Comments</b>	<b>Completed</b>
<b>124.</b>	<b>Minutes – 19th May 2015 and Action Log</b>	C Malyon	The production of a protocol for improved engagement of members in property decisions to be drawn up by the Chief Finance Officer in consultation with members of the Treasury Strategy Review Working Group.	To be considered at General Purposes Committee on 15 September 2015	Yes

Item No.	Item	Action to be taken by	Action	Comments	Completed
	As above	C Malyon	Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council.	Final draft of the Accountable Body Agreement is still awaiting sign-off by the LEP's legal team.  (no change from last time)	
126.	Integrated Resources and Performance Report for the Year Ending 31st March 2015	C Malyon  C Malyon	Detailed proposals to be presented to the Committee regarding the associated costs of implementing the new Operating Model for Business Planning.  Councillor Jenkins requested a briefing on any potential contract disputes.	Details of costs are not yet available.  (The Chief Finance Officer has tried to contact Cllr Jenkins but no response, will follow up)	
127.	Integrated Resources and Performance Report for the period ending 31st May 2015	C Malyon	Monthly Integrated Resources and Performance Reports to be circulated electronically to the Committee if its reserve date is not used.	The June report was circulated to GPC in the absence of an August meeting and this will be continued for reserve months in future.	Yes



Item No.	Item	Action to be taken by	Action	Comments	Completed
	As above	S Grace	Reinstate Key Performance Indicator relating to proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted and split it into school sectors.		Yes
	As above	Cllr Bates	To investigate whether the bus lane enforcement income could be used to subsidise the shortfall in Park and Ride income.	The additional revenue above forecast from bus lane enforcement has been used to offset some of the shortfall in the forecast Park and Ride revenue within the Finance and Performance Report considered by the Economy and Environment Committee	Yes
	As above	Cllr Bates	To investigate how the shortfall in Park and Ride income was predicated.	Possible reasons for the shortfall in Park and Ride income, together with measures taken and planned to try and reduce the shortfall were considered by the Economy and Environment Committee at their March meeting with a follow up at the July meeting.	Yes

Item No.	Item	Action to be taken by	Action	Comments	Completed
	<b>As above</b>	Cllr Count /S Grace Cllr Tew/Cllr Whitehead/A Loades Cllr Bates/Cllr Hickford/G Hughes Cllr Jenkins/ L Robin	Invite Committee Chairs to report at the next meeting of General Purposes Committee on actions in place to address emerging overspends.	To be considered at General Purposes Committee on 15 September 2015	Yes
<b>128.</b>	<b>East Barnwell Community Centre</b>	S Ferguson C Malyon	Report to 15 September GPC detailing discussions with neighbours.	To be considered at General Purposes Committee on 15 September 2015	Yes
<b>129.</b>	<b>Overview of the Business Planning Process</b>	M Lloyd  C Malyon	Group Leaders be invited to the next SMT workshop in order to improve their understanding of the implementation of the new Operating Model.  A briefing note detailing how the Operating Model would work.	To be covered at the GPC/SMT workshop on 10 September	Yes
<b>130.</b>	<b>Business Planning – Medium Term Financial Strategy</b>	C Malyon	To consider a more imaginative approach to allocating savings arising from service pressure and investments at a GPC/SMT workshop.	To be covered at the GPC/SMT workshop on 10 September	Yes

Item No.	Item	Action to be taken by	Action	Comments	Completed
134.	<b>Recruitment Strategy Report</b>	C Black J Maulder	Officers to come back with an action plan in October with a strategy for retention and recruitment of social care staff including the potential of creating a council owned agency, measures to reduce reliance on agency staff and measures to increase the overall pool of resource.	A paper will be prepared for GPC that considers the potential for a Council run agency. This paper will also include a progress report on the Social Work Recruitment and Retention Strategy and action plan that will have been approved by the Adults and Children's Committees.  <i>(The report may not be ready for GPC in October if it has not gone through Adults and Children's Committees)</i>	
138.	<b>Appointments to Outside Bodies, Partnership Liaison and Advisory Groups, and Internal Advisory Groups and Panels</b>	M Lloyd	Delegation to the Chief Executive, in consultation with the relevant Group Leaders, the appointment of a UKIP and Independent Group representative to the Diversity Group.	Cllrs Bullen and Van de Kerkhove appointed as the UKIP and Independent Group representatives.	Yes



**INTEGRATED RESOURCES AND PERFORMANCE REPORT  
FOR THE PERIOD ENDING 31ST JULY 2015**

**To:** General Purposes Committee

**Date:** 15th September 2015

**From:** Chief Finance Officer

**Electoral  
division(s):** All

**Forward Plan ref:** 2015/038 **Key decision:** Yes

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

**Recommendations:** That General Purposes Committee is recommended to:

- a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.
- b) Approve the use of the further £1.0m capital carry forward funding in 2015/16 (section 6.5).
- c) Approve the increase of £3.578m to the Prudential Borrowing requirement in 2015/16 (section 6.5).
- d) Approve the -£17.5m rephasing of Economy, Transport and Environment's (ETE's) Department for Transport (DfT) Grant requirement in 2015/16 regarding City Deal (section 6.5).
- e) Approve that the Independent Living Fund (ILF) grant of £1,037,438 is allocated in full to Children, Families and Adults (CFA) in 2015/16 (section 7.1).
- f) Approve that the additional Deprivation of Liberty Safeguards (DoLS) funding of £247,899 received in 2015/16 is transferred to the General Fund at year end, to replenish the County's resources used in the first instance to fund this activity (section 7.1).
- g) Approve the updated corporate performance scorecard for 2015/16 (section 5.1).

<b>Officer contact:</b>
Name: Chris Malyon
Post: Chief Finance Officer
Email: <a href="mailto:Chris.Malyon@cambridgeshire.gov.uk">Chris.Malyon@cambridgeshire.gov.uk</a>
Tel: 01223 699796

## 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 table provides a snapshot of the Authority's forecast performance at year end by value, RAG (Red, Amber, Green) status and direction of travel (DoT).

Area	Measure	Forecast Year End Position (Jun)	Forecast Year End Position (Jul)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	+£4.5m	+£2.8m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	50% (7 of 14)	47% (9 of 19) <sup>1</sup>	Amber	↓
Capital Programme	Variance (£m)	+£0.8m	-£19.3m	Amber	↓
Balance Sheet Health	Net borrowing activity (£m)	£436m	£434m	Green	↑

<sup>1</sup>The number of performance indicators on target reflects the current position.

- 2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year end overspend of £2.8m (0.8%), which is a decrease in the reported overspend of £1.7m since last month. The majority of the reported overspend relates to pressures within CFA and the decrease this month relates mainly to a £1.0m decrease in CFA's reported pressure and a £0.5m increase in the forecast underspend on debt charges. See section 3 for details.
- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2015/16. Some of the measures within this new set are still being developed and should be available in the coming months. There are 22 indicators in the Council's new basket, with data currently being available for 19 of these. Of these 19 indicators, 9 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of £19.3m (9.2%). The majority of the in-year underspend relates to ETE's capital programme. This does not represent a total scheme underspend. See section 6 for details.

- Balance Sheet Health; The original forecast net borrowing position for 31<sup>st</sup> March 2016, as set out in the Treasury Management Strategy Statement (TMSS) is £453m. This projection has now fallen to £434m, down by £2m month on month. This is largely as a result of changes in the net expenditure profile of the capital programme and changes in expected cash flows since the Business Plan was produced in February 2015. See section 7 for details.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

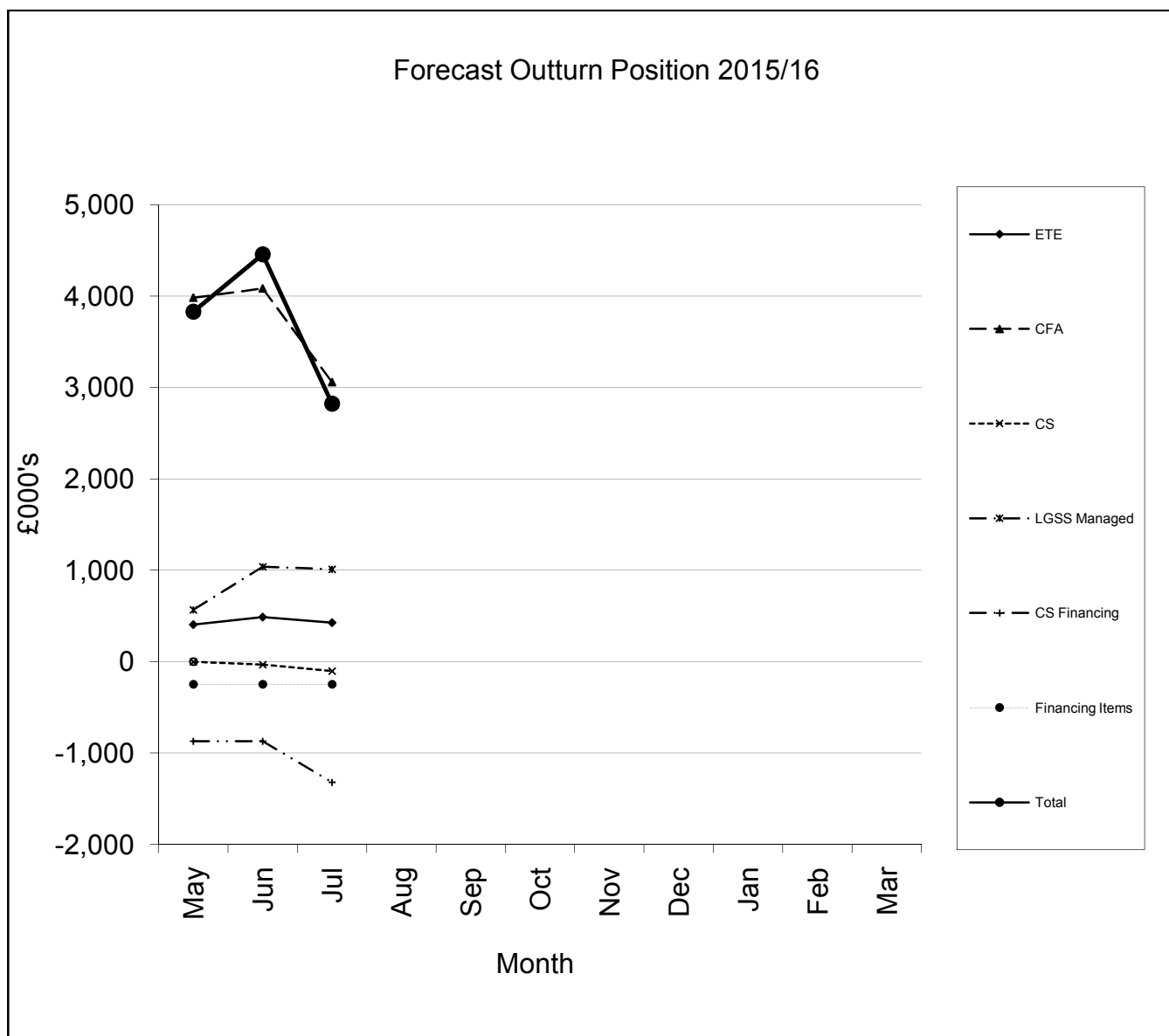
ETE	–Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP <sup>1</sup> £000	Service	Current Budget for 2015/16 £000	Forecast Variance - Outturn (Jun) £000	Forecast Variance - Outturn (Jul) £000	Forecast Variance - Outturn (Jul) %	Current Status	DoT
63,308	ETE <sup>2</sup>	62,691	486	427	0.7%	Amber	↑
244,270	CFA	244,050	4,082	3,056	1.3%	Amber	↑
0	Public Health	0	0	0	0.0%	Green	↔
5,672	Corporate Services	6,166	-34	-105	-1.7%	Green	↑
9,145	LGSS Managed	10,271	1,039	1,011	9.8%	Red	↑
35,460	CS Financing	35,460	-870	-1,320	-3.7%	Green	↑
<b>357,855</b>	<b>Service Net Spending</b>	<b>358,638</b>	<b>4,703</b>	<b>3,068</b>	<b>0.9%</b>	<b>Amber</b>	<b>↑</b>
2,165	Financing Items	1,389	-248	-248	-17.8%	Green	↔
<b>360,020</b>	<b>Net Spending</b>	<b>360,027<sup>3</sup></b>	<b>4,455</b>	<b>2,820</b>	<b>0.8%</b>	<b>Amber</b>	<b>↑</b>
	<i>Memorandum Items:</i>						
9,864	LGSS Operational	9,856	18	-20	-0.2%	Green	↑
<b>369,884</b>	<b>Total Net Spending 2015/16</b>	<b>369,884</b>					

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

<sup>2</sup> ETE includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under/overspends exist. Excluding these the underlying forecast outturn position for ETE is a £245k overspend.

<sup>3</sup> For budget virements between Services throughout the year, please see [Appendix 1](#).



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** £0.427m (0.7%) overspend is forecast at year end.

- There are no exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

3.2.2 **Children, Families and Adults:** £3.056m (1.3%) overspend is forecast at year end.

**£m      %**

- **Adult Social Care (ASC) Directorate** – this directorate is reporting a forecast underspend of £8k, which is a change of £677k from last month's overspend. This change is mainly due to:
  - **Strategic Management** – a £2.1m underspend is forecast,      -2.092      (-55%)



which is an increase of £0.5m from last month.

Care Act funding reforms scheduled for April 2016 have been delayed until 2020. Assessment of people funding their own care and the technical preparations for recording their care spending will now not need to take place this financial year. This has led to a favourable change of £873k in the ASC Strategic Management forecast.

The intention to charge an additional £400k of equipment expenditure to the capital budget was first reported last month. In this report, this has been allocated to the equipment budget leading to a favourable change for the Older People & Mental Health directorate and a corresponding change for Adult Social Care, where this was initially shown.

*As previously reported:*

Underspends have been identified through the careful allocation of funding available to support the new requirements of the Care Act. Examples include the timing of recruitment for staff to undertake assessments for self-funders from October 2015, so that the assessments are current enough to inform the cost of meeting the identified needs recorded in the Care Account and investment for self-service IT systems linked to the procurement of a new adult IT system that will not come into place until after April 2016. In addition there has been a delay in being able to secure appropriate staff to manage the increased demand for processing Mental Capacity Act (MCA) / Deprivation of Liberty Safeguards (DOLS) cases, so there is an anticipated underspend.

+2.621 (5%)

- **Learning Disability Services** – a £2.6m overspend is forecast, which is a decrease of £0.3m from last month. This is due to the overspend forecast for the Learning Disability Partnership improving slightly (£288k) after review of estimates for likely expenditure on services delivered through the NHS. Additionally the forecasted level of direct payment allocations expected to be unused has increased; this occurs when a service user not does spend their full personal budget when this is paid directly.

*As previously reported:*

This overspend is due to increased clients' needs recognised in the South Cambs locality; cost increases as a result of reviewing expenditure and improving the accuracy of the commitment record within each locality; reviewing headquarters costs and fully implementing revised financing arrangements for in-house services; the achievement in

savings possible in the remainder of the year with a further month having now elapsed has reduced; all are offset slightly with reductions in homecare packages in Fenland.

-0.478 (-4%)

- **Physical Disabilities** – a forecast underspend of £478k is being reported, which is a decrease of £102k from last month. This is due to an increase in the number of residential clients in the last month.

*As previously reported:*

Physical Disability and Sensory Services continue to forecast an overall underspend for 2015/16, this is the target outcome in view of the underspend which developed through 2014/15.

- **Older People & Adult Mental Health Directorate** – this directorate is reporting a forecast underspend of £0.7m, which is an increase of £286k from last month. This increase is mainly due to:

- **Integrated Community Equipment Service** – a forecast underspend of £476k is reported; this largely arises from the intention to charge an additional £400k of equipment spend to the capital budget. This was reported for the first time last month against ASC Strategic Management, but is now correctly reflected against the budget where expenditure is incurred.

-0.476 (-59%)

- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

### 3.2.3 **Public Health:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

### 3.2.4 **Corporate Services:** £0.105m (-1.7%) underspend is forecast at year end.

- There are no exceptions to report this month.

### 3.2.5 **LGSS Managed:** £1.011m (9.8%) overspend is forecast at year end.

- There are no exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

### 3.2.6 **CS Financing:** £1.320m (-3.7%) underspend is forecast at year end.

- **Debt Charges** – this is reporting a forecast underspend of £1.3m, 

£m	%
-1.320	(4%)

which is an increase of £450k from last month. This increase is mainly due to favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following year-end, however there may be some additional small movement once the charge has been finalised.

*As previously reported:*

A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years, so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.

**3.2.7 Financing Items:**£0.248m (-17.8%) underspend is forecast at year end.

- There are no exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

**3.2.8 LGSS Operational:**£0.020m (-0.2%) underspend is forecast at year end.

- There are no exceptions to report this month.

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

**3.3** Actions to address 2015/16 forecast overspends can be found in [Appendix 7](#).

#### **4. KEY ACTIVITY DATA**

- 4.1** The Actual Weekly Costs for all clients shown below are calculated based on all clients who have received a service, are receiving a service, or we plan will receive a service. Some clients will have ceased receiving a service in previous months, or during this month, or we will have assumed an end date in the future.

## 4.2 Looked After Children (LAC): July 2015

	BUDGET				ACTUAL (July)				VARIANCE		
Service Type	No of placements Budgeted	Annual Budget	No. of weeks funded	Average weekly cost	Snapshot of No. of placements July 15	Yearly Average	Projected Spend	Average weekly cost	Yearly Average to budgeted no. of placements	Net Variance to Budget	Average weekly cost
Residential - disability	2	£381k	52	3,663.30	3	2.52	£241k	2,152.13	0.52	£140k	-1,511.17
Residential schools	8	£828k	52	1,990.93	9	8.71	£880k	1,934.64	0.71	£52k	-56.29
Residential homes	16	£2,342k	52	2,814.92	28	28.12	£4,125k	2,857.65	12.12	£1,783k	42.73
Independent Fostering	261	£9,813k	52	723.03	257	249.94	£9,948k	771.79	-11.06	£135k	48.76
Supported Accommodation	15	£1,170k	52	1,500.00	21	16.54	£878k	985.74	1.54	£292k	-514.26
16+	9	£203k	52	433.58	7	8.08	£253k	450.73	-0.92	£50k	17.15
Growth/Replacement	-	£k	-	-	-	-	£630k	-	-	£630k	-
Savings requirement	-	£k	-	-	-	-	£2,218k	-	-	£2,218k	-
<b>TOTAL</b>	<b>311</b>	<b>£14,737k</b>			<b>325</b>	<b>313.91</b>	<b>£14,737k</b>		<b>2.91</b>	<b>£0k</b>	
In-house fostering	140	£3,472k	55	185.55	117	126.27	£3,363k	176.07	-13.73	£108k	-9.48
Kinship	26	£733k	55	185.55	34	28.67	£752k	195.68	2.67	£18k	10.13
In-house residential	16	£1,588k	52	1,908.52	15	13.66	£1,588k	2,035.75	-2.34	£k	127.23
Concurrent Adoption	3	£50k	52	350.00	6	7.73	£140k	350.00	4.73	£90k	0.00
<b>TOTAL</b>	<b>185</b>	<b>£5,843k</b>			<b>172</b>	<b>176.33</b>	<b>£5,843k</b>		<b>-8.67</b>	<b>£0k</b>	
Adoption	289	£2,442k	52	162.50	335	326.21	£2,967k	167.70	37.21	£525k	5.19
<b>TOTAL</b>	<b>289</b>	<b>£2,442k</b>			<b>335</b>	<b>326.21</b>	<b>£2,967k</b>		<b>37.21</b>	<b>£525k</b>	
<b>OVERALL TOTAL</b>	<b>785</b>	<b>£23,022k</b>			<b>832</b>	<b>816.45</b>	<b>£23,547k</b>		<b>31.45</b>	<b>£525k</b>	

In the following key activity data for Adults and Older People's Services, the information given in each column is as follows:

- Budgeted number of clients: this is the number of full-time equivalent (52 weeks) service users anticipated at budget setting, given budget available
- Budgeted average unit cost: this is the planned unit cost per service user per week, given budget available
- Actual service users and cost: these figures are derived from a snapshot of the commitment record on a set date and reflect current numbers of service users and current average cost

#### 4.3 Adult Social Care (ASC): July 2015

		BUDGET			ACTUAL (July)			VARIANCE
Service Type		Budgeted No. of Clients 2015/16	Budgeted Average Unit Cost (per week)	Annual Budget	Snapshot of No. of Clients at End of July 15	Current Average Unit Cost (per week)	Projected Spend	Net Variance to Budget
Physical Disability Services	Residential	40	£969	£2,015k	41	£1,132	£2,426k	£411k
	Nursing	23	£926	£1,107k	22	£984	£1,132k	£25k
	Community	835	£236	£10,251k	827	£235	£10,144k	-£107k
<b>Physical Disability Services Total</b>		<b>898</b>		<b>£13,373k</b>	<b>890</b>		<b>£13,702k</b>	<b>£328k</b>
Income variance								-£526k
Further savings assumed within forecast								-£202k
Learning Disability Services	Residential	294	£1,253	£19,161k	300	£1,352	£21,148k	£1,986k
	Nursing	17	£1,437	£1,270k	18	£1,434	£1,345k	£75k
	Community	1,272	£543	£35,907k	1,234	£589	£37,900k	£1,993k
<b>Learning Disability Service Total</b>		<b>1,583</b>		<b>£56,338k</b>	<b>1,552</b>		<b>£60,393k</b>	<b>£4,055k</b>
Further savings assumed within forecast								-£487k

The Learning Disability Partnership is in the process of loading care packages for automatic payment and commitment recording through the Council's AFM system. Until this has been fully completed, activity analysis is based on more restricted details about package volume (hours/nights) and length, than is available through AFM. In the table above, the assumption has been made that packages that are currently open last 365 days, as a proxy for full year activity, rather than full reflection of closed and part-year packages.

The forecasts presented in this report reflect the impact of savings measures to take effect later in the year. The further savings within forecast lines within these tables reflect the distance from this position based on current activity levels.

#### 4.4 Older People (OP): July 2015

	BUDGET			ACTUAL (July)			VARIANCE		
Service Type	Budgeted No. of clients 2015/16	Budgeted Average Cost (per week)	Annual Budget	Service Users	Current Average Cost (per week)	Projected spend	Service Users	Current Average Cost (per week)	Variance
Residential	581	£424	£12,863k	547	£482	£13,784k	-34	£58	£920k
Residential Dementia	357	£475	£8,888k	336	£506	£8,389k	-21	£31	-£499k
Nursing	350	£576	£10,537k	318	£634	£10,508k	-32	£58	-£28k
Community based	2,163		£20,228k				170		£864k
Direct payments				344	£203	£3,980k			
Homecare arranged				1,989	£16 p/hr	£17,112k			
<b>Total</b>	<b>3,451</b>		<b>£52,516k</b>	<b>3,534</b>		<b>£53,773k</b>	<b>83</b>		<b>£1,257k</b>
Further savings assumed within forecast									-£1,160k

#### 4.5 Adult Mental Health (OP): July 2015

		BUDGET			ACTUAL (July)			VARIANCE
Service Type		Budgeted No. of Clients 2015/16	Budgeted Average Unit Cost (per week)	Annual Budget	Snapshot of No. of Clients at End of July 15	Current Average Unit Cost (per week)	Projected Spend	Variance
Adult Mental Health	Community based support	67	£76	£265k	87	£91	£513k	£248k
	Home & Community support	196	£86	£886k	181	£78	£763k	-£122k
	Nursing Placement	13	£719	£461k	15	£656	£494k	£33k
	Residential Placement	71	£728	£2,704k	67	£744	£2,453k	-£250k
	Supported Accommodation	137	£81	£579k	141	£96	£703k	£124k
<b>Adult Mental Health Total</b>		<b>484</b>		<b>£4,894k</b>	<b>491</b>		<b>£4,926k</b>	<b>£32k</b>
Further savings assumed within forecast								-£237k

#### 4.6 Older People Mental Health (OPMH): July 2015

	BUDGET			ACTUAL (July)			VARIANCE		
Service Type	Budgeted No. of clients 2015/16	Budgeted Average Cost (per week)	Annual Budget	Service Users	Current Average Cost (per week)	Projected spend	Service Users	Current Average Cost (per week)	Variance
Residential	14	£460	£332k	18	£491	£467k	4	£31	£134k
Residential Dementia	42	£465	£1,020k	41	£497	£1,062k	-1	£32	£43k
Nursing	30	£736	£1,173k	18	£741	£700k	-12	£5	-£473k
Nursing Dementia	161	£659	£5,518k	178	£663	£5,992k	17	£5	£474k
Community based:	83	£280	£840k				20		£35k
Direct payments				18	£253	£243k			
Homecare arranged				85	£16 p/hr	£632k			
<b>Total</b>	<b>330</b>		<b>£8,883k</b>	<b>358</b>		<b>£9,096k</b>	<b>29</b>		<b>£213k</b>
Further savings assumed within forecast									-£213k

We are continuing to develop this data to encompass an increasing proportion of the service's expenditure (currently complicating month-to-month comparisons). For Older People's Services additional extra care and interim bed block contracts have been added.

Although this activity data shows current expected and actual payments made through direct payments, this in no way precludes increasing numbers of clients from converting arranged provisions into a direct payment.

## 5. PERFORMANCE TARGETS

5.1 In March 2015 GPC received and approved a paper which agreed a new approach to performance managing the County Council's Business Plan. The agreed approach was to split performance management and thus the performance indicators into two groups:

- The first group, largely monitored by the service committees, would contain indicators that were available regularly and importantly that measure the progress of activities / projects that 'lead' to the achievement of the County Council's long term objectives. As an example KPIs such as the '*number of people successfully quitting smoking with support from stop smoking services*' would be included.
- The second half of the performance report would feature indicators that reflect longer term success of the County Council's Business Plan and are truly strategic. These indicators would be monitored by GPC. For example against the developing the local economy objective items like jobs growth and proportion of working age population in employment would be reported.

Within performance management practice the path to identifying truly strategic measurements without falling back on things that are easier to measure such as input, project or operational process measurements is elusive.

In building the current performance indicator set for GPC officers took a judgement regarding which of the existing indicators could be described as strategic and relating to the long term aims of the current Business Plan.

The above is an interim measure in recognition that as part of the transition to the new operating model, GPC in coming months will anyway be establishing an appropriate set of strategic indicators to accompany the outcome-led business planning approach.

In the meantime, any indicators which GPC feel should be included within the strategic set will be incorporated. **This month the corporate performance scorecard has been updated to include the following indicators, which GPC is asked to approve:**

- **The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted.**
- **The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted.**
- **The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted.**
- **Number of ASC attributable bed-day delays per 100,000 population (aged 18+).**



Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	31/03/15	%	80.1	77.5 (2014/15 target)	Green	↑
	Additional jobs created	ETE	High	30/09/13 *	Number	7,700	3,500 (2015/16 target)	N/A	↑
	'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others	ETE	Low	30/11/14	%	Top 10% = 11.9% Others = 5.8%	≤12	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	30/06/15	%	93.6	96.0	Amber	↓
	Percentage of 16-19 year olds not in education, employment or training (NEET)	CFA	Low	30/06/15	%	3.3	3.6	Green	↔
	The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	76.6	75	Green	↑
	The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	44	75	Red	↑
	The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	86.6	75	Green	↔
Helping people live independent and healthy lives	Percentage of closed Family Worker cases demonstrating progression	CFA	High	31/05/15	%	75	80	Amber	↔

Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
	The proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into re-ablement / rehabilitation services	CFA	High	<i>Awaiting completion of statutory returns</i>	%	<i>Currently measured annually</i>	TBC	TBC	TBC
	The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase	CFA	High	30/06/15	%	54.4	57	Amber	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	31/05/15	Number	507	406.3 per month (4,874.5 per year)	Red	↓
	Number of ASC attributable bed-day delays per 100,000 population (aged 18+)	CFA	Low	31/05/15	Number	111	94	Red	↓
	Healthy life expectancy at birth (males)	Public Health	High	2011-2013	Years	66.4	TBC (new indicator)	Green (compared with England – local value to be assessed at year end)	↑ (compared with previous year)
	Healthy life expectancy at birth (females)	Public Health	High	2011-2013	Years	65.5	TBC (new indicator)	Amber (compared with England – local value to be assessed at year end)	↓ (compared with previous year)

Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
	Inequalities in life expectancy – slope index of inequality (males)	Public Health	Low	2011-2013	Years	6.8	TBC (new indicator)	Amber (compared with 2010-2012 value)	↑
	Inequalities in life expectancy – slope index of inequality (females)	Public Health	Low	2011-2013	Years	5.0	TBC (new indicator)	Amber (compared with 2010-2012 value)	↔
Supporting and protecting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	30/06/15	Rate per 10,000	42.1	32.8 to 38.5	Red	↓
	<i>New indicator in development – strategic indicator for ASC/OP measuring whether fewer people are slipping into crisis</i>	CFA	TBC	TBC	TBC	TBC	TBC	TBC	TBC
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	30/06/15	%	81.5	80	Green	↓
An efficient and effective organisation	The percentage of all transformed transaction types to be completed online	CCC	High	01/04/15 to 30/06/15	%	76.8	75	Green	↑
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/07/15	Days (12 month rolling average)	6.48	7.8	Green	↔

\* The data is reported annually and so the 2014 data will be available in September 2015.

**Notes:**

- **Number of ASC attributable bed-day delays per 100,000 population (aged 18+)**

Earlier this year Adults Committee requested that the performance indicator relating to Delayed Transfers of Care should reflect delayed transfers attributable to social care, as well as all of those across the health and care system. Adults Committee will receive information on two performance indicators to reflect this distinction from August 2015 onwards. It is recommended that General Purposes Committee also receives information for both of these indicators as part of the Integrated Resources and Performance Report, adding the following performance indicator to future reports to GPC: Number of Adult Social Care attributable bed-day delays per 100,000 population (aged 18+).

## 5.2 Key exceptions are identified below.

- **The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted**

The proportion of pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'. Only 14 out of 32 Secondary schools with Inspection results are judged as good or outstanding, covering 14,550 pupils. This is 44% of pupils against the target of 75%. (Source: Watchsted).

- **Delayed transfers of Care: Better Care Fund (BCF) Average number of bed-day delays, per 100,000 of population per month (aged 18+)**

The Cambridgeshire health and social care system is experiencing a monthly average of 2,608 bed-day delays, which is 25% above the current BCF target of 2,088. In April there were 2,622 bed-day delays, up 29 from the previous month, 534 above the monthly target.

Between June '14 and May '15 there were 34,597 bed day delays across the whole of the Cambridgeshire system - representing a 36% increase against the preceding 12 months. This situation is well documented in the media with several of our local hospital trusts having to close their A & E departments due to insufficient capacity. Many of the patients are elderly who on average have longer lengths of stay in hospital, which in turns impacts on the hospitals ability to ensure sufficient throughput. Daily conference calls are held between CCC and the hospitals to identify patients who can be discharged safely and quickly.

Across this period NHS bed-day delays have increased by 70% from 14,596 (June '13 - May '14) to 24,812 (June '14 - May '15), while bed-day delays attributed to Adult Social Care have decreased from 10,051 (June '13 - May '14) to 7,733 (June '14 - May '15) an improvement of 23%.

- **Delayed transfers of Care: Average number of ASC attributable bed-day delays per 100,000 population per month (aged 18+)**

This indicator deals specifically with bed-day delays attributable to adult social care (either fully or jointly), and is a subset of the overall system indicator above. Between April - May '15 there were 1,146 bed-day delays recorded attributable to ASC in Cambridgeshire. This translates into a rate of 111 delays per 100,000 of 18+ population, above the target of 94. For the same period the national rate was 95.3 delays per 100,000.

The numbers have increased due to a number of factors, one of which is the increased number of admissions within the Acute Trusts particularly for the over 85s who tend to require longer more complex care on discharge. In addition, there have been some challenges around the availability of domiciliary care provision particularly in hard to reach areas of the county. In addressing these issues, we are in regular

contact with providers and are actively working with them to increase their staffing capacity.

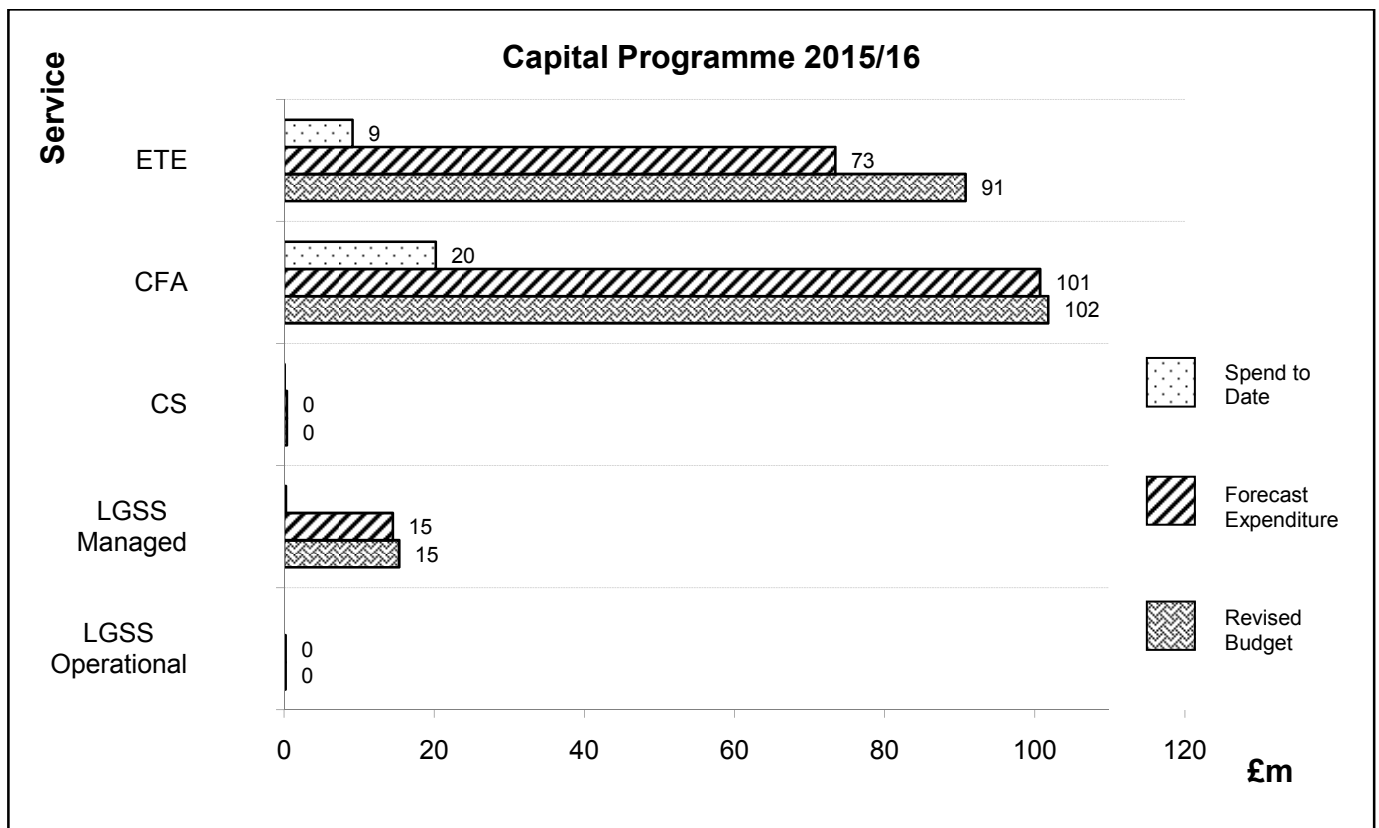
- **Number of Looked After Children (LAC) per 10,000 population under 18**

The number of LAC has increased during June to 554. The current target has been set with an upper limit equating to 500 LAC by April 2016. The newly established Alternative to Care Service alongside robust care planning and delivery of good exit plans from care will be needed to meet this ambitious target by the end of this year. Additional work is also ongoing to analyse the recent increase in numbers to see if there are opportunities to prevent further increases.

## 6. CAPITAL PROGRAMME

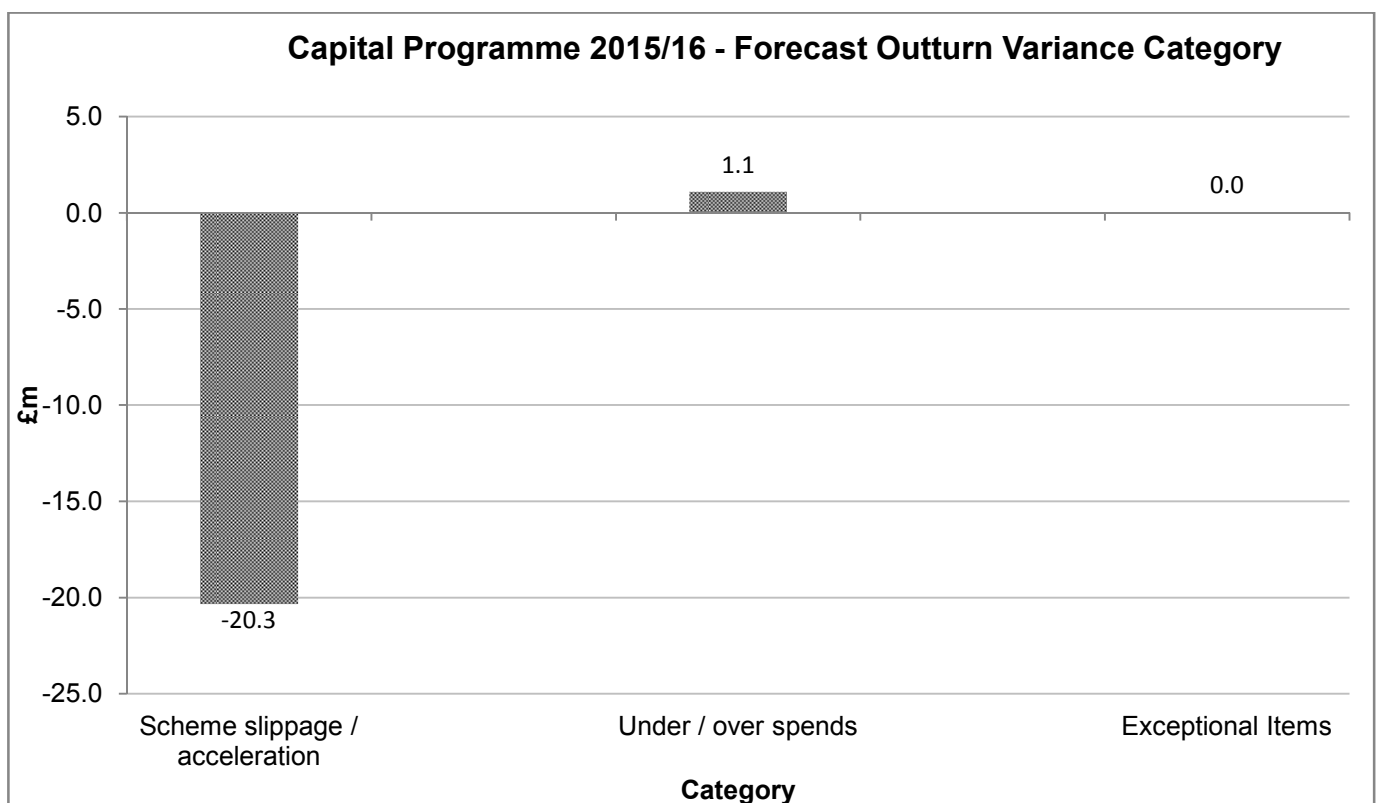
6.1 A summary of capital financial performance by service is shown below:

2015/16						TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Service	Revised Budget for 2015/16 £000	Forecast Variance - Outturn (Jun) £000	Forecast Variance - Outturn (Jul) £000	Forecast Variance - Outturn (Jul) %	Total Scheme Revised Budget (Jul) £000	Total Scheme Forecast Variance (Jul) £000
102,192	ETE	90,781	-880	-17,336	-19.1%	516,253	0
104,854	CFA	101,804	1,681	-1,099	-1.1%	568,938	7,566
300	Corporate Services	386	0	0	0.0%	640	0
11,385	LGSS Managed	15,331	0	-830	-5.4%	81,452	-4,827
-	LGSS Operational	209	0	0	0.0%	600	0
<b>218,731</b>	<b>Total Spending</b>	<b>208,511</b>	<b>801</b>	<b>-19,265</b>	<b>-9.2%</b>	<b>1,167,883</b>	<b>2,739</b>



**Note:** The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted.

The following graph provides an indication of the cause for the 2015/16 capital forecast outturn variance:



**Note:** The 'Exceptional Items' category could include, for example, post Business Plan (BP) amendments.

6.2 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.5m or greater are identified below.

6.2.1 **Economy, Transport and Environment:**£17.3m (-19.1%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li> <b>Delivering the Transport Strategy Aims</b> – a number of cycling schemes funded by S106 developer contributions will slip into 2016/17 partly due to resources being required for City Deal schemes. Delayed schemes include Bar Hill to Longstanton, Yaxley to Farcet and the link to Babraham research campus. Two cycling schemes, St Neots route 4 and St Neots route 7 are likely to be underspent overall however we are still waiting for a land deal to conclude before this can be reported. </li> </ul>	-1.7	(-36%)
<ul style="list-style-type: none"> <li> <b>Cycling Schemes</b> – a number of schemes funded by Cycle City Ambition grant or S106 developer contributions will slip into 2016/17 partly due to resources being required for City Deal schemes as well as delays in being able to progress land deals. Officers are investigating securing additional resources to bring these back on programme. Delayed schemes include Trumpington Road from the first phase of the Cycle City Ambition grant funding and Chesterton to Abbey Bridge, Quy to Lode and two schemes for A10 Harston from the second phase of funding. The delayed S106 developer funded schemes are all within the Cambridge City boundary. </li> </ul>	-3.0	(-51%)
<ul style="list-style-type: none"> <li> <b>Huntingdon – West of Town Centre link road</b> – spend is expected to be lower than budgeted this year due to outstanding land deals. Until these land deals are completed it is too early to know if the overall scheme will be underspent. </li> </ul>	-2.1	(-63%)
<ul style="list-style-type: none"> <li> <b>Ely crossing</b> – the majority of expenditure is now likely to take place next financial year due to delays in the programme as a result of a procurement regulation change and limited consultancy resources. This has resulted in greater contract preparation time than originally anticipated. </li> </ul>	-6.9	(-70%)
<ul style="list-style-type: none"> <li> <b>Guided Busway</b> – The variance on this scheme relates to retention payments which are unlikely to be paid this year. </li> </ul>	-0.7	(-20%)
<ul style="list-style-type: none"> <li> <b>King's Dyke</b> – Spend on this scheme has been delayed due to the planning application taking longer than expected. </li> </ul>	-2.0	(-39%)
<ul style="list-style-type: none"> <li>Previously reported exceptions that are still applicable can be found in <a href="#">appendix 3</a></li> </ul>		

6.2.2 **Children, Families and Adults:**£1.1m (-1.1%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li> <b>Primary School – Demographic Pressures</b> –A number of </li> </ul>	-0.8	(-2%)



schemes have experienced cost movements (slippage and acceleration) since the Business Plan was approved.

Schemes which have been accelerated due to programme schedules being ahead of anticipated plans are:

- Little Paxton (£29k); and
- Grove Primary (£100k)

Schemes that have encountered slippage in 2015/16 include:

- Fordham (£201k) where original phasing is not being achieved as a result of the decision to undertake a review of possible alternative options to meet on-catchment need; start on site now anticipated March 2016;
- Fulbourn (£102k) due to overall scheme revision which will see phase 2 works identified as a separate scheme in the 2016/17 Business Plan;
- Orchard Park (£365k) due to anticipated timescales not being achieved, it is expected only design costs will be incurred in 2015/16; and
- Fourfields (£200k) where slippage from original programme has occurred and the start on site is now anticipated in February 2016.

Additionally there is a small adjustment to the expected cost for Hardwick Second Campus (£18k) following receipt of a more accurate costing.

- **Children Support Services** – Significant slippage (£2,323k) has occurred on the Trinity School scheme due to delays in securing the acquisition of the property. As a result, the start on site date has now slipped to October 2015. -2.3 (-50%)
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

**6.2.3 Corporate Services:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

**6.2.4 LGSS Managed:** £0.8m (-5.4%) underspend is forecast at year end.

- |  | £m   | %      |
|--|------|--------|
| <ul style="list-style-type: none"> <li>• <b>The EPAM</b> – County Farms Viability is forecasting an in-year underspend of £0.5m. The level of funding required for County Farms Viability has been reassessed for Business Planning and it has been determined that it can be reduced by £0.5m per year to better reflect actual activity with tenant farmers more cautious due to the unsettled global market. This will also result in a total scheme underspend and the scheme budget will be adjusted as part of the 2016/17 Business Planning process.</li> </ul> | -0.5 | (-42%) |

6.2.5 **LGSS Operational:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

6.3 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:

**Economy, Transport and Environment (ETE):** a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

**Children, Families and Adults (CFA):** £7.6m (1%) total scheme overspend is forecast.

- |  | £m   | %      |
|--|------|--------|
| • <b>Primary School – Demographic Pressures</b> – Fulbourn is forecasting a total scheme underspend of £896k due to overall scheme revision which will see phase 2 works identified as a separate scheme in the 2016/17 Business Plan. | -0.9 | (-51%) |

- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

**Corporate Services (CS):** a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

**LGSS Managed:** £4.8m (-5.9%) total scheme underspend is forecast.

- |  | £m   | %      |
|--|------|--------|
| • <b>The EPAM</b> – as reported above, the level of funding required for County Farms Viability has been reassessed for Business Planning. This will result in a total scheme underspend of £2.4m and the scheme budget will be adjusted as part of the 2016/17 Business Planning process. | -2.4 | (-48%) |

- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

**LGSS Operational:** a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

6.4 A breakdown of the changes to funding has been identified in the table below:

<b>Funding Source</b>	<b>B'ness Plan Budget £m</b>	<b>Rolled Forward Funding<sup>1</sup> £m</b>	<b>Revised Phasing £m</b>	<b>Additional/ Reduction in Funding £m</b>	<b>Revised Budget £m</b>	<b>Outturn Funding £m</b>	<b>Funding Variance £m</b>
Department for Transport (DfT) Grant	38.2	-13.2	0.0	1.5	<b>26.5</b>	25.6	-1.0
Basic Need Grant	4.9	1.5	0.0	0.0	<b>6.4</b>	6.4	0.0
Capital Maintenance Grant	6.3	0.0	0.0	-1.2	<b>5.1</b>	5.1	0.0
Devolved Formula Capital	1.1	1.1	0.0	0.0	<b>2.2</b>	2.2	0.0
Specific Grants	11.5	6.1	0.0	1.0	<b>18.6</b>	14.5	-4.1
Section 106 Contributions& Community Infrastructure Levy (CIL)	35.8	-0.4	-5.8	0.0	<b>29.6</b>	25.1	-4.5
Capital Receipts	4.5	0.0	0.0	0.0	<b>4.5</b>	4.3	-0.2
Other Contributions	29.6	0.7	0.0	-19.9	<b>10.4</b>	5.7	-4.8
Prudential Borrowing	86.8	19.5	-7.1	5.9	<b>105.1</b>	100.4	-4.8
<b>Total</b>	<b>218.7</b>	<b>15.3</b>	<b>-12.9</b>	<b>-12.7</b>	<b>208.5</b>	<b>189.2</b>	<b>-19.3</b>

<sup>1</sup> Reflects the difference between the anticipated 2014/15 year end position, as incorporated within the 2015/16 Business Plan, and the actual 2014/15 year end position.

6.5 Key funding changes this month (of greater than £0.5m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	ETE	1.0	<p><i>As set out in June's report:</i></p> <p>As reported last month, following a review of the capital programme over and underspends at the end of 2014/15, it has been noted that many of these are a result of changes to the timing of expenditure, rather than scheme over or underspends. As such, this funding is still required in 2015/16 to complete projects.</p> <p>A further £1.0m funding has since been identified from last month in relation to Waste and Library schemes within ETE, which is to be carried forward. This all relates to prudential borrowing, however, as this is a timing issue there is no significant impact on the Debt Charges budget as a result.</p> <p><b>General Purposes Committee (GPC) is asked to approve the use of this further £1.0m carry forward funding in 2015/16.</b></p>
Revised Phasing (Section 106 & CIL)	ETE	-3.6	<p>The expected timescales for receiving S106 contributions with respect to the Guided Busway have recently been reviewed and as such the amount to be received this year is £3.578m lower than originally budgeted. Therefore, additional Prudential Borrowing will be required to offset the shortfall in funding for 2015/16 (see below). This revised phasing is currently being incorporated into the Business Plan for 2016/17.</p>
Revised Phasing(Prudential Borrowing)	ETE	+3.6	<p>An additional £3.578m Prudential Borrowing is required to offset the shortfall in funding from S106 contributions RE: the Guided Busway (see above) for 2015/16. This reflects a change to timing of receipt rather than an overall reduction in funding.</p> <p><b>GPC is asked to approve the increase of £3.578m to the Prudential Borrowing requirement in 2015/16.</b></p>

Revised Phasing (DfT Grant)	ETE	-17.5	<p>Although the Council has already received £20m worth of grant funding for the City Deal, the nature of the schemes will mean that the majority of the expenditure will take place in the latter years of the initial five year period. The budget for 2015/16 has therefore been adjusted to match the likely profile of spend and will be revised for later years as part of the Business Planning process.</p> <p><b>GPC is asked to approve the -£17.5m rephasing of ETE's DfT Grant requirement in 2015/16.</b></p>
--------------------------------	-----	-------	--

6.6 Previously reported key funding changes that are still applicable can be found in [appendix 5](#).

## 7. GRANT ALLOCATIONS 2015/16

7.1 Where there has been a material change in 2015/16's grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require SMT discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee (GPC) for approval.

### Independent Living Fund (ILF) Grant

On 6 March 2014, the government announced it would close the ILF on 30 June 2015. From 1 July 2015 responsibility for supporting ILF users in England passed to local authorities. As a result of this transfer of responsibility, local authorities have been allocated funding to cover ILF payments for the remainder of the financial year. Cambridgeshire County Council's allocation for 2015/16 is £1,037,438.

**This funding has not been budgeted for and therefore the General Purposes Committee is asked to approve that the ILF grant of £1,037,438 is allocated in full to CFA in 2015/16.**

### Deprivation of Liberty Safeguards (DoLS)

On the 27 March 2015, the Minister for Care and Support announced an additional £25m would be made available to local authorities for the Deprivation of Liberty Safeguards (DoLS). This is a un-ringfenced grant that has not been budgeted for, with £247,899 being allocated to Cambridgeshire County Council in 2015/16.

The activities that this funding is to be deployed for were funded within CFA's 2015/16 base budget via the Business Planning process - at the time of preparing the Business Plan the Council did not know how much grant would be received in relation to DoLS.

**It is therefore recommended that the additional DoLS funding of £247,899 received in 2015/16 is transferred to the General Fund at year end, to replenish the County's**

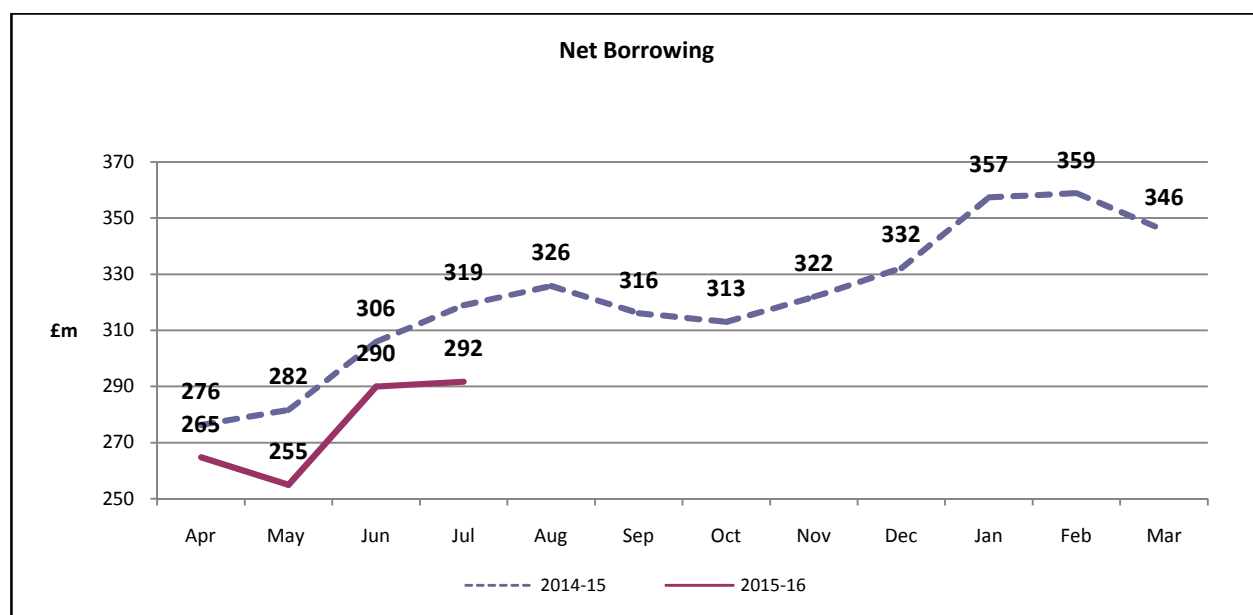
resources used in the first instance to fund this activity, which the General Purposes Committee is asked to approve.

## 8. BALANCE SHEET

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

Measure	Year End Target	Actual as at the end of July
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.7m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.5m
Invoices paid by due date (or sooner)	97.5%	99.8%

8.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of July were £90.5 and gross borrowing was £381.1m.



8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2015-16 TMSS was set in February 2015, it was anticipated that net borrowing would reach £453m at the end of this financial year. This has now fallen to £434m. Net borrowing at the beginning of this year was lower than expected and the position at the 31<sup>st</sup> March 2015 was £346m.

8.4 From a strategic perspective, the Council is currently reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash

balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved.

- 8.5 Although there is link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including, interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.
- 8.6 The Council's cash flow profile varies considerably during the year as payrolls and payment to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 8.7 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned –original net borrowing forecast was £453m. Actual net borrowing at 31 <sup>st</sup> July was £292m.	<p>An underspend of £1.320m is forecast for Debt Charges. This is largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following completion of the 2014-15 financial year, however there may be some additional small movement once the charge has been finalised. A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.</p> <p>The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and pragmatic approach to borrowing is adopted.</p>

- 8.8 A schedule of the Council's reserves and provisions can be found in [appendix 6](#).

## 9. EXTERNAL AND CONTEXTUAL ISSUES

- 9.1 HM Treasury (HMT) this month published a document setting out its approach to the spending review: '[A country that lives within its means: Spending Review 2015](#)'. The document sets out the parameters of the review, the outcome of which will be published on 25 November 2015.

The main headlines for local government are as follows:

- As part of the Spending Review, the government will look at transforming the approach to local government financing and further decentralising power.

- Non-protected government departments have been asked to model 25% and 40% real terms decreases in their resource (revenue) budgets over the four year period covered by the spending review (2016-17, 2017-18, 2018-19 and 2019-20). According to HMT, this is the same approach as was taken in Spending Review 2010.
- Spending for the NHS and defence, will be increased as outlined in the Budget. The Government will continue to spend 0.7% of Gross National Income on international aid and development. Schools funding, including the pupil premium, will be protected on a per-pupil basis.

## **10. FURTHER INFORMATION**

- 10.1 Members requiring further information on issues raised in this report may wish to access the individual Services' Finance and Performance Reports by following the link below:

[http://www.cambridgeshire.gov.uk/info/20043/finance\\_and\\_budget/147/finance\\_and\\_performance\\_reports](http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports)

## **11. ALIGNMENT WITH CORPORATE PRIORITIES**

### **11.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **11.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **11.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **12. SIGNIFICANT IMPLICATIONS**

### **12.1 Resource Implications**

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

### **12.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### **12.3 Equality and Diversity Implications**

There are no significant implications within this category.



#### 12.4 Engagement and Consultation Implications

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

#### 12.5 Localism and Local Member Involvement

There are no significant implications within this category.

#### 12.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
ETE Finance & Performance Report (July 15) CFA Finance & Performance Report (July 15) PH Finance & Performance Report (July 15) CS and LGSS Cambridge Office Finance & Performance Report (July 15) Performance Management Report & Corporate Scorecard (July 15) Capital Monitoring Report (July 15) Report on Debt Outstanding (July 15) Payment Performance Report (July 15)	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge

<b>APPENDIX 1 – transfers between Services throughout the year</b> (only virements of £1k and above (total value) are shown below)									
	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	244,270	0	63,308	35,460	5,672	9,145	9,864		2,165
Green Spaces budget from CS to ETE			11		-11				
Scrutiny Members Training budget to Members Allowances 15/16						15	-15		
City Deal budget from ETE to LGSS Managed			-717			717			
ETE Operational Savings – LEP subscription			50						-50
Green Spaces staff budget from CS to ETE			43		-43				
Travellers Support budget from CS to ETE			51		-51				
Allocation of Supporting Disadvantaged Children in Early Years Grant and SEND Preparation for Employment Grant to CFA	63								-63
Microsoft Support Extension - Windows 2003						33			-33
Reablement to LGSS Operational	-34						34		
Mobile Phone Centralisation	-286		-55		-3	372	-28		
Reversal of Mobile Phone Centralisation for pooled budgets in 2015/16	17					-17			
CS Operational Savings – various					602				-602
Property budget for 9 Fern Court from CFA to LGSS Mgd.	-7					7			
Allocation of Staying Put Implementation Grant to CFA (Qtr 1)	27								-27
<b>Current budget</b>	<b>244,050</b>	<b>0</b>	<b>62,691</b>	<b>35,460</b>	<b>6,166</b>	<b>10,271</b>	<b>9,856</b>		<b>1,389</b>
<i>Rounding</i>	-	-	-	-	-	-1	1		-1

## APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	<p><b>Park &amp; Ride</b> – a predicted shortfall in income in the region of £560k is expected for parking fees at the Park &amp; Ride sites based on income levels achieved in the first four months of this year.</p> <p>This overspend will be partially covered by increased income from bus lane enforcement, which is expected to be in the region of £300k.</p>	+0.260	(+154%)
CFA	<p><b>Children's Social Care Directorate:</b></p> <ul style="list-style-type: none"> <li>- <b>Strategic Management, Children's Social Care Access and Children in Need</b> – a cumulative forecast overspend of £1.1m is being reported. The overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making the vacancy saving target difficult to deliver.</li> </ul>	+1.100	(+10%)
	<ul style="list-style-type: none"> <li>- <b>Head of Social Work</b> – a £525k overspend is forecast due to an increase in the number of adoption / special guardianship orders. The increase in Adoption/Special Guardianship/Child Arrangement orders are however a reflection of the good practice in making permanency plans for children outside of the looked after system.</li> </ul>	+0.525	(+13%)
	<p><b>Older People &amp; Adult Mental Health Directorate:</b></p> <ul style="list-style-type: none"> <li>- <b>Adult Mental Health</b> – a £205k underspend is forecast, of which £175k relates to care packages, particularly in the Huntingdon and Fenland area.</li> </ul>	-0.205	(-3%)
	<p><b>Strategy &amp; Commissioning Directorate:</b></p> <ul style="list-style-type: none"> <li>- <b>Home to School Transport - Special</b> – a £1.2m overspend is forecast due to a residual pressure from 2014/15 and a pressure in LAC Transport resulting from the policy of trying to keep young people in the same educational setting when they are taken into care or their care placement</li> </ul>	+1.200	(+15%)

	moves, providing stability.		
	<b>Learning Directorate:</b> <ul style="list-style-type: none"> <li>- <b>Home to School Transport - Mainstream</b> – This is due to savings from contract re-tendering now forecast to be 20% of the original savings target and a reduction in savings achievable from safer route reviews. There is a higher than anticipated growth in demand as families move into Cambridgeshire, and within Cambridgeshire into catchment areas of schools which are full. This is resulting in increased individual transport and therefore increased unit costs.</li> </ul>	+0.930	(+10%)
Public Health	<b>Public Health Grant</b> – the consultation for the 2015/16 in year savings is out, and closes 28 August. The Department of Health's preferred option is to reduce the allocation to all Local Authorities by a standard flat rate percentage. The effect of this option on Cambridgeshire County Council would be a reduction of £1,613k to be met through reserves and in-year savings.	-	-
CS	N/A	-	-
LGSS Managed	<p><b>County Offices</b> – County Offices is forecasting an overspend of £967k. As previously reported, the pressure resulting from Children's Centre business rates received to date and an assessment of the potential liability for Children's Centres where bills have not yet been received is forecast to be in the region of £616k. Of this amount, £471k is the estimated liability for prior years billing and £145k relates to the estimated annual cost for 2015/16 onwards. The position will continue to be monitored and forecast outturn updated accordingly when / if further business rates bills are received.</p> <p>Full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior-year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified. In addition, there is a small pressure of £14k resulting from cancellation of prior year invoices that had been disputed and some minor budgeting corrections. These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations.</p> <p>Under the agreement to lease Castle Court, the 50% rental period is due to commence on 31<sup>st</sup> October 2015, subject to planning permission being granted. Should this be forthcoming, additional income of £281k would be generated in 2015/16. This is not currently reflected in the outturn position and so receipt of this rental income would reduce the reported overspend accordingly.</p>	+0.967	(+18%)

Financing Items	<p><b>Education Services Grant (ESG)</b> – the ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream / high needs) and status (academy / maintained). Funding will therefore reduce for local authorities if a school converts to an academy.</p> <p>Based on the expected number of academy conversions during 2015/16 a figure of £4,735,117 was budgeted for the ESG during the Business Planning (BP) process. Recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in an increased total ESG funding of c.£5,000,000 for 2015/16, an additional amount of c.£265,000.</p> <p>It is proposed that this additional income will be transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval. However, an update to the current reported position will be provided if this projection changes.</p>	-0.265	(-6%)
LGSS Operational	N/A	-	-

### APPENDIX 3 – previously reported capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	<b>Waste Infrastructure</b> – this is mainly due to an amended approach to the delivery of a replacement householder recycling facility in the Cambridge area. This budget will now be spent over a number of years.	-0.5	(-79%)
CFA	<b>Temporary Accommodation</b> – it had been anticipated at business planning that the current stock of mobiles would prove sufficient to meet September 2015 demand. Unfortunately, it has proved necessary to purchase additional mobiles due to rising rolls at primary schools around the county.	+1.0	(+200%)
	<b>Condition, Maintenance and Suitability</b> – this is due to Castle and Highfields Special School projects continuing from 2014/15 due to delays on site, together with significantly higher than anticipated tender prices for kitchen ventilation works required to meet health and safety standards.	+0.7	(+20%)

#### APPENDIX 4 – previously reported total scheme capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
CFA	<p><b>Primary Schools - Demographic Pressures</b> – the overspend has decreased by £0.9m, as reported in section 6.3. The overspend of £7.8m reported in May is due to the scope and costs of schemes increasing since the Business Plan was approved in response to changes to development timescales and school capacity. This includes the following increases in 2016/17:</p> <ul style="list-style-type: none"> <li>- Wisbech additional places - £4,791k increase.</li> <li>- Little Paxton - £2,600k increase.</li> <li>- Orchard Park - £200k increase.</li> <li>- Fordham - £175k increase.</li> <li>- Burwell - £14k increase.</li> </ul> <p>This will be managed through the 2016/17 Business Planning (BP) process.</p>	+6.9	(+5%)
	<p><b>Condition, Maintenance and Suitability</b> – this is due to Castle and Highfields Special School projects continuing from 2014/15 due to delays on site, together with significantly higher than anticipated tender prices for kitchen ventilation works required to meet health and safety standards. This will be addressed as part of the 2016/17 Business Planning process.</p>	+0.7	(+1%)
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) - Fenland</b> – as reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m.</p>	-1.1	(-17%)
	<p><b>Carbon Reduction</b> – the works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.7m.</p>	-0.7	(-39%)

## APPENDIX 5 – previously reported key capital funding changes that are still applicable

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	31.9	This reflects slippage or rephasing of the 2014/15 capital programme – as reported last month and approved by the General Purposes Committee (GPC) on 28th July 2015.
Additional / Reduction in Funding (Other Contributions)	ETE	-20.0	Removal of Science Park Station – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Specific Grant)	ETE	1.0	Growth Deal Funding relating to Wisbech Access Strategy – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (DfT Grant)	ETE	1.5	Cycling City Ambition grant – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Capital Maintenance)	CFA	-1.2	Condition, Suitability and Maintenance funding reduction – as reported last month.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.2	Prudential Borrowing required to offset the shortfall in funding from the DfE RE: Condition, Suitability and Maintenance (note above) – as reported last month and approved by the GPC on 28th July 2015.
Revised Phasing (Section 106)	CFA	-5.8	Rephasing (mainly North West Cambridge (NIAB) Primary) – as reported last month and approved by the GPC on 28th July 2015.
Revised Phasing (Prudential Borrowing)	CFA	-7.1	Rephasing (various schemes) – as last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	3.2	New Schemes (various) – as reported last month and approved by the GPC on 28th July 2015.



Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.5	Increase in costs (various schemes) – as reported last month and approved by the GPC on 28th July 2015.
--	-----	-----	---

## APPENDIX 6– Reserves and Provisions

Fund Description	Balance at 31 March 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31 Jul 15		
	£000s	£000s	£000s	£000s	
<b>General Reserves</b>					
- County Fund Balance	16,001	111	16,112	16,287	
- Services					
1 CFA	0	0	0	-3,056	Includes Service Forecast Outturn (FO) position.
2 PH	952	0	952	952	
3 ETE	3,369	-51	3,318	0	Includes Service FO position.
4 CS	1,020	-603	417	522	Includes Service FO position.
5 LGSS Operational	1,003	0	1,003	20	Includes Service FO position.
Subtotal	22,345	-543	21,802	14,725	
<b>Earmarked</b>					
- Specific Reserves					
6 Insurance	2,578	0	2,578	2,578	
Subtotal	2,578	0	2,578	2,578	
<b>Equipment Reserves</b>					
7 CFA	744	159	903	254	
8 ETE	893	0	893	650	
9 CS	50	0	50	50	
10 LGSS Managed	642	0	642	642	
Subtotal	2,329	159	2,488	1,596	
<b>Other Earmarked Funds</b>					
11 CFA	7,533	-572	6,961	2,174	Includes liquidated damages in respect of the Guided Busway.
12 PH	2,081	-61	2,020	1,300	
13 ETE	7,404	-55	7,358	4,251	
14 CS	527	-55	472	368	
15 LGSS Managed	198	0	198	233	
16 LGSS Operational	130	0	130	0	
17 Corporate	63	-63	0	0	
Subtotal	17,936	-806	17,130	8,326	
<b>SUB TOTAL</b>	<b>45,187</b>	<b>-1,189</b>	<b>43,998</b>	<b>27,225</b>	
<b>Capital Reserves</b>					
- Services					
18 CFA	6,272	6,145	12,417	1,903	Section 106 balances.
19 ETE	15,897	29,273	45,170	25,670	
20 LGSS Managed	481	276	757	427	
21 Corporate	33,547	8,277	41,824	24,159	
subtotal	56,197	43,971	100,168	52,159	
<b>GRAND TOTAL</b>	<b>101,384</b>	<b>42,782</b>	<b>144,166</b>	<b>79,384</b>	

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:

Description	Balance at 31 March 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31 Jul 15		
	£000s	£000s	£000s	£000s	
<b>Short Term Provisions</b>					
ETE	669	0	669	0	
ICS	1,043	-43	1,000	955	
LGSS Managed	3,316	0	3,316	2,335	
subtotal	5,028	-43	4,985	3,290	
<b>Long Term Provisions</b>					
LGSS Managed	4,718	0	4,718	4,718	
subtotal	4,718	0	4,718	4,718	
<b>GRAND TOTAL</b>	<b>9,746</b>	<b>-43</b>	<b>9,703</b>	<b>8,008</b>	

## APPENDIX 7 – Actions to address forecast overspends

Service	Action to address forecast overspend	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
CFA	<p><i>Please note that CFA have provided a narrative update (below) to the July figures contained within the main body of this report. These updated figures will be reflected in next month's report.</i></p> <p><u>Introduction</u></p> <p>The Integrated Resources and Performance Report (May 15) presented to the July General Purposes Committee included a projected overspend of £3,979k in the Children, Families and Adults Directorate. The Committee requested a report setting out the actions that would be taken in response to the emerging spend.</p> <p>The overspend reported to the July Committee meeting was from the May budgetary control report. The latest forecast position at the end of August is an overspend of £4,041k. Discussions have been held with each of the Service Directors and their financial advisors to firstly review and update year end financial forecasts and to identify scope for further savings.</p> <p><u>Current Position</u></p> <p>The updating of financial forecasts has resulted in one significant new pressure being disclosed. The budget for expenditure on Looked After Children had been forecast as breaking even at the year end. A steady increase in the number of looked after children since the start of the year has stabilised over the last few weeks. However, it is highly unlikely that the number of children looked after will drop to the level required for the budget to balance. Therefore an additional pressure of £1,100k has been included in the August forecast position of £4,041k overspend. This assumes that actions being taken to ensure that there is no further increase in numbers are successful.</p> <p>No other significant adverse variations have been identified from discussions at this stage. There is a specific risk in that the commitment records for home to school transport do not yet reflect the contracts established for the new school year, this position will be clear in the October F&amp;P Report. It also remains the case that a significant proportion of the CFA budget is made up of demand led services where national legislation requires that a service is provided if eligible needs are met. This combined</p>	+3.056	(+1.3%)

with the significant savings requirement of the last few years means that there continues to be a high risk of overspending.

We have been notified of an in year reduction in the funding of the Youth Offending Service by the Youth Justice Board. This is likely to equal around £70k and will be met this year through use of the remand reserve based on currently lower than forecast levels of remand. Our current forecast includes an assumption that there will be an underspend of £1,575k on the Care Act, following announcement of a delay in the Care Act funding reforms. During September there has been informal consultation about the government clawing back some of the funding previously announced as a result. There is no indication yet whether this is likely, or to what extent, but should that happen there would be an adverse impact on the forecast position.

The forecast year end position as at the end of August without further savings is projected to be a £4,041k overspend based on current forecasts.

#### Additional Savings Identified

The following additional savings have been identified:

<b>Learning</b>	
One off Reduction in Ed ICT Replacement Reserve	£159k
Capitalisation of Infrastructure Service revenue Costs	£265k
Reduction in projects funding	£50k
<b>Enhanced and Preventative Services</b>	
Youth and Community Commissioning funding allocated last year to reduce impact of reductions in early help services and as yet unallocated	£50k
Education Welfare Officers additional income	£60k
<b>Adult Social Care</b>	
Reduction in MCA/DOLs spending due to lack of available assessors	£100k
Forecast underspend on carers support in first year of new responsibilities	£150k

<b>Older People</b>	
Capitalisation of Assistive Technology revenue spend	£125k
Reserve for potential accommodations costs unlikely to be required	£115k
Services to respond to new responsibilities for social care needs for prisoners are being established. Likely underspend this year.	£240k
Budget for DTOC fines not required post Care Act	£330k
Release of reserve for potential dispute on costs of nursing care	£300k
<b>Strategy and Commissioning</b>	
Reduction in earmarked Building Schools of the Future reserve to reflect anticipated demand levels	£227k
Underspend on IT systems development budget	£50k
Saving on SEND delivery grant funding	£25k
<b>Total</b>	<b>£2,246k</b>

The additional savings would result in a projected net position of a £1,795k overspend at the year end.

#### Further Actions to Reduce Overspending

Further measures will be taken in addition to these specific actions. Additional authorisation arrangements for non-staffing spending will be implemented, with the expectation that non-essential spend will be reduced. Existing arrangements require that all recruitment requests are approved by the Executive Director. Recruitment activity is being curtailed given future years' budget prospects. There will be a general slow down in recruitment to all approved non-front line posts. These actions will generate savings, but it is difficult to put figures to them and in terms of recruitment activity, savings are likely to support the delivery of all ready challenging vacancy targets. Therefore to be prudent savings figures have not been included in the year end forecast at this stage. Any further service underspends that emerge will be taken and applied to the overspend.

Additionally, savings in the current business plan for 16/17 and the new savings that will be required are being considered as to whether they can be pulled forward into 2015/16, which would have an in year impact. At this stage it is not possible to quantify the financial impact of these measures but this will be reflected in the financial reports as savings are pulled forward.

	<p>The scope to take actions that would provide certain reductions in the £1,795k overspend is very limited. Efforts to seek to reduce overspending in those areas that are forecast to overspend at the year end will continue, for example by accelerating plans to review Learning Disability Care packages but it would not be prudent to assume further reductions in service overspends at this stage. Therefore, savings would generally need to be found elsewhere in order to produce equivalent underspends.</p> <p>Reducing expenditure on care budgets in the short term is extremely difficult. In summary, reductions in expenditure can only be delivered following review and evidence that the service user's needs have reduced or can be met in lower cost ways. More sweeping reductions in care expenditure can only be delivered through policy change in the context of national legislation and following extensive consultation.</p> <p>Reducing staffing budgets also requires consultation and a reduction in front line staffing is not recommended as increasing case-loads tends to result in more risk averse decisions and less capacity to undertake the reviews etc that would reduce spend. Other staffing budgets have been reviewed extensively over the last five years and will be reviewed again as a part of the business planning process. This work will be pulled forward into 2015/16 where possible.</p> <p>There are few areas that can be cut in the short term which creates a risk of cuts being made because they can be made, rather than they should be made. The scale of cuts faced in future years is fully recognised and where possible we are seeking to make decisions strategically so that individual cuts do not disproportionately impact on our ability to reduce spend elsewhere. For example, it would be possible to make some in year reductions in early help services but strategically these services may be required to deliver greater reductions in the future. And again, the need for full consultation limits the savings that can be delivered this financial year.</p> <p>The need to reduce the overspend is understood across CFA. The current £1,795k overspend is the current year end forecast. However, it does not represent an acceptance of this figure and efforts to reduce the overspend further will continue in the course of the financial year. However, there is also a risk that there may be increases in the forecast position if activity levels increase across the range of demand led budgets that the Directorate has responsibility for.</p>		
--	--	--	--

ETE	<p>The forecast overspend will be monitored closely. A significant proportion of this is derived from the Park and Ride site income which is less than anticipated. Officers will continue to seek to increase performance in this area and to increase income, thus reducing the over spend. Should that not occur, ETE has a number of budgets that can easily be varied towards year end to ensure balance and this will be done should it be needed. Examples of such budgets are those for highways maintenance and community transport.</p>	+0.427	(+0.7%)
LGSS Managed	<p><b>County Offices</b> – is reporting a forecast overspend of £967k. Under the agreement to lease Castle Court, the 50% rental period is due to commence on 31<sup>st</sup> October 2015, subject to planning permission being granted. Should this be forthcoming, additional income of £281k would be generated in 2015/16. This is not currently reflected in the outturn position and so receipt of this rental income would reduce the reported overspend accordingly.</p> <p><b>County Farms</b> – is reporting a forecast underspend of £140k. The currently declared underspend is due to an increase in rent income following completion of 60 rent reviews during 2014/15. Levels of income generation resulting from the ongoing programme of solar PV installations across the estate are being assessed to consider whether any further underspend can be declared.</p> <p><b>IT Managed</b> – is not currently reporting a significant outturn position. To contribute towards recovery of the overall LGSS Managed overspend it is proposed that the balance on the IT Asset replacement fund (£475k) should be written back to revenue. This is facilitated by the move towards provision of mobile devices, which are funded from the IT for Smarter Business Working capital scheme.</p> <p><b>Transformation Fund</b> – is not currently reporting a significant outturn position. The Transformation Fund covers the costs of Section 188 redundancies. Assuming a straight-line spend profile based on costs to date, an underspend of £225k could be achievable.</p>	+1.011	(+9.8%)



**STRATEGY FOR SUPPORTING NEW COMMUNITIES**

**To:** General Purpose Committee

**Meeting Date:** 15th September 2015

**From:** Adrian Loades,  
Executive Director: Children, Families and Adults Services

**Electoral division(s):** All

**Forward Plan ref:** 2015/050      **Key decision:** Yes

**Purpose:** To seek endorsement for the Cambridgeshire County Council (CCC) Strategy for Supporting New Communities.

To inform General Purposes Committee of the specific opportunities and challenges faced by CCC in responding to the needs of new communities

**Recommendation:** The Committee is asked to:

- a) Comment on the CCC Strategy for Supporting New Communities;
- b) Endorse the recommendation that we specifically address the funding shortfall which occurs in the first years of each new development through business planning; and
- c) Delegate authority to the Executive Director: Children, Families and Adults Services in consultation with the Chairman to finalise the strategy, incorporating the feedback from committee members.

Officer contact:	
Name:	Charlotte Humble
Post:	New Communities Manager
Email:	<a href="mailto:Charlotte.humble@cambridgeshire.gov.uk">Charlotte.humble@cambridgeshire.gov.uk</a>
Tel:	01223 715695

## **1.0 BACKGROUND**

- 1.1 Growth brings huge benefits to the county and is a core element of our vision for Cambridgeshire. However the challenge of planning for this growth and meeting the needs of the residents of new communities is significant. While recent growth sites such as Cambourne have developed into thriving communities, in the initial years of the development we did see higher needs and less positive outcomes resulting in greater demand on CCC services.
- 1.2 In order to plan proactively for these growth sites and ensure we have the necessary support in place to meet needs as they emerge a County Council-wide Strategy for Supporting New Communities has been developed. The Strategy been endorsed by Strategic Management Team (SMT), Children, Families and Adults Services (CFA), Economy, Transport and Environment (ETE), Corporate Directorate and Public Health (PH) management teams.

## **2.0 CCC STRATEGY FOR SUPPORTING NEW COMMUNITIES**

- 2.1 The CCC Strategy for Supporting New Communities provides a cohesive approach for how CCC will organise people-centred support for new communities. The aim of the strategy is to ensure the requirements of all CCC services are included in the planning, design and delivery in new communities. The strategy also reflects the current need for CCC to manage demand for services within limited resources.
- 2.2 The emphasis of the strategy is on people-focused support in new communities rather than hard infrastructure. Some of the supportive services will require infrastructure in the new communities, such as shared access to community facilities or dedicated library provision, so this will be included in the scope of the strategy. However, traditional planning functions such as provision of open space or public transport, although important and related to CCC supportive services, are not included in the remit of this strategy and will continue to be considered in existing planning processes of which the strategy will align with. It is vital to recognise that this strategy does not cover all the functions of CCC in the planning of new communities but is rather one part of an essential process in the development of healthy, sustainable new communities
- 2.3 The strategy provides a vision for new communities that is essential to achieve a sustainable development as detailed in the National Planning Policy Framework. The vision is to:
  - Ensure that infrastructure in new communities is designed to meet the needs of the community now and in the future
  - Support the development of a self-supporting, healthy and resilient community by helping to build peoples capacity to help themselves and others in order to create a good place to live, improve outcomes, support economic prosperity and make people less reliant on public services.
  - Ensure that where people's needs are greater than can be met within community resources they are supported by the right services and are helped to return to independence
- 2.4 Recognising that each new community is different and places different demands on CCC services, the strategy does not create a fixed blueprint of

how new communities should be supported but rather establishes four guiding principles to shape support in new communities: **community development, partnership working, co-location and innovation**. As well as detailing a governance structure, the strategy also provides outcomes, in line with the Operating Model outcomes, to test whether the County Council is achieving its visions for new communities.

- 2.5 In order to influence planning and gain funding from other sources, we have also developed a level of requirements framework (**Appendix 6** of the strategy) which provides an outline for the type of people centred support needed in new communities and evidence for why it is required. This work maintains the flexibility needed to reflect local requirements but also provides more robust evidence to enhance the County Council's ability to influence planning and lever in the necessary funding. The level of requirements framework is intended to be used alongside the strategy by relevant officers when requesting funding from developers and to support ETE colleagues in their discussion and negotiations with planning authorities and developers.

### **3.0 THE CHALLENGES OF NEW COMMUNITIES**

- 3.1 We believe that in the long run the additional demand and costs of growth are met as more people and businesses mean higher tax revenue and higher grant funding. Equally we know that new communities bring many wider opportunities and benefits to the county not least in addressing the chronic shortage of housing which is a national priority.
- 3.2 However there are also specific challenges which must be addressed, particularly in the initial years of developments. The New Communities Team have been undergoing research into the specific challenges which exist for CCC in supporting new communities. Research highlights a pattern of higher demand for services and poorer outcomes during the initial years of a new community compared to that of an established community. Although research also shows that the need of the community will eventually decrease to expected levels, as we now see in Cambourne doing nothing in the initial years of development exposes people to the risk of intensified needs, especially for children and families.
- 3.3 Data suggests that despite some changes (for example, earlier community facilities and community development work) the new communities currently being built are replicating this trend. In addition, the need in new communities is not created by already vulnerable families but is new need. Looking into children's social care referrals from the past three years it was discovered that the majority of referrals to children's social care from the new communities were from families who had no previous involvement with any CCC children's services.
- 3.4 At present the funding structures and planning system make it difficult to cover the financial gap in the first years of each growth site when needs are highest. There is often an inability to match bricks and mortar infrastructure with sufficient people-centred and community development work in the first few years of new communities and this is the gap we need to address in order to avoid the worse outcomes and higher demand which we have seen in some developments.
- 3.5 The principles and outcome based approach as detailed in the strategy will

help shape the support, but unless consideration as to whether CCC can engage with and support the redesign of the financing and delivery of structures to ensure intervention in the first few years of the new communities, CCC will be unable to afford to fully support new communities which will result in additional business planning pressure as higher needs develop.

- 3.6 To address this issue the strategy includes an appendix outlining approaches to funding challenges (**Appendix 7**) and explores a number of options for how funding can be sought to provide greater savings in the long term by avoiding the significant costs of increased demand for high level services. It is recommended that CCC focus on forward investment in preventative services across new communities in the initial years of the development to avoid high demand on services and help facilitate the development of a socially sustainable new community.
- 3.7 If the principle of forward investment in preventative activity is endorsed by the Committee then it would be reflected in the County Council's business planning strategy and 5-year financial plan. The New Communities Team will continue to progress this work, developing proposals with the aim of creating a sustainable system which does not result in an over reliance on public services but expedites the development of the new community to be self-reliant and make best use of resources. Where specific funding proposals or changes are recommended specifically to respond to new communities these will be highlighted to committee members as part of business planning.

#### **4.0 ALIGNMENT WITH CORPORATE PRIORITIES**

##### **4.1 Developing the local economy for the benefit of all**

Supporting people moving into new communities will help develop the local economy for the benefit of all by:

- Building a learning culture in the community which is central to the well-being, resilience and sustainability of communities
- Ensuring all members of new communities are supported and able to access education, employment or training within their community
- Supporting the development of an active and inclusive community with a work ready community to help attract new businesses

##### **4.2 Helping people live healthy and independent lives**

Supporting people moving into new communities will help people live healthy and independent lives by:

- Helping to build community cohesion and establish a sense of belonging
- Improve participation in community activities and events by a wide range of people
- Promote and support the development of positive mental and physical health

##### **4.3 Supporting and protecting vulnerable people**

Supporting people moving into new communities will support and protect vulnerable people by:

- Helping all people, especially those from vulnerable groups, to participate in their community
- Bring about safe and accessible infrastructure and services
- Deliver accessible and timely support if needed and supported back to independence

## **5.0 SIGNIFICANT IMPLICATIONS**

### **5.1 Resource Implications**

The Strategy does not include any specific financial recommendations at this stage but the resource implications of new communities will be very significant in the coming years. Section 3.1 and **Appendix 2** set out the scale of expected housing and population growth in the next 20 years and the County Council is planning to meet the needs of this significantly increased population across the full range of our responsibilities.

In particular Appendix 7 sets out the potential resource implications arising from higher levels of need and demand generated by new communities if we are unable to provide sufficient preventative people-focussed support. It is vital that we succeed in mitigating this demand which will otherwise lead to a further pressure on business planning at a time of reduced funding and expanding need.

The recommendation in this paper to endorse the principle of early investment in prevention in new communities is therefore a key demand and resource management strategy.

### **5.2 Statutory, Risk and Legal Implications**

Failure to implement the Strategy for Supporting New Communities will result in CCC not providing appropriate people centred support to new communities. This will result in continued high needs developing in new communities and the resulting high cost services being required in the new communities and reputational damage to CCC.

### **5.3 Equality and Diversity Implications**

Implementing the Strategy for Supporting New Communities will provide greater access to services for residents of new communities. If the strategy is not implemented there will be a lack of resource available in the initial years of a development. In addition, new communities contain a higher amount of affordable housing than most established communities which will mean that some of our most vulnerable residents will find it difficult to access any support they may require.

### **5.4 Engagement and Consultation Implications**

The Strategy for Supporting New Communities has been endorsed by directorates across CCC. The draft strategy was also shared with District and City Councils, Clinical Commissioning Group, NHS and the some housing colleagues via the Sub Regional Housing Strategy Co-ordinator and has been well received.

### **5.5 Localism and Local Member Involvement**

Implementing the Supporting New Communities Strategy will equip and empower communities to develop into self-reliant communities and will maximise community potential to help equip communities to enable greater community participation in decision making and the planning and delivery of

services in their area.

## 5.6 Public Health Implications

Implementation of the Supporting New Communities Strategy will support all residents, especially those who are more vulnerable, to engage with their community and enhance their physical and mental health in line with the key health and wellbeing priorities in the Health and Wellbeing Strategy 2012-17. The Strategy will impact of the needs identified in the New Communities JSNA 2010 and will be reviewed upon publication of the 2015 new communities JSNA.

Source Documents	Location
There are no source documents for this report.	Box No: CC1003 Room No:2nd floor Octagon Shire Hall Castle Hill Cambridge CB3 0AP

## Supporting New Communities Strategy - Level of Requirement Framework

Cambridgeshire County Council

2015

<b>Purpose:</b>	To provide the evidence base and policy context for requirements relating to the support for residents in new communities. This document is intended to inform developers of new communities and/or larger scale housing developments of the requirements of CCC in addition to the infrastructure requirements communicated else where. This document is also intended to support CCC officers, alongside the CCC Supporting New Communities Strategy, when requesting funding and to support colleagues in their discussion and negotiations with planning authorities and developers
-----------------	---

<b>Note:</b>	This is not an exhaustive list of requirements for support in new communities. This table provides a framework to detail what needs to be considered for each new community and to provide an evidence base as to why they are necessary for the new community. Additional or less provision may be required depending on the location and size of development. Contributions to additional staff are requested for short term to ensure the necessary support is available from early in the development to prevent the escalation of needs in the early stages of the new community.
--------------	--

<b>Tabs:</b>	Table	Sets the policy context providing details of the duty of the County Council, the need likely to be created by developments and details the levels of provision, including triggers and estimated costs where possible, required in new communities
	Calculating Need	Details the formula used to determine need
	Calculations	Matrix which provides the estimated level of requirements for the development

Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Schools and post 16 provision	Education Act 1996	A new housing development will inevitably bring a number of children and young people into the local area that will require education provision within reasonable distance from their home. Additional school places will be required to mitigate the impact of the new development. Depending on the size of the development and capacity in the local area this could result in the need for new schools.	CCC has the responsibility for planning and commissioning serviced, including education provision for children and young people in Cambridgeshire. The local authority must provide a school place for every child living in its area of responsibility that is of school age and whose parents want their child educated in the state funded sector and promote choice, diversity and fair access to school provision. The local authority also has responsibility to secure sufficient education and training opportunities for all young people in the area (16-19 and 19-25 if subject to a learning difficult assessment).	No additional provision required current number of school places is sufficient	Detail provided in Developer Contributions Practice Guide 0-19 Education and Childcare Infrastructure requirements	
	The Schools Standards and framework act				Where additional development takes place in existing communities which is not of a volume to require a new school or EY or childcare setting, but will have an impact on existing education and childcare provision, additional places may be required to mitigate the impact of the new homes.	The Council does not carry a significant level of spare capacity expressed as a percentage of the total number of pupil places. As a result, the scope for accommodating the pupil numbers arising from the sizeable developments in the County in existing provision is very limited
	The education (school premises) regulations 1999					
	The children Act 2004				The County Council calculates the additional demand for pupil places on the following basis:	The site requirements for primary schools:
	The education act 2005				Primary school places – 25-35 children per 100 dwellings	1 FE (210 place) primary school total area 1.5 ha
					Secondary school places – 18-25 children per 100 dwellings	2 FE (420 place) primary school total area 2.3 ha
	The education and Inspections Act 2006				1% of children from new larger developments will require special school placement	3 FE (630 place) primary school total area 3.0 ha
						Site requirements for Secondary school
	Education and Skills Act 2008			When producing potential child forecasts for new developments the assumption is made that 7% will attend private sector independent schools.	5 FE (750 place) secondary school total area 6.0 ha	
					6 FE (900 place) secondary school total area 6.9 ha 7 FE (1,050 place) secondary school total area 7.8 ha 8 FE (1,200 place) secondary school total area 8.7 ha 9 FE (1,350 place) secondary school total area 9.6 ha 10 FE (1,500 place) secondary school total area 10.5 ha	



	Apprenticeships, Skills, Children and Learning Act 2009					11FE (1650 place) secondary school total area11.34 ha
						12FE (1800 place) secondary school total area 12.22 ha
	The Academies Act 2010					The eventual number of children is dependent on the size of the dwellings provided (number of bedrooms) and the mix of tenure between market homes and socially rented units. The Council will amend its demographic forecasts for an individual development when more detailed information on the housing mix is available. At all stages it is important to be clear that any particular child forecast is based on a set of assumptions regarding the nature of the proposed development. If these assumptions change, so too may the child forecasts. However, the location and size of school sites need to be identified as part of any master planning for a development well ahead of information on the detailed mix of housing being available
	Education Act 2011					It is not possible, ahead of detailed planning consent, and acquisition of a school site to produce a fully costed design proposal. S106 agreements must be calculated, therefore, on the basis of applying a cost per square metre building rate to the gross internal floor area of the building required for its planned size and organisation.
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
	Childcare Act 2006				Detail provided in Developer Contributions Practice Guide 0-19 Education and Childcare Infrastructure requirements	

Early Years and Childcare Provision	Childcare Sufficiency Assessment Summary Report 2014/15	A new housing development will inevitably bring a number of young children into the local area that will require Early Years and Childcare provision within reasonable distance from their home. Additional Early Years places will be required to mitigate the impact of the new development. Depending on the size of the development and capacity in the local area this may result in the need for new provision	The local authority has a statutory duty to ensure there is sufficient, accessible, flexible and affordable childcare available to enable parents to take up or remain in work or to undertake education or training to assist them in obtaining work. To ensure that local authorities give local childcare providers and would-be providers in their area the necessary support to help deliver sustainable affordable and high quality childcare that meets the needs of the community. New communities also provide a opportunities for promoting childcare as a career	No additional provision required current levels of childcare provision are adequate	In negotiation with providers, expand existing childcare provision in the local area to enable the increased demand from the new development. Expansion to be in line with DfE / Ofsted suggested size requirements of 2.2m2 per 3-4 year old and 2.4m2 for 2 year olds. Number of Early Years places based on upper end of County Council general multipliers 18 -25 children per 100 dwellings	New provision required - as detailed in level 2, a proportion of the necessary Early Years provision will be co-located with primary schools within new communities. Early Years education and childcare is not only delivered through schools or settings based in schools, but by the private, voluntary and independent (PVI) sector. Therefore, in new developments there is a need for developers to identify D1 sites which can be used by the PVI providers to establish early years and childcare settings. In addition, not all locations would need to be dedicated for early years provision. There would be sufficient opportunity for the co-location of provision with other services and uses – for example within community facilities. It is necessary to have rooms that open directly onto outdoor areas. This area should include space for a wild garden, with an area to dig and to plant and grow fruit and vegetables. The use of two-storey accommodation for this age range is, therefore, not usually appropriate.
					If a new primary school is established it will include facilities for delivery of early years education and childcare usually in the form of one or 2 class bases and ancillary facilities e.g. small office, quiet room for 2 year old childcare, in order to deliver the 15 hour weekly entitlement to free early years education/childcare for 3 and 4 year olds and eligible 2 year olds.	Childcare facilities used to deliver the EY must be safe and secure, keeping children in and intruders out. It is therefore not possible to allow pre-school children to mix freely with other age groups, so their play areas must be solely for the use of each setting. All in line with the DfE / Ofsted suggest size requirements of 2.2m2 per 3-4 year old and 2.4m2 for 2 year olds. Number of Early Years places based on upper end of County Council general multipliers 25 children per 100 dwellings
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)

Mental Health prevention	No Health without Mental Health 2011	Past experience in Cambourne and various research shows that the effects of the new environment, isolation, major life adjustment and lack of established social support networks, put people at a higher risk of developing mental health problems in new communities. Therefore it can reasonably expect that new communities are likely to have higher mental health needs than an existing community.	CCC have a central role in promoting good mental wellbeing and commissioning some counselling service for children and young people. With partners and the community, CCC will improve knowledge and reduce stigma and discrimination of mental health within the entire population. In addition, CCC will ensure there is accessible advice, support and, if necessary, signpost to other services to support mental wellbeing of the community.	Contribution to kick start funding for signposting, information sharing and, if needed, to set up groups/therapies and/or help expand existing groups/therapies focused on early intervention and prevention of mental ill health to be provided by a variety of organisation and the community itself (this could include investing in 3rd sector providers for activities such as psychological or Talking Therapies). Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	Level 1 provision plus additional training to be provided to community development workers so they are equipped to identify, engage and signpost groups at high risk of developing mental health problems.	In addition to level 1 and level 2 provision, specialist mental health community workers to work with vulnerable groups (this include groups such as new parents, black and ethnic minorities and members of the new community struggling to adjust to their new environment ). To ensure engagement and access to appropriate support systems, develop local community group and befriending and neighbourhood support schemes focused on positive mental health. Flexibility should be given to workers to be employed prior to first occupation. The option for flexible roll out of all staff to be retained to reflect levels of need. Funding requested for 3 years of employment. Monies must be spent within a 10 year timeframe from release of money. Cost based on salary banding grade S02 approximate cost based on pay scale 1 April 2014 = £37,500 per worker per year
	Care Act 2014			Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	Contribution to kick start funding for setting up or contribution to help expand existing groups/therapies, running activities and support focused on early intervention and prevention of mental ill health to be provided by a variety of organisation and the community itself (this could include investing in 3rd sector providers for activities such as psychological or Talking Therapies). Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	
	Cambridgeshire Health and Wellbeing Strategy 2012-2017			Environment that promotes positive mental health – adequate room sizes, open green space, promotion of active transport, information meeting space. An environment that enables safe pathways and easy access to safe walking or cycling areas for families, children and adults	Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	
	Emotional wellbeing and Mental Health Strategy for children and young people 2014-2016 (CCC, PCC and CCG)					
	Cambridgeshire Children's Trust Plan for 2014-17 (priorities)				Access to counselling services for children and young people (Tier 2 mental health services). Funding required for 2 years. Funding to be made available at 100 occupations or after one year of development (whichever is sooner of similar) with 10 year timeframe for spend.	
	Health and Social Care act 2012					
	Childcare Act 2006					
	Children and Families Act 2014			Ensure access to existing meeting places and informal meeting places (such as cafes) is available to the new community	Early access to shared community facilities providing an accessible meeting place (private room suitable for approximately 20 people) and interview type room (space for 4-6 people) with facilities (heating, water, WC's) to support to group meetings and informal meeting space (such as a café). Need to ensure that facilities are provided early in the development and in the right location. Temporary provision (if permanent not available)	

	Public Mental Health Strategy 2015-18				to be provided from beginning of development.	
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Preventative support for children and families (more detailed information on children centres below)	Education and Skills Act 2008	Research has shown that in new communities there are higher levels of mental health issues and there is a greater prevalence of domestic issues. Practitioners working in Cambourne cite the lack of social infrastructure and support for the development of the community as a major contributing factor for mental distress and increasing the risk for those who might be vulnerable to the stresses and strains of daily life e.g. young people, families with limited parenting skills and new parents. Without positive activities and early support for children, young people and their families this will lead to higher crime, negative mental health, post-natal depressions, higher cases of self-harm, especially amongst teenagers and suicide – all social issues that were present in Cambourne	CCC has a duty of care to provide preventative and early intervention services to its residents. Locality Teams operate as the delivery arm for preventative work (parenting, behaviour, attendance and youth support) with children, young people (aged 0-19) and their families and act as a local hub for identifying need and supporting children and young people. Investing in preventative support and providing early help that meets a community needs including parenting support, positive activities for children to stop issues escalating and develop into an integrated society that will form the basis to be passed on as more people join the new community	Access to temporary community space for groups (youth, parenting etc) to meet and for information sharing, advice and signposting to be provided by the developer	Kick start funding for setting up or contribution to help expand existing groups and youth activities provided by a variety of organisations including 3rd sector providers and community groups. Funding to support the activities, events, groups and necessary furnishing for early help and preventative support for children, families and young people. The funding will remove any financial barriers that risk activities and events and groups not being set up. Contribution to funding activities and events to support youth and community work over a 2 year period. Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	Level 2 provision plus additional funding for locality teams to deliver services. To be used for: youth work, focused community development work, good parenting activities, family work activities, events and classes provided by locality teams. Estimated cost in addition to cost of staff and kick start funding £10,000-£30,000 depending on size of development
	Education Act 1996					
	Children's Act 1989				Short term funding for additional locality staff to meet service demand. Staff to be hired on a short term 2 year contract to roll out as need dictated. All staff to begin to be employed two years after occupations begins. The option for flexible roll out of all staff to be retained to reflect levels of need. Monies must be spent within a 10 year timeframe from release of money. Cost based on salary banding SO1 - SO2, approximate cost based on 1 April 2012 is £10,000 per annum per staff member.	Depending on location and size of new development touch down/office facilities may be required. To be
	Children's Act 2004					
	Cambridgeshire Health and Wellbeing Strategy 2012-2017					

	<div>Cambridgeshire Children's Trust Plan for 2014-17 (priorities)</div> <div>Childcare Act 2006</div> <div>Education Act 2002</div>				<div>2014 salary banding and on-costs. Approximately £32,000 -£37,500</div> <div>Ensure access to appropriate shared community facilities to support delivery of services and youth groups/activities. Space such as activity rooms (suitable for youth activities), interview room and meeting room for 12 people</div>	<div>resources, as requested, are determined in consultation with locality manager</div>
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Children Centres (part of the early help/Preventative	Childcare Act 2006	Traditionally new communities have seen higher than average proportion of young families with children under the age of five. This along with increased levels of mental health issues, such as post-natal depression and a greater prevalence of domestic issues will place greater pressure on the County's children centres as	Children centres provide a single point of information, and access to services for children aged 0-5 and their families. The support offered by Children's Centres will improve outcomes for young children and their families, with a particular focus on the most disadvantaged, so children and their families are equipped for life and	Additional resources to be added to neighbouring children's centres to build capacity and ensure new residents are aware of their local	In additional to level 1 provision, flexible space to be provided in community facility in central location for outreach activities from neighbouring children's centre and a contribution to additional equipment and activities. Estimated cost of additional equipment, furnishing and first year activities £5000-£20,000 depending on size of development and capacity at local children's centre	Dedicated space that must meet Ofsted requirements community facility to be approximately 80 sqm (including a kitchenette) and secured outside space (approximately 20sqm). Space can be used by other services and organisation when not needed by children's centre. Access to: community/meeting room (approximately 17sqm), an interview type room (with space for examination bed and to include facilities for hand washing), a kitchen (approximately 10sqm), touch down office space, indoor or outdoor (covered) buggy store (for approximately 20 prams), shared reception desk and toilets and baby changing.
	Cambridgeshire Health and Wellbeing Strategy 2012-2017					

support for children and families)	Children's Act 1989	families will require more intensive support. Without this support children and less likely to be ready for school and see a negative impact on their social and emotional development. Parents may also struggle to find or maintain employment without support offered by the children’s centre.	ready for school, no matter what their background or family circumstances. The support offered by Children's Centres is especially beneficial in new communities where it is very likely to have a higher proportion of families with young children, and help them to adapt to the new community and form social networks.	children centre and how to access the service. Limited cost as likely to only need minimal resource to meet demand	Some additional staff required. All staff to begin to be employed two years after occupations begins. The option for flexible roll out of all staff to be retained to reflect levels of need. Monies must be spent within a 10 year timeframe from release of money. Children's Centre Worker cost based on 1 April 2014 salary banding pay scale 3 and on costs approximately £22,097.40 per worker per year.	Additional staff required as detailed in level 2 provision and funding for furnishing, equipment, and first year activities. Cost approximately £15,000-£30,000 depending on size of development. To be made available when temporary space for children’s centre is available (if applicable) with timeframe to spend up to one year after completion of permanent space for children’s centre activities
	Children's Act 2004					Access to temporary space for outreach work from neighbouring children's centre until permanent provision is available. To be available upon completion of 100 dwellings until permanent provision is available
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
	Children's Act 1989			Current provision is adequate for the additional children and young people in the area as long as preventative services are in place	Access to shared meeting and activity space (space for 10/12 people, 20 people and large room for activities) for parenting education and supervised visits and drop in facilities (interview type rooms for 3 -6 people with space for an examination bed) for first and young parent advice. Ideally located in close proximity to children's centre if not co - located with it and located closely to health services. This may not need to be provided in the new development if facilities are already in place close to the development but may require contribution to expand/improve space.	Contribution towards an additional social care unit (a social care unit consists of 1 x Consultant social worker 2 x social workers, 0.5 clinician and 1 x unit co-ordinator) for a period of two years in order to be available from early in the development to support the higher needs present in new communities before the local authority receives any income from the new development to pay for the additional resource. To be made available approximately 1 year after the first occupation with the option for a flexible roll out based on need. Monies must be spent within a 10 year timeframe from release of money. Cost of a social care unit for 1 year is £170,000
	Crime and Disorder Act 1998					
	Children and Families act 2014					

Children's Social Care	Children's Act 2004	Research and evidence from Cambourne shows that new communities are especially prone to social issues brought about by family displacement, isolation, and underdeveloped social infrastructure. Evidence from frontline practitioners operating in Cambourne and Orchard Park stated that mental health problems and domestic violence were prevalent in those new communities compared to existing communities. Ward data for 2012 / 13 shows that projects such as Cambourne, Loves' Farm and Orchard Park quickly develop domestic violence / abuse issues which are reflected in a new cohort of police reported incidents. Without the support of a specialist worker many of the families suffering from social issues are likely to become worse leading to higher cases of mental health problems and domestic abuse which put the community in an extremely vulnerable position	Children's social care provides the County Council's statutory duty to protect children from harm and to provide safe and secure homes for children in care. A social care unit works together to equip families to manager their own lives successfully without social work support and reduce the risk to children and young people and help families reach their potential. An Independent Domestic Violence Advisor work with and support families experiencing or at risk of domestic abuse to reduce harm and risks associated with domestic abuse. Whilst every effort will be in place to support early needs of the new community with preventative support, there will still be a need for children's social care to intervene to ensure the safety of residents in new communities	Contribution towards signposting. Amount dependent on size and location of each development	Contribution towards 50% of an additional social care unit (a social care unit consists of 1 x Consultant social worker 2 x social workers, 0.5 clinician and 1 x unit co-ordinator) for a period of two year in order to be available from early in the development to support the higher needs present in new communities before the local authority receives any income from the new development to pay for the additional resource. To be made available approximately 1 year after the first occupation with the option for a flexible roll out based on need. Monies must be spent within a 10 year timeframe from release of money. Cost of 50% social care unit for 1 year is £85,000	Contribution towards the employment of an Independent Domestic Violence Advisor to support the residents of the new community who are at a higher risk of suffering from domestic abuse. IDVA to begin to be employed one year after occupations begin. The option for flexible roll out of all staff to be retained to reflect levels of need. Monies must be spent within a 10 year timeframe from release of money. Staff to be hired on a short term 2 year contract to roll out as need dictated. Salary is determined by salary banding with addition of 'on costs.' All salaries based on 1 April 2014 pay scale. Estimated cost of 1 FE IDVA at grade MB1 = £43,457.70 per year
	Local Government Act 2000				Kick start funding for setting up or contribution to help expand existing groups and activities provided by a variety of organisations including 3rd sector providers and community groups to target prevention of domestic abuse. The funding will remove any financial barriers that risk activities and events and groups not being set up. Contribution to funding activities and events to support youth and community work over a 2 year period. Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend.	Space in community centre as detailed in level 2 but to be provided in community facilities within the development.
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)



Adult social care (including older people) and carers	Care Act 2014	A major challenge for new communities is an ageing population and the demands this creates for specialist housing, health and social care services, and support to overcome problems of isolation. Older people and people with disabilities and their carers are more vulnerable to suffer from loneliness or isolation. This will be even more magnified in a new community as people will no longer have their existing social networks and may find it more difficult to access basic services. Loneliness and isolation can be a tipping point for referral to adult social care, cause a significant number of attendance at GP surgeries and is associated with higher blood pressure, high levels of depression, and leads to higher rates of mortality comparable to those associated with smoking and alcohol consumption.	CCC has a statutory duty to promote wellbeing when carrying out any of their care and support functions in respect of a person. The wellbeing principle applies in all cases where a local authority is providing non-assessed ‘universal’ services available to the local population as a whole, as well as when carrying out a care and support function, or making a decision in relation to a person. As new developments are becoming more popular with older people and to ensure the most vulnerable people are able to fully participate in the new community, appropriate support and facilities and homes are essential to a new community so older people, people with disabilities and their carers are as independent as possible and not put at risk of loneliness and/or isolation and all the negatives effects associated with isolation.	The development must consider: environment that enables safe pathways and easy access of safe walking e.g textured pavements and easy navigation and landmark placing to help people with dementia and older people	Level 1 provision plus: kick-start funding for setting up and supporting groups and the running of activities for older people and those with physical disability, learning disability and their carers. Kick-start funding for setting up of groups and running activities to be made available at 100 occupations or after one year of development (whichever is sooner) (or similar) with 10 year timeframe for spend. Costs are determined by the number of estimated client multiplied by the cost of renting a room in a community facility (based on rates in Cambourne)	Level 2 provision and specialist housing as detailed below
	Older People Strategy					
	Cambridgeshire health and Wellbeing Strategy 2012-2017					
	Transforming Lives Strategy					
	Children and Families Act 2014					
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)



Housing	Care Act 2014	<p>Housing is a major factor in determining health and wellbeing, especially those who are more vulnerable. Supported housing in some form may be required for a range of client groups such as: families fleeing domestic violence, older people, teenage parents, young people leaving care, the physically disabled, and those with mental health needs. Supported housing does not necessarily require specialist housing as some groups can be supported through access to general needs housing in the right location but others may require specialist homes such as cluster flats so people with similar needs can live independently but also access and facilitate mutual support and friendship from people with similar needs. Without appropriate housing some people may struggle to maintain independence and decrease their quality of life.</p>	<p>Although the statutory housing function in Cambridgeshire sits with the District and City Councils, CCC have an interest in ensuring there is quality housing provision for all people to enable people to have the capacity to live as independently as possible in their accommodation. New communities present the ideal opportunity to not only enable everyone to live in high quality, well designed homes but to also ensure the development of a mixed community that addresses all types of housing needs and the needs of different groups of people</p>	<p>An appropriate proportion of homes, should be accessible and or adaptable to meet differing needs as detailed in the relevant local plans (most frequently set to the Lifetime Homes standard)</p>	<p>Provision to be determined by the work of the specialist housing needs for people under 65 task and finish group and project to determine specialist housing for older people</p>
	CCC Transforming Lives Strategy				
	Cambridgeshire Health and Wellbeing Strategy 2012-2017				
	Delivering the Strategy for Extra Care Sheltered Housing in Cambridgeshire 2011				
	CCC action plan developed in response to the Ofsted inspection findings				

				Level of Provision to Support the Need Created by the New Community		
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Community Development	Care Act 2014	<p>Much of the research into New Towns or New Communities have established a clear link between poor mental health and antisocial behaviours with a lack of community cohesion. Practitioners working in the new community of Cambourne cite the lack of social infrastructure and support for the development of the community as a major contributing factor for mental distress and increasing the risk for those who might be vulnerable to the</p>	<p>Communities that are more connected and resilient need fewer public services, create good places to live and improve outcomes. Community development is very important for new communities because cohesive communities with strong social capital tend to overall have greater wellbeing, lower crime and little antisocial behaviour. Specialist workers will be required to support some members of the new community but community</p>	<p>Contribution towards universal activities, events and groups. Contribution to be determined in consultation with district/city council</p>	<p>Level 1 provision plus the employment of a part time community development worker. The option for flexible roll out of all staff to be retained to reflect levels of need with option to be employed prior to first occupation. Funding requested for 2 years of employment. Monies must be spent within a 10 year timeframe from release of money. Cost based on salary banding grade S02 approximate cost based on pay scale 1 April 2014 = £37,500 per 1FTE worker per year</p>	<p>Level 2 provision plus employment of a full time community development worker. The option for flexible roll out of all staff to be retained to reflect levels of need. Funding requested for 2 years of employment. Monies must be spent within a 10 year timeframe from release of money. Cost based on salary</p>
	CCC Transforming Lives Strategy			<p>Environment that promotes positive mental health – adequate room sizes, open green space, promotion of active transport, information meeting space. An environment that enables safe pathways and easy access to safe walking or cycling areas for families, children and adults</p>		
	Crime and Disorder Act 1998					

	<p>Cambridgeshire Health and Wellbeing Strategy 2012-2017</p> <p>Draft Community resilience strategy</p>	<p>stresses and strains of daily life e.g. young people, families with limited parenting skills and new parents. Without support to develop the community, social capital will struggle to form and many people will remain isolated.</p>	<p>the new community but community development workers will support the whole community to be more cohesive working alongside the specialist who can help those who are finding it more difficult to adjust to the new community</p>	<p>Ensure access to existing meeting places and informal meeting places (such as cafes) is available to the new community and/or access to temporary community space for groups to meet and for information sharing, advice and signposting to be provided by the developer</p>	<p>Ensure access to existing meeting places and informal meeting places (such as cafes) is available to the new community, if not provided within 2km new permanent provision should be made available on site to encourage social inclusion</p>	<p>banding grade S02 approximate cost based on pay scale 1 April 2014 = £37,500 per worker per year.</p>
--	--	---	--	---	--	--

Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Library	Public Libraries and Museum Act 1964	<p>New communities create a rise in population and a number of social challenges outlined by other services in this document. As a universal service, libraries play a key role in building social capital and providing access to information, IT and reading for an individual's health and well-being. Through activities and targeted events, often working in partnership, the library will attract families, children, students, older people, vulnerable and disabled people, and those wishing to seek employment or build their skills. Anecdotal evidence has shown that interim or mobile libraries have</p>	<p>Library Services are at the heart of preventative and early support offer for resilient communities, helping to keep people healthy, employed, connected and less reliant on other, more intensive and expensive forms of support. Library services in new communities will continue to fulfil their core purpose (a comprehensive and efficient library service for all who wish to make use of it) and be a key enabler and catalyst for greater equality and social cohesion in communities, narrowing the gap of deprivation and promoting mutual understanding and tolerance; supporting self- help, individual and community resilience, learning and development throughout people's lives; and enabling healthier, happier and more prosperous communities. Libraries offer help</p>	Detail provided in Developer Contributions for Library Service provision: Current Service Levels		
	A Standard Charge Approach, 2010 (MLA / ACE)			<p>&lt;4000 population from the new development will require either:</p> <ul style="list-style-type: none"> <li>Enhanced mobile library provision: £28.92 per head of population increase</li> <li>Enhanced static library provision (resources and fit out) with no physical changes to existing building: £42.12 per head of population increase</li> <li>Enhanced static library provision (resources and fit out) also requiring internal modifications to existing building: £60.02 per head of population increase</li> </ul>	<p>4000-7000 and 7000-14,000 population from the new development will require either:</p> <ul style="list-style-type: none"> <li>Enhanced static library provision (resources and fit out) with no physical changes to existing building: £42.12 per head of population increase</li> <li>Enhanced static library provision (resources and fit out) also requiring internal modifications to existing building: £60.02 per head of population increase</li> <li>Enhanced static library provision (resources and fit out) requiring extension to existing building: £97 per head of population increase</li> <li>New static library provision: £97 per head of population increase</li> </ul>	<p>If there is no existing level 3 or 4 library in the community, a population of 14,000 or more from the development will require either:</p> <ul style="list-style-type: none"> <li>Enhanced static library provision (resources and fit out) requiring extension to existing building: £97 per head of population increase</li> <li>New static library provision: £97 per head of population increase</li> </ul>
	Independent Library Report for England, DCMS 2014					

	CCC Service Levels Policy, 2011	been warmly welcomed by new communities and many of the libraries on new developments in Cambridgeshire are among the busiest and fastest growing in the County.	and support to those who need it, connect groups and people with a range of service providers, promote free access to information, reading and IT, and provide safe, neutral and trusted places for all in the community. With a shift from passive providers to community facilitators, public libraries will enrich new communities and promote sustainability	Contribution level will be determined by whether the new development is within (or an extension of) an existing population that has existing access a mobile, is within the catchment/ 2 miles from a nearby static library	Contribution level will be determined by whether the new development is within (or an extension of) an existing population that has access to an existing mobile, is within the catchment/ 2 miles from a nearby static library and dependent on the size of the existing library	Contribution level will be determined by whether the new development is within (or an extension of) an existing population that has access to an existing static library and the size of the existing library
	Developing our approach for the future: Library Services in Cambridgeshire Strategy, Jan 2015			Contributions towards library service provision are based on the principles that: additional resources and facilities (books, public access computers and the furniture, fittings and equipment to house them) will be necessary on a one-off basis in all cases to meet the information, learning and reading needs of the new residents, because current levels of provision are linked to existing population levels and demographics of the catchment areas. Beyond that, the modification or extension of existing accommodation or the provision of new accommodation needed to make those additional resources and facilities available will be determined by the positioning and scale of the new housing developments in relation to the size / physical capacity and the location of existing library accommodation		
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Access to Services and support	Cambridgeshire Health and Wellbeing Strategy 2012-2017	All people require access to service and support within their local community. Service and support include universal services (such as libraries, schools and GP), community groups (such as local sport teams and activity groups) and more specialist services (such as social care and mental health support). Services and support are provided by a variety of organisations including the public sector, voluntary organisations and the community itself. New communities often do not have existing accessible services or support in place due to lack of suitable facilities	To aid efficient, integrated services delivery that people want: access to services and support within the new community is essential. This includes all universal services as well as more specialist and voluntary support. The community must also be able to access suitable space and provision to enable them to support one another. This will require appropriate space and funding to kick start groups and activities. CCC aim to influence the design of community facilities to ensure all members of the community are able to access services and support. CCC also have a role to ensure adequate information sharing and signposting so	Additional revenue funding may be required for additional staff or kick start funding for groups and activities as detailed in individual key areas provision.	Expand/improve existing community and/or public buildings to enable the delivery of public, voluntary and community services, support and activities, information sharing and provide formal and informal meeting space to the new community. The principle of co-location of services will remain key and may require adaptations to the existing buildings and/or extensions in order to enable the full delivery of services, support and activities provided by public services, voluntary services and the community itself. Cost is unknown and it will depend on size and type of building.	Development of new building(s) to deliver all public, voluntary and community services, support and activities, and information sharing ideally in the form of a community hub. The community hub will provide a single access point for all public services and ideally some commercial
	Emotional wellbeing and Mental Health Strategy for children and young people 2014-2016 (CCC, PCC and CCG)					
	CCC Transforming Lives Strategy					
	Draft Community Resilience Strategy					

	<p>Cambridgeshire Public Sector Asset Management Strategy 2011-2021</p> <p>Children and Families Act 2014</p> <p>Library Services in Cambridgeshire: Developing our Approach for the Future</p> <p>Public Mental Health Strategy 2015-18</p>	<p>in place due to lack of suitable facilities and/or provision within the community to enable their delivery. If some services and support are available in an established community near to the new community they are often not prepared to deliver to the community. Without adequate service, support and facilities, social capital is difficult to form, residents are more vulnerable to isolation and in some cases unable to maintain independence.</p>	<p>information sharing and signposting so the new community has the information necessary to support themselves and, where necessary, know where to seek further support. Residents must be able to access necessary services and support in a timely way within their local community. This will require all public sector organisations, the voluntary and community sector to work together more effectively to ensure improved access to the best services available.</p>	<p>Ensure access to existing meeting places and informal meeting places (such as cafes) is available to the new community and/or access to temporary community space provided by the developer for some service delivery, groups to meet and for information sharing, advice and signposting.</p>	<p>Additional revenue funding for additional staff or kick start funding for groups and activities as detailed in individual key areas provision</p>	<p>service to aid viability. Buildings will be designed flexibly to be able to adapt to future changes. Cost is unknown and will depend on the size of the new development</p>
Support for New Communities	Duties	What Need Would be Generated by the New Community	What this Support will Bring to the New Community	Level of Provision to Support the Need Created by the New Community		
				Incorporate into existing provision (level 1)	Extension of existing provision (level 2)	Full provision (level 3)
Public Health services	Health and Social Care Act (2012)	<p>Public health services from childhood through to old age have a preventive role, reducing the development of disease and disability and enabling people to remain healthy and independent. Creating a new community where all residents are physically and mentally well is essential for a sustainable community. To achieve this, residents must have access to information, preventative and early intervention to support their wellbeing as well as access to traditional health services (GP and hospitals etc)</p>	<p>Key services that will be required in a new community include: Child Health Improvement, Drug and Alcohol Treatment, Integrated Lifestyle Service, Adult Health Improvement and Sexual Health and Contraception Service</p> <p>This support will ensure that residents of new communities have access to preventive services which benefit both physical and mental health.</p>	<p>Details have not previously been included in County Council documents due to the services being previously provided by the NHS and some services which are still provided by the NHS but are due to be commissioned by CCC Public Health from October 2015. PH are in the process of refining models and developing commissioning strategy, therefore, further detailed provision will to be determined by PH once this has been completed.</p>		
	Cambridgeshire Health and Wellbeing Strategy 2012-17			<p>Ensure access to existing services in appropriate spaces is available such as space in GP surgery, schools (primary and secondary), community facilities (such as community centre/hub etc) bespoke clinics/rooms that meet clinical standards for services such as sexual health including confidential space.</p>	<p>Level 1 provision plus short term funding to expand service delivery to meet demands of new community. Service to include Child Health Improvement, Drug and Alcohol Treatment for all, Integrated Lifestyle Services, Adult Health Improvement and Sexual Health and Contraception services. The funding will remove any financial barriers that risk services not being available to the new community. Contribution to funding service delivery over a two year period.</p>	<p>Short term funding to meet service demand. Staff to be hired on a short term two year contract to roll out as need dictated. The options for flexible roll out of staff to be retained to reflect levels of need. Costs and Trigger to be determined with 10 year timeframe for spend.</p>

Service Areas									
Calculating need			level 1		level 2			level 3	
Category	formula	constants	range	provision	range	provision	range	provision	
Education / Schools	Early Years	(no of houses in development/100 ) *22 (average no of places)	Calculate additional demand for pupil places for early years: 18-25 children per 100 dwellings.	Contribution as per calculation					
	Primary	(no of houses in development/100 ) *30 (average no of places)	Calculate additional demand for pupil places for primary schools: 25-35 children per 100 dwellings.	Contribution as per calculation					
	Secondary	(no of houses in development/100 ) *22 (average no of places)	Calculate additional demand for pupil places for secondary school: 18-25 children per 100 dwellings.	Contribution as per calculation					
	SEND	Estimated population of 0-19 year olds in development/100 * 1	1% of children from new larger developments will require special school placement	Contribution as per calculation					
Mental Health Prevention	5 to 16 age group	Estimated population with mental health difficulties = 10% of estimated population	Estimate 10% of 5-16 population suffer from diagnosable mental health disorder (CCC/NHS Emotional Wellbeing and Mental Health Strategy for Children and Young People 2014-2016)						
	18 to 64 age group	Estimated population with mental health difficulties = 16% of estimated population	Estimate 16% of the adult population in Cambridgeshire will have a common mental disorder (pansi.org)						
	Specialist Community workers	Number of SCW = total estimated population with mental health difficulties / 800	One full time SCW per 800 residents estimated to have mental health difficulties	< 100 pop with need	no provision	100 - 800 pop with need	funding to provide specialist training to community development workers. (amount to be negotiated)	>800 pop with need	3 year funding to provided Specialist Community Worker (1:800, approx. £113k pa)
	Preventative activities	Contribution= total estimated population with mental health difficulties x £5.10	£5.10 per resident estimated to have mental health difficulties	< 100 pop with need	contribution as per calculation for signposting	100 - 400 pop with need	contribution as per calculation	>400 pop with need	contribution as per calculation
	Counselling services for children and young people (Tier 2)	0.8% 0-19population multiplied by 200	0.8% of 12-24 year old the population access counselling services commissioned by Public Health at £200 per client (CCC Public Health)	Contribution as per calculation					
Family Services (Prevention)	0 to 19 age group	Estimated cases = (0-19 population in development / 100 x % in locality) - spare capacity in locality	Percentage of 0-19 population in locality accessing locality team services (% in locality) (CFA metrics)						
	Locality workers / case workers	Caseworkers = estimated cases / 20	Locality worker caseload 20 cases	< 15 Cases	no provision	15 - 60 Cases	Contribution to Locality workers Family workers in keeping with the calculation	> 60	Additional Locality workers with additional investment in youth work
	Kick-start funding (0-19)	Funding = Estimated 0-19 population x £5.10	£5.10 represents an estimated cost per head of providing activities	< 200	no provision	> 200	funding provided in keeping with formula		
	0 to 5 age group (Children's Centres)	(estimated population of 0 to 5/800) - spare capacity in neighbouring CC)	Capacity of a children's centre aim to have a reach of 800 0-5 yr olds	<0.5	additional resource to be added to neighbouring children's centres to build capacity	0.5 to 1	space to be provided in community facility in central location for out reach activities from neighbouring centre. Contribution to equipment, activities and additional staff	>1	permanent space in community facility (shared access out of hours). Additional staff required. Contribution to equipment and activities



Children's social care	Social work	Estimated cases = (population of development / 100 x % of cases in locality) - spare capacity in Social care unit	percentage of 0-19 population in locality accessing Children's social care (% in locality)	< 20 cases	no provision	20 - 80 cases	50% contribution to a social care unit (approximately £85k pa)	> 80 cases	100% contribution to a Social care unit (1:80 cases, approx. £170k per year))
	Domestic Abuse	Prevalence of domestic abuse = (population in development / 100 x 5 (male) or 7 (female)) - spare capacity in IDVA team	Estimates suggest that 5% of the adult male population and 7% of the adult female population becomes victims of DA (Cambridgeshire Domestic Violence/abuse needs assessment 2014)	> 40 cases	contribution towards signposting (amount to be negotiated)	> 40 - 70 cases	contribution towards preventative activities and events (£5.10 per case)	> 70	Contribution towards IDVA worker (1:70 cases, £43K pa)
	Specialist housing requirements	To be determined based on local need	To be determined by project investigating housing needs of care leavers and victims of domestic abuse						
Older people	Older people	Estimated population over 60 = (population/100)x 10	Estimate 10% of the development population will be over 60 (CCC New Housing Development Survey)						
	Specialist housing requirements	To be determined based on local need	To be determined by project investigating housing needs of older people						
	Supporting activities	Kick-start funding for Older People's supporting activities = £5.10 x estimate population over 65	£5.10 per resident over 65	Contribution as per calculation					
	Lifetime homes	As detailed in relevant local plan	As detailed in relevant local plan						
Adult Social care	learning disability	Estimated population with learning disability = (estimated population of development /100) x 2	Estimate 2% of the adult population in Cambridgeshire will have a learning disability (2015 pansi.org and poppi.org)						
	Physical Disability	Estimated population with physical disability = (estimated population of development /100) x 10	Estimate 10% of the working age population in Cambridgeshire will have a physical disability (2015 pansi.org)						
	Support for carers	number of carers = (estimated population of development/ 100)x10	10% of population in Cambridgeshire are carers (2011 Census)						
	Specialist housing requirements	To be determined based on local need	To be determined by the work of the Specialist Housing Needs Task and Finish Group.						
	Supporting activities	Kick-start funding for Adult social care supporting activities = £5.10 x (number of carers + number with learning disability + number with physical disability)	£5.10 per resident with learning or physical disabilities and their carers	Contribution as per calculation					
Community Development	Early Help	Homes in the development /3000 = 1 fte	3000 homes (approx. 8,000 population) requires 1 fte. 1fte - £38k pa	< 1,000 homes	contribution to universal activities	1000-3000 homes	contribution for part time community development worker (TBA)	>3000 homes	contribution to community development worker as per calculation
Library	Library provision (includes resource and fit out)	Homes in the development	Library provision will depend on number of home in development and existing provision in the area	<4000	Improvement to mobile/existing static library	4000-14000	Improvement to existing mobile/static library or new level 1 or 2 library	>14,000	Improvement to existing library or new level 2, 3 or 4 library

Public health services	School nursing	Determined by number of secondary schools in development	School nursing: one school nurse per secondary school + feeder primaries	Contribution dependent of secondary school					
	Health visiting	Estimated number of 0-5 / 150	1 HV per 150 0-5s in the population	<50	no provision	50-150	contribution for part time Health Visitor	150+	Contribution to Health Visitor as per calculation
	Vision Screening	Determined by number of primary schools in development	All Reception year children	Contribution dependent on primary school					
	Child Measurement Programme	Determined by number of primary schools in development	Reception and Year 6 children	Contribution dependent on primary school					
	Health Trainers	Homes in the development /3000 = 1 fte	3000 homes (approx. 8,000 population) requires 1 fte.	< 1,000 homes	contribution to training	1000-3000 homes	contribution for part time Health Trainer	>3000 homes	contribution to Health Trainer as per calculation
	Health Trainers older people	Estimated Older Population/600 = number of health trainers required	3 Trainers per 600 (1 per 200) 50+ year olds	Only applicable if specialised older people accommodation to be provided in the development					

**Matrix of Requirement (calculations):**
*Name of site*
**Date:**

	(Constant)	Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Number of houses						
% affordable						
number of affordable		0	0	0	0	
Estimated population	2.50	0	0	0	0	
Of which 0-5	0.50	0	0	0	0	
Of which 0-19	1.00	0	0	0	0	
Of which over 19	1.5	0	0	0	0	
Of which over 64	0.25	0	0	0	0	

Education/Schools		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Estimated additional demand on early years places	22	0	0	0	0	
Estimated additional demand on primary school places	30	0	0	0	0	
Estimated additional demand on Secondary school places	22	0	0	0	0	
Estimated additional demand on Special school places	1	0	0	0	0	
Estimated additional demand on post-16 provision						

Mental Health		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Estimated 5to16 population with mental health difficulties	10	0	0	0	0	
Estimated 18to64 population with mental health difficulties	16	0	0	0	0	
Estimated total population with mental health difficulties		0	0	0	0	level 1
Required specialist community workers	800	0	0	0	0	
Mental Health kick-start funding	5	£0	£0	£0	£0	
Counselling services for children and young people	0.80	£0	£0	£0	£0	

**Locality team (incl children centre)**

		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
% of 0-19 in locality with an open involvement	2					
Estimated 0-19 population with an open case		0	0	0	0	level 1
Number of staff required	20	0.00	0.00	0.00	0.00	
LT Kick-start funding	5	£0	£0	£0	£0	
Children centres	800	0.0	0.0	0.0	0.0	level 1

Children's Social Care and Domestic Abuse		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
% of 0-19 in locality with an open social care case	1	0	0	0	0	level 1
Estimated % population in locality suffering from the crime of domestic abuse	5	0	0	0	0	
	7	0	0	0	0	level 1
Independent Domestic Abuse Adviser	70	0	0	0	0	Number of workers
Social Care Unit	80	0	0	0	0	Number of units
DA kick start funding	5	£0	£0	£0	£0	

Older people		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
% of adaptable/accessible homes						
OPS kick-start funding	5	£0	£0	£0	£0	

Adult social care		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Estimated population with learning disability	2	0	0	0	0	
Estimated population with physical disability	10	0	0	0	0	
Estimated number of carers	10	0	0	0	0	
ASC kick-start funding	5	£0	£0	£0	£0	

Community Development		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Community Development		0	0	0	0	level 1
Number of staff required	3000	0.0	0.0	0.0	0.0	



Library		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Contribution for library service provision	No of homes	0	0	0	0	level 1

Public health services		Phase 1	Phase 2	Phase 3	Total	Anticipated requirement
Number of Health Visitors	150	0.00	0.00	0.00	0.00	
Number of Health Trainers	3000	0.0	0.0	0.0	0.0	
Number of Older People Health Trainers (only applicable if specialised older people accommodation on site)	200	0.00	0.00	0.00	0.00	

Cost Summary	Ave Salary /cost	Phase 1	Phase 2	Phase 3	Total
Total kickstart funding		£0	£0	£0	£0
MH training/staff (depending on level) (3 yrs)	£37,500	£0	£0	£0	£0
MH Counselling Services CYP		£0	£0	£0	£0
Locality staff (2 yrs)	£34,750	£0	£0	£0	£0
Children centre staff (2 yrs)	£22,097	£0	£0	£0	£0
Children centre equipment/activities	£20,000	£0	£0	£0	£0
IDVA (2yrs)	£86,914	£0	£0	£0	£0
Social care unit (2 yrs) if Level 3 (100%)	£170,000	£0	£0	£0	£0
Social care unit (2 yrs) if Level 2 (50%)	£85,000	£0	£0	£0	£0
Community Development Worker (2 yrs)	£37,500	£0	£0	£0	£0
Library Provision	TBC				
PH Health visitors	£37,500	£0	£0	£0	£0
PH Health Trainers	£22,097	£0	£0	£0	£0
PH older people health trainers	£22,097	£0	£0	£0	£0
<b>total</b>	<b>£493,761</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>



## Appendix 7: Approach to the funding challenge

### Overview

This paper sets out the challenges and financial impact of new communities for CCC people centred support services and provides funding options to meet these challenges.

The recommendation is that CCC focus on forward investment in preventative services across new communities in the initial years of the development to avoid high demand on high cost services and help bring about a successful new community from the very beginning of the development.

### 1.0 Introduction

Growth brings huge benefits to the county and is a core element of our vision for Cambridgeshire. The scale of development planned is considerable, within the next three years construction will be underway on five major sites and a number of smaller but significant developments. In the long run growth pays for itself: more people and more businesses mean higher tax revenue and higher grant funding.

However, there have been some challenges in the initial years of developments where the needs of the residents of the new community are higher compared to their established neighbours. Although these needs reduce to expected levels as the community develops, the challenges of the early years place considerable pressure of CCC services.

For the purpose of this paper a new community is defined as development of more than 1,000 homes. The paper also focusses on the demand placed on children and family services, as it is felt that this is the largest impact area created by new communities. It is however acknowledged that new communities incur costs on other people related support services provided by CCC.

### 2.0 The Potential Cost of New Communities

#### 2.1 Income Generated by New Communities

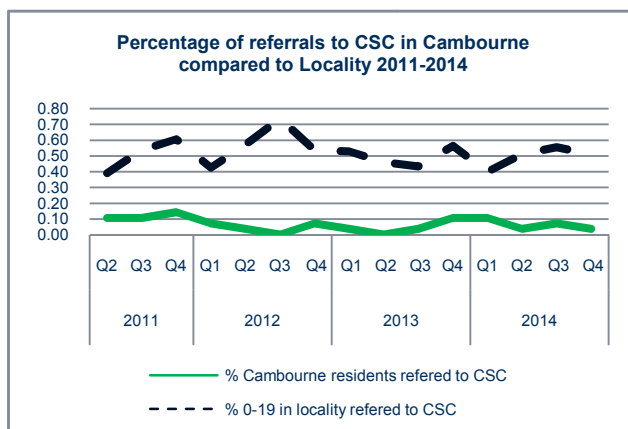
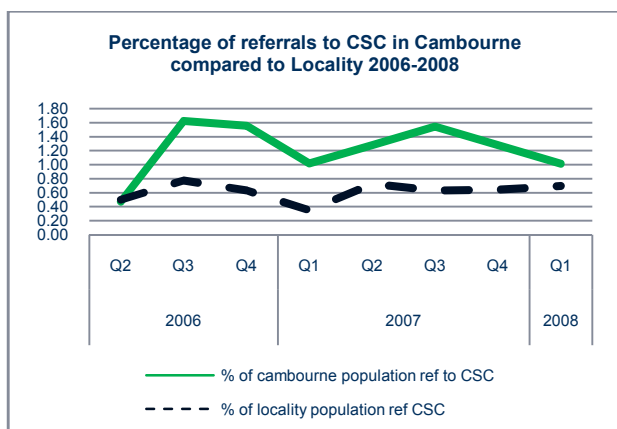
In the initial years of a development, revenue provided by taxes does not provide enough income to meet the needs of the new community. Council tax alone from the new community does not meet the cost of the community - nor does Revenue Support Grants from Central Government as these are frozen at 2012-13 levels. Therefore any increases in population do not bring additional income. Furthermore, as businesses are very unlikely to move into the new communities until there is a viable market, additional income gleaned from business rates is likely to be minimal.

Some additional funding is provided by Central Government in the form of the New Homes Bonus to incentives and support the growth agenda, however this funding is predominately directed to the lower tier authority whom receive 80% of the total contribution leaving the upper tier authority with 20%. This provides very little additional income to the County Council who still have a significant amount of responsibilities for growth including the delivery of many high cost services such as adult and children's social care, infrastructure and strategic planning. Furthermore, with funding from S106 and CIL becoming increasingly difficult to acquire, the County Council has to meet the costs of growth in the initial years of the development alongside a reduction in the overall CCC budget of 40%.

#### 2.2 Predicting the scale of the demand on services

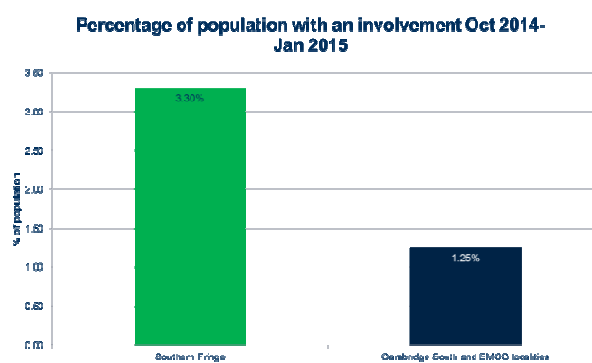
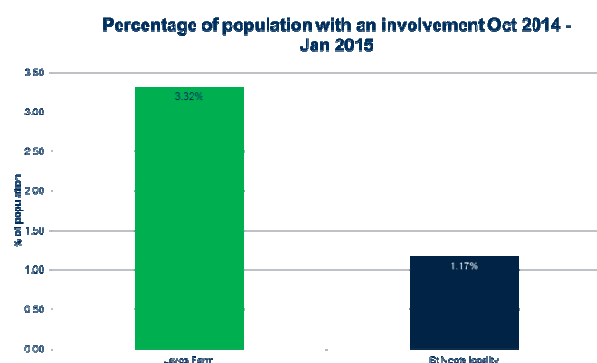
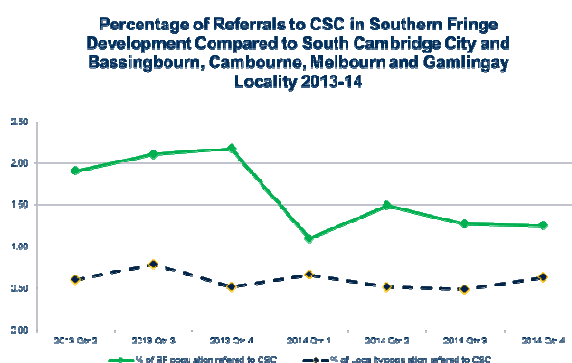
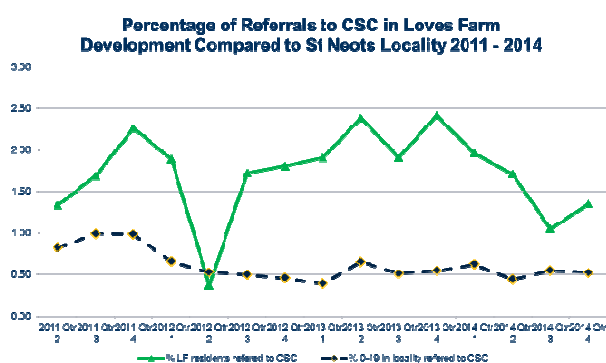
In the initial years of the development of Cambourne many professionals reported a high rate of social needs; this is reflected in the higher level of children's social care referrals compared to the rest of the locality. However, this did not last, by 2011 social care referrals were actually lower than the surrounding locality indicating that these high needs will reduce as the community become more established.

**Figure 1: Percentage of referrals to Children's Social Care in Cambourne compared to locality they are part of.**



Many lessons learnt from the experience of Cambourne have been applied to new communities; however, frontline practitioners have again been reporting social issues within the new communities of Southern Fringe and Loves Farm. To model the demand we can anticipate from new communities we have analysed patterns of referral from these recent growth sites. Research has found that both Loves Farm and Southern Fringe developments had over double the expected numbers of children's social care referrals and locality involvements compared to the locality in which they were based. However, this is not the same for adults and older people services which have a lower number of service users within the new developments compared to the county average.

**Figure 2: Percentage of referrals to Children's Social Care and Involvements with Locality Teams in Loves Farm and Southern Fringe compared to the locality they are part of.**



These data sets show a pattern of significantly higher referral rates from new communities compared to more established ones. Unless new approaches are taken to support the new communities in the initial years of the development it can be expected that this trend will continue and therefore CCC will have to meet the demands of around double the social care referral rates in the initial years of all the new communities proposed for development over the next 30 years. This will lead to significant costs to CCC until the new communities become more established and need organically decreases. Early estimates

suggest the increased need across the growth sites could cost £5.4 million per year between now and 2020. As more sites come on line post 2020 we can expect to see this number only increase.

## 2.3 The origin of need

Further research was undertaken to better understand whether the need seen in Loves Farm and Southern Fringe is due to already high-need families moving into the area or whether the demand is from families who were previously not known to Cambridgeshire services. To do this we looked at whether the families living in Southern Fringe and Loves Farm whom were referred to children's social care between 2011 until end of 2014 were known to any CCC children's services prior to moving to the new community.

The research discovered that 56% of children in Loves Farm and 80% of children in Southern Fringe were unknown to CCC children's services prior to moving to the new community. This research concludes that although families already known to children's services are moving to new communities, these families do not account for most of the increased number of referrals in the new communities.

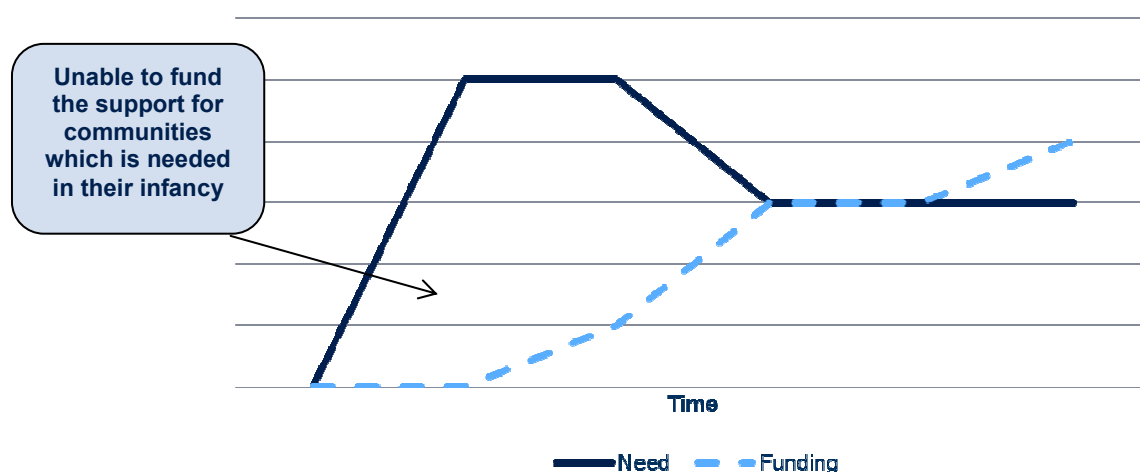
## 2.4 Preventing demand in the initial years

Targeted early intervention in new communities, focused on the strengths of the communities, from early in the developments can save CCC money and support the new community to form into a sustainable new community more quickly than we have seen in the past. If referral rates and involvements can be brought in line with the average for the wider locality CCC will be saved from the increased pressure. However, more focused work with the community that can respond to changes in need as the new community develops will reduce levels to below the locality, as we can now see in Cambourne. New communities are at an advantage because optimal solutions can be designed and implemented in the new communities as they are not constrained by the existing, and sometimes restrictive, mechanisms present in established communities. In a sense they represent a blank canvas for service design.

As part of the Supporting New Communities Strategy a framework of requirements (appendix 6) has been devised to help identify and cost the level of support dependant on the scale and location of a particular site. Although the framework is not able to conclude exactly what each new community will require, it provides an outline that can help guide the type and level required. Applying this model based on current build out rates it is estimated to cost an average of £2.7 million per year between now and 2020, with further savings expected post 2020 as the communities develops without high needs.

Implementing support early in the development will provide the people centred support required to assist the creation of a socially sustainable new community from the beginning of the development rather than having to wait a number of years for it to organically emerge, therefore avoiding the period of high need. Additional funding will be required to clog the current funding gap and bring about this necessary support to the new communities.

**Figure 3 Illustration of funding gap in new communities**



### **3.0 Funding Options**

Communities that are more connected and resilient need fewer public services, create good places to live and improve outcomes. Focused preventative intervention working closely with the voluntary and community sector and networks of support, so that community work is embedded within all services, will save money as needs are addressed early and prevented from escalating. However, with ever reducing budgets securing funds is an increasing challenge. It is important to note that as Cambridgeshire is one of the fastest growing counties in the country - if we do not invest early CCC will still have to pay for these new developments just later and at a higher cost. This section investigates the funding options available to deploy resources for new communities.

#### **3.1 Growth Funding**

Demography funding is an internal mechanism used by CCC to set aside funding for the mitigation of specific pressures. This could provide an opportunity to ring-fence funding to new communities and intensive growth sites. Historically, demography bids have focused on providing additional resource to services experiencing an upward trend in spend either due to population growth or unrelated increased demands on services. Resources are allocated across a service rather than a geographical area. A similar but alternative approach to demography bids could be explored where additional resources are targeted to locations where pressures are anticipated and distributed across services.

For this approach to provide a significant impact, it would need to be accompanied with a form of protection to avoid the additional resource being absorbed by services as part of savings or being used to fund demand-led, high cost services rather than preventative activity.

If this approach is chosen, additional work will be required to develop a dedicated model of the specific demographic cost of new communities (rather than just a simple population calculation) and further identify which services have the greatest impact on reducing long term spend in growth in order to prioritise spend appropriately and maximise savings.

#### **3.2 Developer funding**

##### **3.2.1 Section 106 (S106) funding**

In the past a reliance was placed on developer funding to support the local authority to facilitate and mitigate the impact of a development by providing land and/or funding for new facilities and services via a section 106 agreement. Only recently, as clearer evidence regarding the impact of new communities on supportive services has emerged, has CCC begun to explore the ability to use developer funding to support service delivery as traditionally this funding has been limited to large capital infrastructure requests. This approach has had mixed reaction from developers and planning authorities; as the evidence base develops and understanding within planning authorities grows, a precedent may be set for a contribution to be made to the relatively small amounts required to support the residents of a new community in the first years of the development.

However this approach should be taken with caution as changes to the planning legislation and the ongoing compromise between delivery of housing and site viability, developer contributions through S106 is unlikely to provide sufficient funding to fully mitigate the impact to meet the full cost of supporting a new community. CCC will continue to negotiate a contribution from developers in order to mitigate the impact, but it is very unlikely this will be able to be the complete solution to addressing the funding gap.

##### **3.2.2 Community Infrastructure levy (CIL)**

CIL is a per square metre charge on new development administered by lower tier or unitary planning authorities, it partially replaces the S106 system. A local council must use CIL receipts passed to it to support the development of the local council's area by providing funding to help mitigate the impact on the new development. CCC can seek CIL funding by successfully including it on the on the 123 infrastructure list. The Planning Authority decides, in consultation with the CCC, what infrastructure is included on the 123 list.

Items on the 123 list tend to be large infrastructure schemes such as road improvements or public buildings and there is currently no way for people related support to be included in this list. However, the charging authority must pass 15-25% of the CIL receipts to the Parish /Town Council. This presents an opportunity for CCC to work with parish and town councils in order to influence how this funding is allocated. At a local level the wellbeing of residents will receive greater priority and can be responsive to the needs of the community as it forms.

### **3.3 New Homes Bonus**

CCC receives funding from Central Government to mitigate the impact on services from growth sites in the form of New Homes Bonus (NHB). Central government matches the additional council tax raised by each new house built for six years after that house is built. In addition the building of an Affordable Home receives a flat rate enhancement of £350 per annum. However, the NHB is distributed between the lower and higher tier authorities with only 20% of the funds going to the County Council. To place this in context CCC is expecting to receive £4.2m in NHB in 2015-16, the district councils will receive £16.8m.

Currently, NHB funding received by CCC is not ringfenced, so is added to overall corporate funding that is distributed to services rather than being specially steered towards new communities or growth areas. An alternative approach could be to ringfence the funding to create a specific budget for supporting new communities, with a view that this funding could lead to savings in the long-term by investing it into preventing needs escalating as the new community develops.

### **3.4 External funding sources**

Through effective partnership working CCC could look to attracting external investment for supporting new communities, this could include:

- Private investment (local philanthropy)
- Grants for project work (Big lottery, European funding via LEP)

There are limitations in this approach namely that there is no way to guarantee that CCC will gain sufficient grants to pay for necessary support to the new communities. In addition, CCC is limited in the number of applications it can make for external funding as some of the opportunities are not open to local authorities. To achieve this funding CCC will sometimes have to rely on partners to acquire funds which will result in greater co-ordinated work but may also mean that CCC have little to no control over the distribution of funding.

### **3.5 Co-ordinating resources**

Partnership working is key to effectively supporting new communities. Working together with other statutory and non-statutory partners in a co-ordinated way presents the opportunity not only to pool financial resources but to combine all assets including facilities and expertise.

This approach will ensure a co-ordinated response from all agencies and avoid any duplication of provision. However, this is very difficult to achieve, particularly as many budgets are limited and the understanding of the pressures created by new communities is still not fully understood across partner organisations.

### **3.6 Social Impact Bonds (SIB)**

Social Impact Bonds provide an opportunity to attract investors to fund early and preventative action to achieve the outcomes detailed in the Strategy for Supporting New Communities. SIB are designed to help reform service delivery and improve social outcomes by making funding conditional on achieving results. Payment is based on what the project or service has achieved, not the processes or work that has been done.

With payment based on results rather than process there is more room for innovation and greater freedom to demonstrate solutions that work. Finding an investor to support the social development of new communities has many benefits for the Council, namely that CCC will not have to pay upfront but pays

when outcomes are achieved; it also provides the opportunity for local charities and social enterprises to take more of a leading role in the community rather than the public sector. However, it is impossible to guarantee that a suitable investor would be found.

### **3.7 Place based Budgets**

Place based budgets allocate funding to specific geographical locations rather than specific services. This would allow each new community to have its own budget which can be tailored to the specific needs of the new community rather than just replicating existing services.

The principle of devolving budgets to allow for local area to have greater control and the ability to flex spend according to need has many benefits. However, the nature of new communities could emphasise the risks of this approach. With high densities of affordable housing the risk of one or more high need families moving into the area could effectively wipe the new communities' budget removing the ability to focus on early intervention and prevention exacerbating the financial pressure new communities create.

### **4.0 Recommendation and Next Steps**

The recommendation is that CCC focus on forward investment in preventative services across new communities in the initial years of the development to avoid high demand on high cost services and help bring about a successful new community from the very beginning of the development.

If the committee agree, we will further develop proposals, worked up corporately and based on a combination of the funding options detailed in this paper, to provide a model of support that will support delivery of the principles with the Supporting New Communities Strategy to achieve a sustainable system which does not result in an over reliance on public services but expedites the development of the new community to be self-reliant and make best use of resource. This will be developed alongside Business Planning proposals for the Council over the next five years.



**LESS THAN BEST CONSIDERATION DISPOSAL – CROMWELL MUSEUM  
BUILDING, HUNTINGDON**

*To:* **General Purposes Committee**

*Meeting Date:* **15 September 2015**

*From:* **Director of Finance**

*Electoral division(s):* **Huntingdon**

*Forward Plan ref:* **2015\042** *Key decision:* **Yes**

*Purpose:* **Consideration of options for dealing with the Cromwell Museum in Huntingdon following its closure in the 2016/17 financial year.**

*Recommendation:* **The Committee is asked to approve a transfer of the freehold of the Cromwell Museum building to Huntingdon Town Council at less than best consideration for continued use as a public museum on detailed terms agreed by the Head of Strategic Assets.**

<b><i>Officer contact:</i></b>	
Name:	Christian Wilson
Post:	Principal Management Surveyor
Email:	Christian.Wilson@cambridgeshire.gov.uk
Tel:	01223 699086

## **1.0 BACKGROUND**

- 1.1 One of the savings proposals for Economy Transport and Environment (ETE) for the 2015/16 financial year was the withdrawal of County Council funding for Huntingdon's Cromwell Museum, in order to save £30k per annum. Following a public petition, an amendment to defer this saving until the 2016/17 financial year was agreed at the full Council meeting in February.
- 1.2 The property is a small 12<sup>th</sup> Century Grade II\* building extensively refurbished in the 19<sup>th</sup> century and was the grammar school attended by Oliver Cromwell. It has a gross internal area of only 73 sq. m and it has no toilet or kitchen facilities or drainage. The site it sits on extends to 255 sq. m. English Heritage considers the current museum use to be a sympathetic one but have expressed reservations about any changes or enhancement of the building being possible.
- 1.3 The Council's ownership extends to the building, a pathway to the side and an area of land to the rear accessible via the former probation services offices car park. The land allows parking for at least 3 cars and access rights over the adjacent car park are undocumented but have been in use for in excess of 20 years. The Council is currently involved in a dispute to protect these access rights as the purchaser of the former probation offices (now redeveloped as flats) has challenged the Council's access rights.
- 1.4 Building maintenance costs in 2014 were £2,582 per year. This cost reflects the cost of simply keeping in repair and does not include any sinking fund for any unexpected building work that may arise. Given the Grade II\* listing if any work other than minor repair is required it could be costly as building methods and materials must respect the Listed status. As mentioned in section 3 below some of the Mechanical and Electrical elements whilst still working are past their design life.
- 1.5 Julie Cole Consultancy was commissioned (using funding from the Arts Council's Renaissance Programme) to review the options for the future of the museum and to comment on their viability.
- 1.6 A copy of ETE's report to Highways and Community Infrastructure Committee on 15th July 2014 is attached which summarises the consultant's report and puts forward a recommendation that a new lease of the museum at a less than best consideration rent be granted on internal repairing to terms to a new Trust. This arrangement is subject to approval by General Purposes Committee.
- 1.7 Re-accreditation of the museum by the Arts Council is due by October 2015. This needs to include approval of a Care and Conservation strategy for the items in the collection, which in turn requires the Museum to have the proper secure conditions for the duration of the accreditation period. Without accreditation there is a high risk of the withdrawal of key parts of the museum collection by their owners.
- 1.8 Huntingdon Town Council (HTC) has approached the County Council with a proposal that it acquires the freehold of the building, that it becomes responsible for the structure of the asset, that the Museum Trust becomes

responsible for the internal condition of the asset, and that HTC allows the new Museum Trust to continue to operate the building as a museum devoted to the life of Oliver Cromwell.

## **2.0 MAIN ISSUE**

- 2.1 The consultant's recommendation envisaged the grant of an internal repairing lease to the new Museum Trust which is based on the assumption that the Trust would not want the maintenance liability for the structure of the building.
- 2.2 Four trustees have now been appointed to the shadow board, including Huntingdon's MP Jonathan Djanogly. They will make the necessary applications to the Charity Commission so that the Trust can exist as a legal entity, and will begin raising funds. They will likely have few funds in place by 1 April 2016, and any funds that they may have acquired will be needed to be put towards employment of a part time curator and other service related issues.
- 2.3 The approach from HTC would allow the County Council to transfer the asset to an organisation that has the expertise and means to undertake a good stewardship role for this locally important heritage asset whilst keeping the museum use in place. This approach would also allow the new trust time to build up funding to help it concentrate on the successful running of a museum rather than running a building.
- 2.4 The proposal to grant a lease to a new Trust is therefore not the only option and options for dealing with the museum on closure are:
  - A. Leasehold transfer restricted to museum use
  - B. Freehold transfer restricted to museum use
  - C. Disposal for alternative use by way of lease or freehold sale.

### **2.5 Option A Leasehold Transfer to HTC for Museum Use**

- 2.5.1 Members are advised that although a covenant on use can be imposed on sale the Council retains much more control if a lease is issued as the tenant can be required to comply with lease terms or else be forced to give up their lease through forfeiture. A 999 year lease would give such control but the Town Council are clear that they will only accept the freehold of the museum.

### **2.6 Option B Freehold Transfer to HTC for Museum Use**

- 2.6.1 Alternative use has not been investigated but it is anticipated that there would be a limited market for such a building given its age and the grade II\* Listed status. The District Valuer provided the County Council with a market Value figure in August 2014 of £45,000 which included the value of car parking and an annual income of £1,250 pa from a Licence of land to the side. Due to the uniqueness of the property the valuation figure was expressed to have a greater degree of variance or uncertainty compared with a valuation of a standard property.
- 2.6.2 HTC's proposal is that they become responsible for the asset but they will not accept a transfer on a leasehold basis. The Town Council will accept a transfer of the freehold for a peppercorn payment and with no significant building repair or maintenance costs being inherited on transfer. This

requires approval from General Purposes Committee to a less than best consideration disposal.

- 2.6.3 This proposal from HTC would keep this historic building in public use, whilst the County Council would no longer have any maintenance responsibilities. HTC already have a similar responsibility for an historic building being the old Magistrates Courts and Town Hall in Huntingdon which is a much larger Listed Building. It is considered that HTC have the requisite experience and means to properly care for the Cromwell Museum Building and therefore this option has been explored further with HTC.
- 2.6.4 Huntingdon Town Council commissioned a specialist survey of the building and mechanical and electrical services in order to assess what repairs might be needed. The report on Mechanical and Electrical Services recognised that given the age of services these were in good condition but with certain elements approaching or having reached the end of their economic service life. Improvements to external lighting on Health and Safety grounds were recommended.
- 2.6.5 The budget estimate costs of these reports were £49,580 in total. However the Medium High to High priority building works were £3,050 and the lighting improvements on Health and Safety grounds are £2,280. In respect of a total of £22,000 for Mechanical and Electrical Services £15,000 was given in respect of a new Fan Coil unit with integral humidifier. This unit, which has exceeded its life expectancy, is currently experiencing problems and may need to be replaced prior to the creation of the trust. A report is expected shortly from FM to clarify whether replacement is necessary. Maintenance of the environmental conditions within the building is crucial for the proper keeping of the objects on display and is necessary for continued accreditation. Responsibility for the continued maintenance of these environmental conditions after April 2016 will fall to the Trust.
- 2.6.6 Following further discussion with the Town Council the following agreement has been reached in principle, subject to approval of the Council's General Purposes Committee to a less than best consideration disposal:
- The transfer to be conditional on the Town Council immediately subletting the whole building to the new Museum Trust for a suitable lease period i.e. in excess of 25 years so that the Trust can lever in external funding. The trust will operate under a Service Level Agreement (SLA) with the County Council to manage the collections which remain County Council property. No money will change hands under the SLA.
  - The Town Council to take the property in its existing condition but with the County Council paying £20,000 to the Town Council as a contribution towards immediate maintenance work required to the building.
  - The transfer will be subject to a covenant restricting the use of the property to a museum open to the public and dedicated to the life of Oliver Cromwell or as a museum or heritage asset or cultural asset open to the public. This alternative covers the scenario of the museum Trust not continuing in the future but is intended to restrict HTC from using the building for unsuitable purposes or for development. It is possible for such covenants to be breached so it

has been suggested that an overage deed could be prepared so that if a planning permission is obtained for the building for any other use than a museum or heritage or cultural asset open to the public, the owner at that time will pay a proportion of the increase in value to the County Council.

- The freehold will transfer subject to an existing licence to a business operator of land to the side of the museum. This licence is due to expire 19/02/2026 and the current fee received is £1,250 per annum. The fee is reviewed every 3 years in line with the retail prices index.
- The freehold will transfer subject to any existing rights for services and access. The County Council can only grant such rights as it has and it should be noted there is currently a dispute over our rights to vehicle access.
- The County Council to make available to the new Museum Trust on a Licence basis (or within the SLA) archive storage within the existing Huntingdon Archive on the first floor of Huntingdon Library. The County Council to also grant a short-term Lease to the new Museum Trust of a small office and storage space on the ground floor of Huntingdon library. This would be for nil rent but this falls within the threshold delegated to officers.

## **2.7 Option C. Disposal for Alternative Use**

2.7.1 The Council could put the building on the open market for sale. The District Valuer's opinion of Market Value is £45,000 although this is a qualified figure due to the nature of the asset.

2.7.2 However, if sold the historical link between Oliver Cromwell and the museum collection would be broken and as the attached report states, there is strong local support for keeping the museum in Huntingdon. The consultant's report of 2014 suggested as Option 3 that, if no local solution could be found, the Museum's collections could be transferred to the National Civil War Centre in Newark. This option was ruled out by the Cromwell Museum Management Committee (CMMC) at its meeting on 3 April 2014 on the grounds that a local solution could indeed be found, and that the proposed Museum Trust would form this solution. The CMMC is the Museum's advisory committee, on which Cambridgeshire County Council Member representatives are nominated to sit. Although it would be possible to sell, it is anticipated that a sale of the asset would result in high levels of negative publicity for the County Council, and would send a mixed message to stakeholders because the County Council officers are also working hard to set up a successful Museum Trust. Huntingdon's MP is a known supporter of the Museum, publicly gave his backing to the 'Save the Cromwell Museum' campaign of 2014, and is a trustee of the new Cromwell Museum Trust.

2.8 Group leaders have been advised of the above options and support option B.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The report above sets out details of significant implications in 2.6.

### **4.2 Statutory, Risk and Legal Implications**

The report above sets out details of significant implications.

### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

### **4.4 Engagement and Consultation Implications**

The report sets out details of significant implications.

### **4.5 Localism and Local Member Involvement**

The following County Councilors were consulted on option B, subject to General Purposes Committee agreeing to this:

Peter Ashcroft; Peter Downes; Sir Peter Brown; Julie Wisson; Michael Shellens; Graham Wilson

Responses received were as follows:

**Councillor Ashcroft:** I agree this is an ongoing matter which must be successfully resolved for the people of Huntingdon. History is a precious thing which we must not lose. I have no objection to this plan which keeps this museum's object alive locally.

**Councillor Wisson:** I fully support the proposal to the General Purposes Committee.

**Councillor Shellens:** Yes I am deliriously content with the current proposals. This has my full support.

Councillors Brown, Wisson and Downes are Members of the Cromwell Museum Management Committee which is an advisory body to the Council. The Committee is chaired by Councillor Downes. This Committee agreed on 3 April 2014 that the Museum should if possible remain in Huntingdon and that it should be delivered from the existing Museum building. The Committee has followed progress with Huntingdon Town Council's offer to take over the property, and has not raised any objection to it.

#### 4.6 Public Health Implications

There are no significant implications within this category

Source Documents	Location
Minutes of the Highways and Community Infrastructure Committee on 15th July 2014	<a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=10025">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=10025</a>
JM Cole Consultancy: Cromwell Museum Devolution of Governance report, 25 April 2014	Box No: RES1013 Room No:004 Shire Hall Castle Hill Cambridge CB3 0AP





**BUSINESS PLANNING - SERVICE COMMITTEE REVIEW OF THE DRAFT 2016-26 CAPITAL PROGRAMME**

*To:* **General Purposes Committee**

*Meeting Date:* **15 September 2015**

*From:* **Director, Customer Service and Transformation**

*Electoral division(s):* **All**

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

*Purpose:* **This report provides the Committee with an overview of the draft Business Plan Capital Programme for Corporate and Managed Services.**

*Recommendation:* **The Committee is asked to:**

- a) note the overview and context provided for the 2016-17 Capital Programme for Corporate and Managed Services; and**
- b) comment on the draft proposals for Corporate and Managed Services' 2016-17 Capital Programme and endorse their development**

<b><i>Officer contact:</i></b>	
Name:	Sue Grace
Post:	Director, Customer Service and Transformation
Email:	Sue.grace@cambridgeshire.gov.uk
Tel:	01223 715680

## **1. CAPITAL STRATEGY**

- 1.1 The Council strives to achieve its vision through delivery of its Business Plan. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Expenditure on these long term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Authority.
- 1.2 Each year the Council adopts a ten year rolling capital programme as part of the Business Plan. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.
- 1.3 This report forms part of the process set out in the Capital Strategy whereby the Council updates, alters and refines its capital planning over an extended planning period. New schemes are developed by Services and all existing schemes are reviewed and updated as required before being presented to Service Committees for further review and development.
- 1.4 An Investment Appraisal of each capital scheme (excluding committed schemes and schemes with 100% ring-fenced funding) is undertaken / revised, which allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its outcomes.

## **2. DEVELOPMENT OF THE 2016-17 CAPITAL PROGRAMME**

- 2.1 For the 2016-17 Business Planning process, prioritisation of schemes (where applicable) is included within this report to be reviewed individually by Service Committees alongside the addition, revision and update of schemes. Prioritisation of schemes across the whole programme will be reviewed by General Purposes Committee (GPC) in October, before firm spending plans are considered by Service Committees in December. GPC will review the final overall programme in December, in particular regarding the overall levels of borrowing and financing costs, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.
- 2.2 This year, the Council has refocused its strategic planning on seven outcomes and five enablers in order to find new ways of meeting the needs of Cambridgeshire's communities. The Council's Operating Model considers what the organisation needs to look like by 2020-21 in order to deliver its outcomes in the context of a significant reduction in available resource. It is anticipated that work on the Operating Model will generate several Invest to Save / Earn capital schemes that will be included within the Capital Programme. However, as work on the Operating Model will not be presented to Service Committees until November, any capital schemes associated with this work are not included within this set of draft proposals. As these schemes will all be Invest to Save / Earn schemes, any associated borrowing is excluded from contributing towards the advisory borrowing limit.

### 3. REVENUE IMPLICATIONS

- 3.1 All capital schemes can have a potential two-fold impact on the revenue position, relating to the cost of borrowing through interest payments and repayment of principal and the ongoing revenue costs or benefits of the scheme. Conversely, not undertaking schemes can also have an impact via needing to provide alternative solutions, such as Home to School Transport (e.g. transporting children to schools with capacity rather than investing in capacity in oversubscribed areas).
- 3.2 The Council is required by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities 2011 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to ensure that it achieves this, GPC recommends an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. In order to afford a degree of flexibility from year to year, changes to the phasing of the limit is allowed within any three-year block (starting from 2015-16), so long as the aggregate limit remains unchanged.
- 3.3 For the 2016-17 Business Plan, Council has agreed that this should equate to the level of revenue debt charges as set out in the 2014-15 Business Plan for the next five years, and limited to £45m annually from 2019-20 onwards. Although the Council did not exceed the advisory debt charges limit for the 2015-16 Business Plan, both the March and the May Integrated Resources and Performance Report have already highlighted some additional costs for existing schemes and also the requirement for four new CFA schemes. Therefore, availability of additional borrowing remains constrained.

### 4. SUMMARY OF THE DRAFT CAPITAL PROGRAMME

- 4.1 The revised draft Capital Programme is as follows:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Later Yrs £'000
Children, Families and Adults	87,929	81,131	60,144	56,258	60,119	139,083
Economy, Transport and Environment	91,539	71,114	44,956	43,688	23,302	39,727
Public Health	-	-	-	-	-	-
Corporate and Managed Services	30,031	28,652	30,002	28,204	15,920	27,700
LGSS Operational	1,104	-	-	-	-	-
<b>Total</b>	<b>210,603</b>	<b>180,897</b>	<b>135,102</b>	<b>128,150</b>	<b>99,341</b>	<b>206,510</b>

- 4.2 This is anticipated to be funded by the following resources:

Funding Source	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Later Yrs £'000
Grants	70,852	83,884	55,967	51,867	31,423	103,122
Contributions	38,350	36,839	22,401	32,817	44,169	36,981
Capital Receipts	13,268	2,689	2,704	2,727	7,113	13,058
Borrowing	84,648	73,175	49,782	49,640	21,156	68,509
Borrowing (Repayable)*	3,485	-15,690	4,248	-8,901	-4,520	-15,160
<b>Total</b>	<b>210,603</b>	<b>180,897</b>	<b>135,102</b>	<b>128,150</b>	<b>99,341</b>	<b>206,510</b>

\* Repayable borrowing nets off to zero over the life of each scheme and is used to bridge timing gaps between delivery of a scheme and receiving other funding to pay for it.

4.3 The following table shows how each Service's borrowing position has changed since the 2015-16 Capital Programme was set:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Later Yrs £'000
Children, Families and Adults	1,115	29,828	-8,365	17,940	6,877	-27,187	-7,438
Economy, Transport and Environment	714	983	21,614	610	2,150	1,705	-12,249
Public Health	-	-	-	-	-	-	-
Corporate and Managed Services	-2,479	29,909	22,192	25,522	22,744	14,161	19,700
LGSS Operational	-	1,104	-	-	-	-	-
Corporate and Managed Services – relating to general capital receipts	-793	-5,088	3,642	1,065	1,865	-2,124	-3,280
<b>Total</b>	<b>-1,443</b>	<b>56,736</b>	<b>39,083</b>	<b>45,137</b>	<b>33,636</b>	<b>-13,445</b>	<b>-3,267</b>

4.4 The table below categorises the reasons for these changes:

Reasons for change in borrowing	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Later Yrs £'000
New	800	17,840	20,532	28,172	15,534	2,650	300
Removed/Ended	-547	2,043	-	-	-	-	-
Minor Changes/Rephasing*	-6,059	9,089	6,440	1,045	25	-2,119	2,974
Increased Cost (includes rephasing)	545	47,708	-2,528	12,226	9,090	11,625	18,386
Reduced Cost (includes rephasing)	5,289	-1,465	-2,239	757	715	-18,456	-17,328
Change to other funding (includes rephasing)**	-1,471	-18,479	16,878	2,937	8,272	-7,145	-7,599
<b>Total</b>	<b>-1,443</b>	<b>56,736</b>	<b>39,083</b>	<b>45,137</b>	<b>33,636</b>	<b>-13,445</b>	<b>-3,267</b>

\*This does not off-set to zero across the years because the rephasing also relates to pre-2015-16.

\*\*This includes a decrease in the level of general capital receipts expected to be available to fund the overall programme as well as a £1.2m shortfall on previously anticipated Capital Maintenance Funding.

4.5 The revised levels of borrowing result in the following levels of financing costs:

Financing Costs	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
2015-16 agreed BP	40,139	41,001	41,064	40,254	41,017
2016-17 draft BP	40,409	45,788	49,352	52,067	53,025
<b>CHANGE (+) increase / (-) decrease</b>	<b>270</b>	<b>4,787</b>	<b>8,288</b>	<b>11,813</b>	<b>12,008</b>

NB Both sets of figures include a £1m allowance for slippage, agreed as part of the 2014-15 Business Plan.

4.6 The significant change in financing costs is largely as a result of changes to, or new, Invest to Save / Earn schemes. These schemes are still under

development, including method of delivery, and as such it is possible that there will be substantial changes to these figures over the planning process.

- 4.7 Invest to Save / Earn schemes are excluded from the advisory financing costs limit – the following table therefore compares revised financing costs excluding these schemes. Based on the revised programme, the advisory limit is exceeded in 2019-20 by £0.4m. In order to afford a degree of flexibility from year to year, the limit is reviewed over a three-year period, however as there is very little headroom in years 2018-21, the advisory limit is still exceeded by £0.3m over this three-year period.

Financing Costs	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m0	2020-21 £m
2016-17 draft BP (excluding Invest to Save / Earn schemes)	34.1	40.9	44.3	45.8	46.4	46.0
Recommend limit	40.2	44.6	45.4	45.9	46.0	46.0
<b>HEADROOM</b>	<b>6.1</b>	<b>3.7</b>	<b>1.1</b>	<b>0.1</b>	<b>-0.4</b>	<b>0.0</b>
Recommend limit (3 years)	136.2			56.3		
<b>HEADROOM (3 years)</b>	<b>10.9</b>			<b>-0.3</b>		

- 4.8 Although the limit has been exceeded, the Business Plan is still under review and as such adjustments to schemes and phasing will continue over the next two to three months. Therefore, it is anticipated that this small excess over the limit will be dealt with over the course of the continued development of the Programme. However, the Financing Costs will need to be closely monitored over this period to ensure that any further revisions do not cause a more significant breach of the advisory limit.

## 5. OVERVIEW OF CORPORATE & MANAGED SERVICE'S DRAFT CAPITAL PROGRAMME

- 5.1 The revised draft Capital Programme for the Council's Corporate and Managed Services is as follows:

Service Block	Previous Years	2016-17	2017-18	2018-19	2019-20	2020-21	Later Years
	£000	£'000	£'000	£'000	£'000	£'000	£'000
Managed Services - Invest to Save	2,082	25,148	26,082	23,482	26,734	15,000	23,250
Managed Services - Other Schemes	12,757	4,883	2,570	6,520	1,470	920	4,450
Corporate Services	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>14,839</b>	<b>30,031</b>	<b>28,652</b>	<b>30,002</b>	<b>28,204</b>	<b>15,920</b>	<b>27,700</b>

Further detail can be found in the draft Corporate and Managed Service's Business Planning capital tables (**Appendix A**).

5.2 This is anticipated to be funded by the following resources:

	Previous						Later
	Years	2016-17	2017-18	2018-19	2019-20	2020-21	Years
Funding Source	£000	£'000	£'000	£'000	£'000	£'000	£'000
Contributions	415	0	0	0	0	0	0
Capital Receipts	5,444	4,041	464	170	0	600	4,200
Borrowing	8,855	26,651	27,568	29,350	23,970	15,920	27,700
Borrowing (Repayable)	125	-661	620	482	4,234	-600	-4,200
<i>General Capital Receipts*</i>	<i>4,498</i>	<i>9,227</i>	<i>2,225</i>	<i>2,534</i>	<i>2,727</i>	<i>6,513</i>	<i>8,858</i>
<i>Reduction in Borrowing*</i>	<i>-4,498</i>	<i>-9,227</i>	<i>-2,225</i>	<i>-2,534</i>	<i>-2,727</i>	<i>-6,513</i>	<i>-8,858</i>

\*The receipts generated from the General Capital Receipts programme, and the subsequent reduction to the overall borrowing requirement for the Council, is not available as direct funding for the Corporate and Managed Services schemes. It is shown separately for the purposes of this report so that the impact of this programme can be seen.

Further detail can be found in the draft Corporate and Managed Service's Business Planning capital tables (Appendix A).

5.3 The following table shows how each section's borrowing position has changed since the 2015-16 Capital Programme was set:

	Previous						Later
	Years	2016-17	2017-18	2018-19	2019-20	2020-21	Years
Service Block	£000	£'000	£'000	£'000	£'000	£'000	£'000
Managed Services - Invest to Save	-1,540	28,314	20,832	20,212	22,484	13,901	17,850
Managed Services - Other Schemes	-1,016	-3,493	5,002	6,375	2,125	-1,864	-1,430
Corporate Services	-300	0	0	0	0	0	0
<b>TOTAL</b>	<b>-2,856</b>	<b>24,821</b>	<b>25,834</b>	<b>26,587</b>	<b>24,609</b>	<b>12,037</b>	<b>16,420</b>

There is a total increase in borrowing of £127.5m across the Corporate and Managed Services programme, of which £122.1m relates to Invest to Save schemes and £5.4m to other schemes. This is the result of:

- New schemes for 2016-17 +£73.9m;
- Increased cost +£58.6m;
- Removal / ending of schemes -£1.8m;
- Reduced cost -£5.1m;
- Minor changes / rephasing -£1.7m;
- Change to other funding +£3.5m.

Reasons for change in borrowing	Previous Years £000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Later Years £'000
New	0	9,450	17,582	20,482	19,234	6,900	300
Removed / Ended	-1,800	0	0	0	0	0	0
Minor Changes / Rephasing	-4,125	1,240	550	0	0	0	620
Increased Cost (includes rephasing)	-592	20,855	3,560	3,560	3,510	7,760	19,980
Reduced Cost (includes rephasing)	-1,429	-1,011	-500	-500	0	-499	-1,200
Change to Other Funding (includes rephasing)	5,090	-5,713	4,642	3,045	1,865	-2,124	-3,280
<b>TOTAL</b>	<b>-2,856</b>	<b>24,821</b>	<b>25,834</b>	<b>26,587</b>	<b>24,609</b>	<b>12,037</b>	<b>16,420</b>

5.4 Investment appraisals have been completed for all applicable schemes within the draft Corporate and Managed Services capital programme. These have produced prioritisation scores that are detailed in **Appendix A**.

5.5 The following changes have been made to existing material schemes (those over £0.5m) in the 2016-17 Business Plan:

- **Optimising the Benefits of IT for 'Smarter Business' Working (ref. C/C.2.001)** - Expenditure has been rephased to reflect the priorities set by the County Council for the provision of the IT infrastructure and devices to support mobile working, and a revised timescale for implementation. There are no changes to the overall borrowing requirements but the re-phasing results in lower borrowing in previous years and increased borrowing 2016-17 and 2017-18.
- **IT Infrastructure Investment (ref. C/C.2.003)** – Expenditure has been rephased to better reflect timescales for the delivery of upgrades / refresh of the core IT software and hardware systems that underpin the use of IT across the Council. There are no changes to the overall borrowing requirements but the re-phasing results in lower borrowing in previous years and increased borrowing 2016-17.
- **County Farms investment (Viability) (ref C/C.2.101)** - The level of funding required for this scheme has been reassessed and it has been determined that it can be reduced by £0.5m per year to better reflect actual activity with tenant farmers more cautious due to the unsettled global market.
- **Renewable Energy – Soham (ref. C/C.2.102)** – This Invest to Save scheme has been updated following the Council's successful bid in the competitive auction for contacts and subsequent completion of an Investment Grade Proposal by Bouygues. This has resulted in a £2.2m reduction in total scheme costs, largely due to the removal of the later years' investment following a change in treatment of Lifecycle Replacement costs as revenue.
- **Local Plans – representations (ref. C/C.2.103)** – This scheme has been updated to more accurately reflect the expected costs associated with making representations to Local Plans, taking into account members' preference (where feasible) for self-development in place of asset disposal. The increase in scheme costs (£2.7m) requires additional borrowing from 2016-17 onwards, with a view to adding value to County Farms and other Council land, whilst meeting Council objectives through the use / development of such land.

- **Housing Invest To Save Schemes** – The Council are evaluating a number of proposals that will build a mixture of both private and affordable housing on a number of land holdings owned by the Council. The key aspiration of the Council is to create a long term and sustainable revenue stream for the Council significantly in excess of any revenue that is currently derived from the sites. The exact nature of the mix of properties (i.e. rented or for sale) will be dependent upon the individual sites, sector demand in those areas, and the capital investment requirements. Each proposal will be subject to a site specific business case.
  - **Burwell Newmarket Road - 350 Homes Invest To Save (ref. C/C.2.104)** – Total scheme costs estimated to be in the region of £53m.
  - **Worts Causeway – 230 Homes Invest To Save (ref. C/C.2.115)** – Total scheme costs estimated to be in the region of £34.85m.
  - **Shepreth Housing Invest To Save – 7 Homes Invest To Save (ref. C/C.2.116)** Total scheme costs estimated to be in the region of £1.2m.
  - **Cottenham 200 Homes Invest To Save - (ref. C/C.2.117)** Total scheme costs estimated to be in the region of £30.0m

#### Justification

For all of the above schemes the development of new "affordable" housing and open market rent on Council owned land in order to generate an ongoing income stream. The Council has historically sold any sites where it has secured directly or via a developer an open market consent for residential. This traditional approach has been challenged and the Council sees that it has the opportunity to retain the 'profit' from such developments rather than see this pass to the private sector investors. This will enable the financial benefits derived from new communities to be retained to support the delivery of on-going services to those communities. The County also anticipate that it would build and retain the affordable units again as a long term income stream but that this would be via a wholly owned subsidiary of the Council.

- **MAC Market Towns Project (March) (ref. C/C.2.107)** – This Invest to Save scheme has been updated to reflect revised costs and rephrasing for scheme implementation. The total scheme budget has been reduced to £1.5m, and capital receipt generation is now expected to be circa £1.8m, producing a net gain of £0.3m receipts over cost.

5.6 The following new schemes have been added to the 2016-17 Business Plan:

- **CPSN Replacement (ref. C/C.2.006)**

Proposal submitted for £0.5m in 2017-18 and £5.0m in 2018-19, to be funded by borrowing.

#### Justification

This is for the procurement of a replacement Wide Area Network solution. The current contract service is due to end in June 2018. This proposal is for funding for the 2017-18 and 2018-19 financial years to allow for the procurement and transition to a new service.

The Wide Area Network provides network and wireless connectivity for all CCC employees to access IT systems in all CCC locations. The partnership



nature of CPSN also allows for the flexibility of accessing systems within other Public Sector locations. This is a fundamental element of providing all IT Services within the council and its buildings.

- **MAC Joint Highways Depot (ref. C/C.2.114)**

Invest to Save proposal submitted for total cost of £5.2m, expected to generate £4.8m capital receipts and annual revenue savings to repay the cost of borrowing in the medium term.

Justification

The Joint Highways Depot Project will facilitate the physical co-location of partner organisations to a single depot site, with joint-working practices implemented initially, with an aspiration to develop shared services in the future.

This has developed from previous work undertaken by the Making Assets Count Partnership (MAC) on a proposed Joint Operations Centre. Initial discussions by MAC partners identified that a number of public sector partners across the county had requirements for depot space/vehicle storage in southern Cambridgeshire. This function is currently split across a number of sites, often close to each other with a large number of overlapping requirements. It was suggested that significant savings could be achieved if these sites were merged into a single major hub to service the whole of this southern part of Cambridgeshire.

The Joint Highways depot focuses on the co-location of the highway depot functions of Cambridgeshire County Council and Highways England, with touchdown and workshop facilities available for other services (e.g. Cambridgeshire Fire and Rescue Service, Highways England Traffic Officers).

Project objectives (in ranked order) are set out below:

1. Achieve savings for partners (reduced operational running costs);
2. Make best use of assets in a more appropriate location in the county;
3. Maximise receipts (capital/revenue);
4. Improve resilience and continuity in service delivery through joint working practices;
5. Improve partner collaboration and capitalise on partner synergies;
6. Increase better ways of working.

- **Redevelopment of Milton Road Library, Cambridge (ref. C/C.2.118)**

Invest to Save proposal submitted for total cost of £2.0m. Long-term income generation is not expected to fully repay the costs of borrowing over the life of the asset.

Justification

A scheme to replace the existing structurally failing Milton Road Library building with a new building including a Community room with 8 private market rent flats on two floors above. GPC members voted in July 15 to self-develop this building rather than allow a developer to build a new no cost library funded by the profits from selling the 8 leasehold flats over. The key outcomes are a new purpose built sustainable library and flats that generate

long term income for the County. No affordable housing is triggered so income is maximized.

- 5.7 Key risks associated with the draft Corporate and Managed Services capital programme are as follows:

Funding-related:

- Failure to achieve forecast levels of capital receipts due to changes in market conditions (impacting on price and saleability) or Committee decisions regarding individual disposals could result in higher levels of borrowing. Associated with the following schemes:
  - Disposal / Relocation of Huntingdon Highways Depot (£3m)
  - MAC Market Towns Project (March) (£1.8m)
  - General Capital Receipts generation (£36.6m)
- Failure to achieve forecast levels of income generation to repay cost of borrowing on Invest to Save schemes. Associated with the following schemes:
  - Renewable Energy – Soham (net revenue impact -£10.2m)
  - Burwell Newmarket Road Housing (net revenue impact -£25.7m)
  - Worts Causeway 230 Homes GB2 (net revenue impact -£34.5m)
  - Shepreth – PRS Plus Affordable (net revenue impact -£5.4m)
  - Cottenham Circa 200 Homes Affordable and Private Rent (net revenue impact -£13.9m)
  - Redevelopment of Milton Road Library, Cambridge (net revenue impact +£0.4m)

## **6. ALIGNMENT WITH CORPORATE PRIORITIES**

### **6.1 Developing the local economy for the benefit of all**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

### **6.2 Helping people live healthy and independent lives**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

### **6.3 Supporting and protecting vulnerable people**

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

## **7. SIGNIFICANT IMPLICATIONS**

### **7.1 Resource Implications**

The Committee is asked to consider the resource implications outlined in the overview and context provided for the 2016-17 Capital Programme for Corporate and LGSS Managed Services and the resource implications of the

draft proposals for the Corporate and LGSS Managed Services' 2016-17 Capital Programme.

## **7.2 Statutory, Risk and Legal Implications**

As in 7.1 the Committee is asked to consider issues which could have statutory, risk and legal implications.

## **7.3 Equality and Diversity Implications**

As in 7.1 the Committee is asked to consider issues which could have equality and diversity implications.

## **7.4 Engagement and Consultation Implications**

On 12 March GPC agreed the formation of a Member 'Consultation Working Group'. This Group has worked with officers to develop and implement the consultation activity that will support this year's business planning process.

Specific proposals will continue to be subject to focused engagement and consultation, which GPC will consider alongside any specific decisions required to implement that proposal.

## **7.5 Localism and Local Member Involvement**

The Services discussed in this report contribute to localism and local Member involvement.

## **7.6 Public Health Implications**

The Services discussed in this report contribute to Public Health Outcomes.

<b>Source Documents</b>	<b>Location</b>
Council Business Plan 2015/16	<a href="http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2015_to_2016">http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2015_to_2016</a>



**EAST BARNWELL COMMUNITY CENTRE**

**To:** General Purposes Committee

**Meeting Date:** 15th September 2015

**From:** Chris Malyon, Chief Finance Officer

**Electoral division(s):** Abbey

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

**Purpose:** To update General Purposes Committee following a decision at the last meeting to consider two options for the delivery of a mixed development at East Barnwell.

**Recommendation:** General Purposes Committee is asked to:-

- (a) Note the feedback from the adjoining land owners;
- (b) Agree that the Council should continue developing proposals for a mixed use development in partnership with the Christ the Redeemer Church with a target of agreeing Heads of Terms within 6 months;
- (c) That consideration of the Business Case be delegated to the Chief Finance Officer in consultation with the Chairman of the Committee, the Member for Abbey Division, the Investment Review Group and the East Barnwell Strategy Group.

<b><i>Officer contact:</i></b>	
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	<a href="mailto:chris.malyon@cambridgeshire.gov.uk">chris.malyon@cambridgeshire.gov.uk</a>
Tel:	01223 699796

## 1. BACKGROUND

1.1 At the last meeting of the General Purposes Committee an update on the East Barnwell Community Centre project was considered. The report provided feedback from a workshop that was held at the Centre and various issues appertaining to the options available to the Council. Three options were put forward as the potential options for the Committee to consider.

1.2 The following was agreed:-

“It was resolved to agree the following in relation to East Barnwell Community Centre:

- to remove option (a) and receive a report in two months detailing further information including discussions with neighbours on the following options:
- (b) Develop a Council only site mixed development including the redesigned community facilities; and
- (c) Develop proposals for a wider development including the redesigned community facilities, providing that the Heads of Terms could be developed within six months of the meeting of General Purposes Committee held on 28 July 2015.”

1.3 The purpose of this report is to update the Committee on discussions with the **Christ the Redeemer Church** and Spiritualist Church about their appetite for a wider, more comprehensive redevelopment than the East Barnwell Community Centre alone, and the prospects for including one or both of the adjoining sites on either side to create a new community facility for the ward.

## 2. FEEDBACK FROM DISCUSSIONS

2.1 Both adjoining churches have been contacted and to date a response has been received only from the **Christ the Redeemer Church** who own the largest of the three sites, the County having the second largest site.

2.2 A meeting was held on the 31 July with the Minister of the **Christ the Redeemer Church** and representatives from the NHS. The meeting was held in the hall of the church that is regularly used to deliver community activities when it is not in use for church activities.

2.3 Subsequently there was a telephone conversation, on 19 August, with Howard Dellar, the Diocesan Board of Finance’s solicitor. The Board is custodian trustee for all property owned by parishes, it guides them and is party to all agreements. The Board of Finance is now to consider if it wishes to commit to the proposals. They have a sharing arrangement with the Methodist Church although this is not often used.

2.4 The Church has supplied feasibility work done by Pollard Thomas Edwards Architects (PTEa) in 2012. This covered options for a joint scheme across both the Council’s and the **Christ the Redeemer Church** sites and included sketch plans. The work was funded by Marshalls possibly in connection with their Wing development.

- 2.5 PTE have provided approximate floor areas for the residential and community areas in their sketches along with approximate build costs. This will allow us to consider values.

### **3.0 BUILDING ISSUES**

- 3.1 The present East Barnwell Community Centre is dated and does not meet contemporary standards of construction and sustainability. The **Christ the Redeemer Church** building although in better condition dates from the 1960s and is likely to require some major maintenance in future. They would prefer a more flexible space.
- 3.2 All the buildings on site are single storey and having regard to the policy in the City Council's emerging Local Plan it is clear that a redevelopment of two or three storeys is feasible and that that redevelopment could include an element of residential-up to 15 flats based on the City Council's suggested density of 75 dwellings per hectare across the three sites. The City Council Head of Planning supported a three-story development when she met Members and officers of both Councils and members of the East Barnwell Community Association.
- 3.3 In addition to the commitment to provide much needed facilities for the community it is worth reminding the Committee that the proposal will also see the transfer of the Barnwell Road Library and the re-location of the Children's Locality Team from Malta Road into the facility. This will create further additional asset utilisation opportunities within the City. A further report on the options for the future utilisation of these assets will be brought to the Committee for consideration in due course.

### **4.0 COMMUNITY FACILITIES**

- 4.1 General Purposes Committee have consistently maintained their commitment to the scheme and to ensuring that the community facilities required continue to be the core rationale for the project. However given the need to sweat the Council's assets to their maximum the Committee are seeking to deliver maximum value for money whilst retaining this commitment to the local community.

### **5.0 GP SURGERY**

- 5.1 The representation of both the Clinical Commissioning Group (CCG) and NHS Property Services were supportive of a collaborative redesign that involved the relocation of the surgery from Ditton Lane. They would however not be drawn at this stage on their ability to "sign up" for a potential scheme. The ability of the health sector to proceed at the pace that the Council is seeking may result in the need for the scheme to either continue without their input or for the design to be structured in such a way that may enable their joining the process at a later stage.

### **6.0 DELIVERING A COST-NEUTRAL SCHEME**

- 6.1 It is hoped that if we can work with the Diocesan Board of Finance to secure a mutually beneficial scheme design then a cost neutral scheme might be achieved if the flats were sold or an income stream if the flats were retained. A joint scheme may also result in buildings with greater impact, important as a statement of commitment to the community through a major investment.

## **7.0 GOVERNANCE**

- 7.1 The on-going engagement of the community will be pivotal to the long-term success of the project. The East Barnwell Strategy Group is well established and has been the sounding board used for developing the previous proposals. It has local political and cross-organisational representation as well as representatives of the local community. It is proposed that this Group will continue to play a major part in the development of new proposals and the Group will be expanded to include others than can positively contribute to the evolution of the proposals.
- 7.2 The Service Director (Enhanced and Preventative Services) has been the project sponsor to date, and Chair of the East Barnwell Strategy Group. Given the changing nature of the project it is proposed to create an additional sponsor. It is proposed that the community aspects of the project will remain under the leadership of the Service Director but as a Joint Sponsor the Chief Finance Officer will assume responsibility for the infrastructure element of the project.
- 7.3 In order for the project to progress at the pace to which General Purposes Committee have indicated it is preferable that the governance arrangements are relatively flexible. It is therefore suggested that decisions leading to the development, and approval of, the business case be delegated to the Chief Finance Officer in consultation with the Chairman of the Committee, the Local Member for Abbey Division, the Investment Review Group and the East Barnwell Strategy Group. This will ensure that all political groups of the Council are fully involved in the development and decision regarding the project whilst ensuring that the community interests are appropriately reflected in that decision making process.
- 7.4 Should there be a need to significantly change any of the parameters of the scheme the matter will of course be referred back to General Purposes Committee for consideration.

## **8.0 ALIGNMENT WITH CORPORATE PRIORITIES**

### **8.1 Developing the local economy for the benefit of all**

- 8.1.1 Abbey ward in Cambridge is the most deprived ward in the City, with multiple factors affecting outcomes for local residents. Locating services provided by the County Council closer to the community will be beneficial to local residents. Pursuing a mixed use option with affordable housing could be of benefit to priority members of the workforce such as key workers.

### **8.2 Helping people live healthy and independent lives**

- 8.2.1 The County Council's commitment to improved community facilities on the East Barnwell site will extend the opportunities for the local community to get involved and play an active part in social and leisure activities.

### **8.3 Supporting and protecting vulnerable people**

- 8.3.1 Improving access of local people to a wider range of services and support will support the County Council's agenda to support and protect.



## **9.0 SIGNIFICANT IMPLICATIONS**

### **9.1 Resource Implications**

The previous report outlined the current committed funds from the County Council and partners. The capital funds for the development of the site are identified in the County Council's Business Plan. The total budget assumes that the section 106 funding of £255,000 agreed by Cambridge City Council is retained.

### **9.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### **9.3 Equality and Diversity Implications**

There are no significant implications within this category.

### **9.4 Engagement and Consultation Implications**

There has been extensive and significant consultation and engagement with local residents, community groups and partner agencies over the last two years in the development of the proposals. The development of the Centre has been welcomed by local residents, and there is concern to ensure that whatever the decision of the Committee, plans continue to be progressed without undue delay.

### **9.5 Localism and Local Member Involvement**

The objective of fostering and developing community led activity is a core part of the project objectives. The local Member for Abbey Division, Councillor Joan Whitehead, has been closely involved in the project throughout, as have local City Councillors.

### **9.6 Public Health Implications**

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
General Purposes Committee 28 <sup>th</sup> July 2015 minutes	<a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Committee.aspx?committeeID=75">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Committee.aspx?committeeID=75</a>



**TREASURY MANAGEMENT QUARTER ONE REPORT**

*To:* **General Purposes Committee**

*Meeting Date:* **15th September 2015**

*From:* **Chief Finance Officer**

*Electoral division(s):* **All**

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

*Purpose:* **To provide the first quarterly update on the Treasury Management Strategy 2015-16, approved by Council in February 2015.**

*Recommendation:* **The General Purposes Committee is recommended to note the Treasury Management Quarter One Report 2015-16.**

***Officer contact:***

Name: Mike Batty  
Post: Group Accountant – Treasury & Investments  
Email: [Mike.Batty@cambridgeshire.gov.uk](mailto:Mike.Batty@cambridgeshire.gov.uk)  
Tel: 01223 699942

## 1. BACKGROUND

- 1.1 Treasury Management is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code). The Code has been developed to meet the needs of Local Authorities and its recommendations provide a basis to form clear treasury management objectives and to structure and maintain sound treasury management policies and practices.
- 1.2 The Code was adopted via the Treasury Management Strategy Statement (TMSS), which was approved by Council in February 2015. It requires the Council to produce an annual treasury report and a half yearly report. Alongside these, General Purposes Committee are also provided with quarterly updates on progress against the Strategy.
- 1.3 This report has been developed in consultation with the Council's external investment manager and treasury adviser, Capita Asset Services (CAS) and provides an update for the first quarter to 30th June 2015.

## 2. SUMMARY OF KEY HEADLINES

- 2.1 The main highlights for the quarter are:
- Investment returns received on cash balances compares favourably to the benchmarks. A return of 0.54% was achieved compared to the 3 month London Interbank Bid Rate (LIBID) benchmark of 0.44% (see section 6).
  - An underspend of £1.320m is currently reported for the debt charges budget (see section 9).
  - A balance sheet review as at 31st March 2015 has been carried out following completion of the draft accounts. This showed the current strategy of internal borrowing remained sustainable last year. However it is likely that borrowing will be required this year (see section 8).

## 3. THE ECONOMIC ENVIRONMENT

- 3.1 A detailed economic commentary is provided in **Appendix 1**. This information has been provided by Capita Asset Services – Treasury Solutions (CAS Treasury Solutions), the Council's treasury management advisors.
- 3.2 During the quarter ended 30th June 2015, the significant UK headlines of this analysis were:
- The economic recovery slowed in the first quarter;
  - Survey measures pointed to renewed vigour in Q2;
  - Wage growth picked up as the labour market tightens;
  - Deflation lasted only one month, but the outlook remain subdued;
  - Another split vote on the Monetary Policy Committee (MPC) drew nearer, but a rate hike this year remained unlikely;
  - The general election confirmed that the fiscal squeeze will re-intensify next year;
  - The possibility of a "Grexit" became greater.

#### 4. SUMMARY PORTFOLIO POSITION

- 4.1 A snapshot of the Council's debt and investment position is shown in the table below:

	TMSS Forecast February 2015 (as agreed by Council)		Actual as at 31 March 2015		Actual as at 30 June 2015		Revised Forecast to March 2016	
	£m	Rate %	£m	Rate %	£m	Rate %	£m	Rate %
<b>Long term borrowing</b>								
PWLB	384.0		301.6		301.6	4.4	372.5	
Market	79.5		79.5		79.5	3.6	79.5	
<b>Total long term</b>	<b>463.5</b>	<b>4.2</b>	<b>381.1</b>	<b>4.1</b>	<b>381.1</b>	<b>4.1</b>	<b>452.0</b>	<b>4.1</b>
<b>Short term borrowing</b>	-	-	-	-	-	-	-	-
<b>Total borrowing</b>	<b>463.5</b>	<b>4.2</b>	<b>381.1</b>	<b>4.1</b>	<b>381.1</b>	<b>4.1</b>	<b>452.0</b>	<b>4.2</b>
<b>Investments</b>	<b>10.6</b>	<b>0.7</b>	<b>35.6</b>	<b>0.5</b>	<b>91.6</b>	<b>0.6</b>	<b>18.4</b>	<b>0.7</b>
<b>Total Net Debt / Borrowing</b>	<b>452.9</b>	<b>-</b>	<b>345.5</b>	<b>-</b>	<b>289.5</b>	<b>-</b>	<b>433.6</b>	

- 4.2 The revised forecast reflects the current prudential borrowing projections in the capital programme, which is likely to fluctuate through the course of the year.
- 4.3 Further analysis of borrowing and investments is covered in the following two sections.

#### 5. BORROWING

- 5.1 The Council can take out loans in order to fund spending for its Capital Programme. The amount of new borrowing required is determined by capital expenditure plans and projections of the Capital Financing Requirement, forecast reserves and current and projected economic conditions.

##### **New loans and repayment of loans:**

- 5.2 The table below shows the details new loans raised and loans repaid during the period. No loans were repaid or raised during quarter.

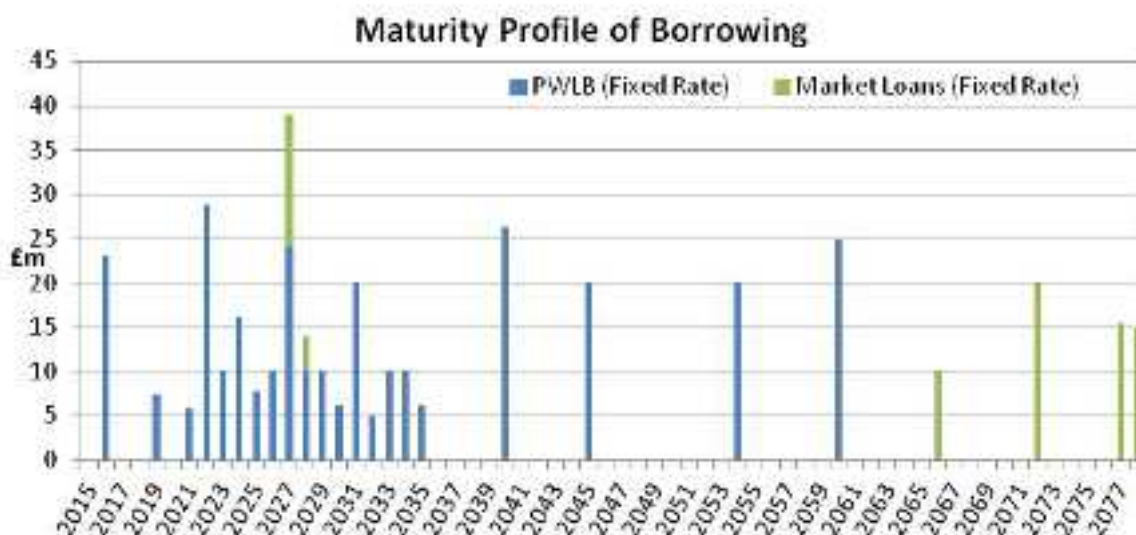
Lender	Raised / Repaid	Start Date	Maturity Date	£m	Interest Rate %	Duration (yrs)
None	-	-	-	-	-	-

##### **Maturity profile of borrowing:**

- 5.3 The following graph shows the maturity profile of the Council's loans. The majority

of loans have a fixed interest rate and are long term which limits the Council's exposure to interest rate fluctuations. The weighted average years to maturity of the portfolio is 23.5 years.

- 5.4 The presentation below differs from that in **Appendix 2** paragraph 4, in that Lender Option Borrowing Option (LOBO) loans are included at their final maturity rather than their next call date. In the current low interest rate environment the likelihood of the interest rates on these loans being raised and the loans requiring repayment at the break period is extremely low.



- 5.5 Two loans maturing in 2015-16 totalling £23m are expected to be replaced on similar terms.

#### **Loan restructuring:**

- 5.6 When market conditions are favourable long term loans can be restructured to:
- to generate cash savings
  - to reduce the average interest rate
  - to enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (Volatility is determined by the fixed/variable interest rate mix.)

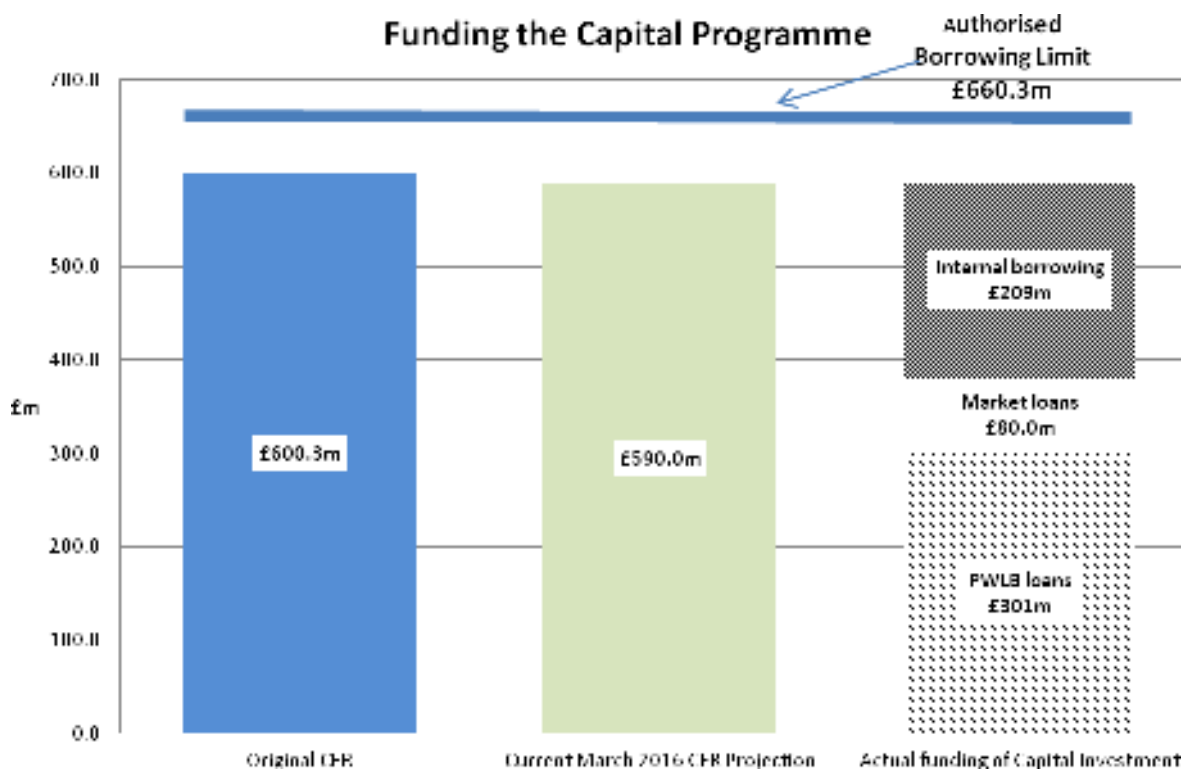
During the quarter there were no opportunities for the Council to restructure its borrowing due to the position of the Council's borrowing portfolio compared to market conditions. Debt rescheduling will be considered subject to conditions being favourable but it is unlikely that opportunities will present themselves during this year. The position will be kept under review, and when opportunities for savings do arise, debt rescheduling will be undertaken to meet business needs.

#### **Funding the Capital Programme:**

- 5.7 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the next year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2015-16

TMSS was set, it was anticipated that the Capital Financing Requirement (CFR), the Council's liability for financing the agreed Capital Programme, would be £600.3m. This figure is naturally subject to change as a result of changes to the approved capital programme.

- 5.8 The graph below compares the maximum the Council could borrow in 2015-16 with the forecast CFR at 31st March 2016 and the actual position of how this is being financed at 30th June 2015.



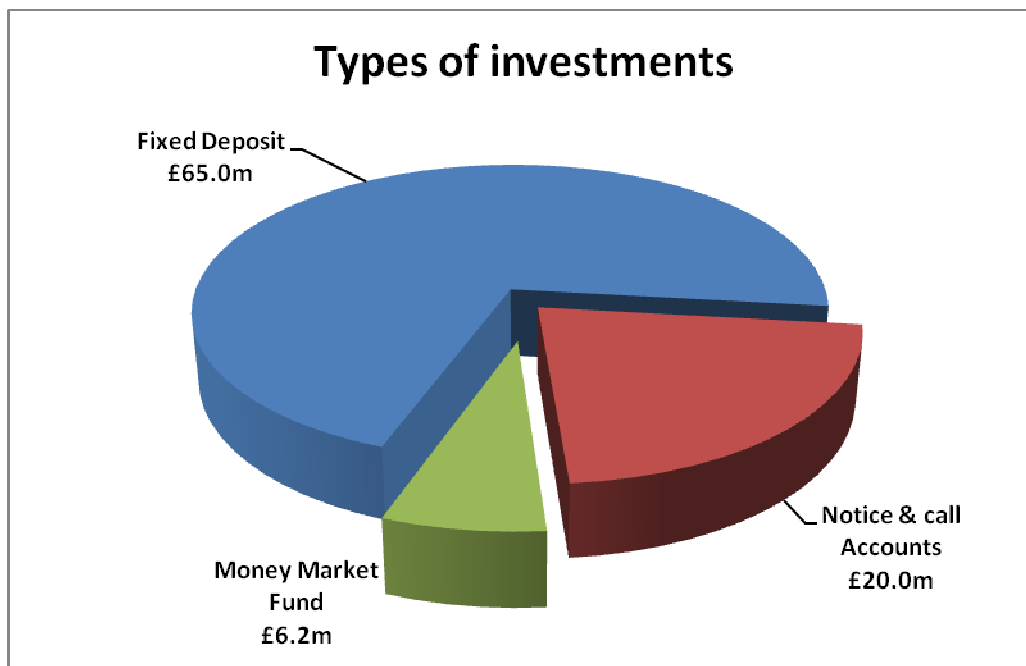
- 5.9 The graph shows the projection for the Capital Financing Requirement (CFR) is significantly below significantly below the statutory Authorised Borrowing Limit set for the Council at the start of the year.
- 5.10 In addition, the graph shows how the Council is currently funding its borrowing requirement. As at 30th June internal borrowing is forecast to be £209m at the end of the year. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally. The strategy of internally borrowing, by careful management of Councils balance sheet, is currently the most appropriate strategy which enables savings to be generated and reduces the level of cash invested and credit risk associated with investing. However the projected level of internal borrowing is not sustainable so loans from the Public Works Loan Board (PWLB) and other sources are currently being considered.

## 6. INVESTMENTS

- 6.1 Investment activity is carried out within the Council's counterparty policies and criteria, and with a clear strategy of risk management in line with the Council's treasury strategy for 2015-16. This ensures that the principle of considering

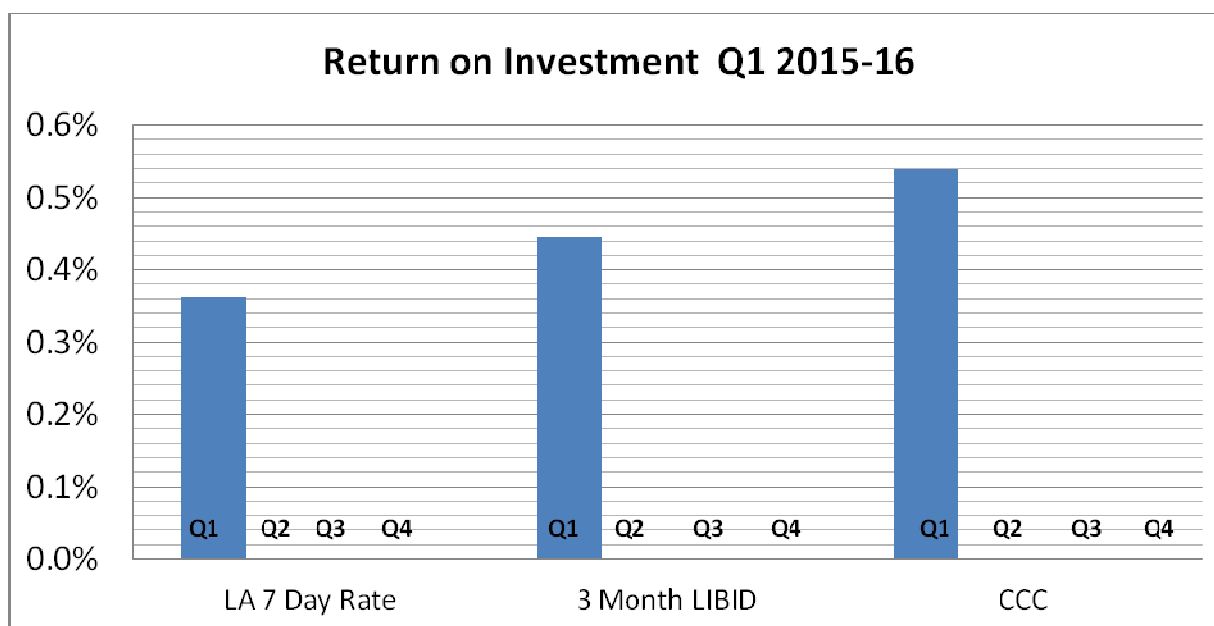
security, liquidity and yield, in that order (SLY), is consistently applied. The Council will therefore aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity. Any variations to agreed policies and practices are reported to Cabinet and Council.

- 6.2 As described in paragraph 5.9, the strategy currently employed by the Council of internal borrowing also has the affect of limiting the Council's investment exposure to the financial markets, thereby reducing credit risk.
- 6.3 As at 30th June the level of investment totalled £91.6m. The level of cash available for investment is as a result of reserves, balances and working capital the Council holds. These funds can be invested in money market deposits, placed in funds or used to reduce external borrowings.
- 6.4 A breakdown of investments by type are shown in the graph below, with detail at **Appendix 3**. The majority of investments are in notice and call accounts and money market funds to meet the liquidity demands for the Council. Investments are made within the boundaries of the Investment Strategy and credit worthiness criteria.



- 6.5 The graph below compares the returns on investments with the relevant benchmarks for each quarter this year





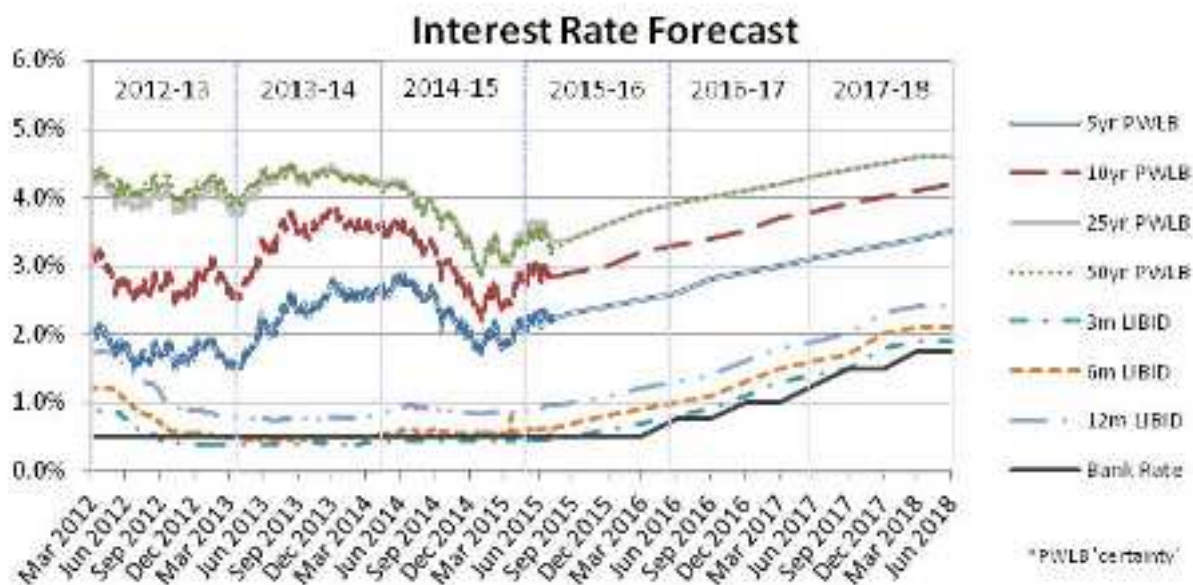
- 6.6 It can be seen from the graph that investments returned 0.54% during the quarter significantly more than the both the 7 day (0.36%), 3 month London Interbank Bid Rate LIBID (0.44%) benchmarks.
- 6.7 Where appropriate, investments can be locked out for periods of up to one year with nationalised banks (UK Government backed) at higher rates of interest. The policy does allow for longer durations should the value make it worthwhile. In a rising interest rate environment it is generally appropriate to keep investments fairly short in duration to take advantage of interest rate rises as soon as they occur. The weighted average time to maturity of investments at 30th June is 85 days.
- 6.8 Leaving market conditions to one side, the Council's return on investment 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 a measure 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 can't be accessed when required, and interest rate risk; the risk that arises from fluctuating market interest rates. These factors and associated risks are actively managed by the LGSS Treasury team together with the Council's Treasury Advisors (CAS). Using credit ratings, the investment portfolio's historic risk of default stands at 0.018%. This simply provides a calculation of the possibility of average default against the historical default rates.
- 6.9 The Council is also a member of a benchmarking group run by CAS which shows that, for the value of risk undertaken, the returns generated are in line with the Model Band (the average range of returns across for all CAS's clients).

## 7. OUTLOOK

- 7.1 The current interest rate forecast is shown in the graph below. The forecast for the first increase in Bank Rate remains in quarter 2 of 2016. However there are

risks to this central forecast as the economic recovery in the UK is currently finely balanced.

- 7.2 Recent demands for the safe haven of gilts have depressed gilts yields and PWLB rates recently. Geopolitical events make forecasting PWLB rates highly unpredictable in the shorter term. It is assumed that these fears will subside and that safe haven flows into UK Gilts will unwind and rates will rise back again over the coming quarters.



- 7.3 The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

From a strategic perspective, the Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved. Cash flows in the last couple of years have been sufficiently robust for the Council to use its balance sheet strength and avoid taking on new borrowing, however projections now show that new borrowing will be required this year unless there is substantial slippage in the capital programme.

## 8. BALANCE SHEET REVIEW 31ST MARCH 2015

- 8.1 A balance sheet review has been carried out following completion of the draft accounts. This shows:

- The CFR or underlying borrowing requirement rose by £9m to was £507m, and this was funded by external loans of £381m, resulting in internal borrowing of £125m.
- Reserves and balances in the balance sheet amounted to £93m (up £1m y/y), compared to cash investment of £39m, resulting in difference of £55m representing internal investments.
- A net working capital surplus of £71m, which when added to internal investments equals £126m (internal borrowing).
- The above shows that cash balance remained strong during the year and were able to sufficiently support the internal borrowing strategy adopted. Given the underlying borrowing required is forecast to rise over the coming years borrowing options this year are actively being considered. See **Appendix 4** for further information.

## 9. DEBT FINANCING BUDGET

- 9.1 An under spend of £1.320m is forecast for Debt Charges. This is largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following year end, however there may be some additional small movement once the charge has been finalised. A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in recent years, so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.
- 9.2 A discrete piece of work has started to review the MRP in its entirety which should be concluded over the summer. The outcome of this piece of work will be reported in the next Treasury Update report to GPC and may provide an opportunity for the Council to consider reprofiling of debt repayments. Whilst over the long term this has no impact of the total debt repayment, it could give rise to a significant short term revenue benefit.

	Budget	Estimated Outturn	Variance
	£m	£m	£m
Interest payable	17.349	16.811	-0.538
Interest receivable	-0.422	-0.420	0.002
Other	0.527	0.384	-0.143
Technical	-0.085	-0.085	0.000
MRP	18.091	17.450	-0.641
<b>Total</b>	<b>35.460</b>	<b>34.140</b>	<b>-1.320</b>

- 9.3 Although there is link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term

borrowing decisions. These decisions are made in the context of other factors including, interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

## **10. MUNICIPAL BONDS AGENCY**

- 10.1 The Council has investment of £400k share capital to support the launch of the Agency. The Municipal Bonds Agency is scheduled to launch their first bond on behalf of Local Authorities in autumn of 2015 and to issue a second bond later in the year.
- 10.2 Loan documentation has been drafted by the Agency and is currently being reviewed independently by a small group of Local Authorities and a major firm of solicitors. This includes the Joint and Several Guarantee which is seen as critical in obtaining lower rates than that offered from the PWLB. Counsel opinion is also being sort on behalf of all local authorities on Joint and Several Gurantee and details of this will be covered in a separate Cabinet report later in the year.
- 10.3 It is currently envisaged that the Council will use the Agency to raise a small amount of borrowing during 2015-16.

## **11. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS**

- 11.1 With effect from 1st April 2004 The Prudential Code became statute as part of the Local Government Act 2003 and was revised in 2011.
- 11.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable. To ensure compliance with this the Council is required to set and monitor a number of Prudential Indicators.
- 11.3 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (TMSS) and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix 2.

## **12. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

### **12.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **12.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **12.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

### **13. SIGNIFICANT IMPLICATIONS**

#### **13.1 Resource Implications**

This report provides information on performance against the Treasury Management Strategy. Section 8 shows the impact of treasury decisions which are driven by capital spend on the Council's revenue budget.

#### **13.2 Statutory, Risk and Legal 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 2.

#### **13.3 Equality and Diversity Implications**

There are no significant implications for any of the prompt questions within this prompt category.

#### **13.4 Engagement and Consultation Implications**

There are no significant implications for any of the prompt questions within this prompt category.

#### **13.5 Localism and Local Member Involvement**

There are no significant implications for any of the prompt questions within this prompt category.

#### **13.6 Public Health Implications**

There are no significant implications for any of the prompt questions within this prompt category.

### **List of Appendices**

**Appendix 1:** Economic Update (provided by Capita Asset Services Treasury Solutions)

**Appendix 2:** Capital and Treasury Prudential Indicators

**Appendix 3:** Investment Portfolio

**Appendix 4:** Balance Sheet Review 31<sup>st</sup> March 2015

<b>Source Documents</b>	<b>Location</b>
None	Box No: RES1211 Room No:301 Shire Hall Castle Hill Cambridge CB3 0AP

**Economic Update (provided by CAS Treasury Solutions)**

**Quarter ending 30<sup>th</sup> June 2015**

1. The latest economic data showed that the recovery slowed in the first quarter. However, the latest National Accounts painted the recovery in a better light than previously thought. Indeed, Q1's quarterly GDP growth estimate was nudged up from 0.3% to 0.4% on the back of some stronger construction data. What's more, given the strength of the business surveys, we wouldn't be surprised if Q1's growth figure was revised even higher in time.
2. In any case, the surveys suggest that the recovery got swiftly back on track in Q2. On the basis of past form, the average level of the Markit/CIPS composite PMI is consistent with quarterly GDP growth of around 0.8%. And the Bank of England's Agents' scores point to a similarly-strong pick-up. Granted, only limited official data has been published so far for Q2, but April's industrial production and trade figures paint an encouraging picture for the economic recovery at the start of the quarter.
3. Early indicators suggest that the recovery in household spending has maintained plenty of momentum in Q2. Although retail sales volumes rose by just 0.2% on the previous month in May, this followed a 0.9% rise in April. Accordingly, even if sales volumes were unchanged in June, they would still have risen by 0.9% over Q2 as a whole, matching Q1's rise. What's more, spending off the high street looks to have remained robust as well. The Bank of England's Agents' Score of turnover in the services sector points to a further acceleration in nominal spending on services in the near term. In addition, the latest consumer confidence figures suggest that households still think now is a good time to undertake major purchases.
4. Household spending should continue to be supported by developments in the labour market. The ILO unemployment rate has now fallen to 5.5%, not far above pre-crisis levels. And the employment rate is the highest since records began. The significant tightening in the labour market over the past eighteen months or so has begun to feed through into pay, with annual growth in headline average weekly earnings (excluding bonuses) picking up to 2.7% in April, its strongest since February 2009. We expect nominal wage growth to strengthen a bit further over the coming months as the unemployment rate continues to nudge down. The subdued outlook for inflation should underpin real wage growth.
5. The latest consumer prices figures showed that deflation lasted just one month. CPI inflation rose from -0.1% in April to +0.1% in May, reflecting the slower pace of falls in food prices and a rebound in petrol prices. We had stressed for a long while that deflation was likely to be fleeting, as it primarily reflected temporary external factors such as the fall in energy prices and food prices, as well as an appreciation in sterling, rather than weakness in domestic demand. Meanwhile, there have not

been any signs that very low inflation has had any adverse second round effects on inflation expectations or spending decisions. Nonetheless, inflation looks set to hover just above zero for the next six months, and it wouldn't take much during that period, perhaps a renewed 10% fall in the oil price, for the UK to be tipped back into deflation.

6. Unsurprisingly, then, the Monetary Policy Committee do not appear to be in any rush to raise interest rates. Granted, the minutes of June's MPC meeting showed that for two members, the decision to leave rates on hold was "finely balanced". And a recent interview with the Financial Times, resident MPC hawk Martin Weale suggested that he is not too far off restoring his vote to raise rates again. But with inflation close to zero, the first budget of the next parliament due to be published in July, and the situation in Greece becoming increasingly troubling, it looks that they will wait at least another few months before turning against the grain again. And with the rest of the committee likely to stand pat for even longer, it looks unlikely that there will be an increase in interest rates this year. Indeed, we still think that the first hike in Bank Rate will occur in Q2 next year, broadly in line with market expectations.
7. Meanwhile, with the Conservatives winning an outright majority in May's general election, the fiscal squeeze is set to re-intensify next year. We will know more detail about the Chancellor's plans at the Budget on the 8th July, but we already know that in order to meet their manifesto pledge, the Conservatives will have to implement a fiscal consolidation worth around 5% of GDP over the next four years. And given that they have pledged to not increase VAT, income tax or national insurance in the next parliament, more of the planned squeeze will have to come through cuts to spending than in the last parliament. Admittedly, these plans may be watered down, but it is clear that fiscal policy will be a hindrance, not a help, to the economic recovery over the next few years, and underlines that monetary policy will have to remain extremely accommodative. Meanwhile, the general election brought with it another cloud to the economic recovery – namely a referendum on the UK's membership of the European Union which could happen during 2016, though a May date now appears unlikely.
8. Internationally, the major development over the past quarter has been the deterioration of the situation in Greece. At the time of writing, the country is still a member of the euro-zone, but its future as part of the single currency has become increasingly uncertain. Greece urgently needs financial assistance in order to meet its debt repayments, but is unwilling to accept the reforms which creditors demand in exchange for funds. The situation is so severe that emergency capital controls have been imposed in order to stop the Greek banking system from collapsing. It is still possible that Greece and its creditors are able to strike a last-minute deal, but it is clear that this is likely to only offer a short-term solution, and Greece will need to undertake substantial debt restructuring or outright default if it is to return its public finances to a sustainable position in the long run. Whilst the UK's direct economic

and financial exposures to Greece are small, there could be an adverse impact on the UK's economy from a wider fallout and period of general financial market instability that would be likely to prevail if a "Grexit" were to occur.

9. Finally, UK equity prices have significantly underperformed their US counterparts since the beginning of Q2, with the FTSE 100 falling by 2.3%, whilst the S&P 500 has fallen by only 0.5%. That said, UK equity prices have performed better than those in Europe, which have been hit by renewed fears of a Grexit. Meanwhile, sterling has remained strong against the euro, due to these fears as well as the ECB's ongoing programme of Quantitative Easing. UK 10-year government bond yields have also increased by about 50 basis points since the beginning of Q2. This probably reflects a confluence of factors, such as easing fears of a prolonged bout of deflation, and growing concerns about the impact of a deterioration in the situation in the euro-zone. In any case, gilt yields had looked too low early this year given the fundamental strength of the economic recovery.



## Prudential and Treasury Indicators at 30<sup>th</sup> June 2015

### Monitoring of Prudential and Treasury Indicators: approved by Council in February 2015.

1. **Has the Council adopted CIPFA Code of Practice for Treasury Management in the Public Services?**

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. This is a key element of the Treasury Strategy 2015-16 which was approved by Council in February 2015.

2. **Limits for exposure to fixed and variable rate net borrowing (Borrowing less investments)**

	Limits	Actual
Fixed rate	150%	121%
Variable rate	65%	-21%
Total		100%

The Interest rate exposure is calculated as a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or negative depending upon the component parts of the formula. The formula is shown below:

$$\frac{\text{Total Fixed (or Variable) rate exposure}}{\text{Total borrowing} - \text{total investments}}$$

Fixed Rate calculation:

$$\frac{(\text{Fixed rate borrowing } £350.6m^* - \text{Fixed rate investments } £m^*)}{\text{Total borrowing } £381.1m - \text{Total investments } £91.2m} = 120.94\%$$

\*Defined as greater than 1 year to run

Variable Rate calculation:

$$\frac{(\text{Variable rate borrowing } £30.5m^{**} - \text{Variable rate investments } £91.2m^{**})}{\text{Total borrowing } £381.1m - \text{Total investments } £91.2m} = -20.94\%$$

\*\* Defined as less than 1 year to run or in the case of LOBO borrowing the call date falling within the next 12 months.

3. **Total principal sums invested for periods longer than 364 days**

	2015-16 Limit £m	Actual £m
Investment longer than 364 days to run	34.0	0.0

Notes: This indicator is calculated by adding together all investments that have greater than 364 days to run to maturity at this point in time.

4. **Limits for maturity structure of borrowing**

	<b>Upper Limit</b>	<b>Actual</b>
under 12 months	80%	14%
12 months and within 24 months	50%	4%
24 months and within 5 years	50%	3%
5 years and within 10 years	50%	26%
10 years and above	100%	53%

**Note:** The guidance for this indicator requires that LOBO loans are shown as maturing at the next possible call date rather than at final maturity.

**Affordability**

5. **Ratio of financing costs to net revenue stream**

<b>2015-16 Original Estimate %</b>	<b>2015-16 Revised Estimate %</b>	<b>Difference %</b>
10.23	9.58	-0.65

6. **Estimated incremental impact of capital investment decisions on band D council tax**

<b>2015-16 Original Estimate £</b>	<b>2015-16 Revised Estimate £</b>	<b>Difference £</b>
+13.21	+2.34	-10.87

This indicator has failed significantly as a result of the underspend currently reported.

## Prudence

### 7. Gross borrowing and the Capital Financing Requirement (estimated borrowing liability excluding PFI)

<b>Original 2015-16 Capital Financing Requirement (CFR) £m</b>	<b>2015-16 CFR (based on latest capital information) £m</b>	<b>Actual Gross Borrowing £m</b>	<b>Difference between actual borrowing and original CFR £m</b>	<b>Difference between actual borrowing and latest CFR £m</b>
600.3	590.0	381.1	219.2	208.9

## Capital Expenditure

### 8. Estimates of capital expenditure

For details of capital expenditure and funding please refer to the monthly capital report.

## External Debt

### 9. Authorised limit for external debt

<b>2015-16 Authorised Limit £m</b>	<b>Actual Borrowing £m</b>	<b>Headroom £m</b>
660.3	381.1	279.2

The Authorised limit is the statutory limit on the Council's level of debt and must not be breached. This is the absolute maximum amount of debt the Council may have in the year.

### 10. Operational boundary for external debt

<b>2015-16 Operational Boundary £m</b>	<b>Actual Borrowing £m</b>	<b>Headroom £m</b>
630.3	381.1	249.2

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised limit and must be monitored carefully.

## Appendix 3

### Investment Portfolio as at 30<sup>th</sup> June 2015

Class	Type	Deal Ref	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Deposit	Fixed	CCC/ST/64	15/04/15	17/08/15	Bank of Scotland plc	Maturity	0.6100%	5,000,000.00
Deposit	Fixed	CCC/ST/65	15/04/15	30/09/15	Bank of Scotland plc	Maturity	0.6500%	10,000,000.00
Deposit	Fixed	CCC/ST/66	15/04/15	15/10/15	Bank of Scotland plc	Maturity	0.7000%	5,000,000.00
Deposit	Fixed	CCC/ST/70	21/04/15	21/10/15	Standard Chartered Bank	Maturity	0.6900%	10,000,000.00
Deposit	Fixed	CCC/ST/71	21/04/15	21/12/15	Standard Chartered Bank	Maturity	0.7400%	5,000,000.00
Deposit	Fixed	CCC/ST/72	21/04/15	23/11/15	Standard Chartered Bank	Maturity	0.7200%	5,000,000.00
Deposit	Fixed	CCC/ST/73	21/04/15	31/07/15	Credit Suisse AG	Maturity	0.5400%	10,000,000.00
Deposit	Fixed	CCC/ST/77	09/06/15	29/01/16	Royal Bank of Scotland plc	Maturity	0.6700%	5,000,000.00
Deposit	Fixed	CCC/ST/78	09/06/15	09/03/16	Royal Bank of Scotland plc	Maturity	0.7500%	5,000,000.00
Deposit	Fixed	CCC/ST/79	18/06/15	18/09/15	Credit Suisse AG	Maturity	0.5500%	5,000,000.00
<b>Fixed Total</b>								<b>65,000,000.00</b>
Deposit	Call	CCC/CE/6	01/12/14	-	Barclays Bank plc	Maturity	0.5000%	20,000,000.00
<b>Call Total</b>								<b>20,000,000.00</b>
Share holding		CCC/59	25/09/14	-	Municipal Bonds Agency	-	-	400,000.00
<b>Share holding Total</b>								<b>400,000.00</b>
Deposit	MMF	CCC/ST/3	31/03/14	-	SLI Sterling Liquidity/CI 2	Maturity	0.4766%	6,228,000.00
<b>MMF Total</b>								<b>6,228,000.00</b>
<b>Deposit Total</b>								<b>91,628,000.00</b>

### Balance Sheet Review – 31<sup>st</sup> March 2015

A balance sheet review has been carried out following completion of the draft accounts. This analysis provides useful information on how we are resourcing the Capital Financing Requirement (i.e. through internal and external borrowing). The analysis also explains how cash backed reserves and working capital surplus supports the cash that is invested.

	31 <sup>st</sup> March 2015 £m		31 <sup>st</sup> March 2014 £m	
Capital Financing Requirement (CFR)	621		602	
PFI & Finance Lease Liabilities	114		104	
<b>Underlying borrowing requirement</b>	<b>507</b>		<b>498</b>	
	<b>£m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
External loans				
PWLB	302	60	302	61
LOBO	80	16	80	16
Local Authorities	0	0	0	0
Internal resources	=£125m		=£116m	
Internal investments	55	11	48	10
Working capital surplus	70	13	68	13
<b>Total</b>	<b>507</b>	<b>100</b>	<b>498</b>	<b>100</b>

#### Key Points:

- The underlying borrowing requirement has increased by £9m from £498m to £507m
- External borrowing remains unchanged during the year at £382m.
- Internal borrowing has increased from £116m to £125m. This is resourced from two areas;
  - 1) internal investments of £55m at 31<sup>st</sup> March 2015 (£93m cash backed reserves and balances compared to £38m investments)
  - 2) working capital surplus of £70m
- The Council has maintained a robust use of its balance sheet but we need to ensure that we don't become a forced borrower over the next year or two. The impact of the funding of future capital schemes will also need to be carefully monitored to ensure that the internal investment position is prudent in light of the potential for interest rates to rise over the next two or three years.
- A line by line analysis is shown in the schedule produced by the Councils Treasury Management advisors on the next page.



**ENGAGEMENT WITH MEMBERS - REVISED PROTOCOL FOR STRATEGIC ASSETS**

*To:* **General Purposes Committee**

*Meeting Date:* **15 September 2015**

*From:* **Roger Moore Head of Strategic Assets/  
Chris Malyon Head of Finance**

*Electoral division(s):* **All**

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

*Purpose:* **The Committee is being asked to consider a protocol for improved engagement of Members in strategic asset matters.**

*Recommendation:* **To agree the approach proposed.**

<b><i>Officer contact:</i></b>	
Name:	Chris Malyon/Roger Moore/
Post:	CM: Chief Finance Officer RM: Head of Strategic Assets
Email:	<a href="mailto:Chris.malyon@cambridgeshire.gov.uk">Chris.malyon@cambridgeshire.gov.uk</a> <a href="mailto:Roger.moore@cambridgeshire.gov.uk">Roger.moore@cambridgeshire.gov.uk</a>
Tel:	CM: 01223 699796 RM: 01223 507268

## 1. BACKGROUND

- 1.1 This paper arises from two earlier General Purposes Committees on the 12th March and the 19th May. In March during a discussion on a proposal to let a property at Barton Road in Ely for less than it was worth Members “highlighted the need to review officer delegation for property disposals particularly where revenue streams could exceed the delegation.”
- 1.2 The May meeting which considered officer delegation resolved that “the production of a protocol for improved engagement of Members be drawn up by the Chief Finance Officer in consultation with members of the Treasury Strategy Review Working Group.”
- 1.3 A spreadsheet detailing transactions and current Member engagement was discussed at the Treasury Review Group (aka Investment Review Group) on 17th June. (**Appendix 1**). This was sent to all County Council Members on the 18th June. Five responses were received and they were considered on the 22nd July at IRG.
- 1.4 All five responses suggested that the words “local member consulted” was better than “advised”.

Councillor Count did not think that licences required member involvement unless they were above a certain threshold. Most licences are to playgroups for nil rent and the highest was about £6,000 pa for a Public Health use in Castle Court.

Councillor Count suggested that Members should be consulted on option agreements.

Councillor Count also suggested that the consultation with Members should be “five days prior”.

Councillor Bywater suggested that Members were consulted about easements. Councillor Count was not 100% sure. Easements are registered legal interests used for example gas mains or rights of access. They are usually permanent and attract an upfront payment.

- 1.5 Sales with a capital value over £500,000 currently require Member approval.
- 1.6 Leases with an annual rental greater than £150,000 currently require Member approval.
- 1.7 Leases with a cumulative value over the life of the tenancy more than £500,000 currently require Member approval.
- 1.8 Leases at less than best consideration to community bodies, with a market value greater than £20,000, currently require Member approval.
- 1.9 When Local Members are consulted about disposals of freeholds and long leaseholds over seven years this is recorded on asset management files.
- 1.10 Local Member comments are noted in committee reports and form part of the decision making process.



## **2. REVISED APPROACH**

- 2.1 An updated spreadsheet is attached at **Appendix 2**.
- 2.2 The words “local Member consulted” will be used rather than “advised”.
- 2.3 When consulted Members will be given 5 days to respond.
- 2.4 Local Members will be consulted when Licence fees are above £1,000.
- 2.5 Local Members will be consulted regarding Option and in addition Promotion agreements which are becoming more common. These are usually on high value sites which will most likely have been to GPC to declare surplus already
- 2.6 Local Members will not be consulted regarding easements.
- 2.7 An additional written check will be introduced when the Head of Strategic Assets signs off the instruction to Legal requiring confirmation that Local Members have been consulted.
- 2.8 Since May the Investment Review Group has also considered other property matters such as the housing developments being considered by the Council on its land and it is proposed that other significant property matters will be considered by the group. An example would be the strategic review of the Council’s Farms Estate which previously has heavily involved Members.
- 2.9 Details of the Council’s property assets are available to all on the Council’s website.  
[Web link to maps showing County Council assets in local members areas.](#)
- 2.10 Visits to see property assets have been organised before and will continue to be offered when required.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

There are no significant implications within this category.

#### **4.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications for this priority.

#### **4.4 Engagement and Consultation Implications**

All Members have been consulted.

#### **4.5 Localism and Local Member Involvement**

All Members have been consulted.

#### **4.6 Public Health Implications**

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
GPC reports 12th March and 19th May 2015  Appendix 1 – Spreadsheet showing current Member engagement in property/strategic assets matters.  Appendix 2 – Revised spreadsheet showing current Member engagement in property/strategic assets matters.	Box No: OCT1104 Room No:1st floor Octagon Shire Hall Castle Hill Cambridge CB3 0AP

## Strategic Assets - GPC Working Group - Property Transactions within Officer Delegation (under £500,000 transaction total value)

Transaction Type	General use for CCC	Value parameters	Current Member engagement
Freehold disposal - open market	Historically, the method of dealing with surplus property or land, including land identified for disposal under the Farms Management Plans. May be for existing use or with planning consent previously obtained by CCC	Market value, ranging from a few £000's to £500,000	CCC local Member is advised prior to the site being put on the open market, and again when terms have been agreed at the point of instructing solicitors. DC/BC's and PC's are advised through MAC register of disposal assets
Freehold disposal - Special Purchaser	Generally used for disposals of small parcels of land to adjoining owners, or for Community Asset Transfer at less than best value.	Generally low value or peppercorn, though occasionally may be a 'ransom' sale	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the value is over £20,000, it needs GPC approval
Leasehold disposal - long lease	An alternative to freehold disposal, where CCC sees a long-term interest in retaining freehold or some measure of control (e.g. sale of historic buildings, Academy Transfers, Community Assets or specialised uses)	Usually a premium, but generally low due to nature of assets	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the value is over £20,000, it needs GPC approval
Granting lease - short lease (up to 7 yrs)	At present CCC lets very few properties for commercial returns, and short leases tend to be for utilising surplus space within a larger building, sharing operational sites (especially CCC school sites, for day nurseries etc), or short term community use	Generally low. For leases on School sites, Governing Bodies have delegated authority to set the level of hiring to be charged	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the annual rental is over £20,000, it needs GPC approval
Granting lease - renewal	Where current leases reach expiry of the existing term. Leases (even concessionary leases) can have the protection of the Landlord & Tenant Act 1954, which affords tenants a statutory right to renew.	Generally market rent, or can be the rental basis of the existing lease	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the annual rental is over £20,000, for a community based user, it needs GPC approval
Granting licence	For less formal or interim occupation of CCC operational property, including sharing agreements with public sector partners	Generally on a cost recovery basis, as the short term nature impacts on 'market value', but may include some element of 'rent'	CCC local Member not generally advised.
Granting Option	Used to defray risk of promoting freehold land for development, or where third party has more appropriate skills or property interests, or where an independent joint landowners' agreement is needed	small up front fee, with a proportion of market value payable on fulfilment of conditions precedent	CCC local Member not generally advised.
Granting easement	Where a third party landowner seeks a right over or under CCC-owned land	capital payment based on market value is payable	CCC local Member not generally advised.

Granting occupation - other	Generally Hiring agreements or tenancies at will	May have value depending on the nature of the occupation, but rarely significant, and sometimes concessionary	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the value is over £20,000, it needs GPC approval
Releasing Restrictive Covenants	Covenants imposed on previous sales released at the request of the current landowner	Market value	CCC local Member not generally advised
Granting County Farm tenancies	On expiry of existing Farm's Estate Tenancies, or tenancies for life	Market value	CCC local Member not generally advised
Granting housing tenancies	Caretakers' houses on school sites, under strict conditions relating to employment to avoid giving security of tenure	Affordable housing value or nationally agreed rate	CCC local Member not generally advised
Rent reviews	Where a lease or other agreement contains provision for the rent to be reviewed periodically, generally upwards only.	Market value or as set out in the lease	CCC local Member not generally advised
Freehold acquisition	Site for new CCC operational properties, including school sites under s.106 Agreements	Market value	CCC local Member not generally advised
Freehold acquisition - compulsory purchase	Land and property for operational delivery, usually for highways, but could be for new school sites	Market value	CCC local Member not generally advised
Leasehold acquisition - long lease	An alternative to the above	Market value	CCC local Member not generally advised
Taking lease - short lease	To meet operational requirements, currently requires Business Case approval	Market value	CCC local Member not generally advised
Taking lease - renewal	Where existing operational leases expire but requirement remains. Tested for relocation within CCC or partner property, requires Business Case approval	Market value	CCC local Member not generally advised
Taking licence	For operational reasons, often connected with construction projects and temporary needs	Generally nil value, or with a 'market' one-off payment	CCC local Member not generally advised
Taking Option	To meet operational needs, but where complex planning permission or land assembly is required	Market value, usually an up-front payment and balance on meeting conditions precedent	CCC local Member not generally advised

Taking easement	Where a right of access or for services is needed over or under adjoining land	Market value	CCC local Member not generally advised
Taking occupation - other	Ad hoc agreements as required	Usually no charge or small one-off payment	CCC local Member not generally advised
Obtaining release of Restrictive Covenants	Where CCC land is subject to a covenant which needs to be released to enable operational use, or sale/development for alternative use	Market Value	CCC local Member not generally advised
Exiting leases	In accordance with Accommodation Strategy or service requirements	Dilapidations' works/payment required to ensure all covenants are met before exit	CCC local Member not generally advised
Property & Site search	Search for new property to meet operational demands	n/a	CCC local Member not generally advised
Planning applications	For change of use to meet operational demands, or for re-development to generate value from surplus or investment assets	at cost	CCC local Member not generally advised
Making planning representations	To promote or maintain the medium to long term value of CCC assets or land for investment or development value	at cost	CCC local Member not generally advised

Member checklist actions





## Granting easement Where a third party landowner seeks a right over or under CCC-owned land capital payment based on market value is payable



## Strategic Assets - Member Engagement Protocol - Strategic Assets Transactions

Transaction Type	General use for CCC	Value parameters	Proposed Member engagement
Freehold disposal - open market	Historically, the method of dealing with surplus property or land, including land identified for disposal under the Farms Management Plans. May be for existing use or with planning consent previously obtained by CCC	Market value, ranging from a few £000's to £500,000	CCC local Member is consulted five days before the site is put on the open market and again when terms have been agreed at the point of instructing solicitors. District Council's and Parish Council's are advised through MAC register of disposal assets. All sales over £500,000 require GPC approval.
Freehold disposal - special purchaser	Generally used for disposals of small parcels of land to adjoining owners or for Community Asset Transfer at less than best value.	Generally low value or "peppercorn", though occasionally may be a 'ransom' sale	CCC local Member is consulted five days before instructing solicitors. If a 'less than best' disposal and the value is over £20,000, it needs GPC approval. All sales over £500m require GPC approval.
Leasehold disposal - long lease	An alternative to freehold disposal, where CCC sees a long-term interest in retaining freehold or some measure of control (e.g. sale of historic buildings, Academy Transfers, Community Assets or specialised uses)	Usually a premium, but generally low due to nature of assets	Leases over £150,000 per annum in value and leases with a cumulative value of more than £500,000 over the term of the tenancy require GPC approval. If a 'less than best' disposal and the annual rental is over £20,000, requires GPC approval
Granting lease - short lease (< 7 yrs)	At present CCC lets very few properties for commercial returns, and short leases tend to be for utilising surplus space within a larger building, sharing operational sites (especially CCC school sites, for day nurseries etc), or short term community use	Generally low. For leases on School sites, Governing Bodies have delegated authority to set the level of hiring to be charged	CCC local Member is consulted five days before instructing solicitors. Leases over £150,000 per annum in value and leases with a cumulative value of more than £500,000 over the term of the tenancy require GPC approval If a 'less than best' disposal and the annual rental is over £20,000, it needs GPC approval
Granting lease - renewal	Where current leases reach expiry of the existing term. Leases (even concessionary leases) can have the protection of the Landlord & Tenant Act 1954, which affords tenants a statutory right to renew.	Generally market rent, or can be the rental basis of the existing lease	CCC local Member is consulted five days before instructing solicitors. Leases over £150,000 per annum in value and leases with a cumulative value of more than £500,000 over the term of the tenancy require GPC approval If a 'less than best' disposal and the annual rental is over £20,000, for a community based user, it needs GPC approval
Granting licences	For less formal or interim occupation of CCC operational property, including sharing agreements with public sector partners	Generally on a cost recovery basis, as the short term nature impacts on 'market value', but may include some element of 'rent'	Local Member consulted five days before instructing solicitors when value is more than £1,000 per annum.
Granting Option/Promotion agreements	Used to defray risk of promoting freehold land for development, or where third party has more appropriate skills or property interests, or where an independent joint landowners' agreement is needed	small up front fee, with a proportion of market value payable on fulfilment of conditions precedent	Local Member consulted five days before instructing solicitors.
Granting easement	Where a third party landowner seeks a right over or under CCC-owned land	capital payment based on market value is payable	Local Member not generally consulted
Granting occupation - other	Generally Hiring agreements or tenancies at will	May have value depending on the nature of the occupation, but rarely significant, and sometimes concessionary	CCC local Member is advised at the point of instructing solicitors. If a 'less than best' disposal and the value is over £20,000, it needs GPC approval

Releasing Restrictive Covenants	Covenants imposed on previous sales released at the request of the current landowner	Market value	CCC local Member not generally consulted	
Granting County Farm tenancies	On expiry of existing Farm's Estate Tenancies, or tenancies for life	Market value	CCC local Member not generally consulted	
Granting housing tenancies	Caretakers' houses on school sites, under strict conditions relating to employment to avoid giving security of tenure	Affordable housing value or nationally agreed rate	CCC local Member not generally consulted	
Rent reviews	Where a lease or other agreement contains provision for the rent to be reviewed periodically, generally upwards only.	Market value or as set out in the lease	CCC local Member not generally consulted	
Freehold acquisition	Site for new CCC operational properties, including school sites under s.106 Agreements	Market value	CCC local Member not generally consulted	
Freehold acquisition - compulsory purchase	Land and property for operational delivery, usually for highways, but could be for new school sites	Market value	CCC local Member not generally consulted	
Leasehold acquisition - long lease	An alternative to the above	Market value	CCC local Member not generally consulted	
Taking lease - short lease	To meet operational requirements, currently requires Business Case approval	Market value	CCC local Member not generally consulted	
Taking lease - renewal	Where existing operational leases expire but requirement remains. Tested for relocation within CCC or partner property, requires Business Case approval	Market value	CCC local Member not generally consulted	
Taking licence	For operational reasons, often connected with construction projects and temporary needs	Generally nil value, or with a 'market' one-off payment	CCC local Member not generally consulted	
Taking Option	To meet operational needs, but where complex planning permission or land assembly is required	Market value, usually an up-front payment and balance on meeting conditions precedent	CCC local Member not generally consulted	
Taking easement	Where a right of access or for services is needed over or under adjoining land	Market value	CCC local Member not generally consulted	
Taking occupation - other	Ad hoc agreements as required	Usually no charge or small one-off payment	CCC local Member not generally consulted	
Obtaining release of Restrictive Covenants	Where CCC land is subject to a covenant which needs to be released to enable operational use, or sale/development for alternative use	Market Value	CCC local Member not generally consulted	
Exiting leases	In accordance with Accommodation Strategy or service requirements	Dilapidations' works/payment required to ensure all covenants are met before exit	CCC local Member not generally consulted	
Property & Site search	Search for new property to meet operational demands	n/a	CCC local Member not generally consulted	
Planning applications	For change of use to meet operational demands, or for re-development to generate value from surplus or investment assets	at cost	CCC local Member not generally consulted	

Making planning representations	To promote or maintain the medium to long term value of CCC assets or land for investment or development value	at cost	CCC local Member not generally consulted	
---------------------------------	--	---------	--	--

**CORPORATE RISK REGISTER UPDATE**

**To:** General Purposes Committee

**Date:** 15th September 2015

**From:** Director of Customer Services & Transformation

**Electoral division(s):** All

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

**Purpose:** To provide the General Purposes Committee with details of the current status of corporate risk.

**Recommendation:** It is recommended that the General Purposes Committee notes the position in respect of corporate risk.

<b><i>Officer contact:</i></b>	
Name:	Neil Hunter
Post:	Interim Head of Internal Audit
Email:	<a href="mailto:neil.hunter@cambridgeshire.gov.uk">neil.hunter@cambridgeshire.gov.uk</a>
Tel:	01223 715317

## **1. BACKGROUND**

1.1 In accordance with best practice the Council operates a risk management approach at corporate and directorate levels across the Council seeking to identify any key risks which might prevent the Council's priorities, as stated in the Business Plan, from being successfully achieved.

1.2 The risk management approach is encapsulated in 2 key documents:

- Risk Management Policy

This document sets out the Council's Policy on the management of risk, including the Council's approach to the level of risk it is prepared to countenance as expressed as a maximum risk appetite. The Risk Management Policy is owned by the General Purposes Committee.

- Risk Management Procedures

This document details the procedures through which the Council will identify, assess, monitor and report key risks. Risk Management Procedures are owned by Strategic Management Team (SMT).

1.3 The respective roles of the General Purposes Committee and the Audit and Accounts Committee in the management of risk are:

- The General Purposes Committee has an executive role in the management of risk across the Council in its role of ensuring the delivery of priorities.
- The Audit and Accounts Committee provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.

1.4 The Corporate Risk Register was reviewed by SMT on 17 August 2015.

1.5 This report is supported by:

- The Corporate Risk Profile (Appendix 1)
- Corporate Risk Register extract (Appendix 2)

## **2. CORPORATE RISK REGISTER**

2.1 Following the review of corporate risk by SMT on 17 August, SMT is confident that the Corporate Risk Register is a comprehensive expression of the main risks faced by the Council and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

This meeting of SMT, informed by the work of the Council's Corporate Risk Group, discussed and agreed a number of updates to the Corporate Risk Register:

- That the residual risk rating of risk 1b '*Failure to deliver the current five year business plan*' be increased from amber to red, reflecting the increasing severity of the financial challenge facing the Council, and also bringing this in line with directorate risk profiling.
- That risks 14 '*Increased demand for services arising from increased financial and social pressures on individuals, families and communities*' and 16 '*Lack of capacity to resource future demand for services in respect of children and adults*' be combined into a single new risk 28 '*Lack of capacity to respond to rising demand for service provision*'
- That a new risk 27 '*The Pension Fund is materially under-funded*' is added to the Register, due to funding levels being largely dependent on external factors, and also in line with risk management practice in Northamptonshire County Council.

2.2 **Appendix 2** shows the profile of Corporate Risk against the Council's risk scoring matrix and illustrates that there are three red residual risks. Risk 1a '*Failure to produce a robust and secure Business Plan over the next five years*', Risk 1b as discussed in paragraph 2.1, and Risk 9 '*Failure to secure funding for infrastructure*' remains unchanged from the previous report to the Committee. The red rating of this risk reflects the significant reduction in central Government funding for school infrastructure.

### 3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Risk management seeks to identify and to manage any risks which might prevent the Council from achieving its three priorities of:

- Developing the local economy for the benefit of all
- Helping people live healthy and independent lives
- Supporting and protecting vulnerable people

### 4. SIGNIFICANT IMPLICATIONS

#### 4.1 Resource Implications

Effective risk management should ensure that the Council is aware of the risks which might prevent it from managing its finances and performance to a high standard. The Council is then able to ensure effective mitigation is in place to manage these risks.

#### 4.2 Statutory, Risk and Legal Implications

The Risk Management process seeks to identify any significant risks which might prevent the Council from achieving its plans as detailed in the Council's Business Plan or from complying with legislative or regulatory requirements. This enables mitigation to be designed to control each risk, either to prevent the risk happening in the first place or if it does to minimise its impact on the Council.

#### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.4 Engagement and Consultation**

The Corporate Risk Register has been subject to review by the Officer Risk Champions Group and Strategic Management Team

#### **4.5 Localism and Local Member Involvement**



There are no significant implications within this category.




#### **4.6 Public Health**

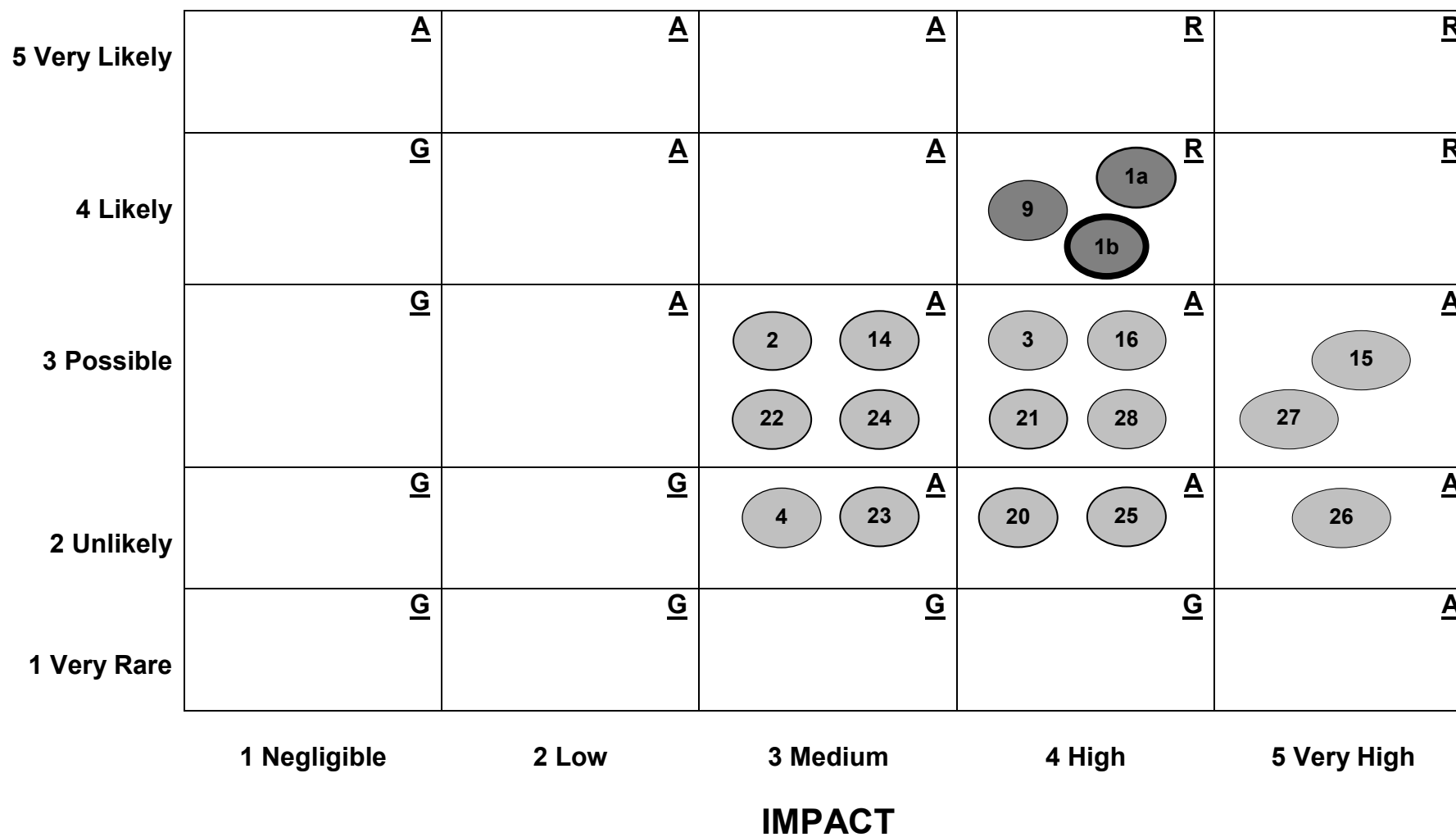
There are no significant implications in respect of Public Health.

<b>Source Documents</b>	<b>Location</b>
Corporate Risk Register	Internal Audit and Risk Management



Favourable change  Adverse change 

Green rated  Amber rated  Red rated 

**PROBABILITY**



## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
1a	Failure to produce a robust and secure Business Plan over the next 5 years	1. Failure to have clear political direction, vision, priorities, and outcomes in the Business Plan. 2. Failure to plan effectively to achieve necessary efficiency savings and service transformation. 3. Failure to identify sufficient additional savings in addition to existing plans, in light of forthcoming CSR. 4. Worsening Pension Fund deficit 5. Legislative changes add unforeseen pressures to Council savings targets	1. The Council lacks clear direction for resource use and either over-spends, requiring the need for reactive savings during the life of the plan, or spends limited resources unwisely, to the detriment of local communities.	CD CS&T	1. Robust political leadership, strong vision, clear priorities and policies, developed through councillor engagement  2. Robust engagement with members of CLT and Councillors through the Business Planning process timetable, to ensure greater cross-organisational challenge and development of options.  3. Full consultation with public, partners and businesses during planning process, including thorough use of data research and business intelligence to inform the planning process 4. Stronger links with service planning across the Council seeking to transform large areas of spend.  5. Business Planning process requires early identification of possible impacts of legislative changes, as details emerge  6. A working party is exploring alternatives to the existing business planning process	4	4	16	2. Implementation of the "new operating model" business planning approach alongside the existing cash limit approach (as approved by GPC 28 July 2015)	SMT	Feb-16		G	
1b	Failure to deliver the current five year Business Plan	1. Failure to deliver (with partners) the Business Plan and achieve required efficiency savings and service transformation. 2. Assumptions in existing Business Plan regarding the wider economic situation are inaccurate. 3. Organisation not sufficiently aligned to face challenges.	1. The Council is unable to achieve required savings and fails to meet statutory responsibilities or budget targets; need for reactive in-year savings; adverse effect on delivery of outcomes for communities	CE	1. Robust service planning; priorities cascaded through management teams and through appraisal process 2. Strategy in place to communicate vision and plan throughout the organisation 3. Performance Management 4. Governance framework to manage transformation agenda: a. Integrated portfolio of programmes and projects b. Routine portfolio review to identify and address dependencies, cross cutting opportunities and overlaps c. Directorates to review and recommend priorities d. Directorate Management Teams/Programme Gvnce Boards ratify decisions 5. Rigorous RM discipline embedded in all transformation programmes/projects, with escalation process to Directorate Management Teams / Programme Boards 6. Integrated performance and resource reporting (monthly to GPC) a. Monthly progress against savings targets b. Corporate Scorecard monitors performance against priorities c. Budget holders monthly meetings with LGSS Finance Partner/External Grants Team, producing BCR d. Regular meetings with Director of Finance/s151 Officer, Committee Chairs and relevant Directors to track exceptions and identify remedial actions 7. Rigorous treasury management system in place plus ongoing tracking of national and international economic factors and Government policy 8. Limited reserves for minor deviations 9. Routine monitoring of savings delivery to identify any required interventions 10. Bi-annual Leaders and Chairs meeting and Cambridgeshire Public Service Board 11. Board Thematic Partnerships including the LEP and the Health and Well Being Board, commissioning task and finish groups 12. LGSS governance arrgts incl representation on SMT (Section 151 Officer)	4	4	16						
2	The quality, responsiveness and standard of LGSS Services fail to meet CCC requirements	1. LGSS resources available to support CCC are reduced as LGSS expands its customer base 2. Failure to manage LGSS service delivery to CCC	1. Support services to CCC are not provided in a timely, accurate and professional manner	CD CS&T	1. Joint Committee Structure incl CCC Cllr representation, LGSS Overview and Scrutiny Cttee, Chief Executive sits on LGSS Management Board  2. LGSS director representation on SMT to ensure LGSS meets current and future Council needs  3. LGSS Strategic Plan, Strategy Map and Improvement Activities identified 4. Programme Management arrangements in place to move forward workstreams  5. CCC performance management arrangements 6. LGSS performance management team 7. LGSS SLA's in place and regularly reviewed in detail 8. Corporate Director CS&T responsible for managing LGSS / CCC relationship	3	3	9	2. In depth reviews of the remaining SLAs in the Council's contract with LGSS, <b>beginning with OWD, Audit and Risk Management and Strategic Assets</b> (including the ongoing IT review)	CD CS&T	May-15	Mar-16	G	Corporate Director, Customer Service and Transformation
		1. Ineffective recruitment outcomes 2. Ineffective planning processes	1. Failure to deliver effective services		1. Annual business planning process identifies staffing resource requirements									

## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
3	The Council does not have appropriate staff resources with the right skills and experience to deliver the Council's priorities at a time of significant demand pressures	3. Unattractive terms and conditions of employment. 4. High staff turnover 5. Lack of succession planning to capture experience and knowledge 6. Increasing demand for services 7. Lack of trained staff 8. National pressures on the recruitment of key staff	2. Regulatory criticism/sanctions of employment 3. Civil or criminal action 4. Reputational damage to the Council 5. Low morale, increased sickness levels	DoPTT	2. Children and Adults Workforce Strategy and Development plans <b>with focus on recruitment and retention</b> 3. Robust performance management and development practices in place. 4. Flexible terms and conditions of employment 5. Appropriate employee support mechanisms in place through the health and well being and counselling service agenda. 6. Organisational Workforce Development Programme 7. Use of statistical data to shape activity relating to recruitment and retention <b>8. Workforce Strategy and Development Plan which is reviewed by LGSS Management Board on a quarterly basis.</b>	3	4	12						
4	The Council does not achieve best value from its procurement and contracts	1. ineffective procurement processes 2. Lack of awareness of procurement processes across the Council 3. Ineffective contract management processes 4. Untrained contract managers	1. Poor value for money 2. Legal challenge 3. Wasted time and effort in contractual disputes	DoLPG	1. Contract Procedure Rules and Procurement Best Practice Guidance kept updated with changes in best practice  3. Procurement Training  4. Central Contract register <b>5. Use of checklist to all new procurement activity undertaken via central Procurement team</b>	2	3	6	1. <b>Audit reviews to provide assurance that individual managers have the appropriate skills and training</b> 2. <b>Audit reviews to provide assurance on the effectiveness of contract management in selected contracts</b>	HIA HIA	Mar-16 Mar-16		G G	
9	Failure to secure funding for infrastructure	1. Insufficient funding is obtained from a variety of sources, including growth funds, section 106 payments, community infrastructure levy and other planning contributions, to deliver required infrastructure. This is exacerbated by austerity measures and reduced government funding for local authorities  2. Significant reduction in school infrastructure funding in 2016/17 from £34m per annum to £4m	1. Key infrastructure, services and developments cannot be delivered, with consequent impacts on transport, economic, environmental, and social outcomes. This could also result in greater borrowing requirement to deliver essential infrastructure and services which is unsustainable.	ED ETE ED CFA	1. Maximisation of developer contributions through Section 106 negotiations.  2. Prudential borrowing strategy is in place.  3. Section 106 deferrals policy is in place.  4. External funding for infrastructure and services is continually sought.  <b>5. Maintain dialogue with Huntingdonshire District Council and East Cambridgeshire District Council where Community Infrastructure Levy is in place to secure CIL monies for County Projects.</b> <b>6. Strategic development sites dealt with through S106 rather than CIL and S106. In dealing with sites through S106 alone, the County Council has direct involvement in negotiation and securing of developer contributions to mitigate the impact of a specific development.</b> <b>7 Respond to District Council Local Plans and input to infrastructure policy at all stages of the Local Plan process.</b>  8. Lobby with LGA over infrastructure deficit	4	4	16	1. <b>Maintain dialogue with Cambridgeshire City Council and South Cambridgeshire District Council to input into Community Infrastructure Levy prior to adoption of the Local Plan (Adoption of CIL anticipated 2016)</b>  7. Investigate the potential for use of Tax Increment Financing and other innovative forms of funding.  9. Assist service areas define their infrastructure requirements to be pulled together within one policy document for use  10. Scope out potential for a more joined up approach to CIL and investment in infrastructure  12. Seek to maximise potential Basic Need capital allocations through submission of a robust evidence-based School Capacity Annual Return to the Department for Education.  14. Develop a New Communities Strategy to provide clearer arrangements for <b>how CCC will support people moving into new</b> <b>15. County Planning obligation strategy being developed for district's and CCC use.</b>	HoTIPF Exec Director, ETE HoTIPF HoTIPF Exec Director, CFA SD S&C HoGE	 Ongoing   Aug-15  Dec-15	   Autmn 2015    	G   G G G G	HoTIPF - Head of Transport Infrastructure Policy and Funding HoGE - Head of Growth and Economy HoS - Head of Strategy SD S&C - Service Director, Strategy and Commissioning ED CFA - Exec Director, Children, Families and Adults

CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
					9. County Planning Obligation Strategy being developed for Districts and CCC use.									
14	Increased demand for services arising from increased financial and social pressure on individuals, families and communities	1. Changes to the welfare benefits system 2. Increase in economic migration 3. Failure to understand different needs of community groups	1. Increased pressure on vulnerable families increases the demand for services 2. Housing harder to access leading to increased homelessness and relocation to areas of lower cost housing 3. Increased community tensions and public dissatisfaction 4. Sections of community feel excluded/marginalised potentially resulting in increased community tensions and public dissatisfaction	ED CFA	1. Community Cohesion Strategy and Action Plan in place. Child Poverty strategy agreed with multi-agency commitment 2. Monitoring of impact of benefit changes allows increases in need to be better anticipated 3. Cambs Sub-regional Housing Board planning for future housing needs in the long term. 4. County Homeless Executive working to reduce the impact of homelessness. 5. Sub-regional Homeless Group working to reduce the incidence of homelessness. 6. CYP Area partnerships supporting the uptake of Free School Meals 7. Welfare reform communications to families coordinated by the Families Information Service 8. Demand management work 9. Community resilience/capacity	3	3	9	8. Work with LEP to access ESF funds to support projects which support Social Inclusion and combat poverty	SD S&C	Jun-14	Dec 14 Jun-15	A	SD S&C - Service Director, Strategy and Commissioning ED CFA - Executive Director Children, Families and Adults HoS&P - Head of Strategy

## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
15	Failure of the Council's arrangements for safeguarding vulnerable children and adults	1. Severe family crisis despite the robust arrangements in place designed to prevent harm to adults and children 2. Insufficient skilled and experienced staff in Social Care. 3. Instability of social care workforce. 4. Quality Assurance processes fail to identify poor practice. 5. Volume of work exceeds staff capacity. 6. Information not shared effectively between different parts of the safeguarding system. 7. Poor case recording and record sharing.	1. Harm to a child (including in Domestic Violence situations) or an adult receiving services from the Council 2. Reputational damage to Council	ED CFA	1. Multi-agency Safeguarding Boards	3	5	15	3. Implement plan to integrate adult safeguarding into the Multi-agency Safeguarding Hub (MASH)	SD ASC	Jul-15	Sep-15	G	ED CFA - Executive Director Children, Families and Adults  SD ASC - Service Director, Adult Social Care
					2. Safeguarding Procedures, monitored during on-going supervision, and via service quality monitoring arrangements including case audits.				4. Revision to safeguarding procedures to support government initiative 'Making Safeguarding Personal' as referred to in current guidance for the Care Act.	SD ASC	Oct-15			
					3. Adults Safeguarding Practice Guidance and Procedures in place for Partners and reviewed regularly									
					4. Regular sharing of information with regulating bodies, including regulator reviews across Social Care Services.									
					5. Skilled and experienced safeguarding leads & their managers.									
					6. Comprehensive and robust recruitment and training and development policies for staff, including safer employment practices and arrangements for induction and ongoing development including case recording.									
					7. Common Assessment Framework to identify children at risk.									
					8. Continuous process of updating practice and procedures, linking to local and national trends, including learning from local and national reviews such as Serious Case Reviews.									
					10. Health and Wellbeing Strategy includes commitment from partners to safeguarding and a focus on the prevention of domestic violence, raising awareness and providing appropriate support for victims									
					11. Multi Agency Safeguarding Hub supports effective referral of vulnerable people across agencies									
					12. Robust process of internal QA and audit									
					13. Revised Social Work Unit model									
					14. Next steps Board supports and monitors Children's safeguarding improvement									
					15. Mental Capacity Act/Deprivation of Liberty (DoL) Governance group oversees DoL legislation requirements, including implications of the supreme court judgements									
					16. Safeguarding Adults Board includes business plan 2014-17									
					17. Adult Safeguarding training strategy including training fro GPs									
					18. Whistleblowing policy									
					19. Complaints process informs practice									
					20. Children's <b>and Adults</b> Social Care Performance Board monitors performance and thresholds									
					21. Robust challenge and partnership engagement through the LSCB									
					22. Children's <b>and Adults</b> Social Care Recruitment and Retention Strategy									
					23. Systematic review of referrals within the IAT to ensure effective triaging of new referrals									
					24. Early Help QA Framework and Practice Standards									
					25. Early Help Performance Framework									
					26. Joint protocols for case transfer E&P to Children's Social Care									
					27 Effective step down protocols									
					28. Change <b>to safeguarding</b> required by the Care Act 2014 overseen by the Safeguarding Adults Board <b>and the Transforming Lives/Care Act programme Board. Implementation began April 2015 in line with legislation and current guidance and will be reviewed and adapted as further national guidance becomes available</b>									
					29. Coordinated work between Police, County Council and other agencies to identify child sexual exploitation, with the oversight of the LSCB									

## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
16	Lack of capacity to resource future demand for services in respect of children and adults	1. Significant increase in the numbers of children and adults requiring services 2. Increase in the acuity of needs 3. Resourcing pressures within the Council 4. Sudden increase in population in one area due to large building development	1. Client dissatisfaction and increased risk of harm 2. Reputational damage to the Council 3. Regulatory criticism 4. Civil or criminal action against the Council	ED CFA	1. Regular audits of assessment processes and the use of trend data to identify children's needs at the earliest stage. 2. Multi-agency panels enable commissioners of services to consider and plan to meet needs jointly and agree funding 3. Joint Strategic Needs Assessment (JSNA) provides population information, which is used to target services in Adult Social Care and CYPS 4. Other safeguarding measures in place to identify service users and close liaison between multi-agency partners to help manage any unanticipated increase in need 5. Linkage with Business Planning process 7. Special Educational Needs (SEN) Strategy 8. Placements Strategy 12. Strategic commissioning framework priorities 13. New Communities Service ensures awareness of what will be required to resource service provision in new communities 14. Apply our knowledge of demographic change to predict impact on services	3	4	12	11. Deliver Looked After Children Placement Strategy 12. Deliver Older People's Strategy 13. Deliver Early Help offer 14. Deliver SEN Commissioning Framework 15. Deliver joint LD/PD resourcing plan 17. Delivery of demand management savings proposals within the 2015-16 Business Plan 18. Develop proposals to manage demand through the CFA Commissioning Strategy to 2020	ED CFA SD OP SD E&P SD S&C SD ASC ED CFA ED CFA	Sep-14 Mar-15 Apr-15 Jul-14 Sep-14 Mar-15 Feb-16	Mar-16 Mar-16 Mar-16 Mar-16 Mar-15	G G G G G G G	ED CFA - Executive Director Children, Families and Adults SD OP - Service Director, Older People and Mental Health SD E&P - Service Director, Enhanced and Preventative SD S&C - Strategy and Commissioning SD ASC - Service Director, Adult Social Care
20	Non compliance with legislative and regulatory requirements	1. Staff unaware of changes to legislative/regulatory requirements 2. Lack of staff training 3. Lack of management review	1. Adverse reports from regulators 2. Criminal or civil action against the Council 3. Reputational damage	CE	1. LGSS legal team robust and up to date with appropriate legislation. 2. LGSS legal team brief Corporate Leadership Team on legislative changes 3. Service managers kept abreast of changes in legislation by the Monitoring Officer, Gov departments and professional bodies 4. Monitoring Officer role 5. Code of Corporate Governance 6. Community impact assessments required for key decisions 7. Business Planning process used to identify and address changes to legislative/regulatory requirements 8. Constitutional delegation to Committees and SMT 9. H&S policy and processes	2	4	8						
21	Business Disruption	1. Loss of staff (large quantities or key staff) 2. Loss of premises (including temporary denial of access) 3. Loss of IT, equipment or data 4. Loss of a supplier 5. Loss of utilities or fuel	1. Inability to deliver consistent and continuous services to vulnerable people 2. School closures at critical times impacting students' ability to achieve 3. Inability to fully meet legislative and statutory requirements 4. Increase in service demand (e.g. in pandemic) 5. Inability to respond to citizens' request for services or information 6. Lasting reputational damage	CD CST	1. Corporate and service business continuity plans 2. Relationships with the Unions including agreed exemptions 3. Corporate communication channels 4. Multi-agency collaboration through the Cambridgeshire & Peterborough Local Resilience Forum (CPLRF) 5. First phase of IT resilience project including the increased alternative power/environment conditions in major machine rooms 6. Operational controls 7. Resilient Internet feed 8. Business continuity testing	3	4	12	3. Project to establish 2nd LGSS data centre for resilience/backup of all systems, in addition to Scott House facility. 12. Address the management agreed actions from the Business Continuity Audit	DoIT HoEP	Mar-13 Sep-15	Dec-15	G G	DoIT - Director of Information Technology HoEP - Head of Emergency Planning HIA&RM - Head of Internal Audit and Risk Management



## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
					9. CCC corporate BCP Group incl LGSS BC leads									
22	The Cambridgeshire Future Transport programme fails to meet its objectives within the available budget	1. Cambridgeshire Future Transport fails to deliver effective, efficient and responsive passenger transport services around Cambridgeshire	1. The accessibility needs of Cambridgeshire residents are not met, contributing to social exclusion, poor take up of employment and education opportunities, and reduced quality of life.  2.- Failure to complete on time will mean business plan savings are not achieved.	DoSD	1. A Governance group, including member representation from each of the districts, County, NHS, Cambridgeshire ACRE is in place to oversee the programme  2. The Cambridgeshire Future Transport programme board consisting of representatives from ETE, CFA and Comms  3. Strategic business case, Risks and Issues Log and programme is in place.  4. Communications strategy <b>has been developed.</b>  5. Engagement strategy including stakeholder mapping <b>has been developed.</b>  6. Monthly Member Steering Group meetings. Office programme board meeting monthly also.  7. Updates are provided monthly for Members via Key Issues.  8. The focus of the CFT work has now been extended to review the commissioning of all of the transport services that the County Council funds. This is following a motion to Full Council in December 2014. The review will lead to the formulation of recommendations for Members on necessary changes to commissioning.  9. Three year programme approved by Governance Group for bus subsidy work.  10. Two year programme now in place for the review of the commissioning.	3	3	9	2. Identify suitable delivery models for areas E, F, G E - A14 Corridor F - A1 Corridor and A14 G - Harston, Great Shelford  4. Manage the review of the commissioning of transport across all forms of provision in the county  <b>3. Identify suitable delivery models for areas K, L, M</b> <b>K - Chatteris, March, Wisbech</b> <b>L - Gorfield, Leverington</b> <b>M - Melbourn, Bassingbourn</b>	HoPT  HoPT  HoPT	  Mar-16  Sep-15	    Oct-15	  G  G  G	HoPT - Head of Passenger Transport
23	Major Fraud or Corruption	1. Non compliance with the internal control framework and lack of awareness of anti-fraud and corruption processes. 2. Increased personal financial pressures on individuals as a result of <b>economic circumstances</b>	1. Reputational damage 2. Financial loss	CE	1. Financial Procedure rules  2. Anti Fraud and Corruption Strategy incl Fraud Response Plan  3. Whistle blowing policy  4. Codes of conduct 5. Internal control framework 6. Fraud detection work undertaken by Internal Audit 7. Awareness campaigns 8. Anti Money Laundering policy 9. Monitoring Officer/Democratic Services role 10. Publication of spend data in accordance with Transparency Agenda 11. New Counter Fraud Team established in LGSS	2	3	6	3. Implement anti bribery policy  4. Fraud awareness campaigns	HIARM  HIARM	Mar-14  Dec-15	Dec 15	A  G	HIARM - Head of Internal Audit and Risk Management  HIARM - Head of Internal Audit and Risk Management
		1. Failure to equip staff and managers with the training, skills, systems and tools to enable them to meet the statutory standards for information management. 2. Failure to ensure that information and data held in systems (electronic and paper) is accurate up to date	1. Adverse impact on Council's reputation. 2. Adverse impact on service delivery, as unable to make informed decisions. 3. Financial penalties. 4. Increase in complaints and enquiries by the ICO.		1. Governance; SIRO, CIO, Corporate Information Management Team encompassing Information Management, Information Governance, Records Management, policies confirming responsibilities (see below) Data protection registration requirements  2. Policies: Data Protection, Freedom of Information, Information Security Incidents, Mobile Devices, Code of conduct, Retention schedules, IT security related policies (computer use, email), Information Management Strategy				6. Roll out of EDRM to manage the information lifecycle (including information standards). Task and finish group established to drive forward greater awareness raising and training  8. Review e-safety policy	IM  CDCST	Mar-13  Nov-13		G  A	IM - Information Manager  Corporate Director, Customer Services and Transformation



## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
24	A lack of Information Management and Data Accuracy and the risk of non compliance with the Data Protection Act	accurate, up to date, comprehensive and fit for purpose to enable managers to make confident and informed decisions.	5. Decisions made by managers are not appropriate or timely.	CD CST	3. Procedures: FOI, Subject Access Request Handling, Records Management, service level operational procedures, 4. Tools: Encrypted laptops and USB sticks, secure email and file transfer solutions, asset registers (USB sticks, encrypted laptops)  5. Training and awareness: Data Protection, information security, information sharing, Freedom of Information and Environmental Information Requests 6. Advice: Information Management advice service (IM, IG, RM, security), Information Management addressed via the Gateway project 7. Information asset catalogue 8. Information sharing protocols embedded internally and with partners 9. Audit/QA of accountabilities process	3	3	9						
26	Increasing manifestation of Busway defects	1. Failures of Busway bearings or movement of foundations continue and increase	1. Significant and ongoing costs to maintain the Busway or restricted operation of the Busway to the extent that it will no longer be attractive to operators or passengers.	ED ETE	1. Monitoring and inspection regime in place  2. Defects have been notified to Contractor in accordance with Contract . The Contractor has failed to investigate the defects or correct the defects within the defect correction period.  3. Causes of defects have been investigated and identified by the Project Manager    4. The Project Manager has assessed the cost of correcting the defects. Under the terms of the Contract this is payable by the Contractor.  5. Independent Expert advice has been taken confirming that the defects are defects under the Contract and that a programme of preventative remedial action is required and will be cheaper overall and less disruptive in the long run than a reactive response.  6. Legal Advice has been taken confirming that the defects are defects under the contract and that the Council has a good case for recovering the cost of correction from the Contractor  7. Retention monies held under the contract have been withheld from the Contractor and used to meet defect correction and investigation costs.  8. Funds have been set aside from the Liquidated Damages withheld from the Contractor during construction, which are available to meet legal costs  9. General Purposes Committee have resolved to correct the defects and to commence legal action to recover the costs from the Contractor  10. Initially defects are being managed on a case by case basis until the contractual issues are resolved, minimising impact on the public.	2	5	10	3. Prepare a strategy for the procurement of a contract to rectify the busway defects. This has been put on hold as a result of 4. Engage with bus operators, Busway users and prospective contractors to identify working methods that minimise disruption during the defect correction works. On hold pending surveys and monitoring.	SD S&D ETE SD S&D ETE		Oct-15 Jan-16	A A	Service Director, Strategy & development, ETE.
27	The Pension Fund is materially under funded	2. Contribution levels do not maintain the level of the fund 3. The longevity of scheme members increases 4. Government changes to pensions regulations 5. Volatility of financial markets 6. Change to tax threshold causing exceedingly high contribution 7. Shrinking workforce	1. Significant increases in revenue contributions to the Fund are necessary placing additional savings requirements on services	DoF	1. Governance arrangements including CCC Constitutional requirements and Pensions Committee including response to Hutton enquiry  2. Investment Panel work plan  3. Triennial valuation  4. Risk agreed across a number of fund managers  5. Fund managers performance reviewed on a regular basis by Pensions Committee	3	5	15						

## CORPORATE RISK REGISTER

Version Date: August 2015

Details of Risk					Key Controls/Mitigation	Residual Risk			Actions					Action Owner Acronyms explained
Risk No.	Risk Description	Trigger	Result	Owner		Probability	Impact	* Score	Description	Action Owner	Target Date	Revised Target Date	Action Status	
					6. Opt in legislation									
28	Lack of capacity to respond to rising demand for service provision	1. Significant increase in the numbers of people requiring services 2. Increase in the acuity of needs 3. Resourcing pressures within the Council. 4. Big thematic change does not result in tangible transformation at front line. 5. Welfare reform brings increased vulnerability. 6. Preventative services reductions risk increasing acuity of need. 7. NHS transition brings increased financial pressures. 8. Sudden increase in population in one area due to large building development increases demand.	1. Client dissatisfaction and increased risk of harm. 2. Reputational damage to the council. 3. Failure to meet statutory requirements. 4. Regulatory criticism. 5. Civil or criminal action against the Council	ED CFA	1. Use of trend data to identify children's needs at the earliest stage 2. Data regularly updated and monitored to inform service priorities and planning 3. Joint Strategic Needs Assessment provides information regarding demographics and need, which is used to inform service planning 4. Business planning process ensures resources are matched to need 5. Cross-district Welfare Reform Strategy Group supports early identification of need and joint planning. 6. Business planning proposals address future demand for services. 7. Looked After Children Placement Strategy 8. CFA Performance Board monitors performance of service provision 9. Strategy for tackling child and family poverty and economic disadvantage in Cambridgeshire 2014-17 agreed with multi agency commitment	3	4	12	1. Delivery of 2015/16 demand management BP savings monitored through the CFA Performance Board 2. Develop and deliver Older People's Programme 3. Develop and deliver our Early Help offer 4 Refresh Looked After Children Placement Strategy 5. Developing the Strategy for Building Community Resilience	HoS Strat SD OP SD E&P HoS Strat SD E&P	Mar-16 Mar-15 Mar-14 Mar-15 Nov-15	Mar-16 Sep-15 Nov-15	A A G A G	HoS Strat - Head of Service Strategy SD E&P - Service Director, Enhanced and Preventative SD OP - Service Director, Older People and Mental Health HoS CID - Head of Service Children's Innovation and Development

## SCORING MATRIX (see Risk Scoring worksheet for descriptors)

VERY HIGH (V)	5	10	15	20	25
HIGH (H)	4	8	12	16	20
MEDIUM (M)	3	6	9	12	15
LOW (L)	2	4	6	8	10
NEGLECTIBLE	1	2	3	4	5
IMPACT LIKELIHOOD	VERY RARE	UNLIKELY	POSSIBLE	LIKELY	VERY LIKELY

## Risk Owners

CD CS&T - Sue Grace  
 CE - Mark Lloyd  
 DoPTT - Christine Reed  
 DoLPG - Quentin Baker  
 ED ETE - Graham Hughes  
 ED CFA - Adrian Loades  
 DoSD - Bob Menzies  
 DoF - Matt Bowmer

## \* RAG RATING

RED rated risk  
 AMBER rated risk  
 GREEN rated risk

## RISK SCORES

16 - 25  
 5 - 15  
 1 - 4

## RISK SCORING MATRIX

<b>VERY HIGH (V)</b>	5	10	15	20	25
<b>HIGH (H)</b>	4	8	12	16	20
<b>MEDIUM (M)</b>	3	6	9	12	15
<b>LOW (L)</b>	2	4	6	8	10
<b>NEGLIGIBLE</b>	1	2	3	4	5
<b>IMPACT LIKELIHOOD</b>	<b>VERY RARE</b>	<b>UNLIKELY</b>	<b>POSSIBLE</b>	<b>LIKELY</b>	<b>VERY LIKELY</b>

Red scores - excess of Council's risk appetite – action needed to redress, quarterly monitoring

Amber scores – likely to cause the Council some difficulties – quarterly monitoring

Green scores – monitor as necessary

Descriptors to assist in the scoring of risk impact are detailed below

Likelihood scoring is left to the discretion of managers as it is very subjective

### IMPACT DESCRIPTORS

The following descriptors are designed to assist the scoring of the impact of a risk:

	<b>Negligible (1)</b>	<b>Low (2)</b>	<b>Medium (3)</b>	<b>High (4)</b>	<b>Very High (5)</b>
<b>Legal and Regulatory</b>	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges
<b>Financial</b>	<£0.5m	<£1.0m	<£5m	<£10m	>£10m
<b>Service provision</b>	(a) Insignificant disruption to service delivery	(a) Minor disruption to service delivery	(a) Moderate direct effect on service delivery	(a) Major disruption to service delivery	(a) Critical long term disruption to service delivery
<b>People and Safeguarding</b>	No injuries	Low level of minor injuries	Significant level of minor injuries and/or instances of mistreatment or abuse of an individual for whom the Council has a responsibility	Serious injury and/or serious mistreatment or abuse of an individual for whom the Council has a responsibility	Death of an employee or individual for whom the Council has a responsibility or serious mistreatment or abuse resulting in criminal charges
<b>Reputation</b>	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the Council's policies



**FINANCE AND PERFORMANCE REPORT – JULY 2015**

*To:* **General Purposes Committee**

*Meeting Date:* **15th September 2015**

*From:* **Director of Customer Service and Transformation  
Chief Finance Officer**

*Electoral division(s):* **All**

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

*Purpose:* **To present to General Purposes Committee (GPC) the July 2015 Finance and Performance 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 July 2015.**

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

<b><i>Officer contact:</i></b>	
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	<a href="mailto:Chris.malyon@cambridgeshire.gov.uk">Chris.malyon@cambridgeshire.gov.uk</a>
Tel:	01223 699796

## 1. BACKGROUND

- 1.1 At its meeting in May 2014, Committee was informed that it will receive the Corporate Services and LGSS Cambridge Office Finance and Performance Report at its future meetings, where it will be asked to both comment on the report and potentially approve recommendations, to ensure that the budgets and performance indicators for which the Committee has responsibility, remain on target.

## 2. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the July 2015 Finance and Performance report.
- 2.2 At the end of July, Corporate Services (including the LGSS Managed and Financing Costs) was forecasting a year-end underspend on revenue of £415,000.
- 2.3 The LGSS Operational budget was reporting a year-end underspend on revenue of £20,000. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.
- 2.4 There are three significant forecast outturn variances by value (over £100,000) being reported for Corporate Services / LGSS Managed, these are in relation to:
- County Offices where a £967,000 overspend is being forecast, this mostly relates to cost pressures on Children Centres where we have started to receive business rate bills for the first time, including back-dated charges to 2010, and a £400,000 saving target built into the 2015-16 budget associated with the closure of further properties on the County's estate (this has been partly achieved, but further work is still required to identify the balance);
  - The Authority-wide miscellaneous budget, where an overspend of £182,000 is forecast due to an anticipated deficit on the additional employer pensions contribution; and
  - County Farms, where a £140,000 underspend is forecast, due to increased rents following a rent review.
- 2.5 The debt charges and interest budget is currently predicting a year-end underspend of £1,320,000, largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable.
- 2.6 At the end of July, Corporate and LGSS Managed was forecasting a year-end underspend on capital of £0.830m variations on capital in 2015-16.
- 2.7 This was largely the result of a significant (by value) forecast underspend on County Farms Viability (as a result of reduced interest from tenants to undertake building improvements).
- 2.8 Corporate Services / LGSS have eleven performance indicators, of these one is currently at amber status and ten are green.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

#### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

#### **3.3 Supporting and protecting vulnerable people**

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 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.4 Engagement and Consultation Implications**

There are no significant implications within this category.

#### **4.5 Localism and Local Member Involvement**

There are no significant implications within this category.

#### **4.6 Public Health Implications**

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
There are no source documents for this report	Box No: OCT1114 Room No:1st Floor Octagon Shire Hall Castle Hill Cambridge CB3 0AP





**Corporate Services and LGSS Cambridge Office**

**Finance and Performance Report – July 2015**

**1. SUMMARY**

**1.1 Finance**

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

**1.2 Performance Indicators – Current status: (see section 4)**

Monthly Indicators	Red	Amber	Green	Total
July(Number of indicators)	0	1	10	11

**2. INCOME AND EXPENDITURE**

**2.1 Overall Position**

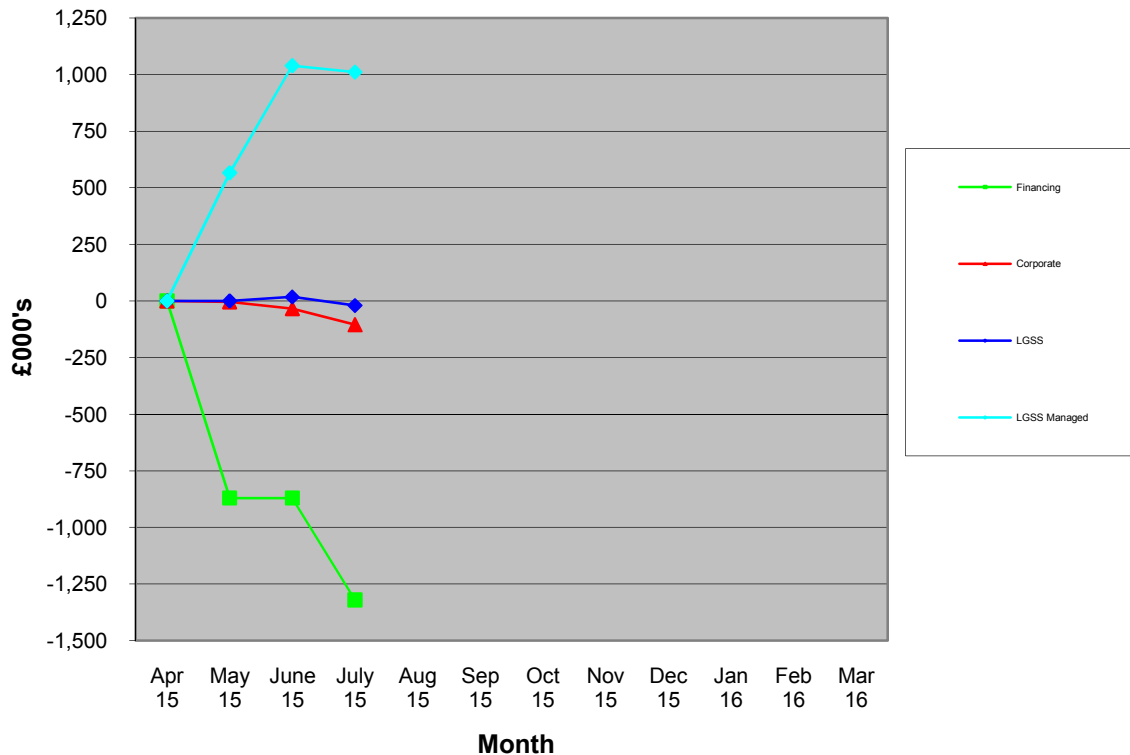
Forecast Variance - Outturn (June) £000	Directorate	Current Budget for 2015/16 £000	Current Variance £000	Current Variance %	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (July) %
-34	Corporate Services	6,166	-130	-7	-105	-2
1,039	LGSS Managed	10,271	823	15	1,011	10
-870	Financing Costs	35,460	-2,597	-44	-1,320	-4
<b>135</b>	<b>Sub Total</b>	<b>51,897</b>	<b>-1,904</b>		<b>-415</b>	
18	LGSS Cambridge Office	9,856	1,312	44	-20	0
<b>153</b>	<b>Total</b>	<b>61,753</b>	<b>-592</b>		<b>-435</b>	

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for July 2015 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for July 2015 can be found in [LGSS appendix 1](#)

Further analysis of the results can be found in [CS appendix 2](#) and [LGSS appendix 2](#)

## Corporate Services & LGSS Cambridge Office Outturn 2015/16



### 2.2.1 Significant Issues – Corporate Services

- Corporate Services is currently predicting a year-end underspend of £105k.
- There are no new exceptions to report this month.

### 2.2.2 Significant Issues – LGSS Managed

- LGSS Managed is currently predicting a year-end overspend of £1.011m.
- There are no new exceptions to report this month.

### 2.2.3 Significant Issues – Financing Costs

- Financing costs is showing an underspend of £1.320m on the debt charges budget, which is an increase of £0.45m from last month. The underspend is largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following year-end, however there may be some additional small movement once the charge has been finalised. A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital

programme, as it has done in past years so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.

The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and pragmatic approach to borrowing is adopted.

#### **2.2.4 Significant Issues – LGSS Cambridge Office**

- LGSS Cambridge Office is currently predicting a year-end underspend of £20k after equalisation.
- There are no exceptions to report this month.

#### **2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)**

There were no items above the de minimis reporting limit recorded in July.

A full list of additional grant income for Corporate Services and LGSS Managed can be found in [CS appendix 3](#).

A full list of additional grant income for LGSS Cambridge Office can be found in [LGSS appendix 3](#).

#### **2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)**

The following virements have been made this month to reflect changes in responsibilities:

##### **Corporate Services:**

	<b>£000</b>	<b>Notes</b>
Transfer from reserves to Corporate Services	150	Corporate Services Operational Savings Transfer – Customer Relationship Management System
Transfer from reserves to Corporate Services	256	Corporate Services Operational Savings Transfer –Service Transformation funding
Transfer from reserves to Corporate Services	165	Corporate Services Operational Savings Transfer –Digital by Default funding
Transfer from reserves to Corporate Services	31	Corporate Services Operational Savings Transfer –Digital Delivery Assistant
Non material virements (+/- £30k)	0	

**LGSS Managed:**

	<b>£000</b>	<b>Notes</b>
Non material virements (+/- £30k)	-10	

A full list of virements made in the year to date for Corporate Services, LGSS Managed and Financing Costs can be found in [CS appendix 4](#).

A full list of virements made in the year to date for LGSS Cambridge Office can be found in [LGSS appendix 4](#).

### **3. BALANCE SHEET**

#### **3.1 Reserves**

A schedule of the Corporate Services and LGSS Managed reserves can be found in [CS appendix 5](#).

A schedule of the LGSS Cambridge Office Reserves can be found in [LGSS appendix 5](#).

#### **3.2 Capital Expenditure and Funding**

##### Expenditure

- Corporate Services has a capital budget of £386k in 2015/16 and there is spend to date of £34k. It is currently expected that the programme will be fully spent at year-end and the total scheme variances will amount to £0k across the programme.

There are no exceptions to report for July.

- LGSS Managed has a capital budget of £15.3m in 2015/16 and there is spend to date of £247k. It is currently expected that the programme will underspend by £0.8m at year-end and the total scheme variances will amount to an underspend of £4.8m across the programme.

The EPAM – County Farms Viability is forecasting an in-year underspend of £0.5m. The level of funding required for this scheme has been reassessed for Business Planning and it has been determined that it can be reduced by £0.5m per year to better reflect actual activity with tenant farmers more cautious due to the unsettled global market. This will result in a total scheme underspend of £2.4m and the scheme budget will be adjusted as part of the 2016/17 Business Planning process.

- LGSS Cambridge Office has a capital budget of £209k in 2015/16 and there is spend to date of £0k. It is currently expected that the programme will be fully spent at year-end and the total scheme variances will amount to £0k across the programme.

There are no new exceptions to report for July.

##### Funding

- Corporate Services has capital funding of £386k in 2015/16 with the current expectation being that this continues to be required in line with the original budget proposals.
- LGSS Managed has capital funding of £15.3m in 2015/16. As reported above, the LGSS Managed budget is expected to underspend by £0.8m, which will result in a reduced requirement of funding of this amount.

As the result of the reported underspend on the LGSS Managed capital programme, the overall prudential borrowing requirement has reduced by £0.6m

- LGSS Cambridge Office has capital funding of £209k in 2015/16 with the current expectation being that this continues to be required in line with the original budget proposals.

A detailed explanation of the position for Corporate Services and LGSS Managed can be found in [CS appendix 6](#).

A detailed explanation of the position for LGSS Cambridge Office can be found in [LGSS appendix 6](#).

## 4. PERFORMANCE

### 4.1 The table below outlines key performance indicators for Customer Services and Transformation and LGSS Managed Services.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
<b>Customer Service &amp; Transformation</b>									
Proportion of FOI requests responded to within timescales	Monthly	High	%	06/08/15	90.0%	95.0%	Green	↓	
For context only - number of FOI requests received annually	Annually	Low	Num	09/07/15	N/A*	309	N/A	N/A	Running total will be collected quarterly. Data to be next reported on in October 2015 for Q2 2015/16.
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	07/08/15	90.0%	96.9%	Green	↑	
For context only - number of complaints received annually per thousand population	Annually	Low	Num	27/04/15	N/A*	1.68**	N/A	N/A	Data to be next reported on in May 2016 for 2015/16
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	09/07/15	75.0%	76.8%	Green	↑	To be next reported on in October 2015 for Q2 2015/16
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	N/A	51% (2015) 52% (2016)	49.5% (2014)	TBC	N/A	Data reported retrospectively for 2014
<b>LGSS Managed Services</b>									
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	13/07/15	98% (£250k gross)	110% (£275k)	Green	↑	Data reported against cumulative quarterly targets
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/06/15	95% (£3.9m gross)	103.8%	Green	N/A	To be next reported on in October 2015 for Q1 and Q2 2015/16
IT – availability of Universal Business System****	Quarterly	High	%	13/07/15	95.0%	100.0%	Green	↔	Data to be next reported on in October 2015 for Q2
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	12/08/15	90.0%	98.0%	Green	↓	Data reported retrospectively for year-end 2014/15

The full scorecard for Customer Services and Transformation and LGSS Managed Services can be found at [CS appendix 7](#).

#### 4.2 The table below outlines key performance indicators for LGSS Cambridge Office

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
<b>LGSS Cambridge Office</b>									
Percentage of invoices paid within term for month	Monthly	High	%	01/07/15	97.5%	99.8%	Green	↑	99.7% reported last period
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/07/15	97.5%	99.8%	Green	↔	99.8% reported last period
Total debt as a percentage of turnover	Monthly	Low	%	01/07/15	10.0%	7.2%	Green	↑	10.6% reported last period
Percentage of debt over 90 days old	Monthly	Low	%	01/07/15	20.0%	25.2%	Amber	↓	20.5% reported last period



## CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

The variances to the end of July 2015 for Corporate Services, LGSS Managed and Financing Costs are as follows:

Forecast Variance - Outturn (June) £000	Service	Current Budget for 2015/16 £000	Expected to end of July £000	Actual to end of July £000	Current Variance £000	%	Forecast Variance - Outturn (July) £000	%
<b>Corporate Services</b>								
0	Director, Policy & Business Support	1,083	384	364	-19	-5	-32	-3
-14	Chief Executive	295	99	90	-9	-9	-14	-5
0	Corporate Information Management	464	156	152	-4	-3	0	0
-20	Customer Services	1,285	414	370	-44	-11	-20	-2
0	Digital Strategy	826	170	139	-30	-18	0	0
0	Research	293	115	104	-11	-10	-35	-12
0	Service Transformation	256	85	85	1	1	0	0
0	Smarter Business	136	45	45	0	-1	0	0
0	Strategic Marketing, Communications & Engagement	550	191	178	-13	-7	0	0
0	Elections	198	14	14	0	0	0	0
0	Redundancy, Pensions & Injury	926	371	370	0	0	-5	-1
0	Grant Income	-146	-78	-78	0	0	0	0
<b>-34</b>		<b>6,166</b>	<b>1,964</b>	<b>1,834</b>	<b>-130</b>	<b>-7</b>	<b>-105</b>	<b>-2</b>
<b>LGSS Managed</b>								
5	Building Maintenance	1,108	289	301	12	4	5	0
0	City Deal	717	0	0	0	0	0	0
-140	County Farms	-3,174	-63	-221	-157	-249	-140	-4
963	County Offices	5,534	3,115	3,761	646	21	967	17
0	Effective Property Asset Management	121	-20	-24	-4	-20	0	0
0	External Audit	179	60	79	20	33	0	0
0	Insurance	1,483	0	0	0	0	0	0
31	IT Managed	2,222	1,615	1,709	94	6	31	1
0	Members' Allowances	1,000	306	311	4	1	0	0
0	OWD Managed	128	41	30	-11	-27	-34	-27
0	Subscriptions	106	35	104	69	195	0	0
0	Transformation Fund	1,000	333	105	-228	-68	0	0
180	Authority-wide Miscellaneous	-53	-13	366	379	2994	182	342
0	Grant Income	-100	-50	-50	0	0	0	0
<b>1,039</b>		<b>10,271</b>	<b>5,649</b>	<b>6,472</b>	<b>823</b>	<b>15</b>	<b>1,011</b>	<b>10</b>
<b>Financing Costs</b>								
-870	Debt Charges and Interest	35,460	5,910	3,313	-2,597	-44	-1,320	-4
<b>135</b>	<b>CORPORATE SERVICES TOTAL</b>	<b>51,897</b>	<b>13,523</b>	<b>11,619</b>	<b>-1,904</b>	<b>-14</b>	<b>-415</b>	<b>-1</b>
<b>MEMORANDUM - Grant Income</b>								
0	Public Health Grant - Corporate Services	-136	-68	-68	0	0	0	0
0	Public Health Grant - LGSS Managed	-100	-50	-50	0	0	0	0
0	Other Corporate Services Grants	-10	-10	-10	0	0	0	0
<b>0</b>		<b>-246</b>	<b>-128</b>	<b>-128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Current Variance		Forecast Variance - Outturn	
		£'000	%	£'000	%
<b>County Farms</b>	-3,174	-221	-157%	-140	-4%
County Farms is forecasting an additional surplus of £140k due to an increase in rent income following completion of 60 rent reviews during 2014/15.					
<b>County Offices</b>	5,534	+646	+21%	+967	+18%
<p>County Offices is forecasting an overspend of £967k. As previously reported, the pressure resulting from Children's Centre business rates received to date and an assessment of the potential liability for Children's Centres where bills have not yet been received is forecast to be in the region of £616k. Of this amount, £471k is the estimated liability for prior years billing and £145k relates to the estimated annual cost for 2015/16 onwards. The position will continue to be monitored and forecast outturn updated accordingly when / if further business rates bills are received.</p> <p>Full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior-year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified. In addition, there is a small pressure of £14k resulting from cancellation of prior year invoices that had been disputed and some minor budgeting corrections. These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations.</p> <p>Under the agreement to lease Castle Court, the 50% rental period is due to commence on 31<sup>st</sup> October 2015, subject to planning permission being granted. Should this be forthcoming, additional income of £281k would be generated in 2015/16. This is not currently reflected in the outturn position and so receipt of this rental income would reduce the reported overspend accordingly.</p>					
<b>Authority-wide Miscellaneous</b>	-53	+397	+2,994%	+182	342%
<p>The Authority-wide miscellaneous budget is forecasting an overspend of £182k due to a forecast deficit in additional employer pension contributions. The position is monitored via the balance sheet each month, but any surplus or deficit at yearend is written back to revenue. The applied percentage for additional pension contributions is an estimate based on budgeted employer contributions and as such there is always likely to be a variance between actual levels of recovery and the lump sum required; there was an over-recovery of £168k in 2014/15.</p> <p>The forecast under-recovery for 2015/16 will be taken into account when the 2016/17 percentage is calculated as part of the Business Plan inflation forecasting process.</p>					

Service	Current Budget £'000	Current Variance		Forecast Variance - Outturn	
		£'000	%	£'000	%
<b>Financing Costs</b>	35,460	-2,597	-44%	-1,320	-4%
<p>Financing costs is showing an underspend of £1.320m on the debt charges budget, which is an increase of £0.45m from last month. The underspend is largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following year-end, however there may be some additional small movement once the charge has been finalised. A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.</p> <p>The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and pragmatic approach to borrowing is adopted.</p>					

### CS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

Grant	Awarding Body	Expected Amount £000
<b>Grants as per Business Plan</b>	Public Health	236*
Non-material grants (+/- £30k)	Various	10**
<b>Total Grants 2015/16</b>		<b>246</b>

\* The Public Health grant allocation for Corporate Services has been reduced by £29k, compared to the Business Plan figure of £265k.

\*\* This relates to grant funding received during 2014/15, where conditions have now been met and so funding has been applied.

## CS APPENDIX 4 – Virements and Budget Reconciliation

### Corporate Services:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>5,673</b>	
Transfer of Travellers Support budget to ETE	-51	
Transfer Green Spaces budget to ETE	-55	
Operational Savings Transfer 2015/16 - CRM System	150	
Operational Savings Transfer 2015/16 - Service Transformation Funding	256	
Operational Savings Transfer 2015/16 - Digital by Default	165	
Operational Savings Transfer 2015/16 - Digital Delivery Assistant	31	
Non-material virements (+/- £30k)	-3	
<b>Current Budget 2015-16</b>	<b>6,166</b>	

### LGSS Managed:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>9,144</b>	
Transfer of City Deal funding from New Homes Bonus to corporate ownership (ETE)	717	
Centralisation of mobile phone budgets from CFA, ETE, CS & LGSS	372	
Funding from reserves for Microsoft support extension	33	
Non-material virements (+/- £30k)	4	
<b>Current Budget 2015-16</b>	<b>10,271</b>	

### Financing Costs:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>35,460</b>	
Non-material virements (+/- £30k)	0	
<b>Current Budget 2014/15</b>	<b>35,460</b>	

## CS APPENDIX 5 – Reserve Schedule

### 1. Corporate Services Reserves

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/07/15	Forecast Balance at 31 March 2016	Notes
	£'000	£'000	£'000	£'000	
<b>General Reserve</b>					
Corporate Services Carry-forward	1,020	-602	417	522	1
subtotal	1,020	-602	417	522	
<b>Equipment Reserves</b>					
Postal Service	50	0	50	50	
subtotal	50	0	50	50	
<b>Other Earmarked Funds</b>					
Travellers Support Officer	45	-45	0	0	3
Shape Your Place - Fenland Grant	18	0	18	0	
Green Spaces	10	-10	0	0	3
Election Processes	180	0	180	368	2
EDRM Project	274	0	274	0	
subtotal	527	-55	472	368	
<b>Short Term Provisions</b>					
Transforming Cambridgeshire	1,000	0	1,000	955	4
Earith Bridge Travellers Site	43	-43	0	0	3
subtotal	1,043	-43	1,000	955	
<b>TOTAL</b>	<b>2,640</b>	<b>-700</b>	<b>1,940</b>	<b>1,896</b>	

#### Notes

- 1 The year-end position reflects the forecast Corporate Services underspend of £105k and £602k use of operational savings. Details on operational savings allocations can be found in CS
- 2 The underspend on the Elections budget will be transferred to the earmarked reserve. This is to ensure that sufficient funding is available for the four-yearly County Council election.
- 3 The unapplied balances on the Fenland Social Media Cohesion grant and Heritage Lottery funding for the Cambridgeshire Local Nature Partnership and the short-term provision in respect of Earith Bridge Travellers Site have transferred to ETE following the Customer Service and Transformation restructure.
- 4 The current year-end position reflects £45k planned use for a post in Corporate Services.

## 2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/07/15	Forecast Balance at 31 March 2016	Notes
	£'000	£'000	£'000	£'000	
<b>Equipment Reserves</b>					
Corporate Infrastructure Replacement & Renewals	162	0	162	162	
Corporate ICT Assets	475	0	475	475	
Corporate Telephony	5	0	5	5	
subtotal	642	0	642	642	
<b>Other Earmarked Funds</b>					
Manor school site demolition costs	139	0	139	233	1
CPSN Partnership Funds	59	0	59	0	
subtotal	198	0	198	233	
<b>Short Term Provisions</b>					
Insurance Short-term Provision	1,180	0	1,180	1,180	
External Audit Costs	154	0	154	154	
Insurance MMI Provision	32	0	32	0	
Back-scanning Reserve	56	0	56	0	
Contracts General Reserve	893	0	893	0	
Operating Model Reserve	1,000	0	1,000	1,000	
subtotal	3,316	0	3,316	2,335	
<b>Long Term Provisions</b>					
Insurance Long-term Provision	4,718	0	4,718	4,718	
subtotal	4,718	0	4,718	4,718	
<b>SUBTOTAL</b>	<b>8,874</b>	<b>0</b>	<b>8,874</b>	<b>7,928</b>	
<b>Capital Reserves</b>					
Effective Property Asset Management Receipts	0	120	120	0	2
General Capital Receipts	0	152	152	0	2
P&P Commissioning (Property)	472	-45	427	427	
IT for Smarter Business Working	0	57	57	0	
Blackwell Travellers Site	9	-9	0	0	
subtotal	481	276	757	427	
<b>TOTAL</b>	<b>9,355</b>	<b>276</b>	<b>9,631</b>	<b>8,355</b>	

### Notes

- 1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 2 Capital Receipts achieved in 2015/16 will be used to fund the capital programme at year-end.

## CS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

Corporate Services & LGSS Managed Capital Programme 2015/16						TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend (to July) £000	Forecast Spend - Outturn (July) £000	Forecast Variance - Outturn (July) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	<b>Corporate Services</b>						
	- Electronic Record Management	56	22	56	-	300	-
300	Essential CCC Business Systems Upgrade	300	12	300	-	300	-
	- Other Schemes	30	-	30	-	40	-
<b>300</b>		<b>386</b>	<b>34</b>	<b>386</b>	-	<b>640</b>	-
	<b>LGSS Managed</b>						
550	EPAM - Shire Hall Campus	937	119	937	-	6,524	(314)
	- EPAM - Fenland	20	(45)	20	-	6,596	(1,145)
45	EPAM - Local Plans Representations	389	50	389	-	1,548	-
1,000	EPAM - County Farms Viability	1,182	16	682	(500)	5,000	(2,396)
600	EPAM - Building Maintenance	600	15	600	-	6,000	-
1,180	EPAM - Sawston Community Hub	1,206	39	1,206	-	1,250	-
1,742	EPAM - East Barnwell Community Hub	1,911	36	1,911	-	2,000	-
	- EPAM - Other Committed Projects	167	(291)	167	-	2,043	(264)
203	EPAM - Renewable Energy Soham	242	-	242	-	12,030	-
200	EPAM - Housing Provision on CCC Portfolio	367	18	367	-	17,500	-
50	EPAM - Disposal / Relocation of Huntingdon	125	-	125	-	1,625	-
	Highways Depot						
630	EPAM - MAC Market Towns Project	630	-	300	(330)	1,780	-
	- Carbon Reduction	593	15	593	-	1,673	(650)
1,840	Optimising IT for Smarter Business Working	2,273	184	2,273	-	3,432	-
950	IT Infrastructure Investment	1,708	87	1,708	-	2,400	-
	- Cambridgeshire Public Sector Network	189	3	189	-	5,554	-
500	Microsoft Enterprise Agreement	500	-	500	-	1,902	-
500	Implementing IT Resilience Strategy for Data Centres	500	-	500	-	500	-
1,000	Communications & Storage Infrastructure Refresh	1,000	-	1,000	-	1,000	-
395	Other Schemes	792	2	792	-	1,095	(57)
<b>11,385</b>		<b>15,331</b>	<b>247</b>	<b>14,501</b>	<b>(830)</b>	<b>81,452</b>	<b>(4,827)</b>
<b>11,685</b>	<b>TOTAL</b>	<b>15,717</b>	<b>281</b>	<b>14,887</b>	<b>(830)</b>	<b>82,092</b>	<b>(4,827)</b>

### Previously Reported Exceptions

As reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m.,

The works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.65m.



## Capital Funding

Corporate Services & LGSS Managed Capital Programme 2015/16				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Forecast Spend - Outturn (July) £000	Forecast Funding Variance - Outturn (July) £000
	<b>Corporate Services</b>			
300	Prudential Borrowing	386	386	-
<b>300</b>		<b>386</b>	<b>386</b>	-
	<b>LGSS Managed</b>			
4,531	Capital Receipts	4,531	4,329	(202)
-	Other Contributions	57	57	-
255	Developer Contributions	255	255	-
6,599	Prudential Borrowing	10,488	9,860	(628)
<b>11,385</b>		<b>15,331</b>	<b>14,501</b>	<b>(830)</b>
<b>11,685</b>	<b>TOTAL</b>	<b>15,717</b>	<b>14,887</b>	<b>(830)</b>

## Previously Reported Exceptions

There are no previous exceptions to report.

## CS Appendix 7 – Performance Scorecard

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	Year end RAG (2014-15)
<b>Customer Service and Transformation</b>											
Proportion of FOI requests responded to within timescales	Monthly	High	%	06/08/15	1 - 31 July 2015	90%	95.0%	Green	↓	111* valid FOI Requests received in July  *2 further requests required clarification in order to be considered valid which the requester has yet to provide.  105 requests were responded to on time.	Green
For context only - number of FOI requests received annually	Annually	Low	Num	09/07/15	1 April - 30 June 2015	N/A*	309	N/A	N/A	* No target or RAG status for this indicator. Purpose is to set the context.  2013/14 - 1153 2012/13 - 899 2011/12 - 917 2010/11 - 834  Running total will be collected quarterly. Data to be next reported on in October 2015 for Q2 2015/16.	N/A
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	07/08/15	1 - 30 June 2015	90%	96.9%	Green	↑	Number of customer complaints for June 2015 = 129  <u>Breakdown of June 2015 figures</u> 72 complaints were received for CFA for June. 2 failed which meant a pass rate of 97.2%. 52 complaints were received for ETE for June. 2 failed which meant a pass rate of 96.2%. 5 complaints were received for CS&T for June. None failed which meant a pass rate of 100%.  No complaints for LGSS and Public Health.	Amber
For context only - number of complaints received annually per thousand population	Annually	Low	Num	27/04/15	1 April 2014 - 31 March 2015	N/A*	1.68**	N/A	N/A	* No target or RAG status for this indicator. Purpose is to set the context. ** Based on Cambridshire Insight mid-2013 population estimate of 635,100 residents  Data to be next reported on in May 2016 for period of 1 April 2015 - 31 March 2016	N/A
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	09/07/15	1 April to 30 June 2015	75%	76.8%	Green	↑	To be next reported on in October 2015 for Q2 2015/16	Red
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	N/A	1 April 2015 - 31 March 2016	51% (2015) 52% (2016)	49.5% (2014)	TBC	N/A	New indicator identified by GPC in response to the deprivation motion passed by Council in July 2014. Indicator shared with Public Health.  Data to be reported on in April/May 2016 for year end.	N/A

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	
<b>LGSS Managed Services</b>											
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	13/07/15	1 April 2015 - 30 June 2015 (Q1)	98% (£250k gross)	110% (£275k)	Green	↑	The target for 2015/16 is £3.705m. This is broken down into cumulative quarterly targets as follows: Q1 = £0.25m; Q2 = £1.50m; Q3 = £2.00m Q4 = £3.705m. To next be reported on in October 2015 for Q2 2015/16	Green
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/06/15	1 April 2014 - 31 March 2015	95% (£3.9m gross)	103.8%	Green	N/A	To be next reported on in October 2015 for Q1 and Q2 2015/16	Green
IT – availability of Universal Business System****	Quarterly	High	%	13/07/15	1 April 2015 - 30 June 2015 (Q1)	95%	100.0%	Green	↔	Q4 2014/15 - 100% Q3 2014/15 - 99.7% Q2 2014/15 - 99.8% Q1 2014/15 - 99.7%  Data to be next reported on in October 2015 for Q2 2015/16.	Green
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	12/08/15	1 April - 30 June 2015 (Q1)	90%	98.0%	Green	↓	Data to be next reported on in October 2015 for Q2 2015/16.	Green

## LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of July 2015 for LGSS Cambridge Office are as follows:

Forecast Variance - Outturn (June) £000	Service	Current Budget for 2015/16 £000	Expected to end of July £000	Actual to end of July £000	Current Variance £000	%	Forecast Variance - Outturn (July) £000	%
<b>LGSS Cambridge Office</b>								
<u>Central Management</u>								
0	Service Assurance	69	28	31	3	10	0	0
0	Trading	-8,809	-2,595	-1,484	1,111	43	0	0
-18	LGSS Equalisation	581	0	0	0	0	-20	-3
0	Grant Income	-419	-309	-309	0	0	0	0
<b>-18</b>		<b>-8,578</b>	<b>-2,876</b>	<b>-1,762</b>	<b>1,114</b>	<b>39</b>	<b>-20</b>	<b>0</b>
<u>Finance</u>								
0	Chief Finance Officer	1,027	279	290	12	4	0	0
0	Professional Finance	2,012	831	786	-45	-5	0	0
0	Strategic Assets	844	280	252	-28	-10	0	0
0	Pensions Service	0	-1,321	-1,307	13	1	0	0
<b>0</b>		<b>3,882</b>	<b>69</b>	<b>22</b>	<b>-47</b>	<b>-69</b>	<b>0</b>	<b>0</b>
<u>People, Transformation &amp; Transactional</u>								
0	HR Business Partners	1,271	462	410	-52	-11	0	0
0	HR Policy & Strategy	313	105	21	-84	-80	0	0
0	LGSS Programme Team	1,879	612	950	338	55	0	0
0	Organisational & Workforce Development	341	123	93	-30	-24	0	0
0	Revenues and Benefits	2,327	769	661	-108	-14	0	0
0	Transactional Services	1,319	651	534	-117	-18	0	0
<b>0</b>		<b>7,450</b>	<b>2,722</b>	<b>2,668</b>	<b>-54</b>	<b>-2</b>	<b>0</b>	<b>0</b>
<u>Law, Property &amp; Governance</u>								
0	Audit & Risk Management	758	380	356	-24	-6	0	0
0	Democratic & Scrutiny Services	466	151	121	-30	-20	0	0
0	LGSS Law Ltd	-376	-10	-57	-47	-488	0	0
0	Procurement	313	88	80	-8	-9	0	0
0	Property Operations & Delivery	697	438	417	-21	-5	0	0
<b>0</b>		<b>1,858</b>	<b>1,048</b>	<b>918</b>	<b>-129</b>	<b>-12</b>	<b>0</b>	<b>0</b>
<b>36</b>	<u>IT Services</u>	5,242	2,041	2,470	429	21	0	0
<b>18</b>	<b>Total LGSS Cambridge Office</b>	<b>9,856</b>	<b>3,004</b>	<b>4,316</b>	<b>1,312</b>	<b>44</b>	<b>-20</b>	<b>0</b>
<b>MEMORANDUM - Grant Income</b>								
0	Public Health Grant	-220	-110	-110	0	0	0	0
0	Counter Fraud Initiative Grant	-199	-199	-199	0	0	0	0
<b>0</b>		<b>-419</b>	<b>-309</b>	<b>-309</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**LGSS APPENDIX 2 – Commentary on Forecast Outturn Position**

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Current Variance		Forecast Variance - Outturn	
		£'000	%	£'000	%
There are no significant variances to report this month for LGSS Cambridge Office.					

### LGSS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which is not built into base budgets.

	<b>Awarding Body</b>	<b>Expected Amount £'000</b>
<b>Grants as per Business Plan</b>	Various	419*
Non-material grants (+/- £30k)		0
<b>Total Grants 2014/15</b>		<b>419</b>

\* The Counter Fraud Initiative Fund grant received in 2015/16 is £9k more than the Business Plan figure of £190k.

## LGSS APPENDIX 4 – Virements and Budget Reconciliation

	£'000	Notes
<b>Budget as per Business Plan</b>	9,864	
LGSS Transactions support from Reablement	34	
Non-material virements (+/- £30k)	-43	
<b>Current Budget 2015-16</b>	<b>9,856</b>	

## LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/07/15	Forecast Balance at 31 March 2016	Notes
	£'000	£'000	£'000	£'000	
<b>General Reserve</b>					
LGSS Cambridge Office Carry-forward	1,003	0	1,003	20	1
subtotal	1,003	0	1,003	20	
<b>Other Earmarked Funds</b>					
Counter Fraud Initiative	130	0	130	0	2
subtotal	130	0	130	0	
<b>SUBTOTAL</b>	<b>1,134</b>	<b>0</b>	<b>1,134</b>	<b>20</b>	
<b>TOTAL</b>	<b>1,134</b>	<b>0</b>	<b>1,134</b>	<b>20</b>	

### Notes

- 1 The year-end position reflects the forecast LGSS Cambridge Office underspend of £20k and £1m expected use of operational savings.
- 2 The Counter Fraud Initiative grant was unapplied in 2014/15 and so the balance was transferred to the earmarked reserve.



## LGSS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

LGSS Cambridge Office Capital Programme 2015/16						TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend (to July) £000	Forecast Spend - Outturn (July) £000	Forecast Variance - Outturn (July) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
-	R12 Convergence*	209	-	209	-	600	-
-	<b>TOTAL</b>	<b>209</b>	-	<b>209</b>	-	<b>600</b>	-

\*This funding will now be used to cover the initial costs to be incurred in replacing the Enterprise Resource Planning (ERP) system, as approved by GPC as part of the March 2015 Integrated Resource and Performance Report.

### Previously Reported Exceptions

There are no previous exceptions to report.

### Capital Funding

LGSS Cambridge Office Capital Programme 2014/15				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Forecast Spend - Outturn (July) £000	Forecast Funding Variance - Outturn (July) £000
-	Prudential Borrowing	209	209	-
-	<b>TOTAL</b>	<b>209</b>	<b>209</b>	-

### Previously Reported Exceptions

There are no previous exceptions to report.



**GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND ADVISORY GROUPS, AND INTERNAL ADVISORY GROUPS AND PANELS**

**To:** General Purposes Committee

**Meeting Date:** 15 September 2015

**From:** Democratic Services Manager &  
Policy and Projects Manager

**Electoral division(s):** All

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

**Purpose:** The General Purposes Committee is asked to consider its Agenda Plan and Training Plan, and agree appointments to Outside Bodies and Partnership Liaison and Advisory Groups.

**Recommendation:** The General Purposes Committee is asked to:

- a) review its Agenda Plan attached at Appendix 1;
- b) review and agree its Training Plan attached at Appendix 2;
- c) agree the following appointments:
  - Cambridgeshire Police and Crime Panel appoint Councillor Bullen to replace Councillor Reeve;
  - a Councillor to represent the County Council on Camsight; and
  - Councillor Count to be the Council's representative on the Cambridge City Council, South Cambridgeshire and Huntingdonshire District Councils Shared Services Board.

<b>Officer contact:</b>	
Name:	Michelle Rowe/Dan Thorp
Post:	Democratic Services Manager /Policy and Projects Manager
Email:	<a href="mailto:michelle.rowe@cambridgeshire.gov.uk">michelle.rowe@cambridgeshire.gov.uk</a> <a href="mailto:dan.thorp@cambridgeshire.gov.uk">dan.thorp@cambridgeshire.gov.uk</a>
Tel:	01223 699180 & 01223 699953

## **1.0 BACKGROUND**

### **Agenda Plan**

- 1.1 All Policy and Service Committees review their agenda plans at every meeting.

### **Training Plan**

- 1.2 At the meeting of the Council held on 24 March 2015, it was agreed that each service committee should consider and approve its own training plan at every meeting. Members of the Constitution and Ethics Committee were concerned about the low take up at training events and were keen that Members should be accountable publicly for their attendance. It was also thought that taking the training plan to the committee meeting would facilitate the organisation of training at a time convenient for the majority of committee members.
- 1.3 For the General Purposes Committee the development of a training plan has been considered in light of the strategic functions of the Committee, as well as the service-based functions for Customer Service and Transformation and LGSS Managed.
- 1.4 At its last meeting, the Committee approved its training plan. Since that meeting, there have been no further changes to the plan.

### **Appointments to Outside Bodies, Partnership Liaison and Advisory Groups, and Internal Advisory Groups and Panels**

- 1.5 The Committee reviewed its appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups at its meeting on 28 July 2015. Since that meeting, the following changes have arisen:

#### **1.6 Appointments to Outside Bodies**

Cambridgeshire Police and Crime Panel – UKIP wish to replace Councillor Reeve with Councillor Bullen.

Camsight – there is a vacancy following the recent death of Councillor Rylance.

#### **Appointments to Partnership Liaison and Advisory Groups**

Cambridge City Council, South Cambridgeshire and Huntingdonshire District Councils have a Shared Services Board relating to planning involving the three leaders of each authority. It is considered appropriate given the potentially wide ranging nature of the discussion for Councillor Count as Leader of the Council to represent the County Council on the Board, with the appropriate Committee Chairman and Vice-Chairmen contributing to the workshops for the different workstreams.

## **2.0 ALIGNMENT WITH CORPORATE PRIORITIES**

### **2.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

### **2.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **2.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **3.0 SIGNIFICANT IMPLICATIONS**

### **3.1 Resource Implications**

The General Purposes Committee (GPC) training plan will be developed to bring a greater Member understanding of the strategic resource issues facing the Council.

### **3.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### **3.3 Equality and Diversity Implications**

The GPC training plan, as drafted for this report, includes equality and diversity specifically as a topic for further Member development.

### **3.4 Engagement and Consultation Implications**

There are no significant implications within this category.

### **3.5 Localism and Local Member Involvement**

There are no significant implications within this category.

### **3.6 Public Health Implications**

There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
Council Agenda and Minutes – 24 March 2015 General Purposes Committee – 28 July 2015	<a href="http://www.cambridgeshire.gov.uk/info/20146/council_meetings">http://www.cambridgeshire.gov.uk/info/20146/council_meetings</a>



# GENERAL PURPOSES COMMITTEE AGENDA PLAN

## Appendix 1



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. Additional information about confidential items is given at the foot of this document.

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	Spokes meeting date	Deadline for draft reports	Agenda despatch date
<b>20/10/15</b>	1. Minutes – 15/09/15	M Rowe	Not applicable	17/09/15	07/10/15	09/10/15
	2. Business Planning – Review Revenue Report	C Malyon	Not applicable			
	3. Business Planning - Strategic Framework	C Malyon	2015/058			
	4. Strategy for Retention and Recruitment of Social Care Staff – Action Plan	C Black/ J Maulder	Not applicable			
	5. Building Community Resilience Strategy	G Neal	Not applicable			
	6. Ely Hub	G Hughes/ C Malyon	2015/036			
<b>24/11/15</b>	1. Minutes – 20/10/15	M Rowe	Not applicable	22/10/15	11/11/15	13/11/15

Committee date	Agenda item	Lead officer	Reference if key decision	Spokes meeting date	Deadline for draft reports	Agenda despatch date
	2. Treasury Management Q2 Report	M Batty	Not applicable			
	3. Integrated Resources and Performance Report (September)	P Emmett	2015/039			
	4. Resources and Performance Report (September) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Business Planning – Review Revenue and Capital Report	C Malyon	Not applicable			
	6. Local Energy Investment and Delivery Cambridgeshire, ESIF Project	S French	2015/024			
	7. Southwell Court	C Malyon	2015/054			
	8. Blue Badge Charging	Jo Tompkins	2015/059			
	9 Use of grants to fund third sector organisations as an alternative to tendering'	D Frampton	Not applicable			
	10. Approval for a Joint and Several Guarantee	M Batty	2015/061			
	11. Debt Position and Recovery	C Malyon	Not applicable			
<b>22/12/15</b>	1. Minutes – 24/11/15	M Rowe	Not applicable	19/11/15	09/12/15	11/12/15
	2. Business Planning – Review covering report and finance tables	C Malyon	Not applicable			
<b>14/01/16</b>	1. Minutes – 22/12/15	M Rowe	Not applicable		04/01/16	05/01/16
	2. Business Planning – Consider impact of Local Government Finance Settlement	C Malyon	Not applicable			



<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Spokes meeting date</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
<b>26/01/16</b>	1. Minutes – 14/01/16	M Rowe	Not applicable		13/01/16	15/01/16
	2. Risk Management Update	Sue Grace	Not applicable			
	3. Integrated Resources and Performance Report (November)	P Emmett	2016/004			
	4. Resources and Performance Report (November) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
	5. Business Planning – Review Full Business Plan*	C Malyon	Not applicable			
<i>[23/02/16] Provisional Meeting</i>					10/02/16	12/02/16
<b>15/03/16</b>	1. Minutes – 26/01/16	M Rowe	Not applicable		02/03/16	04/03/16
	2. Treasury Management Q3 Report	M Batty				
	3. Integrated Resources and Performance Report (January)	P Emmett	2016/002			
	4. Resources and Performance Report (January) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			
<i>[26/04/16] Provisional Meeting</i>					13/04/16	15/04/16
<b>31/05/16</b>	1. Minutes – 15/03/16	M Rowe	Not applicable		18/05/16	20/05/16
	2. Treasury Management Outturn Report	M Batty				

<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Reference if key decision</b>	<b>Spokes meeting date</b>	<b>Deadline for draft reports</b>	<b>Agenda despatch date</b>
	3. Integrated Resources and Performance Report (March)	P Emmett	2016/003			
	4. Resources and Performance Report (March) – Customer Service and Transformation and LGSS Managed	I Smith	Not applicable			

**Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)**

**Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)**

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.
3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private

5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or [Quentin.Baker@cambridgeshire.gov.uk](mailto:Quentin.Baker@cambridgeshire.gov.uk)



## GENERAL PURPOSES COMMITTEE TRAINING PLAN

The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.

### Appendix 2

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
	Strategic finance and budgeting	Members will gain a more detailed understanding of the strategic financial management of the Council's budget, and the future challenges associated.		TBC	Chris Malyon				
	The Council's asset portfolio and approach to asset management	Background knowledge on the Council's asset portfolio, and understanding of the approaches taken to best utilise this		TBC	Chris Malyon				
	Background to services provided by Customer Service & Transformation	Members will gain an insight into the range of frontline and back-officer services provided across CS&T		TBC	Sue Grace				
	Understanding Health and Social Care integration	<i>Collaboration with Service Committee development around the Better Care Fund to be explored</i>		TBC	TBC				
	Regional governance	Understanding the range of regional governance		TBC	TBC				

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
		structures that exist across Cambridgeshire, such as the LEP. Also understanding potential future models of governance for local public services							
	Equality and Diversity responsibilities	Understanding the responsibilities the Committee has to comply with equality legislation and to provide services for all Cambridgeshire communities		TBC	TBC				